



## MORE HOMESSELLERS DROP PRICES, BUT BUYERS FIND LITTLE RELIEF

The share of homesellers who dropped their asking price shot up to a six-month-high of 15 percent in April, according to a Redfin report. That's up 9 percent year-over-year and is the largest annual gain on record with Redfin.

At the same time, the typical monthly mortgage payment for homebuyers soared a record 42 percent to a new high. **Although a growing share of sellers are responding to the drop in homebuyer demand by lowering prices, sellers remain far outnumbered by buyers, so the typical home is flying off the market at the fastest pace on record and for more than its asking price.**

"Homebuyers continue to be squeezed in nearly every way possible, which is causing some to take a step back from the market," Redfin Chief Economist Daryl Fairweather said in a release. "Unfortunately for buyers hoping to find a deal as competition cools, sellers are pulling back even faster, which is keeping the market deep in seller's territory. So even though price drops are becoming more common, most homes are still selling above asking price and in record time."

**Redfin data shows that homebuyer demand is dropping.** The seasonally-adjusted Redfin Homebuyer Demand Index, a measure of requests for tours and other homebuying services from Redfin agents, was down 1 percent year-over-year in April. It dropped 10 percent in the past four weeks, compared with a 1 percent decrease during the same period a year earlier.

Mortgage purchase applications were down 11 percent year-over-year, according to Redfin. For the week ending May 5, 30-year mortgage rates increased to 5.27 percent, the highest level since August 2009.

The median home sale price in April was up 17 percent year-over-year to a record \$396,125, the biggest increase since August. **The median asking price of newly listed homes increased 16 percent year-over-year to \$408,458, a new all-time high.**

The monthly mortgage payment on the median asking price home rose to a record high of \$2,404 at the current 5.27 percent mortgage rate. That was up 42 percent year-over-year, an all-time high.

In April, a record 56 percent of homes sold above list price, up from 47 percent a year earlier.