

Redfin Reports Housing Payments Post Biggest Decline in 4 Years Ahead of Fed's Historic Rate Cut, Which Could Lure Buyers Off the Sidelines

Monthly housing payments have declined nearly \$300 from April's all-time high. Improving affordability has yet to push up pending sales, but that could change after the Fed cut interest rates for the first time since 2020 this week.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. housing payment was \$2,534 during the four weeks ending September 15, down 2.7% from a year earlier—the biggest decline since May 2020, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. Monthly payments are falling because mortgage rates dropped to their lowest level in 20 months in the [lead-up](#) to the Fed's first interest-rate cut since 2020.

Mortgage applications are rising, but pending sales have yet to improve. Mortgage-purchase applications are up 5% week over week, with some buyers jumping off the sidelines as mortgage rates fall. But many would-be buyers are still holding off, with pending home sales down 6.9% year over year, one of the biggest declines since October 2023. That's despite both lower housing payments and more homes to choose from: New listings are up 5.1% year over year, and the total number of homes for sale is up 16.1%.

There are several reasons sales haven't yet picked up. Home prices are still rising, and Redfin agents report that some would-be buyers are waiting for mortgage rates to fall more, while other prospective buyers aren't even aware that rates have started to fall. Aside from rate-related reasons, agents report many house hunters are [confused](#) about the new NAR rules and others are waiting until after the election.

"Buyers are holding their breath, watching interest rates. There's pent-up energy, with people waiting for the right moment to buy a home—and it's feeling like the dam is going to break soon," said [Kristin Sanchez](#), a Redfin [Premier](#) agent in Nashville, TN. "Once things are more settled and people know where mortgage rates are going to land and who is going to be president, the market is going to get busier. I think winter will be busier than summer, which is the opposite of a usual year."

Inventory is piling up. The combination of rising inventory and slow sales is causing for-sale homes to pile up, and many listings are [growing stale](#). There are roughly four months of supply available on the market, the most since February and up from just over three months last year. Months of supply is the length of time it would take for the existing supply of homes to be bought up at the current pace of sales; the higher the number, the more buyer-friendly the market.

Fed's interest-rate cut may bring buyers off the sidelines. Demand may improve after yesterday's interest-rate cut, with house hunters who had been waiting for the Fed to lower rates jumping into the market now that it has happened. [Redfin economists note](#) that mortgage rates are unlikely to fall much further in the next few weeks because markets had already priced in expectations of an aggressive rate cut, and the Fed is projecting only gradual cuts from here on out. But mortgage rates may swing up or down before the end of the year, depending on upcoming inflation and jobs reports.

For Redfin economists' takes on the housing market, please visit Redfin's "[From Our Economists](#)" page.

Indicators of homebuying demand and activity				
	Value (if applicable)	Recent change	Year-over-year change	Source
Daily average 30-year fixed mortgage rate	6.15% (Sept. 18)	Near lowest level since February 2023	Down from 7.33%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.2% (week ending Sept. 12)	Lowest level since February 2023	Down from 7.18%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Increased 5% from a week earlier (as of week ending Sept. 13)	Down 0.4%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Essentially unchanged from a month earlier (as of week ending Sept. 15)	Down 7%	Redfin Homebuyer Demand Index a measure of tours and other homebuying services from Redfin agents
Touring activity		Up 8% from the start of the year (as of Sept. 16)	At this time last year, it was down 3% from the start of 2023	ShowingTime, a home touring technology company
Google searches for "home for sale"		Down 8% from a month earlier (as of Sept. 16)	Down 16%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending Sept. 15, 2024			
<i>Redfin's national metrics include data from 400+ U.S. metro areas, and is based on homes listed and/or sold during the period. Weekly housing-market data goes back through 2015. Subject to revision.</i>			
	Four weeks ending Sept. 15, 2024	Year-over-year change	Notes
Median sale price	\$385,375	3.4%	
Median asking price	\$398,475	5.4%	
Median monthly mortgage payment	\$2,534 at a 6.2% mortgage rate	-2.7%	Biggest decline since May 2020 Nearly \$300 below April's all-time high
Pending sales	75,933	-6.9%	
New listings	88,196	5.1%	
Active listings	998,854	16.1%	Smallest increase since April
Months of supply	3.9	+0.8 pts.	Highest level since February 4 to 5 months of supply is considered balanced, with a lower number indicating seller's market conditions.
Share of homes off market in two weeks	34.4%	Down from 38%	
Median days on market	37	+6 days	
Share of homes sold above list price	27.5%	Down from 32%	
Average sale-to-list price ratio	99%	-0.4 pts.	

Metro-level highlights: Four weeks ending Sept. 15, 2024

Redfin's metro-level data includes the 50 most populous U.S. metros. Select metros may be excluded from time to time to ensure data accuracy.

	Metros with biggest year-over-year increases	Metros with biggest year-over-year decreases	Notes
Median sale price	Newark, NJ (11.8%) Milwaukee (10.2%) Providence, RI (10.1%) Nassau County, NY (8.7%) Warren, MI (7.9%)	Austin, TX (-4.8%) Oakland, CA (-3.1%) San Antonio(-2.5%) Dallas (-2.3%) Tampa, FL (-1.5%)	Declined in 9 metros
Pending sales	San Antonio (7.6%) San Jose, CA (6.7%) Phoenix (5.9%) San Diego (4.2%) Cleveland (3.6%)	West Palm Beach, FL (-20%) Miami (-19.2%) New Brunswick, NJ (-14.9%) Fort Lauderdale, FL (-14.7%) Atlanta (-14.2%)	Increased in 15 metros
New listings	Las Vegas (18.3%) Phoenix (18.2%) San Jose, CA (17.1%) New York (14.9%) Anaheim, CA (14.4%)	San Antonio (-20.7%) Atlanta (-16%) Austin, TX (-11.5%) San Francisco (-8.7%) Chicago (-4.7%)	Declined in 12 metros

To view the full report, including charts, please visit: <https://www.redfin.com/news/housing-market-update-mortgage-rates-housing-payments-fall>

About Redfin

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