

Redfin Reports Buyers Are Coming Back: Mortgage Demand Shoots Up, Home Tours Hit Highest Level Since May

Mortgage-rate locks rose 68% from a month earlier in the days after the Fed announced its interest-rate cut. Many house hunters had been waiting for the Fed's cut before locking in a mortgage rate.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Homebuyers locked in nearly 70% more mortgages than they did a month earlier on September 23, according to a new [report](#) from Redfin, the technology-powered real estate brokerage. The report analyzes mortgage rate-lock data from Optimal Blue.

The surge in mortgage-rate locks comes five days after the Fed cut interest rates for the first time in four years. It's worth noting that the surge in mortgage-rate locks may overstate the increase in mortgage demand, as it could be exacerbated by buyers who had already decided to purchase a home but were waiting to lock in a rate until after the Fed meeting.

Still, there are other indicators that demand is improving. Mortgage-purchase applications are up more than 10% month over month. Additionally, Redfin's Homebuyer Demand Index—a measure of tours and other buying services from Redfin agents—shot up to its highest level since May during the week ending September 22. It's also notable that the Demand Index rose 1% annually, the first increase in nearly a year. Pending U.S. home sales fell 3.1% during the four weeks ending September 22, but that's the smallest decline in five weeks, and the increases in mortgage-rate locks and mortgage applications will likely lead to an uptick in sales over the next few weeks.

News of the Fed's historic interest-rate cut is the main factor bringing home buyers off the sidelines. Mortgage rates and housing costs had been declining meaningfully for several weeks before the rate cut, but before this week it hadn't led to an uptick in demand. Many house hunters had been waiting for the rate cut to actually happen to get serious about buying, and now they have, even though mortgage rates didn't fall further after the rate cut than they had in the week leading up to it.

Improving affordability is also, of course, a major factor bringing buyers back. The median monthly housing payment is down 4.4% year over year, the biggest decline in more than four years. It has dropped to its lowest level since January (with the exception of the prior 4-week period), thanks to mortgage rates dropping to their lowest level since February 2023 last week. (Home prices are still increasing nationwide, rising 3.9% year over year.) In [some metro areas](#), such as San Jose, CA and Los Angeles, housing payments have fallen more significantly.

“One new client decided to start their home search last Thursday because of the Fed's rate

cuts on Wednesday,” said [Andrew Vallejo](#), a Redfin [Premier](#) agent in Austin, TX. “They immediately reached out to a real estate agent and they’re working with a lender. Rate cuts have sparked more showings; we’re seeing all of our listings in the area get more traffic. It’s a nice glimmer of hope after a slow year in Austin.”

Declining mortgage rates and the Fed’s rate cut are also leading to fresh supply. New listings of homes for sale are up 7.6% year over year, the biggest increase since June, with sellers realizing it’s unlikely mortgage rates will drop back down to the 3% or 4% range anytime soon. It’s worth noting another reason for annual uptick in new listings is that they were quite low at this time last year.

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	6.19% (Sept. 25)	Near lowest level since February 2023	Down from 7.33%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.09% (week ending Sept. 19)	Lowest level since February 2023	Down from 7.19%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Increased 1% from a week earlier (as of week ending Sept. 20)	Up 2%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Highest level since May; up 7% from a month earlier (as of week ending Sept. 22)	Up 1% First increase since the 4 weeks ending Oct. 22, 2023	Redfin Homebuyer Demand Index a measure of tours and other home buying services from Redfin agents
Touring activity		Up 8% from the start of the year (as of Sept. 22)	At this time last year, it was down 4% from the start of 2023	ShowingTime, a home touring technology company
Google searches for “home for sale”		Up 4% from a month earlier (as of Sept. 22)	Down 4%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending Sept. 22, 2024

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.

	Four weeks ending Sept. 22, 2024	Year-over-year change	Notes
Median sale price	\$384,748	3.9%	Biggest increase in 2 months
Median asking price	\$399,750	5.4%	Biggest increase since January
Median monthly mortgage payment	\$2,519 at a 6.09% mortgage rate	-4.4%	Biggest decline since May 2020 Lowest level since January, with the exception of the prior 4-week period \$301 below April's all-time high
Pending sales	76,606	-3.1%	Smallest decline in 5 weeks
New listings	90,066	7.6%	Biggest increase in 3 months
Active listings	1,022,917	18.1%	Smallest increase since April
Months of supply	4.1	+0.9 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	34.3%	Down from 39%	
Median days on market	38	+7 days	
Share of homes sold above list price	27%	Down from 32%	
Average sale-to-list price ratio	98.9%	-0.5 pts.	

Metro-level highlights: Four weeks ending Sept. 22, 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 (12.2%) Providence, RI (10.2%) Cincinnati, OH (9.7%) Detroit (9.5%) Milwaukee (9.4%)	Austin, TX (-5.7%) Oakland, CA (-1.5%) Dallas (-1.7%) Tampa, FL (-2.2%) Denver (-1.7%)	Declined in 8 metros
Pending sales	San Jose, CA (11.8%) Phoenix (10.6%) Boston (7.2%) San Antonio (7.1%) Los Angeles (6.4%)	West Palm Beach, FL (-17.3%) Miami (-17.3%) Fort Lauderdale, FL (-15.4%) New Brunswick, NJ (-14.7%) Atlanta (-12.1%)	Increased in 23 metros
New listings	San Jose, CA (23.3%) Phoenix (22.8%) Anaheim, CA (18.2%) Las Vegas (17.8%) New York (17.7%)	San Antonio (-20.8%) Atlanta (-12.6%) Austin, TX (-5.2%) San Francisco (-4.6%) Virginia Beach, VA (-3.3%)	Declined in 8 metros

To view the full report, including charts, please visit:

<https://www.redfin.com/news/housing-market-update-homebuyers-are-back-mortgage-rate-locks>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, title insurance, and renovations services. We run the country's #1 real estate brokerage site. Our customers can save thousands in fees

while working with a top agent. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can have our renovations crew fix it up to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1.6 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 4,000 people.

Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

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