

June 27, 2024



Redfin Reports the Typical Home Is Selling for Less Than List Price, the First Time That Has Happened in Late Spring Since Start of Pandemic

High housing costs—and high temperatures—are keeping prospective homebuyers on the sidelines, making it more common for homes to sell below list price. This could be a sign that home-price growth will lose momentum in the coming months.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The typical U.S. home that sold during the four weeks ending June 23 sold for 0.3% less than its asking price, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. This marks the first time the typical home has sold under list price this time of year since the onset of the pandemic in 2020, when the housing market nearly ground to a halt. The typical home sold for exactly its list price one year ago, and roughly 2% above its list price two years ago.

Additionally, just under two-thirds (32.3%) of U.S. homes sold over asking price during that period. That's the lowest share of any June since 2020, and down from 36% a year earlier. Nearly 7% of home sellers dropped their asking price, on average, the highest level since November 2022 and up from 4.7% a year ago.

The likelihood of homes selling below asking price is rising because there's more supply than demand, at least for certain types of homes in certain parts of the country. New listings are up 8.2% year over year nationwide, while pending home sales are down 4.3%, the biggest decline in four months. Most inventory is growing stale; over 60% of homes are listed for at least a month without going under contract.

Buyers are shying away due to sky-high housing costs The median home-sale price is up 4.9% year over year to an all-time high of \$397,250. While mortgage rates have come down from May's six-month high, the weekly average is still near 7%. The typical homebuyer's monthly payment is \$2,785, just about \$50 below the record high.

Record-breaking heat is another reason some buyers have taken a backseat recently "I've heard some clients say, 'it's so hot outside I don't want to see anything,'" said Joe Hunt, a Redfin manager in Phoenix. "But if mortgage rates were lower, I doubt heat would be keeping buyers away."

Buyers may get a slight respite soon on costs soon. The growing likelihood that homes sell below asking price, along with the high share of sellers dropping their prices, could mean sale-price growth loses momentum. Plus, mortgage rates may decrease further if inflation continues to cool.

Redfin agents say both buyers and sellers should be realistic about prices in today's market. Sellers shouldn't overprice, and buyers should know they may be able to negotiate — but only if a home has been on the market without much activity for at least a few weeks.

“Some buyers think they can get a deal because they're hearing the market is cool, and some sellers think every home will sell for top dollar no matter the condition,” said [Marije Kruythoff](#), a Los Angeles Redfin [Premier](#) agent. “In reality, everything depends on the house and the location. The hottest properties in this area are either move-in ready or complete fixer-uppers. The homes in between, those that are pretty nice but not updated, are sitting on the market longest. Sellers of that type of home often benefit from making cosmetic repairs before listing, which we offer through [Redfin Concierge Service](#). And buyers who do encounter middle-of-the-road listings without much wow factor should consider trying to negotiate.”

For Redfin economists' takes on the housing market, please visit Redfin's [From Our Economists](#)” page.

Leading indicators

Indicators of homebuying demand and activity				
	Value (if applicable)	Recent change	Year-over-year change	Source
Daily average 30-year fixed mortgage rate	7.06% (June 26)	Up from a 3-month low of 6.97% a week earlier, but down from a 5-month high of 7.52% 6 weeks earlier	Up from 6.91%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.87% (week ending June 20)	Lowest level since week ending April 4	Up from 6.67%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Increased 1% from a week earlier (as of week ending June 21)	Down 13%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Up 5% from a month earlier (as of week ending June 23)	Down 14%	Redfin Homebuyer Demand Index, a measure of requests for tours and other homebuying services from Redfin agents
Touring activity		Up 27% from the start of the year (as of June 23)	At this time last year, it was also up 15% from the start of 2023	ShowingTime, a home touring technology company
Google searches for “home for sale”		Unchanged from a month earlier (as of June 24)	Down 15%	Google Trends

Key housing-market data**U.S. highlights: Four weeks ending June 23, 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 June 23, 2024	Year-over-year change	Notes
Median sale price	\$397,250	4.9%	All-time high; biggest increase since March
Median asking price	\$414,975	6.1%	Biggest increase since October 2022
Median monthly mortgage payment	\$2,785 at a 6.87% mortgage rate	7.5%	\$54 below all-time high set during the 4 weeks ending April 28
Pending sales	85,246	-4.3%	Biggest decline in 4 months
New listings	100,545	8.2%	Biggest increase in 2 months
Active listings	953,300	16.9%	
Months of supply	3.3	+0.6 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	41.4%	Down from 46%	
Median days on market	31	+4 days	
Share of homes sold above list price	32.3%	Down from 36%	
Share of homes with a price drop	6.7%	+2 pts.	Highest level since November 2022
Average sale-to-list price ratio	99.7%	-0.3 pts.	

Metro-level highlights: Four weeks ending June 23, 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	Anaheim, CA (16%) Nassau County, NY (14.4%) New Brunswick, NJ (13.8%) Newark, NJ (13.6%) West Palm Beach, FL (12.7%)	San Antonio (-2.5%) Austin, TX (-2.5%) Dallas (-0.9%) Fort Worth, TX (-0.8%)	Declined in 4 metros
Pending sales	San Jose, CA (14.7%) Pittsburgh (5%) San Francisco (4.5%) Anaheim, CA (3.4%) Columbus, OH (2.7%)	Houston (-15.1%) West Palm Beach, FL (-14.9%) Atlanta (-12.2%) San Antonio (-11.4%) Miami (-11.2%)	Increased in 11 metros
New listings	San Jose, CA (40.6%) Miami (22.4%) San Diego (20.8%) Anaheim, CA (19.3%) Phoenix (19.2%)	Chicago (-7.6%) Atlanta (-7.5%) Detroit (-2%) Minneapolis (-0.8%) Portland, OR (-0.4%)	Declined in 5 metros

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

<https://www.redfin.com/news/housing-market-update-homes-selling-below-asking-price-june-2024>

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Source: Redfin