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Redfin Reports September Was a Turning Point For Demand, With Pending Home Sales Flat After 9 Months of Declines and Tours Hitting Highest Level Since April

On a local level, sales are increasing in most major metros. Other demand indicators, like requests for home tours and mortgage-rate locks, are also improving as mortgage rates drop to their lowest level in two years

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Pending U.S. home sales were flat from a year earlier during the four weeks ending September 29, marking the first time since January pending sales didn't decline. That's according to a new [report](#) from Redfin, the technology-powered real estate brokerage. It's worth noting that we're comparing to a period last year when sales slumped as mortgage rates surged into the mid-7% range.

Pending sales increased year over year in 27 of the 50 most populous U.S. metros, the most since January. They rose most in Phoenix, with a 13% increase, followed by San Jose, CA (12%) and Portland, OR (10%). Home buying demand is starting to improve in those places after dropping to a low point last year, but pending sales are still below pre-pandemic levels. (Sales are still posting big declines in Florida, where homebuyers have backed away due largely to climate disasters and rising insurance and [HOA costs](#). Pending sales fell 18% year over year in West Palm Beach, more than anywhere else in the country, followed by 16% drops in Fort Lauderdale and Miami.)

Homebuying demand at earlier parts of the buying process is improving, too. Redfin's Homebuyer Demand Index – a measure of tours and other buying services from Redfin agents – is up 9% month over month to its highest level since April. Homebuyers locked in more than twice as many mortgages than they did a month earlier on September 30, according to Optimal Blue data, and mortgage-purchase applications are up 10% month over month.

Homebuyers are starting to return because housing costs are coming down. The average 30-year mortgage rate dropped to 6.08% last week, its lowest level in two years, pushing the typical homebuyer's mortgage payment down to \$2,529, near its lowest level since January. That's a 5.9% decline, the biggest year-over-year drop since May 2020. Additionally, the Fed's mid-September interest-rate cut caused many Americans to realize that mortgage rates have already declined about [as much as they're going to](#) for the foreseeable future.

Declining mortgage rates are also encouraging some homeowners to sell, though that's not a new trend: Listings have been on the rise for nearly a year, and this week's 4.3% increase is on par with those over the last few months.

“There’s no doubt demand has picked up since the Fed’s interest-rate cut; I’m seeing much more traffic at my listings. But even though homes are selling, they’re still not typically getting multiple offers,” said [Max Shadle](#), a Redfin [Premier](#) agent in Phoenix. “Falling rates are an incentive for homeowners to sell, too, because they know demand is coming back and they feel less locked in by their relatively low rate. But many people still have an ultra-low mortgage rate from a few years ago, and they’re not quite ready to let go.”

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	6.25% (Oct. 2)	Up from 6.11% two weeks earlier, but still near lowest level since February 2023	Down from 7.61%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.08% (week ending Sept. 26)	Lowest level in 2 years	Down from 7.31%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Increased 1% from a week earlier (as of week ending Sept. 27)	Up 9%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Highest level since April; up 9% from a month earlier (as of week ending Sept. 29)	Up 2% Biggest increase in over a year	Redfin Homebuyer Demand Index a measure of tours and other homebuying services from Redfin agents
Touring activity		Up 2% from the start of the year (as of Sept. 29)	At this time last year, it was down 8% from the start of 2023	ShowingTime, a home touring technology company
Google searches for “home for sale”		Down 6% from a month earlier (as of Sept. 30)	Down 8%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending Sept. 29, 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. 29, 2024	Year-over-year change	Notes
Median sale price	\$383,375	4%	
Median asking price	\$401,700	5.3%	Biggest increase since February
Median monthly mortgage payment	\$2,529 at a 6.08% mortgage rate	-5.9%	Biggest decline since May 2020 Near lowest level since January Nearly \$300 below April's all-time high
Pending sales	76,034	unchanged	First time since January pending sales haven't posted a decline
New listings	88,254	4.3%	
Active listings	1,010,788	16.6%	Smallest increase since April
Months of supply	4.2	+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	34.2%	Down from 39%	
Median days on market	39	+7 days	
Share of homes sold above list price	26.7%	Down from 31%	
Average sale-to-list price ratio	98.9%	-0.4 pts.	

Metro-level highlights: Four weeks ending Sept. 29, 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 (13.6%) Nassau County, NY (10.5%) Providence, RI (9.8%) Cincinnati (9.1%) Montgomery County, PA (9.1%)	Austin, TX (-4.9%) Tampa, FL (-2.1%) Fort Worth, TX (-1.6%) Denver (-1.5%) Dallas (-1.5%) Oakland, CA (-0.5%) San Antonio (-0.1%)	Declined in 7 metros
Pending sales	Phoenix (12.9%) San Jose, CA (12.4%) Portland, OR (9.6%) Boston (9.5%) Seattle (7.7%)	West Palm Beach, FL (-17.7%) Fort Lauderdale, FL (-16.4%) Miami (-16.2%) Tampa, FL (-13.4%) New Brunswick, NJ (-13.1%)	Increased in 27 metros
New listings	San Jose, CA (25.9%) Phoenix (20.9%) New York (17.4%) New Brunswick, NJ (16.6%) Boston (15.7%)	San Antonio (-18.6%) Atlanta (-17%) Tampa, FL (-16.6%) Anaheim, CA (-15.9%) Los Angeles (-8.4%)	Declined in 13 metros

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

<https://www.redfin.com/news/housing-market-update-pending-home-sales-demand-improving>

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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