



## REDFIN: HOUSING PAYMENTS DROP ACROSS METROS

MAR 2023 — **The median monthly housing payment for San Francisco homebuyers has dropped 14.8 percent (-\$1,477) since hitting its pandemic-era peak in October, according to a new report from Redfin.**

That's the biggest percentage decline recorded among the 49 most populous metros.

The San Francisco drop from \$9,973 to \$8,496 is more than double the nationwide decline of 7 percent (to \$2,500). The typical monthly housing payment fell from October 2022 to December 2022 in all the metros Redfin analyzed, with the biggest drops in West Coast tech hubs and some of the nation's most affordable areas.

Next come Pittsburgh, with the typical monthly payment falling 12.4 percent to \$1,267, Seattle (-12.1 percent to \$4,509), **Oakland, Calif., (-11.6 percent to \$5,443)**, Detroit (-11.3 percent to \$1,050) and **San Jose, Calif. (-10.6 percent to \$8,116).**

Although the typical monthly housing payment is coming down from its peak, it's still much higher than it was a year ago, when mortgage rates were averaging 3.5 percent and the typical U.S. home sold for \$378,000. The average 30-year fixed mortgage rate dropped from 6.9 percent in October to 6.36 percent in December, and the median home-sale price dropped from \$400,000 to \$388,000.

**The drop in housing costs has helped fuel a notable uptick in homebuyer demand following a nearly year-long slump in the housing market.** Pending home sales rose 3 percent in December from the month before, the first monthly increase in 14 months. **In San Jose, pending sales were up 21 percent—more than any other metro Redfin analyzed.**

In more recent weeks, slowing inflation has sent mortgage rates down further, resulting in lower monthly housing payments and piquing the interest of some sidelined buyers.

“Now that rates are down, a lot of Bay Area house hunters are starting to tour homes and make offers again. **We're in a sweet spot where prices and rates have dropped enough to make a meaningful difference in housing payments but there's still less competition than there has been for the last few years,**” said **San Jose Redfin agent Angela Langone.** “But competition has started to ramp up as more buyers are back in the market and new listings remain scarce.”