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Redfin Reports Homebuyers Aren't Yet Reacting to Lower Mortgage Rates, With Pending Sales Posting Biggest Year-Over-Year Decline in 9 Months

Monthly housing payments have dropped to their lowest level in four months, but homebuyers and sellers aren't yet reacting. In addition to pending home sales falling, new listings posted their smallest increase in three months.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. monthly housing payment was \$2,667 during the four weeks ending July 28, its lowest level since March. That's according to a new [report](#) from Redfin (redfin.com), the technology-powered real estate brokerage.

Payments are declining because mortgage rates and sale prices are falling: The weekly average mortgage rate is 6.78%, down from May's five-month high of 7.22%. The median home-sale price is \$392,563, down nearly \$4,000 from its early July peak (that's a typical seasonal decline and not a signal that prices are falling unexpectedly).

Despite improving affordability, pending home sales are down 5.7% year over year, the biggest decline in nine months, and mortgage-purchase applications are down 14% (purchase applications are down 2% week over week). That's largely because even though it's more affordable to buy a home now than it was in the spring, prices and payments are still near record highs. Additionally, Redfin agents report that some prospective buyers, wary of political uncertainty, are waiting until after the presidential election to purchase a home.

Another reason for dwindling sales is a lack of desirable listings. New listings are up 4% year over year, but they're losing momentum; that's the smallest increase since November. And [nearly two-thirds](#) of homes for sale have been sitting on the market for at least 30 days without going under contract, indicating that many of today's listings don't match the wants and/or needs of house hunters. Much as pending sales are declining partly due to new listings losing steam, the slowdown in new listings is partly due to limited demand.

But Redfin agents report that there is plenty of demand for turnkey homes in desirable neighborhoods, and some expect sales to pick up soon as mortgage rates come down.

"Local buyers are still worried about affordability, especially since wages haven't caught up with home-price growth and inflation has cut into their budgets. But now that rates are declining, some fence-sitters are getting off the fence," said Boise, ID Redfin agent Nicole Stewart. "I'm working with some buyers who need larger homes to accommodate growing families, some who are relocating from California, Washington or Oregon, and some who are taking advantage of all the new builds in our area."

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	6.78% (July 31)	Lowest level since February; down from 7.14% a month earlier	Down from 7.04%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.78% (week ending July 25)	Down from 7.22% in early May	Down slightly from 6.81%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Decreased 2% from a week earlier (as of week ending July 26)	Down 14%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Essentially unchanged from a month earlier (as of week ending July 28)	Down 14%	Redfin Homebuyer Demand Index, a measure of requests for tours and other homebuying services from Redfin agents
Touring activity		Up 16% from the start of the year (as of July 28)	At this time last year, it was up 10% 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 July 29)	Down 19%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending July 28, 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 July 28, 2024	Year-over-year change	Notes
Median sale price	\$392,563	4.1%	\$3,912 below all-time high set during the 4 weeks ending July 7
Median asking price	\$400,225	5%	
Median monthly mortgage payment	\$2,667 at a 6.78% mortgage rate	4%	Lowest level since March; \$168 below all-time high set during the 4 weeks ending April 28
Pending sales	79,855	-5.7%	Biggest decline in nearly 9 months
New listings	90,940	4%	Smallest increase in nearly 9 months
Active listings	989,047	18.7%	Smallest increase in 3 months
Months of supply	3.8	+0.8 pts.	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	37.6%	Down from 44%	
Median days on market	33	+5 days	
Share of homes sold above list price	30.8%	Down from 36%	
Share of homes with a price drop	6.8%	+1.8 pts.	Highest level on record
Average sale-to-list price ratio	99.4%	-0.5 pts.	

Metro-level highlights: Four weeks ending July 28, 2024			
<i>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.</i>			
	Metros with biggest year-over-year increases	Metros with biggest year-over-year decreases	Notes
Median sale price	Detroit (17.2%) New Brunswick, NJ (15%) Providence, RI (13.6%) Milwaukee (13%) West Palm Beach, FL (12.8%)	Austin, TX (-2.3%) Dallas (-0.4%)	Declined in 2 metros
Pending sales	San Francisco (7.1%) Newark, NJ (6.9%) Los Angeles (4.1%) San Jose, CA (3.3%) Boston (2.7%) Providence, RI (2.6%) Cincinnati, OH (0.7%)	Houston (-30.5%) Atlanta (-16.1%) Minneapolis (-15.2%) Fort Lauderdale, FL (-14%) West Palm Beach, FL (-13%)	Increased in 7 metros
New listings	Las Vegas (17.5%) San Jose, CA (17.3%) Jacksonville, FL (16.1%) Miami (15.4%) San Diego (15%)	Atlanta (-16%) Houston (-12.9%) Warren, MI (-8.5%) Portland, OR (-7.6%) Chicago (-7.1%)	Declined in 13 metros

To view the full report, including charts, please visit: <https://www.redfin.com/news/housing-market-update-pending-sales-monthly-payments-down>

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.

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