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Redfin Reports Slowdown Starts to Ease as Drop in New Listings Hampers Supply

A number of metrics that reflect a cooling market are now leveling off—among them, housing supply and the share of sellers slashing their list prices—as would-be sellers back away in response to dampened homebuyer demand

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —The housing-market slowdown is starting to slow down, according to a new report from Redfin (redfin.com), the technology-powered real estate brokerage.

Fewer homeowners are listing their homes due to ebbing homebuyer demand. That's hampering the recent growth in housing supply that has been forcing sellers to slash their prices. The number of homes for sale during the four weeks ending August 14 fell slightly from the prior four-week period, the first decline since the start of the year, as new listings plummeted 14% from a year earlier—the largest annual drop since June 2020.

With fewer homes hitting the market, the sellers who remain aren't facing as much competition from other sellers. Consequently, the share of home listings with price reductions—a key gauge of a cooling market—is no longer surging and has leveled off at its record high. The share of listings with price cuts may also be plateauing because sellers are adjusting to the cooler market and pricing more in-line with buyer expectations from the get-go. Following months of declines, the share of homes selling within a week has leveled off at around 25%, another sign that the market slowdown is easing.

"Many homeowners have been reluctant to put their houses up for sale during a market slowdown, which is now holding back inventory growth," said Deputy Chief Economist Taylor Marr. "That means buyers have fewer homes to choose from and may lose some of their newfound bargaining power, which allows sellers to maintain their list prices instead of having to cut them."

Leading indicators of homebuying activity:

- For the week ending August 18, 30-year mortgage rates fell to 5.13%. That's down from a 2022 high of 5.81% but up from 3.22% at the start of the year.
- Fewer people searched for "homes for sale" on Google—searches during the week ending August 13 were down 17% from a year earlier, but up 16% from late May.
- The seasonally-adjusted Redfin Homebuyer Demand Index—a measure of requests for home tours and other home-buying services from Redfin agents—was down 14% year over year during the week ending August 14.
- Touring activity as of August 14 was down 5% from the start of the year, compared to a 14% increase at the same time last year, according to home tour technology company ShowingTime.
- Mortgage purchase applications were down 18% from a year earlier during the week

ending August 12, while the seasonally-adjusted index was down 1% week over week.

Key housing market takeaways for 400+ U.S. metro areas:

Unless otherwise noted, this data covers **the four-week period ending August 14**. Redfin's weekly housing market data goes back through 2015.

- The median home sale price was $373,750, up 7% year over year. Prices have declined 5.5% from the record high of $395,373 hit during the four-week period ending June 19. A year ago, they rose 0.6% during the same period.
- Only two metro areas saw a year-over-year decline in the median home sale price: Oakland, CA, where prices fell 1.5% to $926,000 and San Francisco, where prices were down 2.8% to $1,463,125.
- The median asking price of newly listed homes increased 11% year over year to $385,725. Asking prices are down 4.7% from the all-time high set during the four-week period ending May 22. Last year during the same period they were down just 0.3%.
- The monthly mortgage payment on the median asking price home was $2,244 at the current 5.13% mortgage rate, up 35% from $1,665 a year earlier, when mortgage rates were 2.86%. That's down from the peak of $2,463 reached during the four weeks ending June 12.
- Pending home sales were down 17% year over year.
- New listings of homes for sale were down 14% from a year earlier, the largest decline since June 2020.
- Active listings (the number of homes listed for sale at any point during the period) fell 0.2% from the prior four-week period, the first decline since the four weeks ending Jan. 30, 2022. On a year-over-year basis, they rose 4%—the smallest increase since the four weeks ending July 3, 2022.
- 37% of homes that went under contract had an accepted offer within the first two weeks on the market, little changed from the prior four-week period but down from 44% a year earlier.
- 25% of homes that went under contract had an accepted offer within one week of hitting the market, little changed from the prior four-week period but down from 31% a year earlier.
- Homes that sold were on the market for a median of 23 days, up from 21 days a year earlier and the record low of 17 days set in May and early June.
- 41% of homes sold above list price, down from 51% a year earlier.
- On average, 7.7% of homes for sale each week had a price drop, a record high but unchanged from the prior four-week period.
- The average sale-to-list price ratio, which measures how close homes are selling to their asking prices, declined to 100.3% from 101.6% a year earlier. In other words, the average home sold for 0.3% above its asking price.

To view the full report, including charts and methodology, please visit: https://www.redfin.com/news/housing-market-update-slowdown-eases-supply-levels-off

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, instant home-buying (iBuying), rentals, lending, title insurance, and renovations services. We sell homes for more money and charge half the fee.

We also run the country's #1 real-estate brokerage site. 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 take an instant cash offer from Redfin or have our renovations crew fix up their home 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 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 6,000 people.

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Contact Redfin
Redfin Journalist Services:
Kenneth Applewhaite, 206-588-6863
press@redfin.com

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