

Redfin Reports Falling Mortgage Rates Mean Housing Payments Are Now More Affordable Than a Year Ago Despite Higher Prices

Falling mortgage rates have pushed the median U.S. housing payment down near its lowest level since January, but pending home sales have yet to improve. Many would-be buyers are hoping rates fall further, and others are waiting for clarity around the new NAR rules

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. monthly housing payment was \$2,558 during the four weeks ending September 8, nearly down to where it was at the start of the year and down 1.3% from a year earlier, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. That's a small drop, but it's the second-biggest decline since May 2020, when the housing market was stumbling before the pandemic-driven boom (the biggest decline since then was two weeks ago, when payments declined 1.6%).

Housing payments are falling because mortgage rates are falling. Weekly average mortgage rates and daily average rates have both dropped to their lowest level in over a year in anticipation of the Fed [cutting interest rates](#). Housing payments would be falling further if not for stubbornly high home prices: The median U.S. home-sale price is \$388,085, up 3.7% year over year and just a few thousand dollars shy of July's all-time high. Home prices remain elevated despite slow sales partly due to limited inventory. The total number of homes for sale is down nearly 30% from pre-pandemic levels, and while it's up 16.7% from a year ago, that's the smallest increase in five months.

Declining housing payments haven't yet translated to an uptick in sales; pending home sales are down 7.8% annually, the biggest decline in nearly a year (except the prior 4-week period). That's partly due to high home prices, but other factors are at play, too. Redfin agents report that some would-be buyers are holding off because they're [confused about the new NAR rules](#), which went into effect on August 17. Other house hunters are hoping mortgage rates will come down further before they buy.

"One of my buyers is under contract on a home, but he's trying to hold off on closing until the end of the month in hopes that rates will come down and he can get more bang for his buck," said [David Palmer](#), a Redfin [Premier](#) agent in Seattle. "I'm also seeing people postponing until after the presidential election; buyers tend to be more careful about major financial decisions around a consequential election. The people who are buying are doing so because of major life changes, like a divorce or new job."

We have seen an uptick in early-stage indicators of demand, so dynamics might be changing. Redfin's Homebuyer Demand Index—a measure of tours and other buying services

from Redfin agents—is near its highest level since May, and mortgage-purchase applications are up 2% week over week.

The [August CPI report](#) released yesterday was slightly hotter than expected, nudging the Fed toward a 25 bps rate cut at its meeting next week. However, inflation remains cool enough that the Fed could still surprise with a 50 bps cut to get ahead of further weakness in the labor market or simply project the possibility of larger cuts down the road. Mortgage rates, having priced in an aggressive cutting cycle into 2025, are unlikely to move much until we hear from the Fed.

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	6.11% (Sept. 11)	Lowest level since February 2023	Down from 7.3%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.35% (week ending Sept. 5)	Tied with prior week, which was the lowest level in 16 months (aka lowest level since May 2023)	Down from 7.12%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Increased 2% from a week earlier (as of week ending Sept. 6)	Down 3%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Up 5% from a month earlier; near highest level since May (as of week ending Sept. 8)	Down 7%	Redfin Homebuyer Demand Index a measure of tours and other homebuying services from Redfin agents
Touring activity		Up 4% from the start of the year (as of Sept. 9)	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”		Up 2% from a month earlier (as of Sept. 9)	Down 16%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending Sept. 8, 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. 8, 2024	Year-over-year change	Notes
Median sale price	\$388,085	3.7%	About \$6,000 below all-time high set during the 4 weeks ending July 7
Median asking price	\$397,475	5.4%	
Median monthly mortgage payment	\$2,558 at a 6.35% mortgage rate	-1.3%	Second-biggest decline since May 2020 (the biggest decline was during the 4 weeks ending August 25, 2024, when payments fell 1.6%)
Pending sales	76,504	-7.8%	Biggest decline since Oct. 2023, with the exception of the prior 4-week period, when there was a 7.9% decline
New listings	87,557	4.6%	
Active listings	996,813	16.7%	Smallest increase since April
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	34.4%	Down from 38%	
Median days on market	36	+5 days	
Share of homes sold above list price	27.9%	Down from 33%	
Share of homes with a price drop	6.6%	+1.2 pts.	
Average sale-to-list price ratio	99%	-0.5 pts.	

Metro-level highlights: Four weeks ending Sept. 8, 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	Milwaukee (11.6%) Providence, RI (10.5%) Nassau County, NY (8.8%) New Brunswick, NJ (8.7%) Fort Lauderdale, FL (7.9%)	Austin, TX (-4%) Fort Worth, TX (-2%) Dallas (-1.8%) Tampa, FL (-1%) Jacksonville, FL (-0.7%)	Declined in 8 metros
Pending sales	San Jose, CA (7%) Boston (5.9%) Cleveland (5.3%) Indianapolis (3.6%) San Antonio (3%)	West Palm Beach, FL (-19.8%) Miami (-18.8%) Fort Lauderdale, FL (-16.9%) Cincinnati (-14.1%) Atlanta (-14%)	Increased in 13 metros
New listings	Las Vegas (19.1%) San Diego, CA (18%) Phoenix (16.6%) Anaheim, CA (13.3%) Houston (13.2%)	Atlanta (-18.7%) Austin, TX (-11.2%) Nassau County, NY (-8.1%) San Francisco (-7.1%) Chicago (-5.9%)	Declined in 11 metros

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

About Redfin

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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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