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## **Homebuying Affordability Improves As Mortgage Rates Fall to Lowest Level in Over 3 Years**

*Redfin reports lower rates haven't yet brought homebuyers off the sidelines, but hope is in the air as spring approaches*

SEATTLE — Feb. 26, 2026 — The weekly average mortgage rate has dropped to 6.01%, its lowest level since September 2022. That has pushed the median U.S. monthly housing payment down to \$2,599, 2.6% lower than a year ago, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. Wages are nearly 4% higher than they were a year ago, improving affordability further.

Homebuyers have [gained \\$34,000](#) in purchasing power since last year, when rates were sitting around 6.9%.

Falling rates may bring some house hunters out of the woodwork in the coming weeks, especially as the spring homebuying season begins. But for now, a lot of would-be buyers are staying on the sidelines. Pending home sales dropped 5.5% annually during the four weeks ending February 22, the biggest decline in over a year. Pending sales are falling in all but seven of the 50 most populous metros. Some sellers are holding back, too, with new listings down 2.8% year over year.

Even though rates have come down and [affordability is improving](#), prospective buyers have faced some headwinds since the start of the year. One, home-sale prices are still rising; they're up 1% year over year, counteracting some of the progress made by falling mortgage rates. Two, some Americans are jittery about economic uncertainty, including concerns about layoffs and the stock market. Three, the winter has been unusually cold and snowy in many parts of the country.

“Nobody wants to go out and search for homes in ‘snowcrete,’” said [Patricia Ammann](#), a Redfin [Premier](#) agent in Arlington, VA. “Severe winter weather has hit demand hard. We’re also still feeling some effect from last year’s federal government layoffs: People who lost their jobs were not in the housing market, and people who still had their jobs were worried about getting laid off. But those nerves are easing; I’m starting to see house hunters—especially affluent people with solid jobs—get serious about their search. There’s competition for fixed-up houses in desirable neighborhoods.”

For Redfin economists’ takes on the housing market, please visit Redfin’s [“From Our Economists”](#) page.

### **Leading indicators**

<b>Indicators of homebuying demand and activity</b>				
	<b>Value (if applicable)</b>	<b>Recent change</b>	<b>Year-over-year</b>	<b>Source</b>

			<b>change</b>	
<b>Daily average 30-year fixed mortgage rate</b>	6% (Feb. 25)	Near lowest level in almost 4 years	Down from 6.78%	Mortgage News Daily
<b>Weekly average 30-year fixed mortgage rate</b>	6.01% (week ending Feb. 19)	Lowest level since Sept. 2022	Down from 6.85%	Freddie Mac
<b>Mortgage-purchase applications (seasonally adjusted)</b>		Down 5% from a week earlier (as of week ending Feb. 20)	Up 12%	Mortgage Bankers Association
<b>Redfin Homebuyer Demand Index (seasonally adjusted)</b>		Up about 1% from a month earlier (as of week ending Feb. 22)	Down 15%	A measure of tours and other homebuying services from Redfin agents
<b>Google searches of "homes for sale"</b>		Down about 4% from a month earlier (as of Feb. 14)	Up 13%	Google Trends
<b>Touring activity</b>		Up 17% from the start of the year (as of Feb. 21)	At this time last year, it was up 17% from the start of 2025	<a href="#">ShowingTime</a>

### Key housing-market data

<b>U.S. highlights: Four weeks ending Feb. 22, 2025</b>			
<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>			
	<b>Four weeks ending Feb. 22, 2025</b>	<b>Year-over-year change</b>	<b>Notes</b>
<b>Median sale price</b>	\$380,182	1%	
<b>Median asking price</b>	\$415,197	3.5%	
<b>Median monthly mortgage payment</b>	\$2,599 at a 6.01% mortgage rate	-2.6%	
<b>Pending sales</b>	71,991	-5.5%	Biggest decline since Jan. 2025
<b>New listings</b>	80,595	-2.8%	
<b>Active listings</b>	1,004,168	-1.8%	Biggest decline since Dec. 2023

<b>Months of supply</b>	5.1	+0.2 pts.	4 to 5 <a href="#">months of supply</a> is considered balanced, with a lower number indicating seller's market conditions
<b>Share of homes off market in two weeks</b>	31.1%	Down from 32%	
<b>Median days on market</b>	67	+8 days	Longest in nearly 7 years
<b>Share of homes sold above list price</b>	19.9%	Down from 21%	
<b>Average sale-to-list price ratio</b>	97.9%	Down from 98%	

**Metro-level highlights: Four weeks ending Feb. 22, 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.*

	<b>Metros with biggest year-over-year increases</b>	<b>Metros with biggest year-over-year decreases</b>	<b>Notes</b>
<b>Median sale price</b>	San Francisco (9.2%) Newark, NJ (8.9%) Milwaukee (7.1%) Warren, MI (6.1%) Philadelphia (5.9%)	Oakland, CA (-5.3%) West Palm Beach, FL (-5%) Dallas (-4.2%) Sacramento, CA (-4%) Boston (-3.9%)	Declined in 15 metros
<b>Pending sales</b>	Milwaukee (8.1%) West Palm Beach, FL (6.9%) Jacksonville, FL (4.8%) Portland, OR (2.9%) Montgomery County, PA (1.9%) Sacramento, CA (0.6%) Denver (unchanged)	Oakland, CA (-21.7%) Houston (-18.2%) Nassau County, NY (-17.6%) Nashville, TN (-17.6%) New Brunswick, NJ (-14.9%)	Increased in 6 metros (unchanged in 1)
<b>New listings</b>	Seattle (16.5%) Milwaukee (13.6%) Portland, OR (12.3%) San Jose, CA (10.8%) Denver (9.3%)	Nassau County, NY (-23.1%) New York (-15.9%) Providence, RI (-15%) Fort Lauderdale, FL (-14.1%) San Antonio (-13.8%)	

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

<https://www.redfin.com/news/housing-market-update-mortgage-rates-fall-affordability-improves>

**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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