

New homes now cost less than existing ones in one-third of major markets

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Sun Belt markets where building has boomed account for most of the markets where new construction offers the best value per square foot

- Newly built homes sell for a median of \$205 per square foot nationally, below the \$212 median for existing homes, a new Zillow analysis finds.
- Many of the markets with the biggest discounts for new homes — as much as 19% less — are high-supply Sun Belt markets where builders have been most active, including Austin, Raleigh and Tampa.
- Nationally, new homes make up 12.6% of home sales over the past year. That share ranges from more than 1 in 3 sales in San Antonio (37.1%) and Raleigh (33.6%) to 2% in Hartford.

SEATTLE, Sept. 29, 2026 /PRNewswire/ -- Buying a new home is now typically a better value than an existing home nationwide. A [new Zillow® analysis](#) finds new homes now sell for a median of \$205 per square foot, below the \$212 median for existing homes. The relative discount for new homes is usually biggest where construction surged during the pandemic boom, particularly in the Sun Belt.

This reverses the trend in recent years, when new homes sold for more per square foot than existing homes in 77 of 84 months from 2018 to 2024. The price-per-square-foot premium for new homes peaked at \$25 in November 2022. New homes have been selling at a discount relative to existing homes in 17 of the past 19 months, with builders more willing to cut prices and offer incentives to move inventory. The deepest discount was seen in June at \$12 per square foot.

Where construction has boomed and inventory is plentiful, discounts run deeper as increased competition gives builders more reason to offer incentives. Where inventory remains locked up and new construction faces more

hurdles, builder offerings lean toward the higher end and carry a premium.

"New homes are the overlooked opportunity more buyers should be thinking about. Buyers who assume new homes are out of their price range may be surprised at what they find," said Kara Ng, senior economist at Zillow. "Where the most new homes have been built, buyers are in the best position to negotiate as sellers have a lot of other homes on the market to compete with. We often preach letting America build its way out of the affordability crisis, and these friendlier conditions are the payoff."

Supply is the primary driver. The [U.S. Census Bureau](#) put the supply of new homes at 9.6 months in July 2026, up from 7.6 months just two years earlier and well above the roughly six months recorded in July 2018 and 2019.

While the supply of new homes sits well above pre-pandemic norms, inventory of resale homes remains [17.1% below where it was before the pandemic](#). Existing home sellers are generally in a strong financial position, benefiting from significant equity during the pandemic and low monthly payments locked in when mortgage rates were around 3%. There is less incentive for a resale seller to cut their price, especially when many have the [option to relist their home as a rental](#) if they do not receive an acceptable offer from a buyer.

The deepest discounts for new homes are often in the markets that have built the most, such as Austin (19.3% price-per-square-foot discount), Raleigh (14.4%) and Tampa (12.4%). The opposite is true where new construction is scarce, including in the New York metro area (64.9% price-per-square-foot premium), Cleveland (50.7%), Milwaukee (46%) and Detroit (44.5%).

New construction's footprint

Nationally, newly built homes account for 12.6% of all sales over the 12 months ending July 2026. That's the same share as in 2019, representing a return to pre-pandemic norms after peaking at 16.7% in 2023.

The share of new home sales over the past 12 months varies widely by market, ranging as high as 37.1% in San Antonio and as low as 2% in Hartford. Compared to 2019, new construction has captured a growing share of the market in major Texas metros. The share of sales made up by new homes is up 12.9 percentage points in San Antonio, 7 points in Dallas and 6.8 points in Houston. Markets where new construction has lost share since 2019 are led by New Orleans (down 17.7 percentage points), Baltimore (5.8) and Atlanta (5.7).

The path forward

The clearest path out of the [affordability crisis](#) is building more homes, as evidenced by affordability gains in many Sun Belt markets where construction has boomed. However, [permitting has slowed](#), threatening progress that has been made this decade.

Zillow has joined [Let America Build](#), a national campaign to [bring attention to the local policies](#) that would unlock more housing supply. Zillow has long supported policies that make it easier to build, including modernizing zoning to allow more types of housing, streamlining permitting, and expanding access to ADUs and manufactured homes.

