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## **Redfin Reports Home Prices Start Year Up Just 1% as Buyer's Market Keeps Growth in Check**

*Pending home sales fell to the lowest level since 2023 and existing-home sales dropped the most since 2022 as elevated housing costs curbed homebuyer demand*

SEATTLE — Feb. 19, 2026 — The median U.S. home sale price rose 1.1% year over year in January to \$422,921 as the [strongest](#) buyer's market in recent history kept a lid on price growth. That's according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket.

Year-over-year price growth has hovered below 2% for the past 10 months—a far cry from the double-digit gains of the pandemic homebuying frenzy.

“Home prices grew so fast for so long that a lot of buyers got shut out of the market, which is now causing price growth to cool,” said Redfin Senior Economist [Asad Khan](#). “With far more homes for sale than people who want to buy them, the buyers who are in the market have the power to negotiate on price, which is keeping price growth in check.”

When sellers outnumber buyers, buyers typically hold the negotiating power because they have a lot of options to choose from. That's why a market with a lot more sellers than buyers is considered a buyer's market. Of course, it's only a buyer's market for those who can afford to buy.

The typical home that sold in January went for 2.1% less than its final list price—the biggest January discount since 2023. And just 20.8% of homes sold for more than their final list price—the lowest January share since 2020.

Redfin economists [predicted](#) in December that housing affordability will improve in 2026 as income growth outpaces home-price growth. Wages climbed 3.7% year over year in January—more than triple the gain in prices. A [drop](#) in mortgage rates has also boosted purchasing power. The average 30-year fixed mortgage rate fell to 6.1% in January—the lowest level since 2022.

### **Home Sales Sink as Many Buyers Remain Priced Out of the Market**

While home-price growth has slowed and mortgage rates have dipped, housing affordability hasn't improved enough to bring a critical mass of homebuyers off the sidelines. The median home sale price was at the highest January level on record last month, and mortgage rates were still more than double the record low hit during the pandemic. Redfin agents say many house hunters are waiting for rates to fall further before jumping in.

Pending home sales fell 0.9% month over month in January to the lowest seasonally adjusted level since November 2023. Existing-home sales declined 3.6% month over month—the largest drop since November 2022—to a seasonally adjusted annual rate of 4.2 million. Overall home

sales fell 2.3% month over month—the biggest seasonally adjusted decline since December 2022.

Affordability challenges, along with economic uncertainty, have made homebuyers skittish. Winter storms also swept much of the U.S. in January, which may have dampened sales. Some buyers got cold feet at the eleventh hour; nearly 40,000 home purchases were canceled in January, equal to 13.7% of homes that went under contract that month. That's the highest January share in records dating back to 2017.

### **Sellers Have Retreated in Response to Sluggish Homebuyer Demand**

Active listings of homes for sale fell 1.3% month over month—the largest decline since June 2023—to the lowest seasonally adjusted level in nearly a year.

New listings did tick up, rising 1.4% month over month on a seasonally adjusted basis, but fell from a year earlier.

In general, home sellers have been retreating because buyers have been retreating. Many prospective sellers are also in the market for their next home and may opt not to sell because buying that next home is too expensive.

### **Homes Are Selling at the Slowest Pace in a Decade**

While home sellers have been backing off, they still far outnumber buyers, which means homes are taking a long time to sell.

The typical home that went under contract in January spent 66 days on the market. That's the slowest January pace in a decade and is up from 59 days a year earlier.

### **January 2025 Housing Market Highlights: United States**

	January 2025	Month-over-month change	Year-over-year change
Median sale price	\$422,921	-1.1%	1.1%
Existing-home sales, seasonally adjusted annual rate	4,165,366	-3.6%	-2.7%
Pending home sales, seasonally adjusted	464,140	-0.9%	-3.6%
Homes sold, seasonally adjusted	419,492	-2.3%	-4.2%
New listings, seasonally adjusted	534,176	1.4%	-6.1%
Total homes for sale, seasonally adjusted (active listings)	1,961,858	-1.3%	1.9%
Months of supply	4.3	1.4	0.3
Median days on market	66	6	7
Share of homes that sold above final list price	20.8%	-1.6 ppts	-1.7 ppts
Average sale-to-final-list-price ratio	97.9%	-0.2 ppts	-0.3 ppts
Pending sales that fell out of contract, as % of overall pending sales	13.7%	-1.9 ppts	0.6 ppts
Monthly average 30-year fixed mortgage rate	6.10%	-0.09 ppts	-0.86 ppts

### January 2025 Metro-Level Highlights

- **Prices:** Median sale prices rose most from a year earlier in Milwaukee (10.8%), Philadelphia (10%) and Cleveland (8.4%). They fell most in San Jose, CA (-5.6%), Portland, OR (-3.6%) and Fort Lauderdale, FL (-2.7%).
- **Pending home sales:** Pending sales rose most in West Palm Beach, FL (8.2%), Columbus, OH (4.9%) and Jacksonville, FL (4.6%). They fell most in San Francisco (-21.5%), Oakland, CA (-21.3%) and San Jose (-19.2%).
- **Closed home sales:** Home sales rose in just five metros, with the largest increases in Virginia Beach, VA (10.4%), Kansas City, MO (2.3%) and Pittsburgh (1.6%). They fell most in San Jose (-17%), Minneapolis (-16.4%) and Chicago (-15.4%).
- **New listings:** New listings rose most in Kansas City, MO (13.7%), San Jose (12.4%) and St. Louis (9.9%). They fell most in Jacksonville (-17.3%), Fort Lauderdale (-15.7%) and Dallas (-14.2%).
- **Active listings:** Active listings rose most in Detroit (16.6%), Baltimore (15.5%) and Washington, D.C. (11.4%). They fell most in San Francisco (-18.3%), Jacksonville (-12.5%) and West Palm Beach (-8.3%).
- **Days on market:** In San Antonio, the typical home that went under contract did so in 105 days, which was 21 days longer than a year earlier—the biggest increase among the metros analyzed. Next came Houston (+19 days) and Las Vegas (+18 days). Three metros

saw a decrease in days on market: San Francisco (-13), Fort Worth, TX (-1) and Minneapolis (-1).

- **Sold above list price:** In Newark, NJ, 52.9% of homes sold above their final list price, the highest share among the metros analyzed. Next came San Jose (47.7%) and Nassau County, NY (46.4%). The lowest shares were in West Palm Beach (5.6%), Fort Lauderdale (6.2%) and Miami (7.7%).

To view the full report, including charts and more metro-level data, please visit:

<https://www.redfin.com/news/home-prices-rise-january-2026>

### **About Redfin**

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at <https://www.redfin.com/news>. For more information about Rocket Companies, visit <https://www.rocketcompanies.com>.

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