

Residential Real Estate Market Snapshot Report

June 2026



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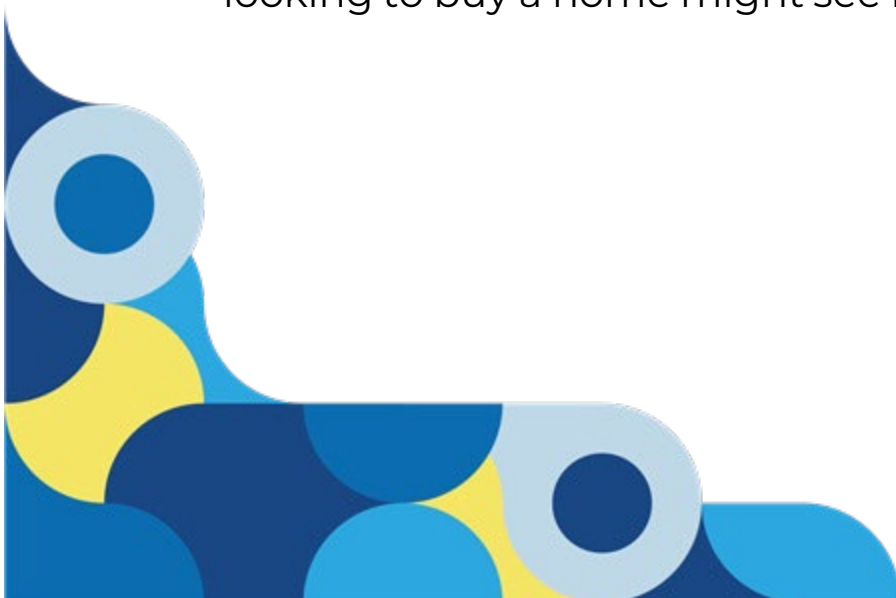
Overview

The Housing Market in June 2026

Looking back at the second quarter of 2026, economic activity continued to expand at a solid pace, despite geopolitical conditions and the effects on energy price inflation. Productivity growth and investment were strong, which contributed to positive net growth in the country's GDP. Moreover, the labor market continued to add jobs and the unemployment rate remained essentially unchanged since February 2025.

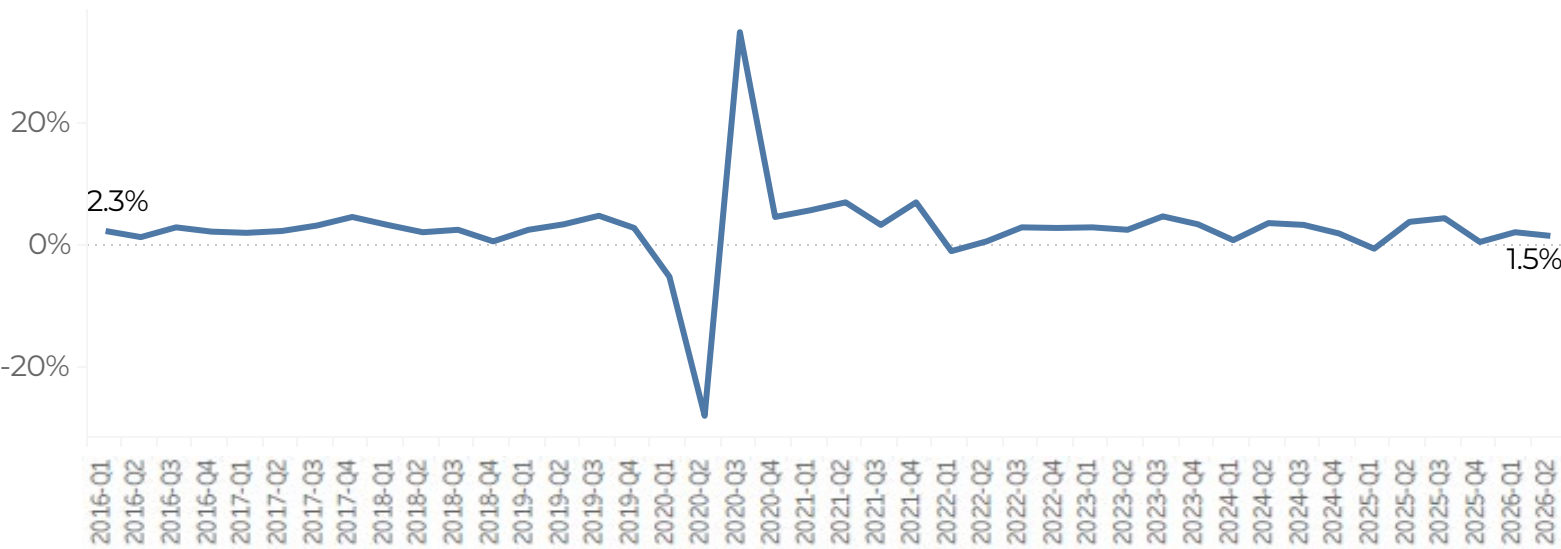
Meanwhile, inflationary pressures made June a difficult month for the housing market. Due to energy supply shocks, inflation remained above the Federal Reserve's target, prompting it to halt rate cuts for another month. If oil prices fall and inflation subsides, the Fed will be more likely to cut rates, and mortgage rates will likely decrease. Until then, mortgage rates are expected to remain elevated in the mid 6%-7% range.

The fluctuations in borrowing rates, combined with record-high median home prices, are making potential homebuyers even more sensitive to affordability conditions. First-time homebuyers, in particular, are taking a step back. Both existing-home sales and pending home sales saw a mild dip in June, but the number of loan applications suggests demand for housing will likely increase next month. Nevertheless, rates are only a small part of the big picture. As the labor market shows signs of strengthening, more states are adding jobs and outperforming their pre-pandemic job-creation levels. If construction catches up to jobs and wage growth, those who are looking to buy a home might see relief soon.