For home shoppers considering newly built homes, Zillow makes it easy to explore available homes, communities, floor plans and features in one place. Home shoppers can discover new construction options, view rich listing details and connect directly with builders as they consider their next move.

Metro Area*	New Construction Price Per Square Foot (July 2026)	Existing Home Price Per Square Foot (July 2026)	New Construction Share of Home Sales (August 2025–July 2026)	New Construction Share of Home Sales (2019)
United States	\$205	\$212	12.6 %	12.6 %
New York, NY	\$727	\$441	3.2 %	4.1 %
Los Angeles, CA	\$660	\$633	3.1 %	6.9 %
Chicago, IL	\$223	\$224	6.0 %	4.5 %
Dallas, TX	\$175	\$195	25.8 %	18.9 %
Houston, TX	\$164	\$161	30.7 %	24.0 %
Washington, DC	\$268	\$290	8.7 %	13.5 %
Philadelphia, PA	\$270	\$235	4.2 %	7.3 %
Miami, FL	\$394	\$321	3.7 %	7.1 %
Atlanta, GA	\$190	\$187	13.6 %	19.2 %
Boston, MA	\$465	\$426	6.5 %	9.8 %
Phoenix, AZ	\$239	\$253	17.4 %	18.0 %
San Francisco, CA	\$787	\$729	N/A**	5.9 %
Riverside, CA	\$304	\$324	11.4 %	11.5 %
Detroit, MI	\$239	\$165	3.5 %	4.4 %
Seattle, WA	\$408	\$410	12.6 %	16.3 %
Minneapolis, MN	\$217	\$196	10.1 %	12.4 %
San Diego, CA	\$498	\$582	3.0 %	4.5 %
Tampa, FL	\$198	\$226	13.6 %	16.1 %
Denver, CO	\$277	\$270	10.7 %	15.4 %
Baltimore, MD	\$253	\$227	5.0 %	10.8 %
St. Louis, MO	\$229	\$165	3.9 %	6.5 %
Orlando, FL	\$214	\$220	19.8 %	24.0 %
Charlotte, NC	\$205	\$212	21.9 %	24.0 %
San Antonio, TX	\$156	\$164	37.1 %	24.2 %
Portland, OR	\$308	\$306	14.9 %	16.5 %
Sacramento, CA	\$298	\$337	16.4 %	14.2 %
Pittsburgh, PA	\$189	\$180	3.4 %	7.7 %
Cincinnati, OH	\$202	\$183	6.8 %	11.3 %
Austin, TX	\$184	\$228	31.1 %	28.8 %
Las Vegas, NV	\$253	\$247	14.9 %	18.1 %
Kansas City, MO	\$237	\$181	10.5 %	8.9 %
Columbus, OH	\$222	\$199	10.2 %	12.9 %
Indianapolis, IN	\$174	\$159	13.4 %	13.0 %
Cleveland, OH	\$223	\$148	2.1 %	7.3 %
San Jose, CA	\$948	\$889	5.9 %	9.6 %
Nashville, TN	\$225	\$247	26.3 %	28.9 %
Virginia Beach, VA	\$227	\$217	8.8 %	11.7 %
Providence, RI	\$346	\$318	6.0 %	6.7 %
Jacksonville, FL	\$198	\$204	22.6 %	23.3 %
Milwaukee, WI	\$316	\$216	4.9 %	2.2 %
Oklahoma City, OK	\$183	\$154	17.9 %	19.5 %
Raleigh, NC	\$188	\$219	33.6 %	32.8 %
Memphis, TN	\$184	\$143	N/A**	9.5 %
Richmond, VA	\$235	\$224	14.7 %	17.5 %
Louisville, KY	\$188	\$171	9.4 %	6.3 %
New Orleans, LA	\$184	\$164	7.7 %	25.4 %
Salt Lake City, UT	\$247	\$268	N/A**	17.9 %
Hartford, CT	N/A**	\$248	2.0 %	4.5 %
Buffalo, NY	N/A**	\$208	N/A**	N/A**
Birmingham, AL	\$189	\$153	11.9 %	8.8 %

*Table ordered by market size

**Marked "N/A" because data for at least one month during the period is unavailable

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Zillow's ecosystem spans the entire home journey — from dreaming and shopping to renting, buying, selling and financing.

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