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Redfin Reports Home Prices Fell 3% in March—Biggest Annual Drop in Over a Decade

Pending home sales dipped to the lowest level since the start of the pandemic as elevated mortgage rates curtailed buyer demand and a lack of homes for sale limited purchases

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. home price fell 3.3% in March to \$400,528, the largest year-over-year drop since 2012, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

Pandemic boomtowns and pricey Bay Area markets led the price declines in March. In Boise, ID, prices fell 15.4% from a year earlier, more than any other U.S. metro area Redfin analyzed. Next came Austin, TX (-13.7%), Sacramento, CA (-11.9%), San Jose, CA (-10.5%) and Oakland, CA (-9.7%). Boise also saw the largest drop in pending home sales, with a 78.8% year-over-year decline. Nationwide, pending sales fell 26.6% on a seasonally-adjusted basis to the lowest level since the onset of the pandemic (April 2020).

“I was consistently busy in the fall, but things got really quiet in March after the collapse of Silicon Valley Bank,” said Boise Redfin real estate agent [Shauna Pendleton](#). “That killed the buyer momentum that had been building and brought us right back to where we were last year when mortgage rates shot up. There’s this fear that everything will crash. There are bank failures, inflation, recession fears, mortgage-rate volatility, a war in Ukraine, spy balloons—some people are wondering if they should pull their money out of the bank and park it in a safe rather than spend it on a new home.”

Pendleton continued: “The irony is that it’s actually a pretty good time to buy in Boise. The dropoff in homebuyer demand means that prices are falling and many sellers—especially homebuilders—are offering concessions. It’s not uncommon for a buyer to get a home for less than the list price.”

Pandemic boomtowns and expensive coastal markets are seeing their housing markets slow quickly because home prices overheated in recent years and are now coming back down to earth after many buyers were priced out. Prices in Boise, for example, surged a record 40.9% in May 2021 as low mortgage rates, remote work and relatively affordable housing brought in scores of homebuyers from more expensive parts of the country. That compares with a national record increase of 26% the same month. Redfin’s records date back to 2012.

Markets that didn’t heat up as much in recent years are holding up relatively well. Pending sales fell the *least* in Fort Worth, TX, Dallas, Indianapolis, Cincinnati, and Buffalo, NY. And prices *rose* more than 10% year over year in March in Milwaukee, El Paso, TX, Omaha, NE, Camden, NJ and Knoxville, TN—the biggest gainers in the country. When nationwide price growth hit a record 26% in May 2021, Milwaukee prices were up just 12.5%—meaning they

had less room to fall.

In Nashville, the housing market has slowed from its pandemic peak, but demand is stable, according to local Redfin real estate agent [Jennifer Bowers](#). Prices are up about 1% from a year ago and pending sales are down slightly less than the country as a whole.

“Nashville’s housing market is steady,” Bowers said. “We’re still seeing a lot of folks move in from Chicago, Texas, California and Colorado—places people haven’t historically come to Nashville from. Some are moving in for political reasons, some for our low taxes, and many for our relatively affordable home prices. Prices are high in the eyes of many locals, but we’re still pretty affordable compared to a lot of parts of the country. We also have a solid job market and a lot of newly-built houses coming on the market, which is supporting home sales.”

There Aren’t Enough Homes for Sale Even Though Fewer People Are Buying

Elevated mortgage rates are prompting both buyers and sellers to stay put. New listings fell 23.3% year over year in March to the lowest level on record aside from the start of the pandemic on a seasonally-adjusted basis.

Many homeowners are hesitant to sell because moving would mean taking on a higher mortgage rate when they buy their next home. The average 30-year-fixed mortgage rate was 6.54% in March, up from 4.17% a year earlier. Others are staying put because they already bought their dream home in recent years or fear they won’t be able to find another home they like given the shortage of listings.

A lack of homes on the market is contributing to the decline in sales, preventing home prices from falling further and leading to bidding wars in some markets. More than two of every five (44.3%) home offers written by Redfin agents faced competition in March. The bidding-war rate has hovered around that level for the past five months following nearly a year of month-over-month declines.

“Low inventory is driving the market and causing bidding wars to intensify. I have two listings that have each received around 10 offers in the past few weeks,” said [Dan Close](#), a Redfin real estate agent in Chicago. “Buyers’ agents are trying so hard to find homes for their clients that they’re calling me before my listings even hit the market. I did a consult with a seller recently and before we had anything in ink, three brokers phoned to say they’d heard about the home through word of mouth and wanted to know more. We had two above-asking offers on the \$2 million home within 24 hours. There weren’t even any photos online yet.”

“One of my sellers recently got multiple offers on their home, but pulled the listing off the market when they found out their interest rate was going to double,” said Bowers, the Nashville agent. “There are a lot of homeowners who don’t want to give up their 2.5% or 3% rate for a 6.5% rate. Both buyers and sellers are having a tough time adjusting because rates are swinging up and down so quickly.”

Roughly 55,000 home-purchase agreements were canceled in March, equal to 14.8% of homes that went under contract. That’s down from the 2022 peak of 16.8% in October, but up from 11.2% a year earlier.