Economic Activity

Gross Domestic Product

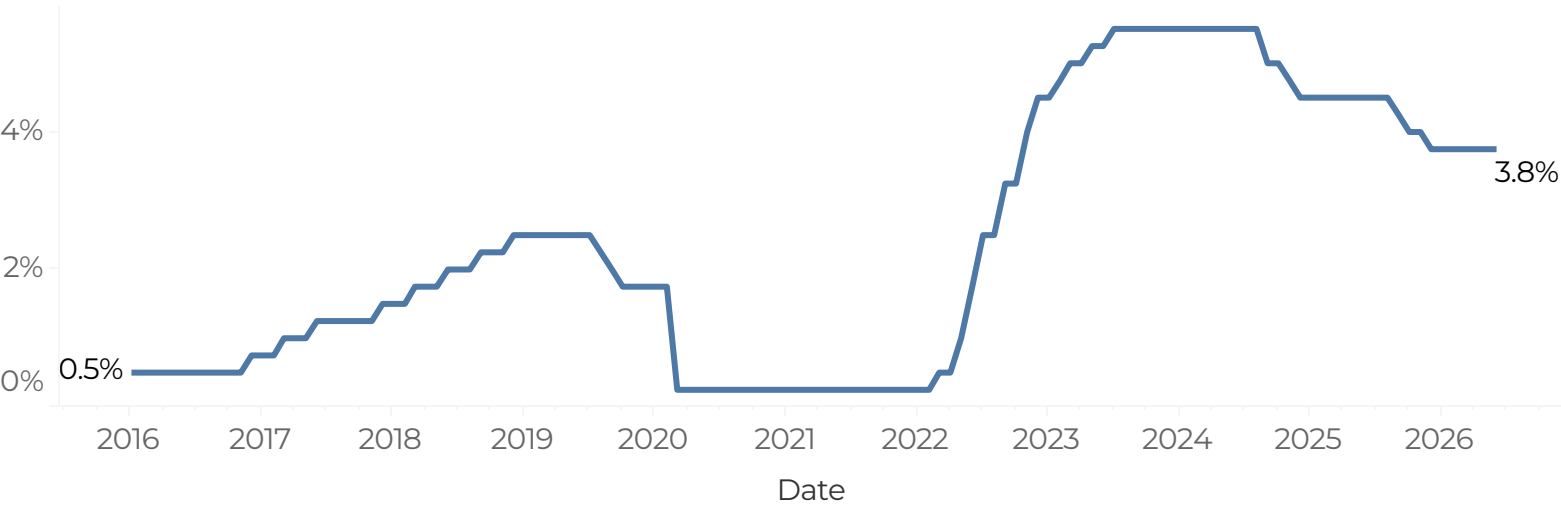


Real Gross Domestic Product
Source: U.S. Bureau of Economic Analysis

Q2 2026: **+1.5%**
Q1 2026: **+2.1%**
Q2 2025: **+3.8%**

According to the advance estimate of the U.S. Bureau of Economic Analysis (BEA), real GDP increased at an annual rate of 1.5% in the second quarter of 2026. The second-quarter increase reflected higher consumer spending, investment, and exports. In addition, imports, which are subtracted in the calculation of GDP, also increased. The increases were partly offset by a decrease in government spending in the second quarter.

Interest Rates



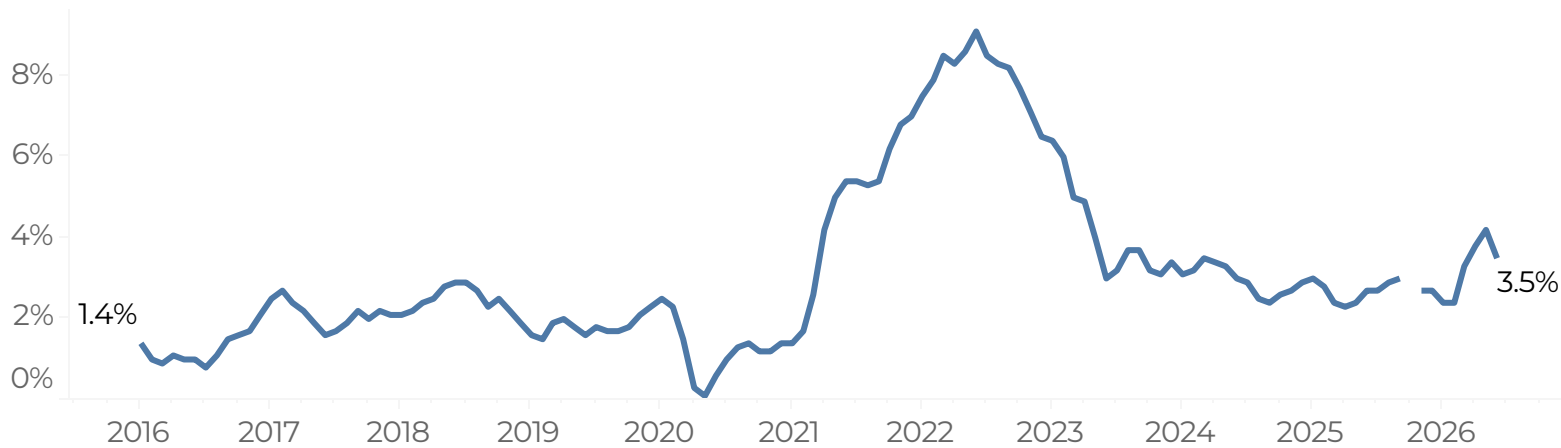
Effective Federal Funds Rate, Upper Limit
Source: Federal Reserve Board

June 2026: **3.8%**
May 2026: **3.8%**
June 2025: **4.5%**

The Federal Funds Rate has remained unchanged at 3.8% since December 2025. In June 2026, the Federal Reserve kept the target range at 3.5%-3.75%. Normally, the Federal Reserve cuts the short-term rate when inflation is near the target rate of 2%. Recently, it has cut the rate three times since September 2025 because of a weakening labor market.

Economic Activity

Inflation

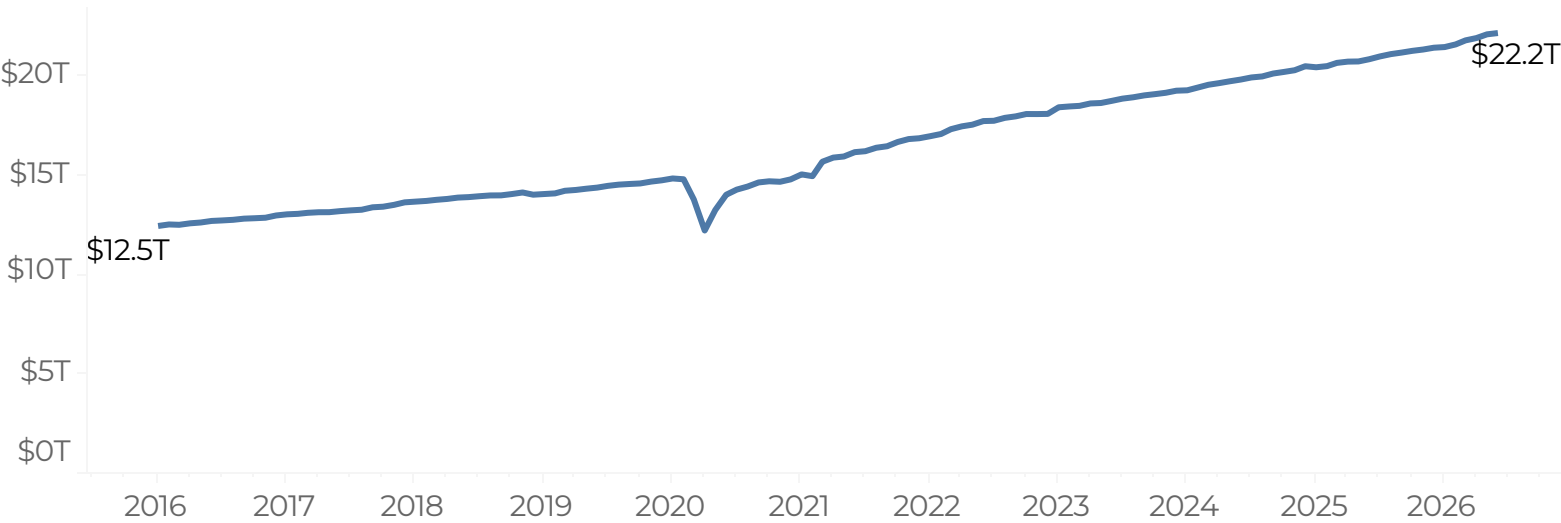


* Consumer Price Index data for October 2025 are not available due to the Federal government shutdown.
CPI Year/Year Percent Change, Seasonally Adjusted
Source: U.S. Bureau of Labor Statistics

June 2026: **+3.5%**
May 2026: **+4.2%**
June 2025: **+2.7%**

In June, consumer prices fell by 0.4% from the previous month, and rose by 3.5% over the last 12 months. The decline between May and June was the largest 1-month decrease since April 2020, when prices fell by 0.8%. The largest contributor to the decrease was the energy index, which fell by 5.7% in June after rising 3.9% in May. Housing inflationary pressure is easing.

Consumer Spending



Personal Consumption Expenditures, Seasonally Adjusted
Source: U.S. Bureau of Economic Analysis

June 2026: **\$22.2 trillion**
May 2026: **\$22.1 trillion**
June 2025: **\$20.8 trillion**

Consumer spending, or personal consumption expenditures (PCE), is the value of the goods and services purchased by U.S. residents. In June 2026, consumer spending rose by 0.3% to \$22.2 trillion, after rising 0.9% in May. This marked the 17th consecutive month of increases in spending since January 2025. In June, the \$65.2 billion surge reflected increases of \$58.2 billion in spending on services and \$7.0 billion in spending on goods.

