

Pending Home Sales Post Record Drop in October as Deal Cancellations, Price Cuts Hit Record High

The historic slowdown may ease in the coming months if inflation continues to cool

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Pending home sales fell the most on record in October and deal cancellations and price cuts hit record highs, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

Pending sales dropped 32.1% year over year last month, the largest decline since at least 2013, when Redfin's records begin. Nearly 60,000 home-purchase agreements fell through, equal to a record 17.9% of homes that went under contract. Meanwhile, almost one-quarter (23.9%) of homes for sale experienced a price drop, double the rate of a year earlier.

Surging mortgage rates also caused would-be sellers to stay put due to the lock-in effect. The average 30-year-fixed mortgage was 6.9% in October, up 3.83 percentage points from 3.07% one year earlier—the largest year-over-year increase during any month since 1981. That contributed to a 24% year-over-year drop in new listings, the steepest decrease on record aside from April 2020, when the onset of the pandemic brought the housing market to a near halt.

“The Fed’s actions to curb inflation are causing the housing market to slow at a pace not seen since the financial crisis,” said Redfin Economics Research Lead Chen Zhao. “There are already early but promising signs that inflation is cooling, which caused mortgage rates to drop last week. If that progress continues, buyers who recently backed out of deals may return to the market and sellers may be less inclined to slash their prices.”

Still, sale prices have room to fall. The median U.S. home sale price declined 1.4% month over month—the largest slowdown during any October since 2012—but was up 4.9% from a year earlier.

Prices may ease as listings linger on the market and competition slows. Homes that sold in October were on the market for a median of 35 days, up from 21 days a year earlier, and less than half (44.6%) of home offers written by Redfin agents faced competition. That compares with more than two-thirds (67.3%) in October 2021.

National Highlights

	October 2022	Month-Over-Month Change	Year-Over-Year Change
Median sale price	\$397,549	-1.4%	4.9%
Homes sold, seasonally-adjusted	464,017	-3.4%	-26.9%
Pending home sales, seasonally-adjusted	414,492	-5.9%	-32.1%
New listings, seasonally-adjusted	511,459	-5.4%	-24%
All homes for sale, seasonally-adjusted	1,555,384	-1.2%	4.7%
Months of supply	2.7	0.3	1.2
Median days on market	35	3	14
Share of for-sale homes with a price drop	23.9%	2.1 ppts	11.9 ppts
Share of homes sold above final list price	28.8%	-3.2 ppts	-17 ppts
Average sale-to-final-list-price ratio	98.9%	-0.4 ppts	-1.9 ppts
Share of home offers written by Redfin agents that faced competition (seasonally-adjusted)	44.6%	-2.4 ppts	-22.7 ppts
Pending sales that fell out of contract, as % of overall pending sales	17.9%	1.3 ppts	5.7 ppts
Average 30-year fixed mortgage rate	6.9%	0.79 ppts	3.83 ppts

Note: Data is subject to revision

Metro-Level Highlights

Prices

- Prices fell on a year-over-year basis in five metros: San Francisco (-4.5%), Lake County, IL (-3.5%), San Jose, CA (-1.6%), Oakland, CA (-1.6%) and Stockton, CA (-0.2%).
- Prices increased most in North Port, FL (25.9%), El Paso, TX (18.2%), Miami (17.4%), Tampa, FL (17.2%) and Cape Coral, FL (16.1%).
- More than two-thirds (68.7%) of homes for sale in Boise, ID had a price drop—a larger share than any other metro Redfin analyzed. Next came Denver (56.8%), Indianapolis (54.7%), Salt Lake City (54.7%) and Tacoma, WA (52.5%).
- Newark, NJ had the smallest share of price drops (17%), followed by El Paso (17.2%), Miami (20.1%), Honolulu (20.6%) and New Brunswick, NJ (20.7%).
- Raleigh, NC, Phoenix, Austin, San Antonio and Jacksonville, FL saw the biggest year-over-year increases in the share of homes for sale with price drops. Three metros—Lake County, Chicago and Fresno, CA—saw decreases.

