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Redfin Reports Home-Price Growth Slows as Mortgage Rates Dip to Lowest Level in Over 2 Months

Some Redfin agents are advising prospective buyers to get serious now as mortgage rates decline and the housing market tilts in buyers' favor

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. home-sale price rose just 3.5% year over year during the four weeks ending February 23, the smallest increase since September. That's according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. Mortgage rates have declined to their lowest level in more than two months, dipping from 7.13% to 6.78% in the last two weeks alone and upping buyers' purchasing power by [thousands of dollars](#). Mortgage rates are coming down due to signals that the U.S. economy is slowing, and heightened recession fears.

In addition to a bit of cost relief, another factor is working in buyers' favor. House hunters have a bit [more power](#) to negotiate on sale price and terms as supply piles up in some parts of the country. There are 4.6 months of supply on the market, up from 4 months at this time last year, and the typical home is selling for roughly 2% less than its asking price.

There are signs that slowing price growth, declining rates and more favorable conditions are bringing some house hunters back to the market. Redfin's Homebuyer Demand Index—a seasonally adjusted measure of tours and other buying services from Redfin agents—has jumped to its highest level since the start of the year, and Google searches of "homes for sale" nationwide have hit their highest level since September.

But home sales have yet to improve. Pending home sales are down 6.2% from a year earlier, in line with decreases Redfin has seen since the start of the year. Even though mortgage rates have declined a bit, the typical monthly housing payment is just \$32 shy of its all-time high. Sales could pick up in the coming weeks if the increase in home tours turns into more offers and/or mortgage rates continue coming down slightly.

Redfin agents in some parts of the U.S. are advising prospective buyers to jump in while they can because with today's economic and political uncertainty, mortgage rates could rise above 7% again soon. And the pileup of supply could soon be depleted: New listings of homes for sale are up just 2.4% year over year this week, the smallest gain in a month.

"My advice to buyers: If you're thinking of purchasing a home in the next six months, don't wait until the flowers start blooming," said [Alison Williams](#), a Redfin [Premier](#) agent in Sacramento, CA. "The market will heat up as we get closer to spring. Now is the time to potentially negotiate down the price of a home, save money on closing costs or get the sellers to cover issues uncovered in the inspection. There are bidding wars for relatively affordable homes, under \$400,000 or so, and for upscale, fully renovated homes in popular

neighborhoods. But for everything in between, buyers are looking online and touring, but not jumping on them. The buyers who are jumping are getting deals.”

For Redfin economists’ takes on the housing market, please visit Redfin’s [“From Our Economists”](#) page.

Leading indicators

| Indicators of homebuying demand and activity | | | | |
|--|-----------------------------|---|--|--|
| | Value (if applicable) | Recent change | Year-over-year change | Source |
| Daily average 30-year fixed mortgage rate | 6.78% (Feb. 26) | Lowest level since Dec. 10 | Down from 7.13% | Mortgage News Daily |
| Weekly average 30-year fixed mortgage rate | 6.85% (week ending Feb. 20) | Lowest level in 2 months | Down from 6.9% | Freddie Mac |
| Mortgage-purchase applications (seasonally adjusted) | | Unchanged from a week earlier (as of week ending Feb. 21) | Up 3% | Mortgage Bankers Association |
| Redfin Homebuyer Demand Index (seasonally adjusted) | | Up 5% from a month earlier (as of week ending Feb. 23) | Down 4% | Redfin Homebuyer Demand Index, a measure of tours and other homebuying services from Redfin agents |
| Touring activity | | Up 19% from the start of the year (as of Feb. 24) | At this time last year, it was up 23% from the start of 2024 | ShowingTime, a home touring technology company |
| Google searches for “home for sale” | | Up over 20% from a month earlier (as of Feb. 24) | Up 10% | Google Trends |

Key housing-market data

| U.S. highlights: Four weeks ending Feb. 23, 2025 | | | |
|---|----------------------------------|---|---|
| Redfin’s national metrics include data from 400+ U.S. metro areas, and are based on homes listed and/or sold during the period. Weekly housing-market data goes back through 2015. Subject to revision. | | | |
| | Four weeks ending Feb. 23, 2025 | Year-over-year change | Notes |
| Median sale price | \$377,250 | 3.5% | Smallest increase since September |
| Median asking price | \$412,253 | 5.8% | |
| Median monthly mortgage payment | \$2,762 at a 6.85% mortgage rate | 5.1% | \$32 shy of all-time high |
| Pending sales | 73,415 | -6.2% | |
| New listings | 81,553 | 2.4% | |
| Active listings | 907,659 | 9.7% | Smallest increase in nearly a year |
| Months of supply | 4.6 | +0.7 pts. | 4 to 5 months of supply is considered balanced, with a lower number indicating seller’s market conditions |
| Share of homes off market in two weeks | 32.8% | Down from 36% | |
| Median days on market | 56 | +6 days; near longest span since March 2020 | |
| Share of homes sold above list price | 21.7% | Down from 24% | |
| Average sale-to-list price ratio | 98.1% | Down from 98.3% | |

| Metro-level highlights: Four weeks ending Feb. 23, 2025 <i>Redfin's metro-level data includes the 50 most populous U.S. metros. Select metros may be excluded from time to time to ensure data accuracy.</i> | | | |
|--|--|---|------------------------|
| | Metros with biggest year-over-year increases | Metros with biggest year-over-year decreases | Notes |
| Median sale price | Cleveland (13.1%) San Jose, CA (12.6%) Nassau County, NY (12%) Detroit (10.8%) Milwaukee (10.5%) | Austin, TX (-5%) Jacksonville, FL (-2.8%) Tampa, FL (-2.1%) Atlanta (-0.3%) | Declined in 4 metros |
| Pending sales | San Francisco (26.9%) Los Angeles (12.2%) Anaheim, CA (10.4%) Riverside, CA (3.5%) Columbus, OH (1.6%) Phoenix (0.3%) | Houston (-17%) Miami (-16.6%) Minneapolis (-16.1%) Jacksonville, FL (-16.1%) Washington, D.C. (-15.5%) | Increased in 6 metros |
| New listings | Phoenix (23%) Los Angeles (22.2%) Sacramento, CA (19.4%) Denver (16.6%) Anaheim, CA (16.2%) | Detroit (-21.4%) Warren, MI (-13.1%) Montgomery County, PA (-10.5%) Newark, NJ (-8.3%) Fort Worth, TX (-8.2%) | Increased in 19 metros |

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

<https://www.redfin.com/news/housing-market-update-early-stage-demand-improves-rates-fall>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, and title insurance services. We run the country's #1 real estate brokerage site. Our customers can save thousands in fees while working with a top agent. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1.6 billion in commissions. We serve approximately 100 markets across the U.S. and Canada and employ over 4,000 people.

Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

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