Economic Activity

10-Year Treasury Yield



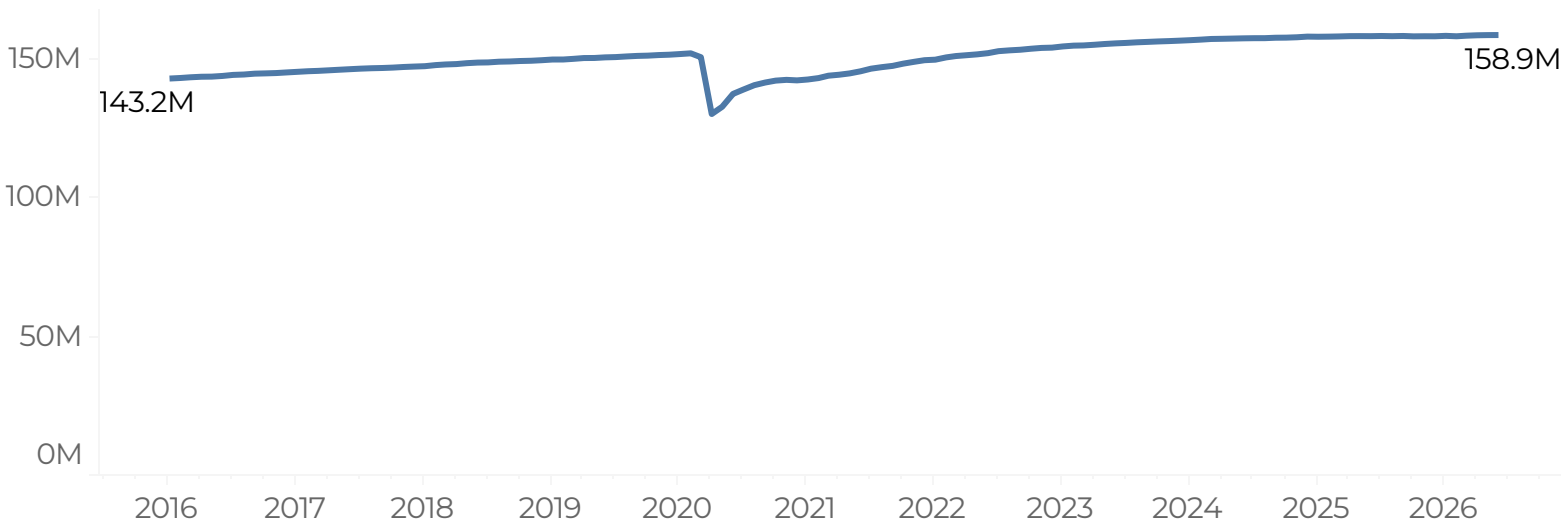
Percent
Source: U.S. Treasury

June 2026: **4.47%**
May 2026: **4.48%**
June 2025: **4.38%**

In June, the 10-year Treasury rate posted a small decrease for the first time since March 2026. However, the rate remains above 4.0%, suggesting financing conditions are less favorable. Mortgage rates typically track the 10-year yield, but its direction largely depends on developments in global trade and economic expectations.

Employment Situation

Employment

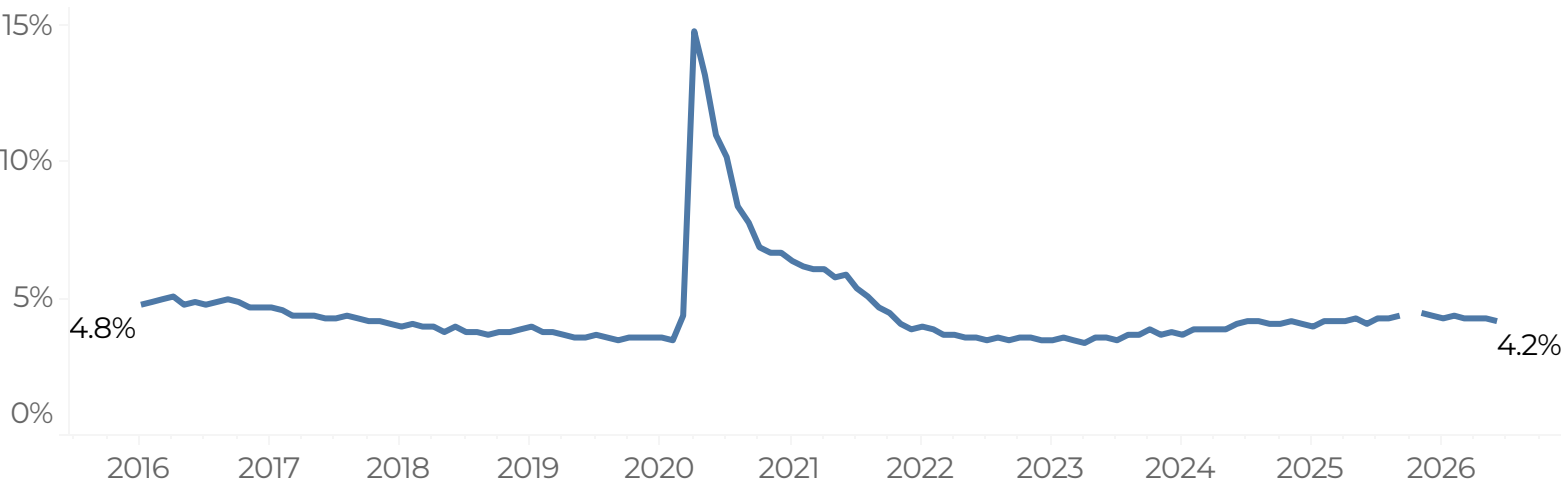


Payroll Employment, Seasonally Adjusted
Source: U.S. Bureau of Labor Statistics

June 2026: **159.0 million**
May 2026: **159.0 million**
June 2025: **158.4 million**

In June, a total of 57,000 net new jobs were added to the U.S. labor market, roughly in line with the average monthly additions of 36,000 over the last 12 months. This is the 4th consecutive increase in employment since March. Employment rose in professional and business services, social assistance, and health care. Overall, the labor market is starting to show signs of strengthening.

