



## Redfin Reports Home Prices Stagnate in Florida and Texas as Supply Soars

*The number of homes for sale in Cape Coral, FL and North Port, FL surged roughly 50% from a year earlier in March—more than anywhere else in the country. And in McAllen, TX, supply jumped 25%.*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — On the west coast of Florida, housing supply is surging, sellers are cutting their asking prices and the time it takes to sell a home is soaring—all at a faster rate than anywhere else in the U.S. The story is similar in parts of Texas. That is according to a new [report](https://www.redfin.com) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage.

Here's how these trends showed up in U.S. housing-market data for March, which covers 85 major metropolitan areas:

- **SUPPLY:** Of the 10 metro areas that posted the largest year-over-year increases in supply, six are in Florida and two are in Texas. **Cape Coral, FL** saw the biggest jump in homes for sale (51%), followed by **North Port-Sarasota, FL** (48%), **Fort Lauderdale, FL** (30%), **Tampa, FL** (29%), **McAllen, TX** (25%), **Orlando, FL** (23%), **Knoxville, TN** (23%), **Dallas** (20%), **West Palm Beach, FL** (20%) and Cincinnati (17%).
- **PRICE DROPS:** Of the 10 metro areas where sellers were most likely to cut their list prices, five are in Florida and two are in Texas. In **North Port-Sarasota**, 48% of listings had a price cut—the highest share in the country. Next came **Tampa** (44%), **Indianapolis** (43%), **Cape Coral** (41%), **Denver** (37%), **Orlando** (35%), **Portland, OR** (34%), **Houston** (33%), **San Antonio** (33%) and **Jacksonville, FL** (33%).
- **PRICES:** Median sale prices fell from a year earlier in three metros, one of which is in Florida and one of which is in Texas: **North Port-Sarasota** (-4.6%), **Oklahoma City** (-1.5%) and **San Antonio** (-0.3%). Prices climbed least in **Austin, TX** (0%), **El Paso, TX** (0.5%), **Memphis, TN** (0.7%), **Tampa** (1.1%), **Salt Lake City** (1.1%), **Omaha, NE** (1.2%) and **Charleston, SC** (1.2%).
- **SPEED OF SALES:** Of the 10 metros that saw the biggest upticks in median days on market, two are in Florida and two are in Texas: In **Cape Coral**, the typical home took 31 more days to sell than a year earlier—the largest jump in the nation. Next came **North Port-Sarasota** (20), **McAllen** (20), **New Orleans** (18), **Tulsa, OK** (13), **Cincinnati** (13), **San Antonio** (10), **Greensboro, NC** (8), **Honolulu** (7) and **Knoxville** (7).

Florida and Texas have been building more homes than anywhere else in the country, partly to accommodate the flood of newcomers that showed up during the pandemic homebuying boom. But the boom is over, in part because many people have been priced out. Now, homes are sitting on the market and price growth is stagnating.

“Out-of-town homebuyers no longer see Florida as a place to get amazing value. Now

they're moving to North Carolina or Tennessee to get a good deal. Many local blue-collar workers have been priced out of homeownership, too," said [Eric Auciello](#), a local Redfin sales manager. "Two years ago, the North Port metro was one of the most competitive housing markets in the country because it was affordable for remote workers and there was a shortage of homes for sale, but none of those things are true today. Sarasota, in particular, has been overvalued for decades, and the chickens have finally come to roost. The Tampa metro has been faring a bit better."

Individual home sellers are having a tough time attracting buyers in part because builders are offering concessions that are hard for buyers to refuse. As a result, listings from regular sellers are sitting on the market. But homes are also sitting because many sellers are pricing their properties too high, and then being forced to cut later, Auciello said.

"The sharp ascent in Florida housing prices in recent years has driven a lot of homeowners to cash in on their equity, but some of them are having a hard time adjusting to the fact that it's a buyer's market," Auciello said. "My advice to sellers is to price your home fairly; the comps from six months ago don't exist now. And if you're a buyer, know that the odds of getting an offer accepted below market value are pretty high."

The insurance crisis in Florida is also throwing a wrench into home purchases and in some cases delaying deals. Nearly three-quarters of Florida homeowners say they or the area they live in has been affected by rising home insurance costs or changes in coverage, a recent [Redfin survey](#) found.

"One of our agents is representing a buyer who thought he'd be able to get insurance for \$2,000 per year—the rate the existing homeowner has. But he found out at the eleventh hour that his insurance will be \$4,000 because the house has had water damage. We're seeing sellers offer a lot of concessions to hold deals together," said Auciello, whose own home insurance is now \$14,000 a year all in, up from around \$8,000 two years ago. "We're at an inflection point. A hefty insurance bill isn't always a big deal for a luxury buyer, but it can be a really big issue for someone buying a waterfront home on a smaller budget."

[Connie Durnal](#), a [Redfin Premier](#) real estate agent in Dallas, said her market has also been sluggish.

"Last year was by far the slowest market I've seen in my 20 years as a real estate agent," Durnal said. "Move-up buyers are almost nonexistent. Even though a lot of homeowners have built up a ton of equity, many don't want to sell because their monthly payment would double or triple due to high mortgage rates."

### **Nationwide, New Listings Slowed in March and Prices Rose From a Year Earlier**

New listings dropped 6% month over month in March—the largest decline on a seasonally adjusted basis since January 2022. They rose 6% from a year earlier, but that marks a deceleration from the 14% annual gain in February.

New listings may have slowed because mortgage rates are staying higher longer than expected, which is exacerbating the lock-in effect. The average 30-year-fixed mortgage rate in March was 6.82%—the highest since December—and the Federal Reserve has warned that elevated inflation will probably delay the interest-rate cuts they had been planning this

year.

Prices continued to rise, in part because there's still a shortage of homes for sale. The median U.S. home sale price rose 5% year over year in March to \$420,357, just 3% below the record high of \$432,496 set in May 2022.

Home sales were roughly flat compared with a month earlier on a seasonally adjusted basis, and were down 3% from a year earlier.

### March 2024 Highlights: United States

	March 2024	Month-Over-Month Change	Year-Over-Year Change
Median sale price	\$420,357	2.1%	4.8%
Homes sold, seasonally adjusted	423,273	-0.2%	-2.6%
New listings, seasonally adjusted	509,405	-6.3%	6.1%
All homes for sale, seasonally adjusted (active listings)	1,600,310	0.6%	4.3%
Months of supply	2.4	-0.5	0.3
Median days on market	40	-8	-4
Share of for-sale homes with a price drop	16.3%	1.1 ppts	2.8 ppts
Share of homes sold above final list price	30.0%	3.8 ppts	1.6 ppts
Average sale-to-final-list-price ratio	99.2%	0.5 ppts	0.4 ppts
Average 30-year fixed mortgage rate	6.82%	0.04 ppts	0.28 ppts

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

<https://www.redfin.com/news/housing-market-tracker-march-2024>

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