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# Redfin Reports Housing Supply Hits Highest Level Since 2020, But Demand Falls to Lowest Level Since 2020

*The typical home that sold sat on the market for 56 days—the longest of any January since 2020*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Homebuyers have the most options since 2020, but few are biting because rising housing costs have made monthly payments tough to swallow. That is according to a new report from Redfin (redfin.com), the technology-powered real estate brokerage.

Pending home sales in January fell to the lowest level on record aside from the start of the pandemic. They dropped 4.2% month over month—the largest decline on a seasonally adjusted basis since August 2023—and 6.3% year over year.

Meanwhile, active listings of homes for sale rose to the highest level since early in the pandemic. They climbed 0.3% month over month on a seasonally adjusted basis in January and 12.9% year over year. New listings hit the highest level since July 2022, increasing 1.9% month over month and 4.7% year over year.

**Housing supply (listings) is increasing for a few key reasons:**

- **The mortgage rate lock-in effect is fading.** A lot of homeowners who scored ultra-low mortgage rates during the pandemic have been staying put because moving would mean taking on a higher rate. But most people can't stay put forever.
- **Homes are lingering on the market.** The typical home that sold in January was on the market for 56 days. That's a week longer than a year earlier, and marks the longest period for any January since 2020.
- **Demand is slowing.** Listings are also piling up because there are fewer people buying homes. Existing home sales fell 1.7% in January to a seasonally adjusted annual rate of 4.3 million—the largest monthly decline since October 2023.
- **Housing demand (sales) is decreasing for a few key reasons:**
- **Mortgage rates hit an eight-month high.** The average interest rate on a 30-year-fixed mortgage was 6.96% in January, up from 6.72% a month earlier and the highest level since May. Plus, the median home sale price rose 4.1% from a year earlier to $418,581. That's 45% higher than the January before the pandemic.
- **Deals are falling through.** Home purchases were canceled at the highest January rate in records dating back to 2017. Roughly 41,000 home-purchase agreements were canceled, equal to 14.3% of homes that went under contract last month. That's up from 13.4% a year earlier.
- **Economic uncertainty.** Tariffs. Reductions in the federal workforce. Return to office mandates. Mortgage rate uncertainty. A lot is up in the air for a lot of Americans right

now, and Redfin agents report this is giving buyers (and sellers) cold feet.

“I’m seeing a lot more inventory hit the market than I have in past years, but it’s not nearly enough,” said Charles Wheeler, a Redfin Premier real estate agent in San Diego. “Economic fears have been top of mind for people. I have sellers saying, ‘I think we're at the top of the market—I’m ready to cash out and put my money into another investment.’ Buyers should know that they have a bit more negotiating power because there are more homes hitting the market. Sellers should know that since buyers have more negotiating power, they should make sure their home is polished and competitively priced if they want to sell it quickly.”

It’s worth noting that price growth is roughly back to where it was before the pandemic, growing 4%-5% a year, as opposed to the double-digit increases seen in 2021-2022. That’s in part because supply and demand is more balanced; the housing shortage has slowly improved as more listings have come on the market. Still, prices continue to climb because, as Wheeler said, there still aren’t enough homes for sale.

“On a national scale, we’re seeing an increase in people selling homes and decrease in people buying homes, bringing supply and demand closer to equilibrium. But the national snapshot masks a lot of regional variation,” said Redfin Senior Economist Elijah de la Campa. “For example, pending sales are rising from a year ago in expensive coastal markets like San Jose and Seattle, and posting double-digit declines in pandemic boomtowns like Miami and Austin. In Newark, active listings are near an all-time low, but in San Antonio, they’re near a record high.”

Winter storms in January may have also impacted sales in some areas.

### January 2025 Housing Market Highlights: United States

| | January 2025 | Month-over-month change | Year-over-year change |
|---|---|---|---|
| **Median sale price** | $418,581 | -2% | 4.1% |
| **Existing home sales, seasonally adjusted annual rate** | 4,279,856 | -1.7% | 2.4% |
| **Pending home sales, seasonally adjusted** | 455,163 | -4.2% | -6.3% |
| **Homes sold, seasonally adjusted** | 423,038 | -3.1% | 0.1% |
| **New listings, seasonally adjusted** | 564,642 | 1.9% | 4.7% |
| **Total homes for sale, seasonally adjusted (active listings)** | 1,795,951 | 0.3% | 12.9% |
| **Months of supply** | 3.6 | 0.9 | 0.3 |
| **Median days on market** | 56 | 6 | 7 |
| **Share of homes sold above final list price** | 22.4% | -1.9 ppts | -1.7 ppts |
| **Share of homes that went off market in two weeks** | 30.6% | 6 ppts | -2.2 ppts |
| **Average sale-to-final-list-price ratio** | 98.2% | -0.3 ppts | -0.2 ppts |
| **Pending sales that fell out of contract, as % of overall pending sales** | 14.3% | -1.4 ppts | 1.0 ppt |
| **Monthly average 30-year fixed mortgage rate** | 6.96% | 0.24 ppts | 0.32 ppts |

### Metro-Level Highlights: January 2025

- **Prices**: Median sale prices rose most from a year earlier in Pittsburgh (15.4%), St. Louis (13.2%) and Anaheim, CA (13.1%). They fell in four metros: Tampa, FL (-4%), Austin, TX (-3.7%), San Francisco (-2.2%) and Jacksonville, FL (-1.3%).

- **Pending sales**: Pending sales rose most in Portland, OR (11.4%), San Jose, CA (8.2%) and Milwaukee (4.7%). They fell most in Detroit (-19.2%), Miami (-18.1%) and Atlanta (-17.4%).
- **Closed home sales**: Home sales rose most in Portland, OR (12.8%), Providence, RI (10%) and Boston (9.9%). They fell most in Detroit (-11.3%), Miami (-9.4%) and Fort Lauderdale, FL (-8.2%).
- **New listings**: New listings rose most in Seattle (30.8%), Oakland, CA (27.7%) and Sacramento, CA (25%). They fell most in Kansas City, MO (-11.2%), Detroit (-9.1%) and Pittsburgh (-8.4%).
- **Active listings**: Active listings rose most in Oakland (31.1%), Seattle (29.1%) and Cincinnati (28.1%). They fell in six metros, with the largest declines in New York (-3.9%), Newark, NJ (-1.9%) and Chicago (-1.5%).
- **Sold above list price**: In Newark, 56.7% of homes sold above their final list price, the highest share among the metros Redfin analyzed. Next came San Jose (52.7%) and Nassau County, NY (49%). The lowest shares were in West Palm Beach, FL (5.5%), Fort Lauderdale (5.9%) and Miami (7.5%).

To view the full report, including charts, please visit: https://www.redfin.com/news/home-sales-fall-supply-rises

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