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Redfin Reports Homebuyer Demand Improved Last Week, But Tariff Turmoil, Rising Rates and Economic Jitters Likely to Hamper Sales

Pending home sales and mortgage applications improved a bit at the start of April. But since then, the back-and-forth on President Trump's new tariff policy, rising mortgage rates and the increased odds of a recession have likely pushed down homebuying sentiment.

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The housing market is under pressure as prospective homebuyers and sellers navigate a rapidly shifting economic landscape, with President Trump's [tariff policy](#), a [volatile stock market](#) and increased chances of a recession exacerbating widespread financial uncertainty. That's according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

Homebuying demand improved at the start of April. Mortgage-purchase applications rose 9% during the week ending April 4 on a seasonally adjusted basis. Pending home sales posted their smallest decline since the start of 2025, falling just 1.1% year over year (that's partly due to a holiday effect, with Easter falling into the comparable period in 2024). But those numbers reflect what happened in the immediate aftermath of last week's initial tariff announcement, when mortgage rates dipped to a six-month low and gave homebuyers a [brief reprieve](#).

The improvement in demand is unlikely to last. Mortgage rates have since soared, jumping on April 9 to 6.95%, their highest level in six weeks. The bounce is due to economic turmoil and the Fed making it clear it's not cutting interest rates more than previously expected. Even before mortgage rates bounced back up, the median monthly mortgage payment was at an all-time high of \$2,813. Payments are likely to rise even more in the coming weeks, and that, along with economic instability, may scare off more prospective buyers.

"Tariffs are coming up for the first time. I hosted an open house over the weekend, and some of the younger buyers were concerned about how they're going to impact the housing market," said [Desiree Bourgeois](#), a Redfin [Premier](#) agent in Detroit. "They're hearing the words 'tariffs' and 'recession,' and it's making them nervous that if they buy now, the value of their home will decline, and they don't know whether mortgage rates will go up or down. There's a lot of uncertainty out there, with buyers trying to understand how their purchase would fit into their personal finances and the broader economic puzzle."

New listings are rising. Pending sales are falling despite more homes being listed for sale. New listings are up 10.3% annually, one of the biggest increases in a year. Supply is up partly because many homeowners who have been considering selling are listing now, in

hopes that they’re able to pocket their equity before a potential economic downturn. Also note that there’s a holiday effect: Easter fell into the comparable period in 2024, while the holiday hasn’t yet happened this year.

“The only thing that’s certain about mortgage rates and the housing market right now is extreme [uncertainty](#),” said Redfin Economic Research Lead [Chen Zhao](#). “With the White House going back and forth on tariffs, sending markets and rates reeling, Americans are feeling uneasy about their money. Nobody knows what will happen next. It’s likely that financial anxiety, rapidly changing economic news and the rising chance of a recession freeze the housing market. But it’s also possible that economic turmoil pushes down mortgage rates and/or people decide to bite the bullet now instead of waiting for conditions to perhaps worsen, encouraging homebuyers and sellers to jump into the market.”

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	6.95% (April 9)	Up from 6.6% less than a week earlier	Down from 7.06%	Mortgage News Daily
Weekly average 30-year fixed mortgage rate	6.64% (week ending April 3)	Down marginally from the week before; near lowest level since mid-December	Down from 6.82%	Freddie Mac
Mortgage-purchase applications (seasonally adjusted)		Up 9% from a week earlier (as of week ending April 4)	Up 24%	Mortgage Bankers Association
Touring activity		Up 39% from the start of the year (as of April 6)	At this time last year, it was up 32% from the start of 2024	ShowingTime, a home touring technology company
Google searches for “home for sale”		Up 10% from a month earlier (as of April 6)	Up 10%	Google Trends
The Redfin Homebuyer Demand Index has been excluded this week to ensure data accuracy.				

Key housing-market data

U.S. highlights: Four weeks ending April 6, 2025 <i>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.</i>			
	Four weeks ending April 6, 2025	Year-over-year change	Notes
Median sale price	\$386,500	2.5%	Smallest increase since Oct. 2023
Median asking price	\$426,910	6.5%	
Median monthly mortgage payment	\$2,813 at a 6.64% mortgage rate	4.5%	Record high
Pending sales	85,764	-1.1%	Smallest decline since start of 2025
New listings	100,661	10.3%	
Active listings	984,949	11.4%	
Months of supply	4	+0.6 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	39%	Down from 41%	
Median days on market	43	+6 days	
Share of homes sold above list price	25.1%	Down from 28%	
Average sale-to-list price ratio	98.6%	Down from 98.9%	

Metro-level highlights: Four weeks ending April 6, 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 (12%) Milwaukee (10.7%) Newark, NJ (8.8%) Nassau County, NY (8.8%) New Brunswick, NJ (6.9%)	Indianapolis (-4.4%) Jacksonville, FL (-3.3%) Montgomery County, PA (-1.6%) Dallas (-1.3%) Tampa, FL (-1.1%)	Declined in 8 metros
Pending sales	Montgomery County, PA (12.2%) Cincinnati (8.4%) Pittsburgh (7.4%) Warren, MI (7.4%) Baltimore (4.5%)	Miami (-17.4%) Fort Lauderdale, FL (-16%) Las Vegas (-13.4%) Houston (-12.3%) West Palm Beach, FL (-8.7%)	Increased in roughly half the metros
New listings	Phoenix (25.9%) Washington, D.C. (25.8%) Montgomery County, PA (25.7%) Pittsburgh (22.2%) Cleveland (20.9%)	San Antonio (-4.6%) Columbus, OH (-1.9%)	Declined in 2 metros

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

<https://www.redfin.com/news/housing-market-update-homebuying-demand-mortgage-rates-uncertainty>

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