Unemployment



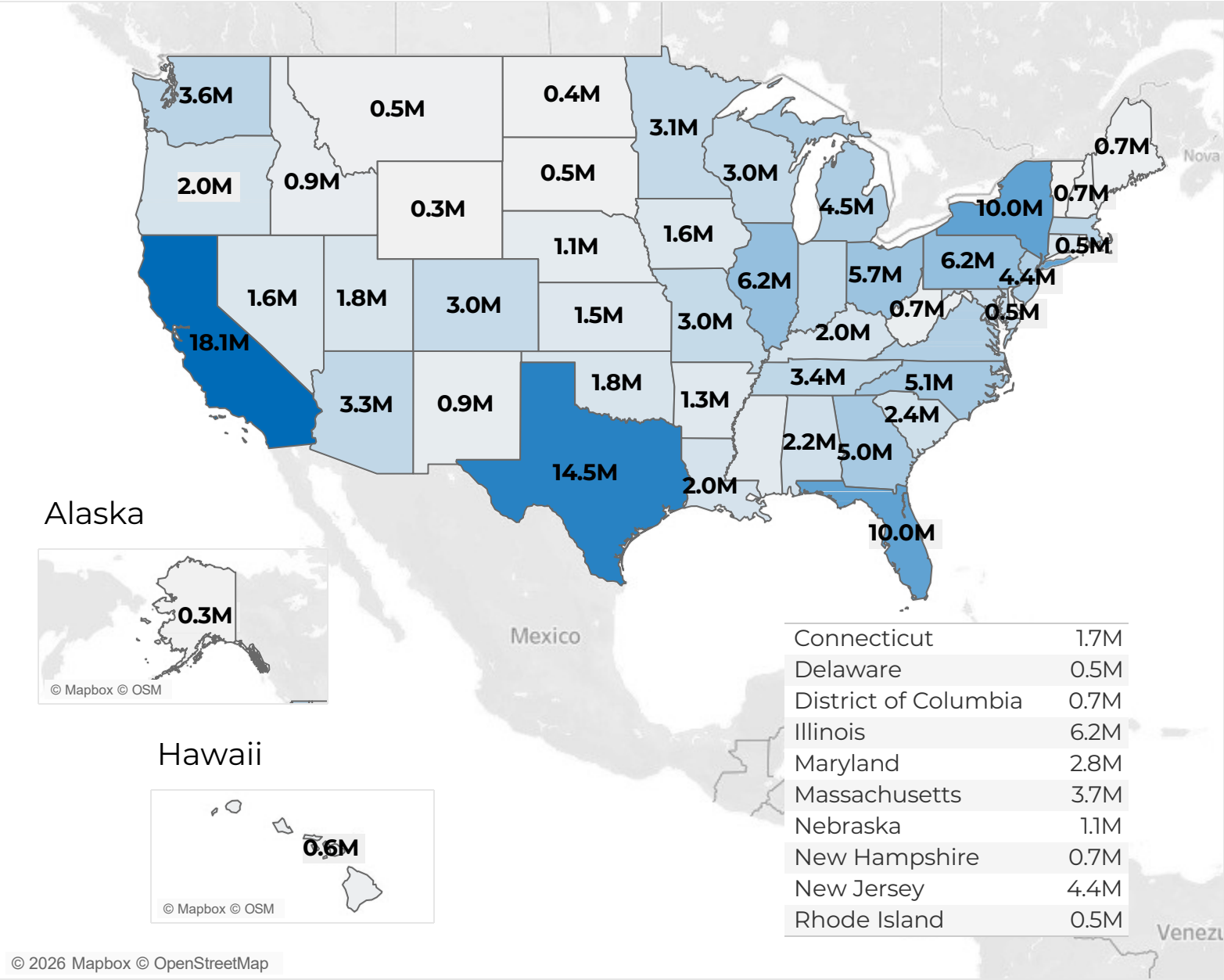
* Household Survey data for October 2025 are not available due to the Federal government shutdown.
Unemployment Rate, Seasonally Adjusted
Source: U.S. Bureau of Labor Statistics

June 2026: **4.2%**
May 2026: **4.3%**
June 2025: **4.1%**

Respectively, both the unemployment rate (4.3%) and the number of unemployed people (7.1 million) changed little from May. The unemployment rate has remained above 4.0% since February 2025.

Employment Situation

Payroll Employment by State
June 2026

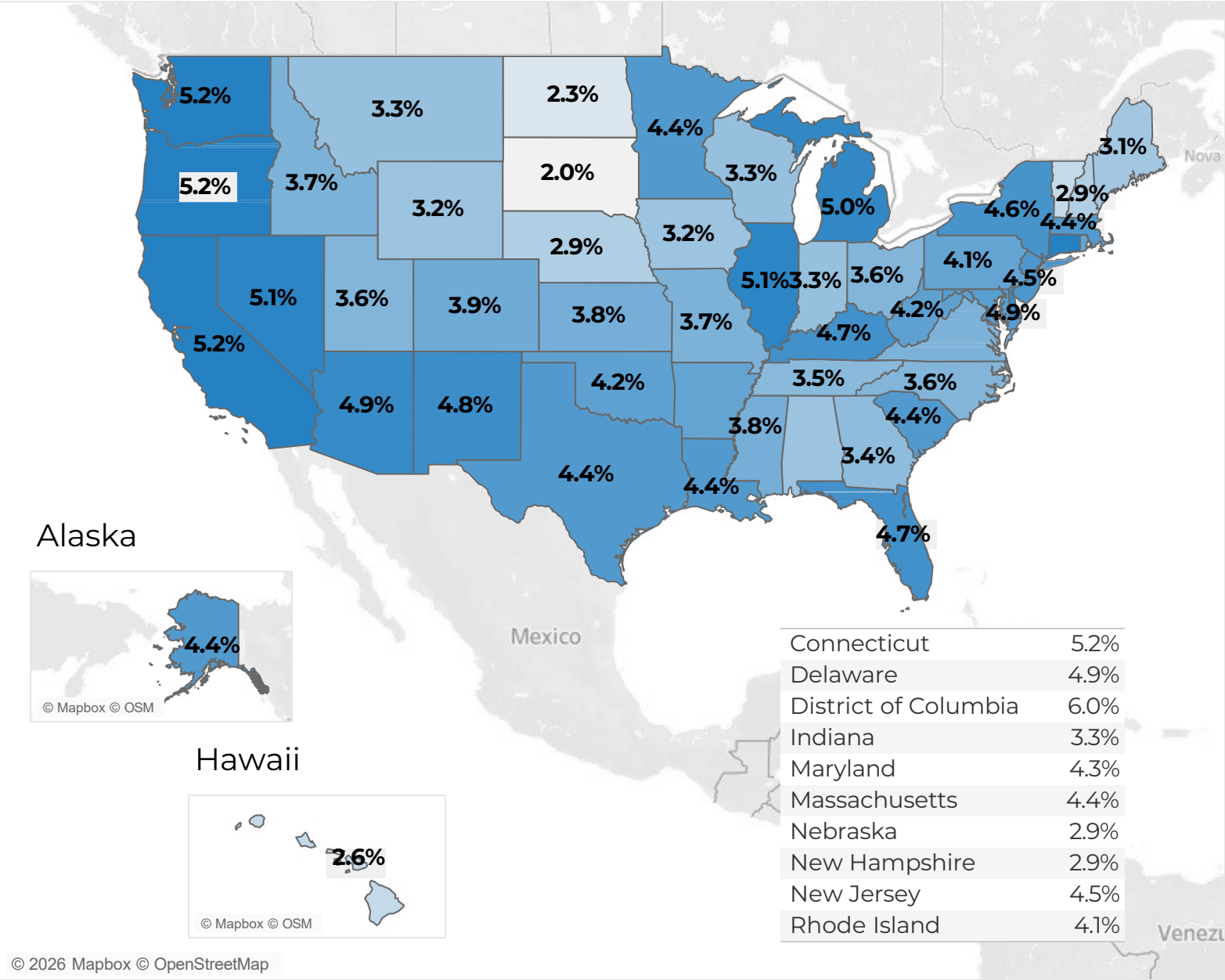


Source: U.S. Bureau of Labor Statistics

In June, nonfarm employment increased in Texas (+43,400), Minnesota (+13,200), and New Hampshire (+4,500), decreased in West Virginia (-9,100), and remained essentially unchanged in the rest of the states and the District of Columbia. The largest percentage increases from one year ago occurred in Nevada (+2.3%), Minnesota (+1.5%), North Carolina (+1.2%), and Texas (+1.2%). In contrast, the District of Columbia recorded a 4.8% loss in job additions, while Virginia saw a 1.0% decrease in jobs.

