

When will home sales recover? Experts predict 14% surge in 2026



After hitting historic lows in 2025, with just 28 of every 1,000 homes changing hands—

the weakest turnover since the 1990s—the U.S. housing market is expected to stage a promising comeback in 2026.

However, this recovery will unfold unevenly across the country, as nearly a quarter of major metros are likely to experience price declines, even

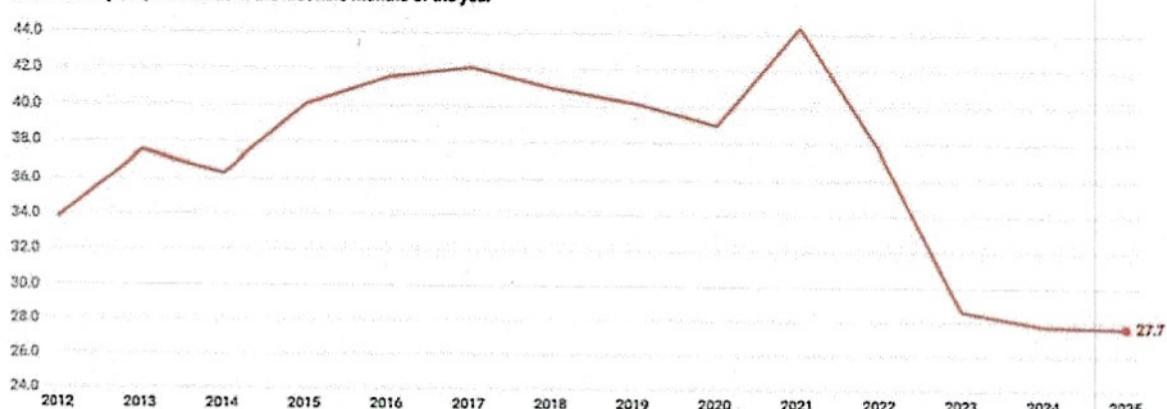
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as national sales surge by 14%. The 2.8% turnover rate represents a 38% decline from the 2021 pandemic peak and a 31% drop from pre-pandemic 2019 levels.

Three factors are driving the historic slowdown: an affordability crisis caused by near-record home prices and elevated borrowing costs; a rate-lock effect keeping more than 70% of mortgaged homeowners in loans below 5%; and widespread economic uncertainty about job security and inflation.

U.S. Home Turnover at Lowest Rate in Decades

Home sales per 1,000 homes in the first nine months of the year



Source: Redfin analysis of MLS and county record data • Get the data • Created with Datawrapper

"America's housing market is defined right now by caution," said Chen Zhao, Redfin's head of economics research.

"Buyers are walking away from deals more often, sometimes due to affordability issues and sometimes because they're re-evaluating whether now is the right moment to commit."

Zhao noted that when both buyers and sellers hesitate, "sales naturally fall to historic lows." The frozen market conditions show little sign of immediate improvement.

NAR names top markets for 2026

The National Association of Realtors identified 10 metropolitan areas as the nation's top housing markets for 2026, including Charleston, Charlotte, Columbus, Indianapolis, Jacksonville, Minneapolis-St. Paul, Raleigh, Richmond, Salt Lake City, and

Spokane. No Colorado cities made the list.

Chief Economist Lawrence Yun selected the markets based on economic strength, demographic trends, and housing availability during NAR's seventh annual Real Estate Forecast Summit.

"Lower mortgage rates and larger inventory will attract buyers back to the market in 2026," Yun predicted.

NAR projects existing-home sales will jump 14% in 2026 after three years of stagnant activity, with home prices rising approximately 4% and mortgage rates declining toward 6%.

Price predictions

While national home prices are projected to rise by 2.2% in 2026, specific markets such as Florida and California, as well as western regions like Denver,

are likely to see declines, with Denver prices potentially falling by 3% due to ongoing multifamily construction and migration patterns, according to Realtor.com.

Denver prices likely will fall by 3% in 2026 as new multifamily construction continues and residents move from urban areas to suburban counties, according to Heather O'Leary with eXp Realty.

She calls it "a normalization—not a collapse," citing Denver's 3.6-month inventory supply as evidence of a balanced market.

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."

10 Metros Where Price Growth Is Slowing Down the Fastest



Metro	2026 Price Growth % YoY	Metro	2026 Price Growth % YoY
1 Cape Coral, FL	-10.2%	6 Tampa, FL	-3.6%
2 North Port, FL	-8.9%	7 Spokane, WA	-3.5%
3 Stockton, CA	-4.1%	8 Denver, CO	-3.4%
4 Raleigh, NC	-3.7%	9 Sacramento, CA	-3.3%
5 Deltona, FL	-3.6%	10 San Francisco, CA	-2.5%

Source: Realtor.com®