“This year’s spring homebuying season is lackluster,” said Redfin Chief Economist Daryl Fairweather. “There are some signs of the typical seasonal uptick—homes are selling faster than they were in the winter—but that’s partly because there are so few new listings. Normally we see homebuyers come out in throngs at this time of year, which isn’t happening.”

March Highlights

	March 2023	Month-Over-Month Change	Year-Over-Year Change
Median sale price	\$400,528	3.6%	-3.3%
Pending home sales, seasonally adjusted	372,126	-3.1%	-26.6%
Homes sold, seasonally adjusted	444,572	-3.6%	-22.3%
New listings, seasonally adjusted	459,934	-2.2%	-23.3%
All homes for sale, seasonally adjusted (active listings)	1,508,454	-4.7%	5.6%
Months of supply	1.9	-0.7	0.7
Median days on market	43	-9	23
Share of for-sale homes with a price drop	14.6%	0.8 ppts	8 ppts
Share of homes sold above final list price	28.5%	4.9 ppts	-25.6 ppts
Average sale-to-final-list-price ratio	98.9%	0.6 ppts	-3.5 ppts
Share of home offers written by Redfin agents that faced competition, seasonally adjusted	44.3%	-2.2 ppts	-18 ppts
Pending sales that fell out of contract, as % of overall pending sales	14.8%	1.4 ppts	3.6 ppts
Average 30-year fixed mortgage rate	6.54%	0.28 ppts	2.37 ppts

Metro-Level Highlights: March 2023

- **Pending sales:** In [Boise](#), pending sales fell 78.8% year over year, more than any other metro Redfin analyzed. It was followed by [Baton Rouge, LA \(-66.3%\)](#), [Allentown, PA \(-60.8%\)](#), [Honolulu \(-56.6%\)](#) and [Greensboro, NC \(-53.4%\)](#). The smallest declines were in [Fort Worth \(-2.6%\)](#), [Dallas \(-4.3%\)](#), [Indianapolis \(-5.3%\)](#), [Cincinnati \(-8.7%\)](#) and [Buffalo \(-12.2%\)](#).
- **Closed sales:** In [San Jose](#), closed sales dropped 39.1% year over year. The next biggest declines were in [San Francisco \(-39%\)](#), [Oakland \(-38.7%\)](#), [New York \(-37.2%\)](#) and [Portland, OR \(-36.9%\)](#). Closed sales fell the least in [North Port, FL \(-3.4%\)](#), [Dallas \(-3.5%\)](#), [Indianapolis \(-5.2%\)](#), [Grand Rapids, MI \(-5.6%\)](#) and [Forth Worth \(-7.8%\)](#).
- **Prices:** Median sale prices fell from a year earlier in 37 metros. The biggest declines were in [Boise \(-15.4%\)](#), [Austin \(-13.7%\)](#), [Sacramento \(-11.9%\)](#), [San Jose \(-10.5%\)](#) and [Oakland \(-9.7%\)](#). The biggest increases were in [Milwaukee \(11.7%\)](#), [El Paso \(11.1%\)](#), [Omaha \(10.7%\)](#), [Camden \(10.2%\)](#) and [Knoxville \(10.2%\)](#)
- **Listings:** New listings fell the most from a year earlier in [Allentown \(-57.1%\)](#), [Boise \(-55.2%\)](#), [Stockton, CA \(-46.8%\)](#), [Greensboro \(-46.5%\)](#) and [Sacramento \(-44.8%\)](#). They rose in just one metro—[Charlotte, NC \(4.3%\)](#)—and fell least in [North Port \(-0.2%\)](#), [McAllen, TX \(-2.3%\)](#) [Austin \(-3%\)](#) and [Fort Worth \(-4.1%\)](#).
- **Supply:** Active listings rose most from a year earlier in [North Port \(90.7%\)](#), [Austin \(65.8%\)](#), [Nashville \(58.7%\)](#), [Fort Worth \(54.3%\)](#) and [New Orleans \(50.6%\)](#). They fell most in [Allentown \(-41.7%\)](#), [Cincinnati \(-34.8%\)](#), [Greensboro \(-34.3%\)](#), [Lake County, IL \(-29%\)](#) and [Milwaukee \(-28.1%\)](#).
- **Competition:** In [Las Vegas](#), 26.5% of home offers written by Redfin agents faced competition, down from 74.8% a year earlier. That 48.4-percentage-point decline is the largest decline among the metros Redfin analyzed. Next came [Olympia, WA \(-40.7 ppts\)](#), [Colorado Springs, CO \(-40.4 ppts\)](#), [San Antonio \(-36.7 ppts\)](#) and [Phoenix \(-33.9 ppts\)](#). Competition rose in just one metro Redfin analyzed: [Worcester, MA \(4.5 ppts\)](#). It

fell the least in [Washington, D.C.](#) (-4.1 ppts) [Detroit](#) (-5.6 ppts), [Atlanta](#) (-5.8 ppts) and [Baltimore](#) (-7.2 ppts).

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

<https://www.redfin.com/news/housing-market-tracker-march-2023>

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