NAR Chief Economist Lawrence Yun Says Home Sales Expected to Improve in Second Half of 2026

Yun projects homeowners will gain $16,000 in housing wealth this year and predicts the national median home price will reach $1 million within 25 years

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WASHINGTON (June 16, 2026) – Home sales are expected to be modestly better in the second half of 2026, provided that inventory and housing supply continue to expand, National Association of REALTORS® Chief Economist Dr. Lawrence Yun said during the Residential Economic Issues and Trends Forum at the 2026 REALTORS® Legislative Meetings.

NAR's current forecast calls for existing-home sales to rise 4% this year, with the median home price also climbing 4%. Mortgage rates are projected to average 6.5% in 2026. Yun added that housing wealth accumulation will continue in 2026, with the typical homeowner gaining approximately $16,000 in wealth this year.

"Homeowners will continue to build wealth, while renters are simply spinning their wheels," Yun said.

Despite headwinds in the housing market, Yun said the U.S. economy will avoid a recession in 2026, pointing to strong business investment in artificial intelligence and data centers. The unemployment rate is expected to remain under 5%, and job gains are projected to reach 400,000 this year.

Yun also offered a long-term projection, running multiple scenarios to estimate when the national median home price—currently $430,000—would reach $1 million. Each scenario pointed to roughly the same answer: about 25 years.

To illustrate the power of long-term appreciation, Yun noted that the national median home price was just $90,000 in 1990. Even San Francisco, considered super expensive at the time, had a median price of only $250,000.

Also speaking at the forum, Dr. Jessica Lautz, NAR deputy chief economist and vice president of research, focused on who is actually buying homes right now despite the challenging market. Lautz said the housing market may feel like it's in gridlock, but that is not a universal experience—distinct buyer segments are actively purchasing, whether driven by necessity, determination or housing equity.

“I’ve been traveling around the nation this year, and I am hearing a lot from you that it’s a really wonky market,” Lautz told the audience. “You’ll list a home on the market, and sometimes it’ll sit for months. And sometimes it’s going to have multiple offers, and they can be next door to each other.”

Lautz walked through a series of buyer profiles backed by NAR research data, identifying opportunities for REALTORS® to recognize and reach potential clients they may be overlooking.

“We talk incessantly about first-time homebuyers. What about first-time sellers?" Lautz said, noting that 17% of younger baby boomers who sold this year had never sold a property before.

Lautz also addressed persistent myths holding back potential buyers.

“Misinformation is out there,” Lautz said, noting that many potential buyers still believe they need a 20% down payment. “The typical down payment for first-time homebuyers was just 10% last year.”