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Redfin Reports Pending Sales Continue to Slow--Still Up 29% from 2020

Other leading indicators such as home tours and mortgage purchase applications have also slowed

SEATTLE, June 11, 2021 /PRNewswire/ -- (NASDAQ: RDFN) —The breakneck pace of the housing market is beginning to slow heading into June, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. Leading indicators of activity are now mostly cooling off instead of continuing to heat up.



Adjusted for seasonality, home purchase applications have been falling since late March and are now 7% *below* their average levels in January and February 2020, despite low mortgage rates and easing access to credit. The cooling market is also reflected in a four-week decline in pending sales and a drop in Redfin's demand index, which is down 12% from its late-March peak. Taken as a whole, the data paints a picture not of a bursting bubble, but a clear change from the overheated spring market.

"Homebuyers may have found a better way to spend Memorial Day weekend than touring homes, but most have not exited the market entirely," said Redfin Lead Economist Taylor Marr. "Buyers have faced a tough market this year and fewer feel it is a good time to buy as the allure of low rates has waned, so some are choosing to wait it out for now. With demand stabilizing, the housing market should become more balanced, allowing homebuyers to have a less stressful and challenging time finding and competing for a home."

"While the market has not come to a full stop, we are seeing signs of yielding," said Westchester County, NY Redfin real estate agent Candice Smith. "Buyers are winning bidding wars with offers that are \$60,000 or less over asking prices; just a month ago in similar situations they had to go \$100,000 or more over asking. Bidding wars are still the norm, but the number of competing offers have been cut in half from around 17 to about eight. Homebuyers still need to be strategically creative when submitting their highest and best offer, which involves methods like offering to cover an appraisal gap upfront, dropping the appraisal or mortgage contingency altogether or adding escalation clauses."

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

Unless otherwise noted, this data covers **the four-week period ending June 6** Redfin's housing market data goes back through 2012.

Data on homes listed and/or sold during the period:

- The median home-sale price increased 24% year over year to \$358,749, a record high.
- Asking prices of newly listed homes hit a new all-time high of \$364,725, up 14% from the same time a year ago.
- Pending home sales were up 29% year over year. Seasonally adjusted pending sales are down 9.7% from their peak four weeks ago. The sudden slowdown in pending sales is likely due to more people opting to pause their home search and take advantage of the holiday weekend.
- New listings of homes for sale were up 9% from a year earlier.
- Active listings (the number of homes listed for sale at any point during the period) fell 37% from 2020, and have been relatively flat since late February.
- 56% of homes that went under contract had an accepted offer within the first two weeks on the market, well above the 43% rate during the same period a year ago.
- 43% of homes that went under contract had an accepted offer within one week of hitting the market, up from 31% during the same period a year earlier.
- Homes that sold were on the market for a median of 16 days, a new all-time low and down from 38 days a year earlier.
- A record 53% of homes sold above list price, up from 25% a year earlier.
- The average sale-to-list price ratio, which measures how close homes are selling to their asking prices, increased to 102.1%—3.7 percentage points higher than a year earlier and an all-time high.

Other other leading indicators of homebuying activity:

- Mortgage purchase applications increased 0.3% week over week (seasonally adjusted) during the week ending June 4. For the week ending June 10, 30-year mortgage rates decreased to 2.96%.
- 35% of consumers said it is a good time to buy a home in May, according to Fannie Mae's homebuying sentiment index, down from 47% in April and 52% in May 2020.
- Home tours as of June 6 were 26% above their level at the beginning of the year, compared to 40% at the same period in 2020, according to home tour technology company ShowingTime.

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

<https://www.redfin.com/news/housing-market-update-memorial-day-week/>

About Redfin

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