NATIONAL ASSOCIATION OF REALTORS®

The housing debate is intensifying in 2026 — and REALTORS® will need to navigate proposals that affect supply, affordability, and property rights.

# 2026 STATE & LOCAL POLICY TRENDS

## WHAT REALTORS® NEED TO WATCH

## TREND 1 SUPPLY ACCELERATION

**THE FACT:** Pending home sales remained near multi-decade lows in 2025 due to ultra-low inventory and mortgage rates that are keeping millions of homeowners locked in.

### ZONING & LAND-USE REFORM

Policymakers are rethinking zoning rules to allow more housing types and expand the supply in ways that fit local community needs.

### PERMITTING REFORM

Faster, clearer approvals are becoming a priority as policymakers look to cut delays, costs, and uncertainty.

### INCREASING EXISTING HOME SALES

Policymakers are exploring ways to reduce transaction friction and encourage more homeowners to put homes on the market.

## TREND 2 BARRIERS TO AFFORDABILITY

**THE FACT:** Total homeowner costs consumed **31.4%** of median income nationally in late 2025, above the **28%** affordability threshold, and expenses for homeowners with a mortgage have jumped **26%** since 2019.

### PROPERTY INSURANCE

Premium spikes and shrinking coverage options are making insurance a major affordability and market-stability issue.

### PROPERTY TAXES

Rising assessments are pushing tax burdens higher and fueling calls for homeowner relief.

### TRANSFER TAXES

More governments are eyeing transfer taxes for revenue, even though they can discourage mobility and raise costs.

## TREND 3 PROPERTY RIGHTS & THE RENTAL MARKET

**THE FACT:** Roughly six in ten REALTOR® association staff report concern about rent control spreading in their areas, with even greater concern about broader tenant protection packages.

### RENT CONTROL

Rent caps remain politically attractive, even as evidence shows they can reduce supply and dampen investment.

### TENANT PROTECTIONS

New mandates on evictions, fees, screening, and compliance are expanding rapidly across states and cities.

### SHORT-TERM RENTALS

Communities continue to debate how to balance housing concerns, neighborhood impacts, and owners' right to use their property.

## EMERGING ISSUES TO WATCH

### DATA CENTERS

AI infrastructure is creating new competition for land, power, and water in fast-growing communities.

### BUILDING CODES

Updated code requirements can improve resilience and efficiency, but often add cost and complexity.

### FRAUD

Wire fraud, title fraud, deed theft, & AI-enabled scams are driving new scrutiny of real estate transactions.

## WHY IT MATTERS:

REALTORS® bring the on-the-ground market knowledge policymakers need to avoid solutions that sound good in theory but backfire in practice.

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