Employment Situation

Unemployment Rate by State
June 2026

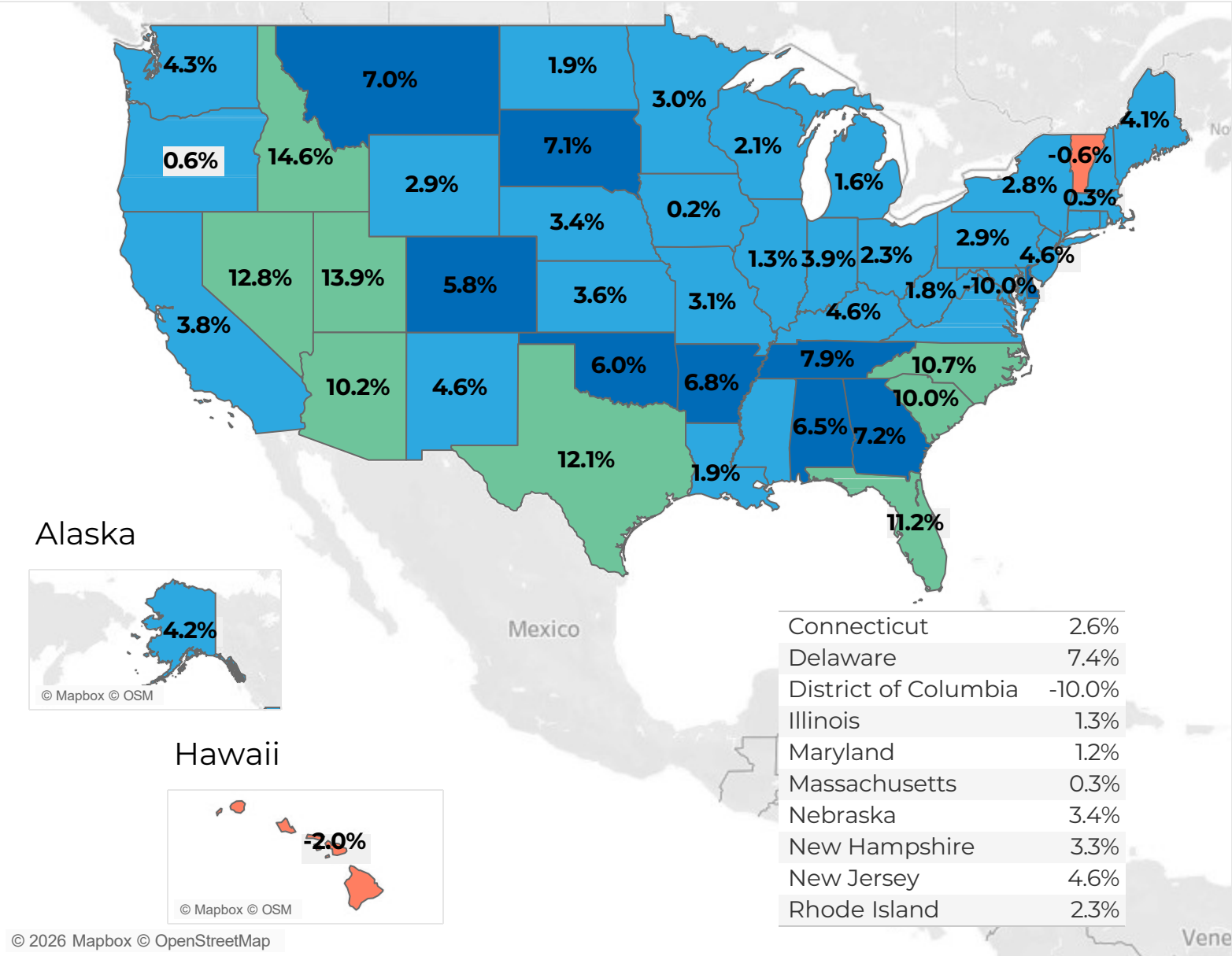


In June, eight states saw a decrease in their unemployment rates: Delaware, Rhode Island, South Carolina, and Wyoming (-0.2 pp. each) and Massachusetts, North Dakota, Ohio, and Pennsylvania (-0.1 pp. each). In contrast, Alabama and Kentucky (+0.2 pp. each) recorded an increase in unemployment rates, while the rest of the states and the District of Columbia remained unchanged. South Dakota had the lowest unemployment rate of 2.0%, while the District of Columbia had the highest at 6.0%. Overall, 17 states had rates lower than the national average of 4.2%, while 8 states and the District of Columbia had rates lower than the national average.

Source: U.S. Bureau of Labor Statistics

Employment Situation

Change in Employment
Between Pre-Pandemic and June 2026 by State

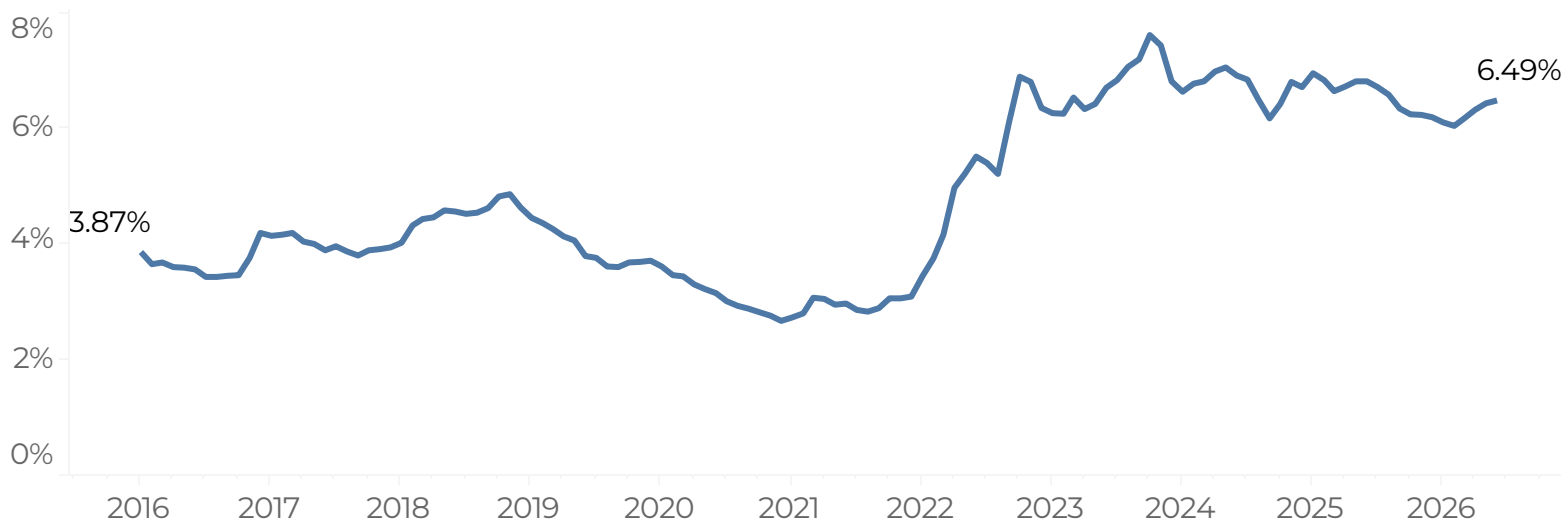


By the end of June 2026, most states, apart from Hawaii, Vermont, and the District of Columbia, outperformed their pre-pandemic labor market additions. The largest job additions between March 2020 and June 2026 were seen in Idaho, Utah, Nevada, and Texas. In contrast, the smallest job additions were seen in Iowa, Massachusetts, Oregon, and Maryland.