Sales

- Pending home sales fell the most in Allentown, PA, declining 54.9% year over year. Next came Greensboro, NC (-50.4%), Honolulu (-47.3%), Salt Lake City (-46%) and Jacksonville (-45.9%).
- Pending sales fell the least in McAllen, TX (-6.6%), Rochester, NY (-14.2%), Detroit (-14.4%), Buffalo, NY (-15.1%) and El Paso (-15.8%).
- The number of homes sold fell the most in Salt Lake City (-47.6%), Stockton (-45.4%), Cape Coral (-45.3%), Las Vegas (-43.7%) and San Diego (-41.5%).
- The number of homes sold fell the least in Greenville, SC (-14.6%), McAllen (-15.9%), Worcester, MA (-16.4%), Oklahoma City (-16.6%) and New Orleans (-17.6%).
- In Jacksonville, 706 home-purchase agreements fell through, equal to 30.6% of homes that went under contract that month—the highest percentage among the metros Redfin analyzed. It was followed by Tampa (26.7%), San Antonio (26.6%), Atlanta (25.2%) and Las Vegas (25.1%).
- San Francisco had the lowest percentage of cancellations (6%), followed by San Jose

(8%), Nassau County, NY (8.2%), Montgomery County, PA (9.3%) New York (10.5%).

Inventory

- New listings fell the most in Cape Coral (-50.8%), followed by Boise (-49.8%), Greensboro (-46.3%), Allentown (-42.1%) and Baton Rouge (-39.3%).
- New listings only rose in one market—El Paso—increasing 3.3%. They fell the least in McAllen (-0.4%), New Orleans (-3.2%), Detroit (-6.3%) and Rochester (-7.8%).
- Active listings (the total number of homes for sale) fell the most in Hartford, CT (-32.6%), followed by Milwaukee (-29.3%), Greensboro (-27.8%), Bridgeport, CT (-27.6%) and Allentown (-25.8%).
- Active listings rose the most in North Port (46.9%), followed by Austin (42.3%), Nashville (40%), Tampa (33.2%) and Phoenix (32.9%).

Competition

- The fastest market was Rochester, where half of all homes were pending sale in just 10 days. It was followed by Omaha, NE and Grand Rapids, MI with 11 median days on market. Next came Columbia, SC and Buffalo, with 12 median days on market.
- The slowest market was Chicago, with 61 median days on market. It was followed by Honolulu (59), West Palm Beach, FL (58), New York (57) and Lake County (56).
- In Rochester, 65.4% of homes sold above their final list price—a higher share than any other metro Redfin analyzed. It was followed by Buffalo (60.1%) Hartford (58.5%), Worcester (52.1%) and Camden, NJ (50.9%).
- In North Port, 12.9% of homes sold above their final list price—a lower share than any other metro Redfin analyzed. Next came Cape Coral (13.5%), Phoenix (13.6%), West Palm Beach (13.9%) and Boise (14%).
- Worcester had the highest bidding-war rate, with 68.4% of home offers written by Redfin agents facing competition. Next came Providence, RI (61.9%), Boston (57.5%), San Jose (54.9%) and San Francisco (51.7%).
- The lowest bidding-war rates were in Nashville (11.1%), Colorado Springs, CO (11.1%), Phoenix (22.1%), Orlando, FL (23.2%) and Riverside, CA (24%).

To view the full report, including charts, additional metro-level data and methodology, please visit: <https://www.redfin.com/news/housing-market-tracker-october-2022>

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, title insurance, and renovations services. We sell homes for more money and charge half the fee. We also run the country's #1 real estate brokerage site. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can have our renovations crew fix up their home to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 5,000 people.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be

added to Redfin's press release distribution list, email press@redfin.com. To view Redfin's press center, [click here](#).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20221121005722/en/>

Redfin Journalist Services:

Ally Braun, 206-588-6863

press@redfin.com

Source: Redfin