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Redfin Reports High Housing Payments Are Slowing Home Sales, But Buyers Could Get Relief Soon

In Los Angeles, demand for rentals is spiking as residents displaced by wildfires search for housing

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The median U.S. monthly housing payment is \$2,686, the highest level in nearly seven months, as of the four weeks ending January 19. That's according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. Housing costs are high because of rising mortgage rates and home prices: The weekly average mortgage rate is 7.04%, the highest level since May, and the median U.S. home-sale price is up 5% year over year.

High housing costs are one factor keeping many would-be homebuyers on the sidelines. Pending home sales are down 10.1% annually, the biggest decline in more than a year, and Redfin's Homebuyer Demand Index—a measure of tours and other buying services from Redfin agents—is near its lowest level since June. Homes are also selling relatively slowly. The average home is selling in 52 days, the longest span in two years.

Other factors pushing down pending sales are extreme cold and snow in some parts of the country, wildfires in Southern California and limited new listings. Some prospective buyers also likely held off in the run-up to President Trump's inauguration to wait and see if the new administration would take immediate action on housing.

There are signals homebuyers could get cost relief soon. Daily average mortgage rates started coming down last week after a [softer-than-expected](#) CPI report, and Redfin economists [expect](#) rates to decline more if President Trump continues to signal he will be less aggressive on tariffs than expected. And sale-price increases may be losing momentum; the 5% year-over-year increase is the smallest since October.

The ongoing Los Angeles wildfires are pushing up rental searches and pushing down home sales

Roughly one of every six (17%) homes within the perimeters of the Palisades and Eaton fires in the Los Angeles area have been destroyed or damaged, according to a [Redfin analysis](#) of housing and Cal Fire data. Local Redfin agents report that the destruction has created a ripple effect of people searching for temporary or permanent housing.

Online views of rental listings in Los Angeles County nearly doubled from a year earlier to their highest levels in at least two years during the second week in January, also according to a [Redfin analysis](#). But would-be buyers are backing off; pending home sales were down roughly 10% year over year during the four weeks ending January 19.

“I’m focused on helping families displaced by the fires find short-term housing, which is challenging because rentals are moving at an incredibly fast pace,” said [Erik Miles](#), a Redfin [Premier](#) agent in the Los Angeles Area. “I took one family from the Palisades to see a rental listing in West Hollywood last week, but it had already received 10 offers. The person who won it signed a three-year lease. Thankfully that same agent had another rental in the area, so I took the family to see it immediately. It had received 35 offers sight-unseen, but my client is in position to get it because they had seen it in person.”

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	7.08% (Jan. 22)	Down from 7.26% a week earlier	Up from 6.89%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	7.04% (week ending Jan. 16)	Highest level since May	Up from 6.6%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Up 1% from a week earlier (as of week ending Jan. 17)	Up 2%	Mortgage Bankers Association
Redfin Homebuyer Demand Index (seasonally adjusted)		Up slightly from a week earlier, but still near lowest level since June (as of week ending Jan. 19)	Up 7%	Redfin Homebuyer Demand Index, a measure of tours and other homebuying services from Redfin agents
Touring activity		Up 5.3% from the start of the year (as of Jan. 15)	At this time last year, it was essentially flat from the start of 2024	ShowingTime, a home touring technology company
Google searches for “home for sale”		Up 24% from a month earlier (as of Jan. 21)	Unchanged	Google Trends

Key housing-market data

U.S. highlights: Four weeks ending Jan. 19, 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 Jan. 19, 2025	Year-over-year change	Notes
Median sale price	\$378,144	5%	Smallest increase since October
Median asking price	\$394,925	4.6%	
Median monthly mortgage payment	\$2,686 at a 7.04% mortgage rate	7.6%	Highest level since June
Pending sales	51,122	-10.1%	Biggest decline since October 2023
New listings	54,982	-2.9%	
Active listings	859,262	8.8%	Smallest increase in nearly a year
Months of supply	5	+0.2 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	23.1%	Down from 26%	
Median days on market	52	+6 days to highest level in 2 years	
Share of homes sold above list price	21.3%	Down from 23%	
Average sale-to-list price ratio	98.1%	Essentially unchanged	

Metro-level highlights: Four weeks ending Jan. 19, 2025

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.

	Metros with biggest year-over-year increases	Metros with biggest year-over-year decreases	Notes
Median sale price	Milwaukee (16.9%) Pittsburgh (13.5%) Newark, NJ (12.5%) Fort Lauderdale, FL (12.1%) Anaheim, CA (11.5%)	San Francisco (-5.9%) Austin, TX (-3.1%) Tampa, FL (-2.8%) Denver (-0.6%) San Antonio (-0.1%)	Declined in 5 metros
Pending sales	Portland, OR (7.5%)	Detroit (-28.1%) Atlanta (-20.6%) Miami (-20%) Warren, MI (-19.8%) Houston (-16.8%)	Increased in 1 metro
New listings	Phoenix (15.2%) San Jose, CA (14.9%) Seattle (10.2%) Sacramento, CA (9.3%) Portland, OR (8.3%)	Newark, NJ (-36.7%) Detroit (-22.2%) San Antonio (-19.4%) Warren, MI (-19.1%) Atlanta (-18.4%)	Increased in 18 metros

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

<https://www.redfin.com/news/housing-market-update-high-housing-costs-push-down-sales>

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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