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Redfin Report: Home Prices up 3.4% in June as Supply Flattens

The typical home sold in June went under contract in just 35 days, matching last year's record-fast pace, as falling mortgage rates lured more buyers to the market

SEATTLE, July 22, 2019 /PRNewswire/ -- (NASDAQ: RDFN) — U.S. home-sale prices rose for the third consecutive month in June, growing 3.4 percent year over year to a median of $321,200, according to a new report from Redfin (www.redfin.com), the technology-powered real estate brokerage. June's price-growth rate was on par with the May rate and was down from a 5.5 percent year-over-year gain in June 2018.

Only six of the 85 largest metro areas Redfin tracks saw a year-over-year decline in their median sale price, the biggest of which was once again in San Jose, where home prices were down 4.9 percent from a year earlier. Oxnard, CA (-4.8%), Oakland, CA (-2.0%), Seattle, WA (-0.5%), Lake County, IL (-0.1%) and Los Angeles, CA (-0.1%) rounded out the list of metro areas with price drops.

"As national home price growth stabilizes, we're continuing to see supply and demand dynamics play out differently in affordable inland markets than in expensive coastal markets," said Redfin chief economist Daryl Fairweather. "In places like Philadelphia and Cleveland, where home prices are growing by double digits and buyers are rate- and price-sensitive, falling mortgage interest rates make buying a home this summer increasingly attractive. But without a commensurate increase in the number of homes for sale, some of the most affordable markets are driving nationwide home prices up. Meanwhile, expensive markets like the Bay Area and Seattle are still feeling a chill with falling prices and many more homes for sale than there were a year ago. Unlike their inland counterparts, buyers in these once-hot West Coast markets are less likely to feel the urgency to buy while rates are low and before prices rise more. As long as mortgage rates and inventory are low, we'll see more buyers competing for homes and driving up prices in places where they are still relatively affordable. And without more homes to buy, particularly at affordable price points, sales will continue to lag."

Market Summary	June 2019	Month-Over-Month	Year-Over-Year
Median sale price	$321,200	1.7%	3.4%
Homes sold	302,700	-5.4%	-8.0%
New listings	370,100	-12.5%	-5.7%
All Homes for sale	899,900	0.9%	0.5%
Median days on market	35	-1	0
Months of supply	3	0.2	0.3
Sold above list	24.9%	0.5%	-3.5%
Median Off-Market Redfin Estimate	$300,300	1.4%	6.1%
Average Sale-to-list	98.8%	0.4%	0.1%

Home sales fell 8 percent in June compared to a year earlier. This was a sharp reversal from May, when home sales increased 2.2 percent from a year before. The decline was broad, as 80 of the 85 metros tracked by Redfin saw year-over-year home sales fall in June.

The 8 percent drop was the fourth largest sales decline in eight years, but Redfin economists explain that it was largely due to the fact that June 2018 had one more weekday--a Friday, which tends to be the most common day for home closings--than June 2019. When adjusted for the number of weekdays, sales were down just 3.5 percent year over year.

The metro areas with the largest declines in sales were Rochester, NY (-24.2%), Omaha, NE (-23.5%), and Fort Lauderdale, FL (-22.4%).

The supply of homes for sale grew 0.5 percent year over year, the smallest increase in the 10 months inventory has been rising. Inventory levels were mixed across the country, with 48 metros seeing a decline and 37 seeing an increase in the number of homes for sale compared to a year earlier.

The three metro areas with the biggest increases in the number of homes for sale were all in California: San Jose (+42.8%), Oxnard (+26.1%), and Oakland (+25.7%). The biggest declines were in New Orleans, LA (-32.0%), Rochester, NY (-27.8%), and Camden, NJ (-19.6%).

Even though sales were down from a year ago, the speed at which homes went off the market matched the all-time record set last June. Homes that sold last month went under contract after a median 35 days on market, unchanged from last year. The fastest markets in the nation were Tacoma, WA (7 days), Grand Rapids, MI (7), and Boston, MA (9).

Many of the markets that were the hottest last year saw an increase in median time on market in June compared to June 2018:

- San Jose, CA: 26 days, up from 12 days last year
- Denver, CO: 12 days, up from 7 days last year
- Portland, OR: 16 days, up from 12 days last year
- Seattle, WA 11 days, up from 7 days last year

The average sale-to-list price ratio of homes sold hit a new all-time high in June at 98.8 percent nationally. While the national sale-to-list price ratio masks regional variation, as the ratio approaches or exceeds 100%, it generally indicates that buyers have less leverage, or have had less success, negotiating prices down.

Other measures still suggest that the market is a little cooler than a year ago. A quarter (24.9%) of homes sold in June went for more than list price, down from 28.4 percent a year earlier. In addition, 26.5 percent of homes listed for sale had a price drop in June, up from

25.1 percent in June 2018.

To read the full report, including charts and metro-level data breakdowns, please visit: https://www.redfin.com/blog/june-2019-housing-market-tracker.

About Redfin

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