

Redfin: Typical home selling below list price for first time in 4 years

The typical home that sold during the four weeks ending June 23 sold for 0.3 percent less than its asking price, according to a new report from Redfin.

This marks the first time the typical home has sold under list price this time of year since the onset of the pandemic in 2020, when the housing market nearly ground to a halt. The typical home sold for exactly its list price one year ago, and roughly 2 percent above its list price two years ago.

Additionally, just under two-thirds (32.3 percent) of homes sold over asking price during that period. That's the lowest share of any June since 2020, and down from 36 percent a year earlier. Nearly 7 percent of homesellers dropped their asking price, on average, the highest level since November 2022 and up from 4.7 percent a year ago.

"Some buyers think they can get a deal because they're hearing the market is cool, and some sellers think every home will sell for top dollar no matter the condition," Marije Kruythoff, a Los Angeles Redfin Premier agent, said in a release. "In reality, everything depends on the house and the location. The hottest properties in this area are either move-in ready or complete fixer-uppers. The homes in between, those that are pretty nice but not updated, are sitting on the market longest. Sellers of that type of home often benefit from making cosmetic repairs before listing. ... And buyers who do encounter middle-of-the-road listings without much wow factor should consider trying to negotiate."



The likelihood of homes selling below asking price is rising because there's more supply than demand, at least for certain types of homes in certain parts of the country. New listings are up 8.2 percent year-over-year nationwide, while pending home sales are down 4.3 percent, the biggest decline in four months. Most inventory is growing stale; over 60 percent of homes are listed for at least a month without going under contract.

Buyers are shying away due to sky-high housing costs. The median home-sale price is up 4.9 percent year-over-year to an all-time high of \$397,250. While mortgage rates have come down from May's six-month high, the weekly average is still near 7 percent. The typical homebuyer's monthly payment is \$2,785, just about \$50 below the record high, Redfin added.

Record-breaking heat is another reason some buyers have taken a backseat recently.

"I've heard some clients say, 'it's so hot outside I don't want to see anything,'" said Joe Hunt, a Redfin manager in Phoenix. "But if mortgage rates were lower, I doubt heat would be keeping buyers away."

Buyers may get a slight respite soon on costs. The growing likelihood that homes sell below asking price, along with the high share of sellers dropping their prices, could mean sale-price growth loses momentum. Plus, mortgage rates may decrease further if inflation continues to cool.

Redfin agents say both buyers and sellers should be realistic about prices in today's market. Sellers shouldn't overprice, and buyers should know they may be able to negotiate— but only if a home has been on the market without much activity for at least a few weeks.

MARKET DATA
TUESDAY, JULY 9, 2024

[HTTPS://WWW.THETITLEREPORT.COM/ARTICLES/REDFIN-TYPICAL-HOME-SELLING-BELOW-LIST-PRICE-FOR-F-91825.ASPX](https://www.thetitlereport.com/articles/redfin-typical-home-selling-below-list-price-for-f-91825.aspx)



EL SEGUNDO OFFICE 300 N. PACIFIC COAST HWY #1075 · EL SEGUNDO, CA 90245 CORPORATE OFFICE 6345 BALBOA BLVD, BLDG 4, SUITE 285 · ENCINO, CA 91316 ORANGE COUNTY OFFICE 2200 W. ORANGEWOOD AVE #140 · ORANGE, CA 92868

OFFICE 1.800.794.8094

WWW.PROVIDENTTITLE.COM

CS DEPT 1.800.794.0223