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## Home-Sales Rise Is Tops This Year

**Easing mortgage rates and an increase in inventory coaxed buyers back in May**

BY NICOLE FRIEDMAN



Home sales in May posted the biggest rise this year, a sign that the housing market's crucial spring selling season might be showing signs of life after a sluggish start.

Sales of existing homes rose 3.2% in May over the previous month to a seasonally adjusted annual rate of 4.17 million, the biggest increase since December, the National Association of Realtors said Tuesday.

The May sales number trounced expectations. Economists surveyed by The Wall Street Journal had forecast only a 0.7% increase. Mortgage rates declined in April, making May purchases slightly more affordable for buyers, and an increase in the inventory of homes for sale gave them more to choose from.

The pickup in sales last month is a reminder that many buyers are ready to transact when supply expands and affordability conditions ease.

The lower mortgage rate "is helping on the affordability," said Lawrence Yun, NAR's chief economist, adding that rising incomes also lifted sales.

Mortgage rates last week stood at about 6.5%, but "if somehow the mortgage rate can return back to near 6%, definitely home sales would be coming out of this three years of slump," Yun said.

Still, others say home-buying activity needs to increase more to break the market out of its slumber. In the first five months of 2026, existing-home sales are up just 0.7% compared with the same period in 2025.

An uneven job market and economic uncertainty are making buyers nervous about going through with a big purchase. Mortgage rates also rose again in May.

"There is this pent-up demand, but it's been stopped and stalled by these volatile mortgage rates," said Daryl Fairweather, chief economist at real-estate brokerage Redfin.

After falling at the start of 2026, mortgage rates initially rose in the spring as the war in Iran sparked concerns about a resurgence in inflation.

A stronger-than-expected jobs report last week also boosted expectations that the Federal Reserve might raise short-term interest rates, which would likely translate into higher mortgage rates and could slow any housing market momentum.

While home-buying affordability is better than it was a year ago, buyers are still nervous about high home prices and the overall costs of homeownership.

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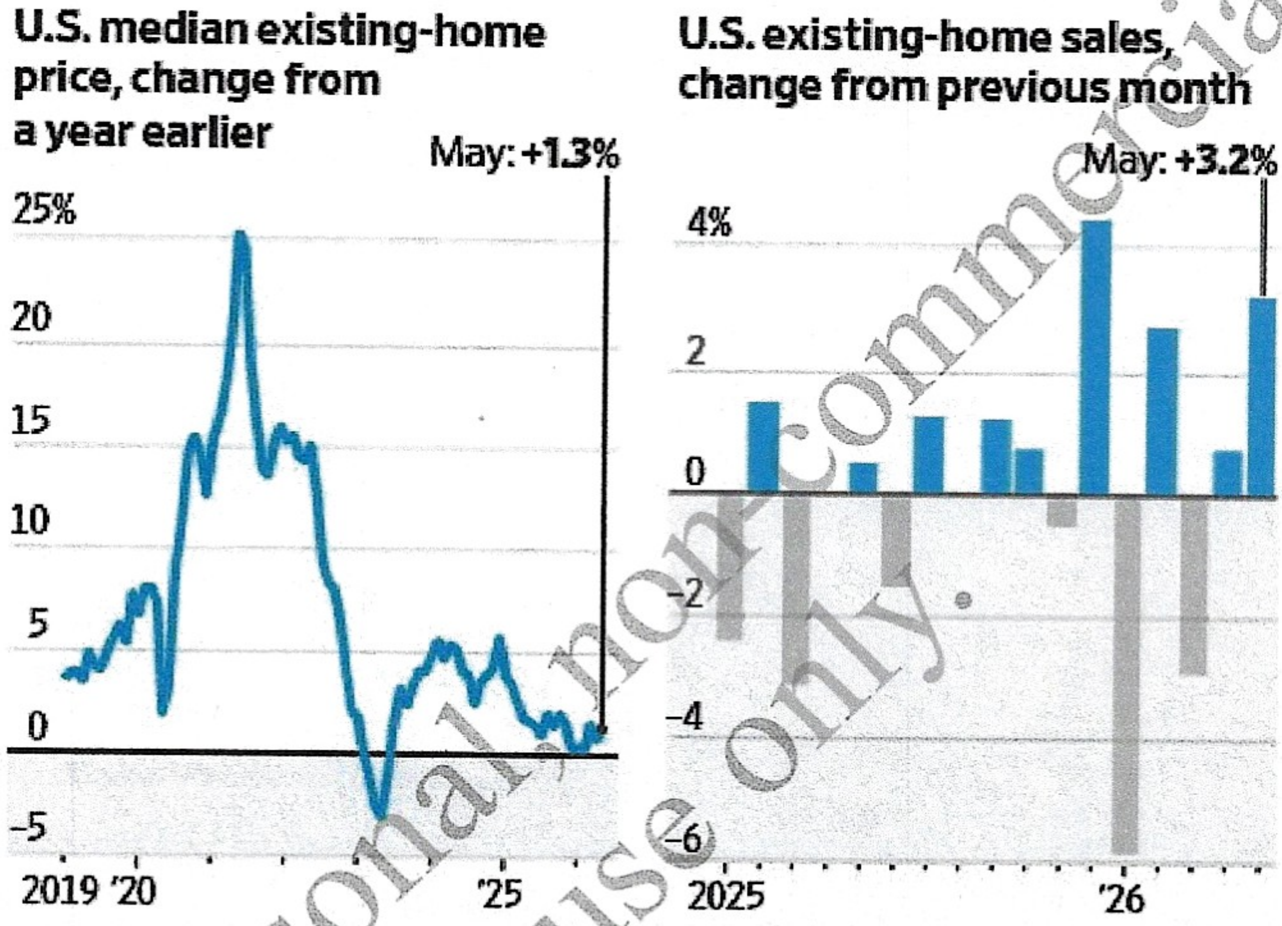


Note: May 2026 is preliminary. Sales are seasonally adjusted at an annual rate.
Source: National Association of Realtors