ZILLOW: JUNE HOUSING MARKET SHOWS SIGNS OF LIFE

Home sales jumped in June, and mortgage costs fell further below last year's levels, offering some hope for a mild sales recovery this year, according to the Zillow June Market Report.

Sales climbed 9.2 percent from May and 5.9 percent year-over-year. Affordability continued to improve as well, according to the report, with the cost of a typical mortgage at $1,884, assuming a 20 percent down payment and excluding taxes and insurance. That's down 2.5 percent from last year.

Additionally, mortgage rates are down more than 20 basis points since last year, according to Freddie Mac. The typical home value of $372,057 is up just 1.1 percent from a year ago.

In a reversal from May, new listings rose 3 percent year-over-year, which Zillow said is a sign there may be some life left in this year's home shopping season. Total inventory rose again year-over-year, but the gain was just 0.9 percent, the smallest since December 2023.

"The market wrestled with some uncertainty throughout the spring shopping season, but mortgage rates declining from their mid-spring peak has added some extra heat as we head into an already toasty summer," Zillow Chief Economist Mischa Fisher said in the report. "While the lowest price tiers are exhibiting some softness in terms of price, they also had the most listing-activity growth, the first time since 2022 that's been the case. While the divergence in sale price is notably 'K-shaped,' affordability gains did continue in June."

There were 1.39 million homes for sale nationwide in June, according to the report, while active inventory was 0.9 percent higher year-over-year with inventory rising 2 percent from May.

New for-sale listings totaled 403,811 in June, up 3 percent from a year earlier and down 4.6 percent from May, and 381,125 homes were sold, 5.9 percent higher than a year earlier and up 9.2 percent from May.

Newly pending listings were up 7.6 percent year-over-year and down 1.5 percent from May.

The report showed homes took a median of 20 days to go pending in June, the same as a year earlier and two days slower than in May. The share of listings with a price cut in June was 25.8 percent, down from 26.6 percent last year and up from 23.9 percent in May.

The Zillow July Market Report is expected to be released on Aug. 5.