* Pre-pandemic assumes March 2020 as a reference month.
Source: U.S. Bureau of Labor Statistics, NAR Calculations

Housing Market

Mortgage Rates

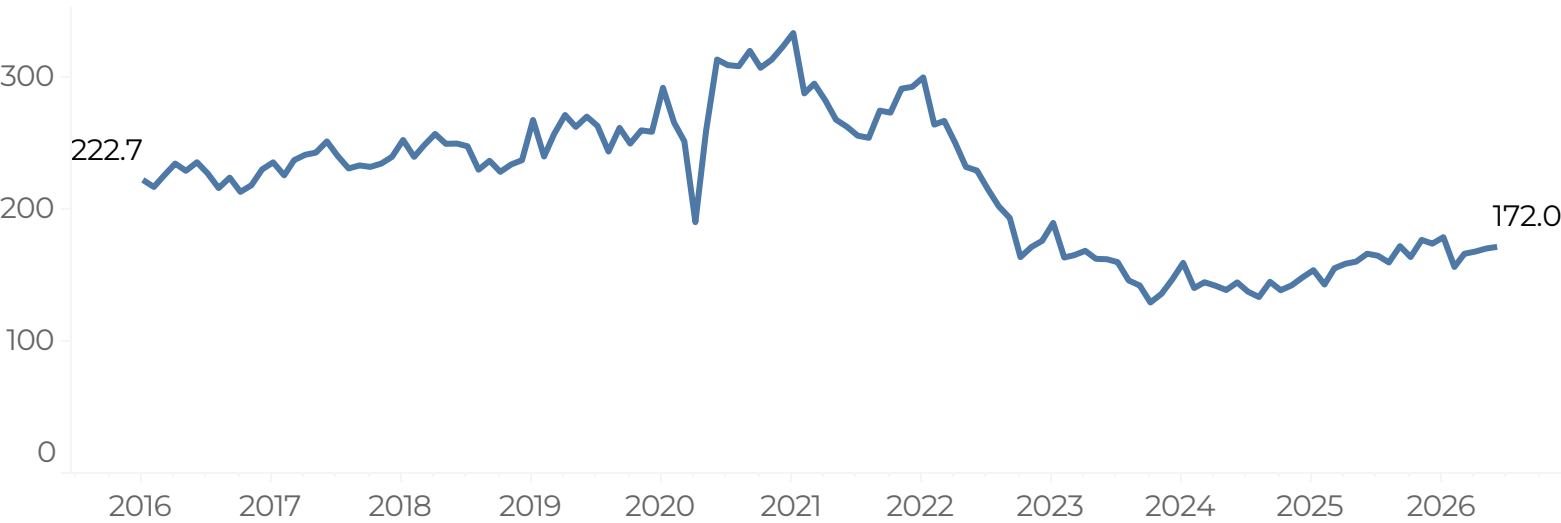


30-Year Fixed Mortgage Rate, Monthly Averages
Source: Federal Home Loan Mortgage Corporation

June 2026: **6.49%**
May 2026: **6.44%**
June 2025: **6.82%**

The average 30-year fixed mortgage rate increased to 6.49% in June, marking the 4th consecutive month of small increases. Nevertheless, borrowing rates are holding steady in the mid-6 % range, as they track the 10-year Treasury yield. At the current levels, mortgage rates are still significantly below the historical average of 7.7% since 1971. Should inflationary pressures ease, mortgage rates are expected to move lower.

Mortgage Purchase Index



MBA Purchase Index, Monthly Averages
Source: Mortgage Bankers Association of America, Haver Analytics

June 2026: **172.0**
May 2026: **170.7**
June 2025: **166.8**

In June, the Purchase Index averaged 172.0, up from 170.7 in May. The Index, which measures the volume of mortgage applications for home purchases, is a leading indicator of U.S. housing demand. June's level indicates stronger housing demand than the prior month and notably stronger demand than a year ago. Typically, housing demand rises in the summer months.

Housing Market

Existing Home Sales



Annualized
Source: National Association of REALTORS®

June 2026: **4.09 million**
May 2026: **4.20 million**
June 2025: **4.00 million**

Existing-home sales in June fell by 2.4% from the prior month and increased by 2.8% from one year ago. While home sales typically increase during the summer months, recent mortgage rate volatility has contributed to fluctuations in sales activity. Month over month, sales declined in all regions except the Northeast. Year-over-year sales rose in the Midwest, South, and West, and remained unchanged in the Northeast.

Pending Home Sales



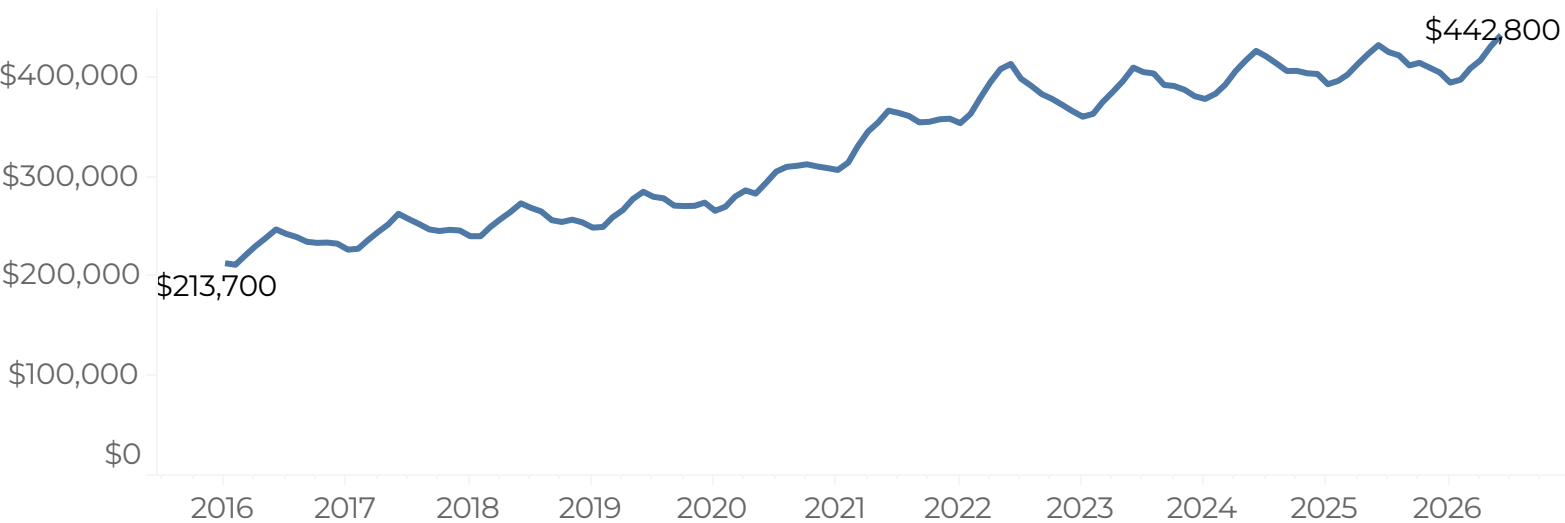
PHS Index, Seasonally Adjusted
Source: National Association of REALTORS®

June 2026: **72.5**
May 2026: **76.6**
June 2025: **72.7**

In June, pending home sales decreased by 5.4%, with month-over-month sales declining in all four U.S. regions. Year over year, contract signing activity increased in the Northeast and Midwest but declined in the South and the West. The Pending Home Sales Index (PHS) is a leading indicator of housing activity, which measures housing contract activity based on signed residential real estate contracts.

