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Home Prices Post Another 15% Gain

Homes sold closer than ever to sellers' asking prices as pending sales rose 32%, new listings up just 8%

SEATTLE, Oct. 23, 2020 /PRNewswire/ -- (NASDAQ: RDFN) — The median home sale price increased 15% year over year to \$320,625—the highest on record, according to a new [report](https://www.redfin.com) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. In the week ending October 18, home prices were up 16% from the same week a year earlier. Home prices continue to buck their typical seasonal pattern.



Below are other key housing market takeaways for 434 U.S. metro areas during the 4-week period ending October 18.

- Since the four-week period ending July 5, home prices have increased 6.8%. Over that same period in 2018 and 2019, prices declined an average of 4.4%.
- The median asking price of new listings was up 14.2% from a year earlier.
- Pending home sales climbed 32% year over year even as the number of sales continued a typical seasonal decline.
- New listings of homes for sale were up 8% from a year earlier.
- Active listings (the number of homes listed for sale at any point during the period) fell 29% from 2019 to a new all-time low.
- 45.2% of homes that went under contract had an accepted offer within the first two weeks on the market. This measure typically peaks in April or May and declines through the end of the year, but this year it has held steady since late June.
- The average sale-to-list price ratio, which measures how close homes are selling to their asking prices, rose to 99.5%—an all-time high and 1.4 percentage points higher than a year earlier.
- For the week ending October 18, the seasonally adjusted Redfin Homebuyer Demand Index was up 42% from pre-pandemic levels in January and February.
- Mortgage applications decreased 2% week over week (seasonally-adjusted) and were up 26% from a year earlier (unadjusted) during the week ending October 16. For the week ending October 22, 30-year mortgage rates were down just slightly to 2.80%. Rates have been below 3% since late July.

"It's remarkable how this late in the year the market remains highly competitive," said Redfin chief economist Daryl Fairweather. "There are still plenty of homebuyers lying in wait for new

listings to hit the market. And when homebuyers see their perfect house listed amid the ongoing shortage of homes for sale, they are willing to pay asking price or even more just to make sure the deal goes through before another buyer swoops in. The election may slow down homebuying activity in the coming weeks as buyers and sellers get anxious about the outcome, but once the dust settles, it's likely that there will still be a lot of pent-up demand that will heat things right back up."

"More and more homes are selling above list price lately, which is something I haven't seen here since the build-up to the housing bubble in 2005," said Columbia, SC Redfin real estate agent Jessica Nelson. "The sudden ability that so many people have to work from home is really changing the market, bringing in a lot of out-of-town money, making everything more competitive for homebuyers."

To view the full report, including charts and methodology, please visit:
<https://www.redfin.com/news/us-housing-market-strong-prices-up-15-percent/>

About Redfin

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