

Anchorage Area Market Report – (Fall/Winter 2025)

It is normal to see fewer residential real estate transactions in the winter months as compared to the number of real estate transactions in the summer months. The current local real estate activity we are seeing in our local markets (Anchorage and Eagle River) indicates we are again transiting to a winter market, noting a slowdown of overall market activity. It's interesting to note that our residential inventory is slowly growing and at the same time local home values are still expanding at a more modest yearly increase in the 3% to 5% range.

The following chart gives a comparison of some key market statistics, comparing 2024 to 2025.

	2024	2025	% change
Closed Sales	383	381	-0.52%
Median Sold Price	\$415,000	\$427,000	2.89%
Average Sold Price	\$451,695	\$465,635	3.09%
Days on Market	24	28	16.67%
Active Listings	901	1,201	33.30%
Pending Listings	391	394	0.77%

My chart above does not note “Days on Market” which is a key indicator of market health. For the Anchorage area we are seeing market times increasing from around 28 – 30 days marketing time to currently we are looking at around 55 - 60 market days.

Within the Anchorage market, the most active sector of our market is in the price range of \$300,000 to \$500,000 price range. The least active sector of our market is \$150,000 to \$250,00 and \$1 million+ price ranges. The following chart highlights this activity.

	2024	2025	% change
Median Sold Price	\$415,000	\$425,000	2.41%
Pending Median Price	\$415,000	\$434,900	4.80%
Active Median Price	\$350,000	\$465,900	33.11%

Buyer changes in financing

For what's worth, we are seeing buyers showing less interest in conventional loan products and turning to FHA and VA loan programs. Overall, interest rates are currently in the range of 6.5% for conventional loans and in the range of 5.6% for FHA and VA loans.

Inventory Changes

Regarding residential listing over the last 3 to 5 years, we have witnessed an historic inventory low in the Anchorage area, the likes I have not seen in my 45 years real estate career. This year – 2025- we have seen a slight reversal of this trend, but we are still way behind the normal number of listings we normally have available for interested, qualified buyers. The average time buyers / homeowners stay in their homes has gone from 3 to 5 years to now they are staying put on average around 11 to 14 years.

Current Trends

--Residential inventory is slowly increasing but the fact remains our market still favors the seller.

--Home values are not increasing at a yearly rate of 15% to 18% per year as we experienced between 2021 to 2024 but we are still seeing home values increasing at a rate of 4% to 6% yearly.

Anchorage Market Today

--Our luxury end market looks to remain soft. Marketing time most likely will be in the range of 70 to 90 days. Sellers will most likely need to be somewhat flexible in their expectations when it comes to price and terms.

--The price range of \$300,000 to \$500,000 will continue to remain very strong and active. For homes priced correctly, marketing time could be under 20 days and receive lots of buyer activity and interest.

--Our lower price range - \$150,00 to \$300,000 - will remain sluggish at best with not a lot to choose from. This price range is the price range most affected by the recently higher interest rates. If rates come down significantly, we may see buying activity pick up.

Where to from here?

--It appears that interest rates will be coming down a little. If this happens, the general public will expect real estate loan rates to come down when the Feds start reducing the prime rate. In the past, home loan interest rates were not substantially affected when the Feds reduced their rates. We are most likely not going to see mortgage rates come down a whole lot just because the Feds reduce the prime rate. What can be stated here with some certainty is that the rates in the 2% to 3% range will most likely never be seen again, at least in our lifetime!

--Appreciation of Anchorage area homes will most likely be in the 3.5% to 5% for 2025. Some areas and price ranges will vary but overall, this will probably be a good estimation.

--In the near future we can expect to see a more even market, a market that does not favor either the seller or the buyer.

-- In most cases, the buyers will have more to choose from and may even get a break in the interest rates. With emerging technologies, the buyer will have a greater understanding of the market and market values. Because of this, sellers should expect buyers to be savvier and more informed and more willing to negotiate for a better deal.

--In our present market we are calling an even market, sellers need to understand that the number of available homes being offered is increasing, increasing the number of comparable homes for a buyer to explore. Sellers need to get over the listing mentality of listing higher than what the market indicates true value is – after all we can always negotiate. Determining a true, unbiased, present market value will go a long way in obtaining a great offer in the short time possible, netting the seller the great return and accomplishing the selling objectives with the least amount of hassles.

Closing Notes:

If you're thinking of selling or buying or you just have some general real estate comments or question, I would be honored to further explore this topic with you. As is normal, our local real estate market is changing. If you're a seller or a buyer, keeping up with market trends and values will go a long way in helping you address your real estate needs or curiosity. Let's get together, I would love to explore this with further!



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