Housing Market

Median Sales Price

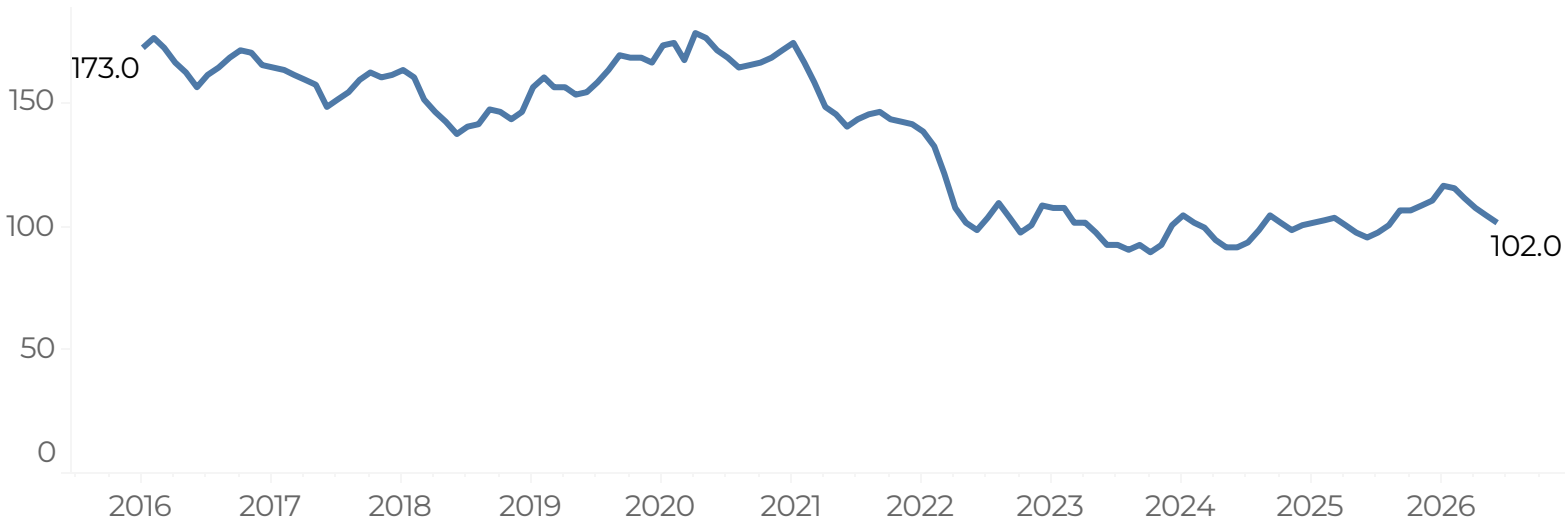


June 2026: **\$440,600**
May 2026: **\$431,200**
June 2025: **\$432,700**

In June, the median existing-home price across all housing types was \$440,600, up 1.8% from a year earlier and marking the 36th consecutive month of year-over-year price increases.

Existing Single-Family Homes
Source: National Association of REALTORS®

Housing Affordability



June 2026: **102.3**
May 2026: **105.1**
June 2025: **95.5**

In June, the Housing Affordability Index fell to 102.3, and the qualifying income was \$109,152. Year over year, affordability improved across all regions, with the largest gain of 8.9% in the West. An index above 100 indicates that the typical family earns enough income to qualify for a median-priced home nationwide.

HAI Index, Seasonally Adjusted
Source: National Association of REALTORS®

Housing Market

New Listings

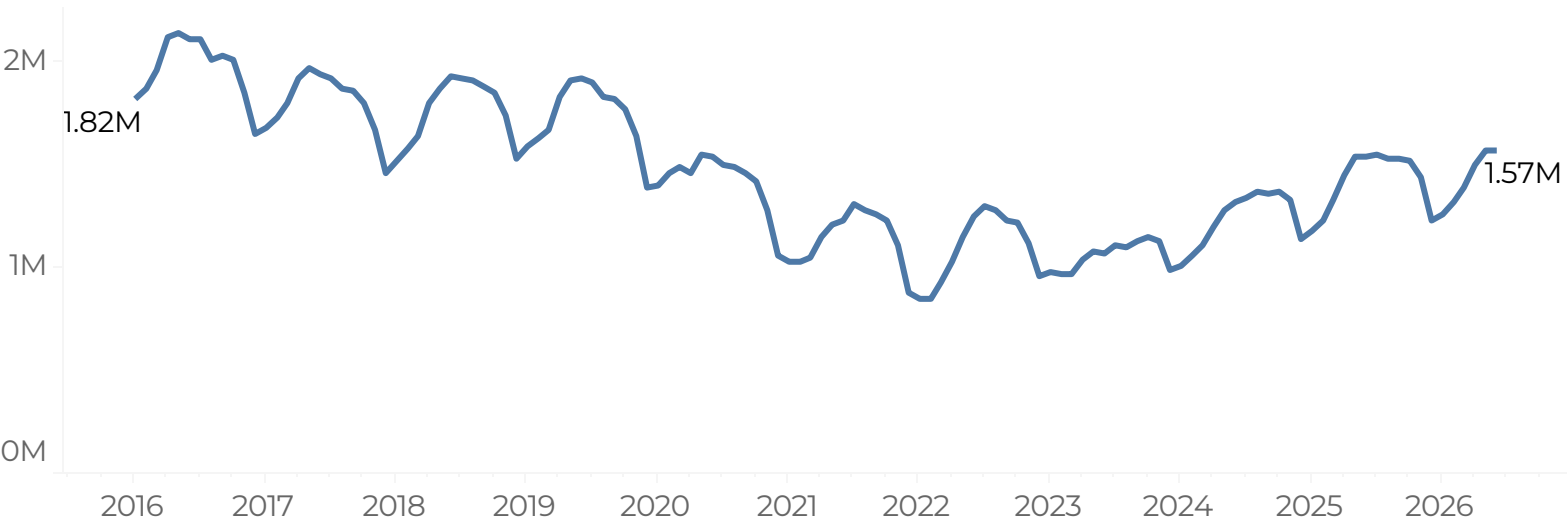


Year/Year Percent Change in New Listings
Source: National Association of REALTORS®

June 2026: **+5.4%**
May 2026: **-4.0%**
June 2025: **-6.0%**

New listings increased by 5.4%, following a small decline of 4.0% in the prior month. June marked the first increase in available listings after 3 consecutive months of declines.

Inventory



Total Existing Home Sales Available for Sale, Unadjusted
Source: National Association of REALTORS®

June 2026: **1.56 million**
May 2026: **1.57 million**
June 2025: **1.54 million**

Total housing inventory was at 1.56 million units in June, down by 0.6% from May and up 1.3% from June 2025. June's inventory level equals 4.6 months of supply, up from 4.5 months last month and unchanged from 4.6 months one year ago.

New Residential Construction

Housing Starts



Annualized
Source: U.S. Census Bureau

June 2026: **1.43 million**
May 2026: **1.20 million**
June 2025: **1.38 million**

In June 2026, privately owned housing starts were at a seasonally adjusted annual rate of 1.43 million, nearly 20% above the revised May estimate and 3.5% above the rate in June of last year. In the single-family sector, housing starts totaled 871,000 in June, a 2.4% increase from the prior month.

