

# The Boston Globe

REAL ESTATE

## The Great Thaw: Why 2026 is the year Massachusetts real estate finally accepts the new normal

Sellers are listing, buyers are bidding, and the stalemate is being replaced by a pragmatic drive to get on with life.



Experts say the Boston real estate market will finally embrace its new normal in 2026. Ally Rzeska  
Globe Staff/Adobe

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For years, the **Greater Boston real estate** market has been defined by a stubborn stalemate that goes beyond the usual supply-demand imbalance of housing inventory. Buyers waited for pandemic-era low interest rates to return, while sellers clung to their golden handcuffs: sub-3 percent mortgages they refused to trade for the 6 (and even 7) percent reality of recent memory. But as we head into 2026, the ice is finally ready to crack, experts said. “I think 2025 was the year of transition,” said Ricardo Rodriguez of Coldwell Banker in reference to the political and economic environment, as well as the dust settling around **new rules over real estate agent commissions**. “What we have is just a new landscape of not only how the business operates, but how the market itself operates. It’s just the new normal.”

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The wait-and-see era is officially over. Driven by life events — from marriages to growing families — and a begrudging acceptance of a new economic baseline, the market is poised for a psychological thaw. The question for 2026 is no longer when rates will drop to historic lows (they likely won’t), but how buyers will compete in a landscape where inventory remains critically scarce.

“If you look at the stock market or commodities markets, they’re swinging,” Rodriguez added. “The only one that is not swinging is real estate.”

That stability is a double-edged sword. While it protects property values, it has cemented a barrier to entry that is nearly insurmountable for the middle class. According to Luc Schuster, Executive Director of Boston Indicators and coauthor of the “**Greater Boston Housing Report Card 2025**,” the **starter home** has effectively vanished.

The report shows that in 2015, 57 municipalities in Greater Boston had a median single-family sale price below \$500,000. By 2025, there were only three: Brockton, Halifax, and Wareham. Conversely, Brookline, Wellesley, and Weston now see median prices topping \$2 million.

“This shows the entry-level homeownership squeeze,” Schuster said.

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While sub-3 percent mortgages are in the rearview mirror, experts envision a critical tipping point.

“If rates get below 6 percent — and stable at 6 percent — you are going to see an increase in buyers rush to the market. You’re also going to see the increase of sellers get on the market,” said Shant Banosian, president at residential mortgage lender Rate. “You can only stall your life to protect your interest rate for so long.”

For those who can’t wait for the Federal Reserve, the 2026 strategy shifts from waiting to <sup>3/12</sup> creative structuring. Banosian noted a significant rise in the “Bank of Mom and Dad,” fueled by record highs in the stock market.

While cash offers have dipped slightly from their 2024 highs, down payments are rising, a reflection of growing affluence, [according to Redfin](#).

“There is a lot more wealth in the country,” Banosian said. “The parents of first-time homebuyers have a lot more access to capital, and they are willing to gift it to their children.”

For those without a trust fund, the strategy is speed. Cash buyers often demand a discount, leaving an opening for the financed buyer who can move fast. Banosian points to the rise of the “power bid” — a fully underwritten pre-approval that allows buyers to close in as little as two weeks — as a necessary equalizer.

“The two things that we’re trying to combat cash buyers with is certainty and speed,” he added.

## The supply cliff



Boston ranked No. 3 on the list of best US cities to visit, jumping several spots after being ranked just No. 14 last year. – David L. Ryan/Globe Staff

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Yet, the Greater Boston narrative inevitably circles back to one root problem: supply.

Walk from **Back Bay** to the Seaport, and you might think Boston is in a building boom amid all the residential projects that are either underway or recently opened. The Greater Boston Housing Report Card highlighted Census Address Counts data showing Greater Boston added more than 70,000 units of housing in the last five years — a “meaningful increase in completions.”

But, those openings are the final delivery of projects permitted years ago. The pipeline for future housing is drying up.

“Permits for future construction are way down in 2025,” Schuster said. “There is real reason to believe we are not going to keep up that pace of new home building in the coming years.”

New housing permits as of July 2025 were down 44 percent from July 2021 levels, according to the Housing Report Card. High interest rates didn’t just scare off buyers; they paralyzed developers, creating a looming supply cliff for 2026 and 2027.

With the supply crunch expected to continue, Kristen Keegan, the 2026 President of the Massachusetts Association of Realtors, suggested buyers look for expanded options, specifically in the **condo market**. Furthermore, the recent passage of the **Affordable Homes Act** could allow accessory dwelling units, or ADUs, to squeeze out more inventory, though a **construction boom there has yet to materialize**.

While the middle market walks a tightrope, the top end occupies a different stratosphere. In 2026, luxury buyers are motivated by a flight to safety.

“Boston has historically been such a stable market, and real estate really is that one place in which people feel comfortable putting a lot of those liquid assets,” Rodriguez said.

However, the era of the glass tower, defined most recently by **Winthrop Center** and **South Station Tower**, may be pausing. With construction costs soaring, the math for building 60-story skyscrapers no longer works.



The South Station Tower. – David L Ryan/ The Boston Globe

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For buyers priced out of the city, the 2026 strategy is geography. Sarah Gustafson, the 2025 president of the Massachusetts Association of Realtors, points to a changing map redefined by infrastructure. The arrival of South Coast Rail has turned Fall River and New Bedford into viable commuter hubs.

But for the true bargain hunter, the compass points west. Gustafson identified Western Massachusetts as perhaps the last stable housing market in the Commonwealth.

The **average home value in Springfield** is just under \$288,000 compared to a **little more than \$755,000** in Boston, according to Zillow.

“They have just about as much supply as they do people looking for it,” Gustafson said. “Things are moving, but it’s not a frenzied pace.”

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Back in Boston, there are reasons for concern heading into the new year, but also reasons to be optimistic about future fluidity. Sellers are listing, buyers are bidding, and the stalemate is being replaced by a pragmatic drive to get on with life.

“I would dare to say [Boston] is the most stable real estate market in the country,” Rodriguez said. “It’s the silver lining to the inventory levels.”

Amid so much economic and political uncertainty, that might be the best news we could hope for.