

REPORT: Housing market starting to slow

The breakneck pace of the housing market is beginning to slow, according to a recent Redfin report. Adjusted for seasonality, **home purchase applications are 7 percent below their average levels in January and February**, despite low mortgage rates and easing access to credit. Redfin also tracked a four-week decline in pending sales and a 12 percent drop from late March in the company's demand index.

In the four-week period ending June 6, pending home sales were up 29 percent year-over-year. Seasonally adjusted, pending sales are down 9.7 percent from four weeks ago. The sudden slowdown is likely due to more people opting to pause their home search and take advantage of the holiday weekend, according to Redfin.

“Homebuyers may have found a better way to spend Memorial Day weekend than touring homes, but most have not exited the market entirely,” Redfin Lead Economist Taylor Marr said in a release. “Buyers have faced a tough market this year, and fewer feel it is a good time to buy as the allure of low rates has waned, so some are choosing to wait it out for now. With demand stabilizing, the housing market should become more balanced, allowing homebuyers to have a less stressful and challenging time finding and competing for a home.”

Mortgage purchase applications increased 0.3 percent week-over-week (seasonally adjusted) for the week ending June 4. For the week ending June 10, 30-year mortgage rates decreased to 2.96 percent. According to Fannie Mae's homebuying sentiment index, 35 percent of consumers said it is a good time to buy a home in May, down from 47 percent in April and 52 percent a year ago.

As of June 6, **home tours were 26 percent above their level at the beginning of the year**, compared with 40 percent at the same period in 2020, according to home tour technology company ShowingTime.

Redfin also reported that during the four-week period, **the median home-sale price increased 24 percent year-over-year to a record high \$358,749** and asking prices of newly listed homes rose 14 percent year-over-year to an all-time high of \$364,725.

“While the market has not come to a full stop, we are seeing signs of yielding,” Westchester County, N.Y., Redfin real estate agent Candice Smith said. “Buyers are winning bidding wars with offers that are \$60,000 or less over asking prices; just a month ago in similar situations they had to go \$100,000 or more over asking. **Bidding wars are still the norm, but the number of competing offers has been cut in half.**”

Source: The Title Report <https://bit.ly/3yZ3TKD>

