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## **Rising Rates Stall Housing Market Momentum Just After Closed Home Sales Hit Highest Level Since 2022**

- *Redfin reports closed home sales jumped in May, reflecting April's dipping mortgage rates and a strong labor market*
- *But pending home sales were flat, a real-time reflection of May's rising mortgage rates and economic uncertainty, which dampened buyers' appetites*
- *New listings rose to their highest level since 2022 as sellers tried to capture demand*

SEATTLE — June 8, 2026 — U.S. existing-home sales jumped 2.8% month over month in May to their highest level since October 2022, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. Overall home sales—including both existing and newly built homes—also rose to their highest level since October 2022, rising 3.8% month over month. While closed sales surged, pending sales—a more current market indicator—flattened as mortgage rates rose.

### **There are several reasons home sales hit their highest level in nearly four years in May:**

- **Mortgage rates dipped.** They dropped down to the 6.3% range for much of April after spiking in March. Sales that closed in May were made up of homebuying contracts that were signed—and rates that were locked in—during April.
- **It's a buyer's market.** There were hundreds of thousands more home sellers than buyers out there, allowing buyers to negotiate price reductions and seller concessions, helping deals cross the finish line despite high costs. Additionally, the [labor market improved](#), making many Americans feel more confident about making a big purchase.
- **The Bay Area's hot market contributed to the nationwide uptick in sales.** In San Jose, home sales soared 26% year over year in May, and in San Francisco they jumped 19%. The AI boom is [driving fierce homebuying demand](#) in the Bay Area as employees of AI companies collect big salaries and bonuses.
- **South Florida contributed, too.** Closed home sales surged 18% year over year in West Palm Beach, FL, a market that's typically [driven by luxury buyers](#) who are less concerned about high costs and economic jitters.

### **Pending Home Sales Flatten, Reflecting Real-Time Rising Rates**

While closed home sales jumped in May, pending home sales were essentially flat (0.1%) month over month. Sales that closed in May are a backwards-looking indicator, reflecting the period when mortgage rates fell temporarily in April.

Economic and global uncertainty also scared off would-be buyers: The [ongoing Iran war](#) and closure of the Strait of Hormuz, AI-driven inflation and the possibility of interest-rate hikes all came together to paint a muddy financial picture.

### **New Listings Rise, Pushing Overall Inventory to 6-Year High**

New listings of U.S. homes for sale rose 1.4% month over month to their highest level since 2022. New listings increased partly because sellers noticed improving homebuying demand in April and hoped to take advantage of it.

The total number of homes for sale ticked up 0.4% from a month earlier, to their highest level since 2020. Total inventory is at a six-year high because in addition to new sellers, there are a lot of stale listings sitting on the market after a sluggish start to the year.

High inventory is another reason home sales hit their highest level in nearly four years in May. When there are more homes on the market, there are more options for homebuying deals.

### **Home Prices Continue Climbing**

The median U.S. home sale price rose 2% year over year in May to \$398,771. Prices kept rising because there were more homebuyers closing deals.

### **Fewer Buyers Are Getting Discounts**

Just under three in five (59.8%) homes that sold in May went for less than their original list price. That's a slightly smaller share than the month before, and marks the sixth straight month in which this share has declined. That means that while most homebuyers are still scoring discounts, it is becoming slightly less common.

Discounts are becoming a bit less common because while it's still a big-time buyer's market, the advantage buyers have over sellers has started [shrinking](#). Another reason is that sellers are pricing their homes more realistically from the start. The median price for new listings in May was essentially flat (-0.1%) month over month, compared to the 2% increase in *sale* prices.

<b>May 2026 Housing Market Highlights: United States</b>			
	<b>May 2026</b>	<b>Month-over-month change</b>	<b>Year-over-year change</b>
<b>Median sale price</b>	\$398,771	n/a	2%
<b>Existing-home sales, seasonally adjusted annual rate</b>	4,531,570	2.8%	7.8%
<b>Pending home sales</b>	350,173	0.1%	4.5%
<b>Homes sold</b>	308,446	3.8%	5.2%
<b>New listings</b>	396,181	1.4%	1.2%
<b>Total homes for sale (active listings)</b>	1,483,839	0.4%	0.7%
<b>Months of supply</b>	3.7	-0.1	-0.2
<b>Median days on market</b>	49	unchanged	3
<b>Share of homes that sold below original list price</b>	59.8%	-0.6 ppts	0.2 ppts
<b>Average sale-to-original-list-price ratio</b>	96.3%	0.1 ppts	unchanged
<b>Pending sales that fell out of contract, as % of overall pending sales</b>	13.6%	0.1 ppts	0.1 ppts
<b>Monthly average 30-year fixed mortgage rate</b>	6.44%	0.11 ppts	-0.38 ppts

### **May 2026 Metro-Level Highlights**

*The figures below are based on a list of the 50 most populous U.S. metropolitan areas. Some metros may be removed from time to time to ensure data accuracy. All changes below represent year-over-year changes.*

- **Prices:** Median sale prices rose most from a year earlier in San Francisco (10.9%), St. Louis (6.7%) and Pittsburgh (6.7%). They fell most in San Jose, CA (-5.6%), Orlando, FL (-2.2%), Seattle (-0.9%) and San Antonio (-0.9%).
- **Pending home sales:** Pending sales rose most in West Palm Beach, FL (34.5%), San Francisco (21.4%) and Miami (16.2%). They fell most in Houston (-12.5%), Seattle (-7%) and Tampa, FL (-3.4%).
- **Closed home sales:** Home sales rose most in San Jose (25.7%), San Francisco (19.3%) and West Palm Beach (18.3%). They fell most in Detroit (-14%), New York (-9.1%) and Providence, RI (-8.4%).

- **New listings:** New listings rose most in Philadelphia (11.5%), Minneapolis (9.5%) and Boston (8.6%). They fell most in St. Louis (-17.9%), Denver (-10%) and San Antonio (-9.2%).
- **Active listings:** Active listings rose most in Cincinnati (15.1%), Boston (15%) and Montgomery County, PA (12.6%). They fell most in Jacksonville, FL (-17.4%), Miami (-13.9%) and Tampa, FL (-12.8%).
- **Days on market:** In Jacksonville, FL the typical home that went under contract did so in 69 days, which was 6 days faster than a year earlier—the biggest decline among the metros analyzed. Next came Orlando, FL (-6 days) and West Palm Beach, FL (-4 days). Days on market increased the most in San Antonio (+14 days), Houston (+11 days) and Nashville, TN (+8 days).

To view the full report, including charts and additional metro-level data, please visit:

<https://www.redfin.com/news/rising-rates-stall-housing-market-momentum>

### **About Redfin**

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at <https://www.redfin.com/news>. For more information about Rocket Companies, visit <https://www.rocketcompanies.com>.

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