Building Permits



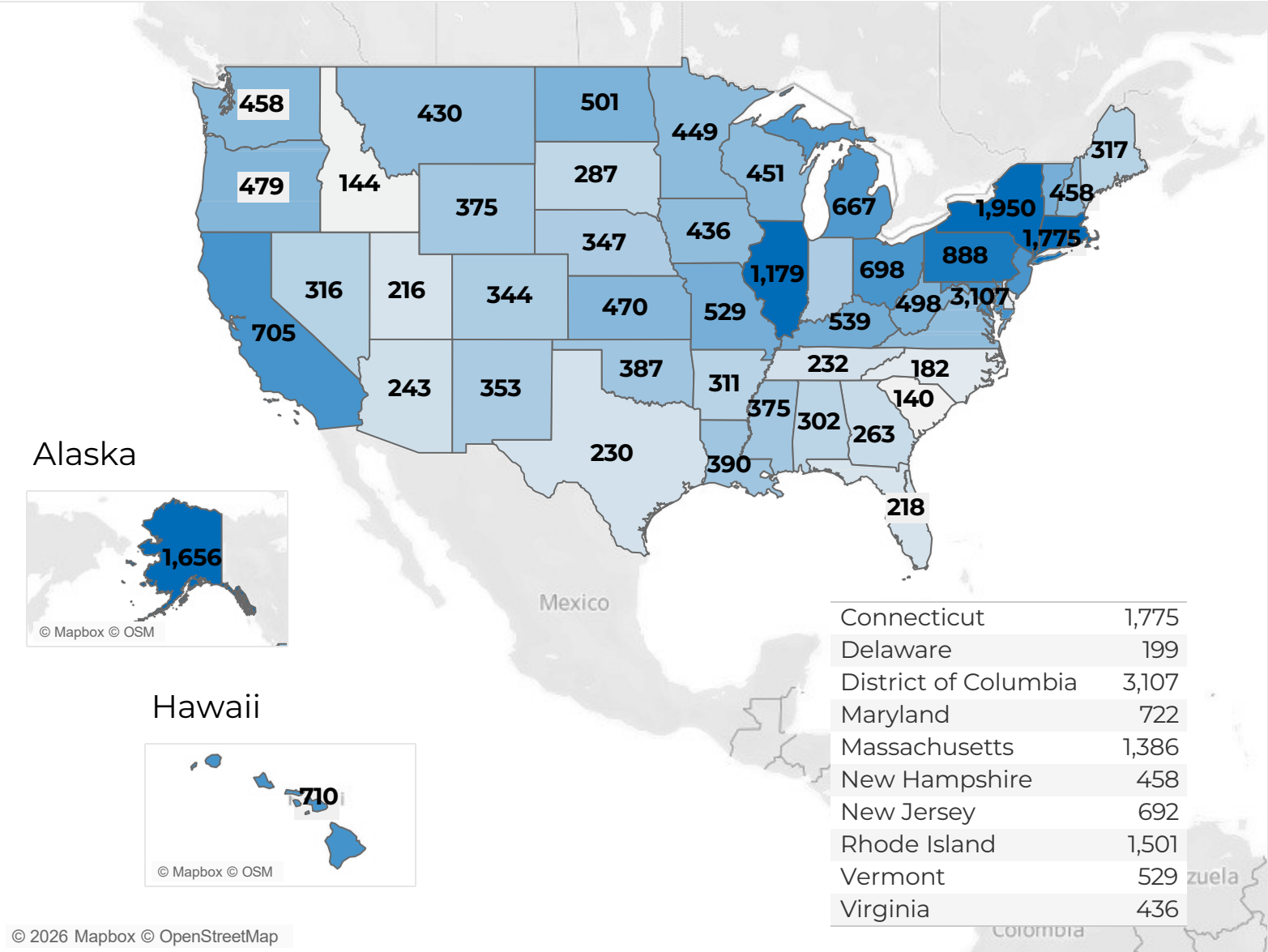
Seasonally Adjusted
Source: U.S. Census Bureau, Haver Analytics

June 2026: **1.37 million**
May 2026: **1.41 million**
June 2025: **1.39 million**

Another measure of housing construction, building permits, decreased by 3.0% to 1.37 million. Year over year, building permit activity was down 2.3% from the rate in June 2025. Similarly, single-family building authorizations were at a rate of 871,000, 2.4% below the revised May 2026 rate.

New Residential Construction

Population Per Single-Family Building Permit by State June 2026

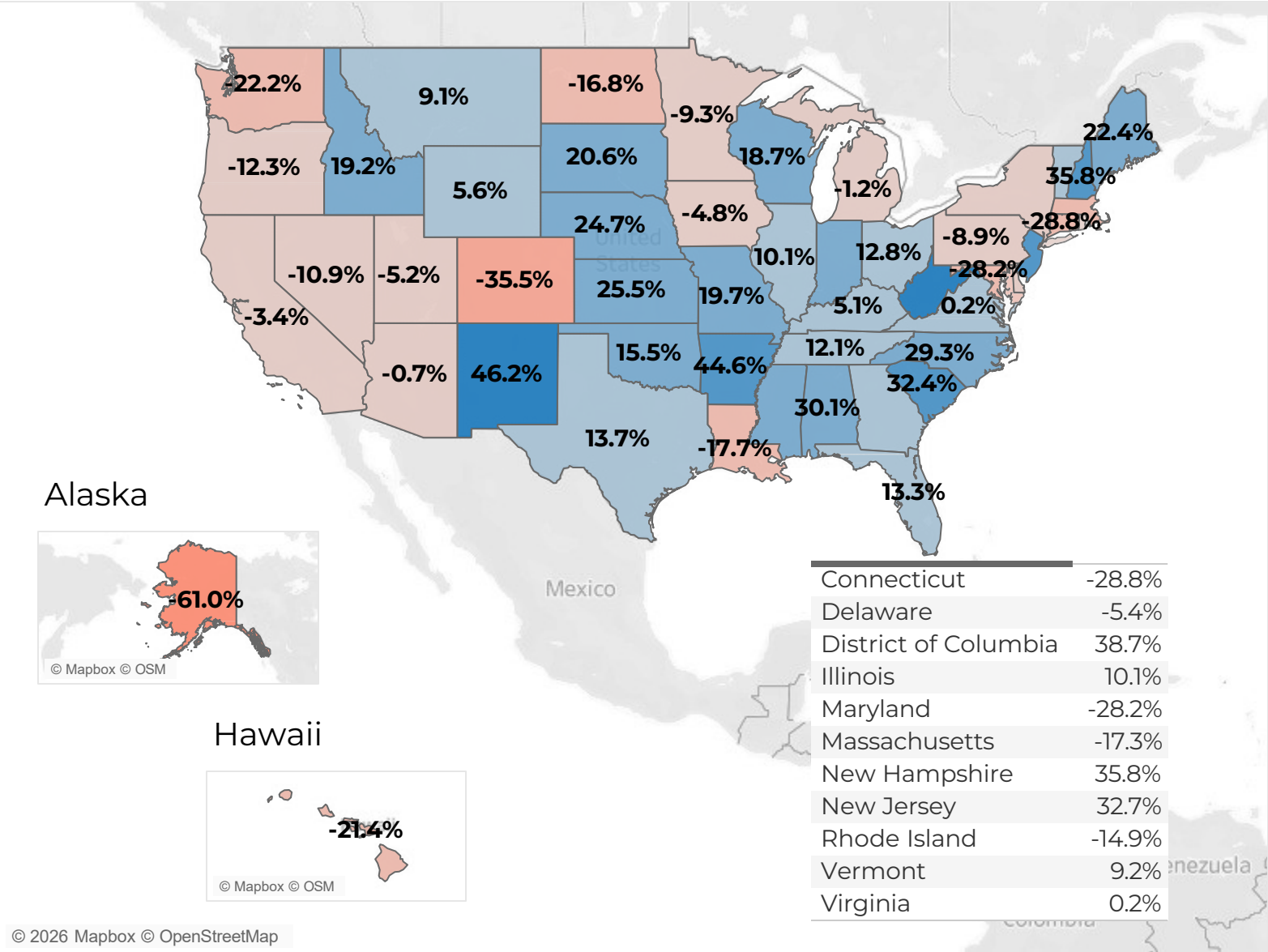


In June, South Carolina continued to lead in permits issued per resident, with one permit issued per 140 residents. South Carolina was followed by Idaho (144), North Carolina (182), and Delaware (199). In contrast, the District of Columbia had the fewest building permits per capita, issuing one permit for every 3,107 residents (an improvement from previous reported months). D.C. was followed by New York (1,950), Connecticut (1,775), and Alaska (1,656).

* The ratio is calculated by dividing the number of a state's population by the number of single-family building permits issued in the state within one year.
Source: U.S. Census Bureau, NAR Calculations

New Residential Construction

State Percentage Change of Single-Family Building Permits Between Pre-Pandemic and June 2026



State-level permitting activity continued to improve in June, with 29 states and the District of Columbia issuing more single-family building permits than before the pandemic. That month, West Virginia led with the largest increase in single-family building permits, up 51.0%.

West Virginia was followed by New Mexico (46.2%), Arkansas (44.6%), and the District of Columbia (38.7%). In contrast, Alaska continued to experience the largest decline in permits, down 61.0% from the previous month. Alaska was followed by Colorado (-35.5%), Connecticut (-28.8%), and Maryland (-28.2%).

* The percentage change is calculated as the difference between permits issued in 12 months in 2019 (pre-pandemic reference year) and permits issued in 12 months in the current year.
Source: U.S. Census Bureau, NAR Calculations



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500 New Jersey Avenue, NW
Washington, DC 20001
202.383.1000

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