

January 25, 2024



Redfin Reports Price Growth Starts the Year Strong But Harsh Weather Freezes Out Some Would-Be Homebuyers

Redfin agents in areas affected by inclement weather report slow homebuying activity, but agents in warmer locales say buyers and sellers are active as mortgage rates stay in the high-6% range, down from 8% a few months ago

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —The median U.S. home-sale price rose 5.1% during the four weeks ending January 21, the biggest increase since October 2022, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. Asking prices rose 6.5% which is also the biggest increase since October 2022.

Prices are rising for a few reasons. One, inventory is still quite low. The total number of homes for sale is down 4% year over year. And while new listings are up 2%, that's the smallest annual increase in two months. Additionally, sellers can command higher prices because buyers have more purchasing power; mortgage rates are holding steady in the mid-to-high 6% range, down from 8% in October.

This week's sales data shows sluggish activity as severe winter weather kept buyers and sellers on the sidelines in much of the country: Pending home sales are down 8% year over year, the biggest decline in four months. The big annual drop in pending sales can also be explained in part by a base effect from last January: Pending sales were improving at this time last year as mortgage rates fell.

While Redfin agents in places that are facing harsh weather report that would-be buyers are staying home (for now), mortgage-purchase applications are rising, and agents in warmer places say demand is picking up:

- "Real estate is usually slow in the Midwest in the winter, but this year it's even slower than usual because the weather has been so extreme," said Grand Rapids, MI Redfin [Premier](#) agent [Christine Kooiker](#). "Casual house hunters are staying home to avoid the roads—but inventory is low enough that serious buyers are finding a way to see desirable homes. I also believe we'll get busier as we approach spring. People are used to higher mortgage rates, and they know prices are likely to go up more if they wait."
- "At the end of 2023, a lot of my clients said, 'I'll call you in January.' And they did. This month has been nonstop," said [Shay Stein](#), a Redfin [Premier](#) agent in Las Vegas. "I wouldn't say buyers are happy about 6.5% rates, but they'll accept it because they'll feel vindicated if rates rise back to 8%, and they can always refinance and avoid future bidding wars if rates drop further. And sellers are coming out of the woodwork, noticing the interest from buyers."

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	6.95% (Jan. 24)	Up slightly from a week earlier	Up from 6.18%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.6% (week ending Jan. 18)	Lowest level since May	Up from 6.15%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Up 8% from a week earlier; up 17% from a month earlier (as of week ending Jan. 19)	Down 18%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Down 8% from a month earlier (as of week ending Jan. 21)	Down 21%	Redfin Homebuyer Demand Index, a measure of requests for tours and other homebuying services from Redfin agents
Google searches for "home for sale"		Up 18% from a month earlier (as of Jan. 20)	Down 15%	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending January 21, 2023 <i>Redfin's national metrics include data from 400+ U.S. metro areas, and is based on homes listed and/or sold during the period. Weekly housing-market data goes back through 2015. Subject to revision.</i>			
	Four weeks ending January 21, 2023	Year-over-year change	Notes
Median sale price	\$362,225	5.1%	Biggest increase since Oct. 2022
Median asking price	\$384,458	6.5%	Biggest increase since Oct. 2022
Median monthly mortgage payment	\$2,525 at a 6.6% mortgage rate	10.7%	Down roughly \$200 from all-time high set during the four weeks ending Oct. 22, but up roughly \$200 from the four weeks ending Dec. 31
Pending sales	54,331	-8.2%	Biggest decline in 4 months
New listings	54,796	2.2%	
Active listings	742,862	-4%	
Months of supply	4.7 months	+0.3 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	26.5%	Essentially unchanged	
Median days on market	45	-3 days	
Share of homes sold above list price	22.9%	Up from 21%	
Share of homes with a price drop	4.4%	Essentially unchanged	
Average sale-to-list price ratio	98.2%	+0.4 pts.	

Metro-level highlights: Four weeks ending January 21, 2023 <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	Anaheim, CA (13.6%) New Brunswick, NJ (13.5%) Miami (13.3%) Newark, NJ (12.6%) Providence, RI (11.8%)	Austin, TX (-3.7%) San Antonio, TX (-2.2%) Oakland, CA (-1.8%) Jacksonville, FL (-1%)	Declined in 4 metros
Pending sales	San Jose, CA (8.8%) Detroit (6.1%) Anaheim, CA (4.5%) Milwaukee, WI (2.6%) San Francisco (2.3%)	Portland, OR (-24.7%) New Brunswick, NJ (-21.9%) Newark, NJ (-18.9%) Houston (-18.3%) Atlanta (-17.3%)	Increased in 9 metros
New listings	San Diego, CA (22.3%) Phoenix (21.6%) Minneapolis, MN (20.4%) Miami (18.8%) Fort Lauderdale, FL (18.7%)	Chicago (-20.4%) Atlanta (-17.9%) Portland, OR (-16%) Fort Worth, TX (-11.2%) Nashville, TN (-8.6%)	Declined in 14 metros

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

<https://www.redfin.com/news/housing-market-update-prices-rise-pending-sales-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, title insurance, and renovations services. We also run the country's #1 real estate brokerage site. Our home-buying customers see homes first with same day tours, and our lending and title services help them close quickly. Customers selling a home in certain markets 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. Customers who buy and sell with Redfin pay a 1% listing fee, subject to minimums, less than half of what brokerages commonly charge. Since launching in 2006, we've saved customers more than \$1.5 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 4,000 people.

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Source: Redfin