

Expect lower mortgage rates to energize home buyers and sellers

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Well over 1 million homes are available to buyers, the most for this season in five years

- Annual home value growth has slowed to an 18-month low of 2.1%, helping buyers make up ground on affordability.
- Listings are going pending in 23 days, more slowly than in recent years.
- A total of 1.04 million homes were on the market in February, the most for this time of year since 2020.

SEATTLE, March 17, 2025 /PRNewswire/ -- Buyers and sellers didn't jump back into the housing market as expected in February, but lower mortgage rates should encourage them in March, according to the latest [market report from Zillow®](#).

Mortgage rates fell by about a quarter of a point over the course of February and have staggered further downward in March, now reaching lows [not seen since December](#). Mortgage rates have enough of an impact on monthly payments to provide significant cost savings for prospective buyers and could help entice some fence-sitting homeowners to list their properties.

Aside from costs, buyers are gaining a leg up in a few areas of the market. For one, they'll see more options when they start shopping — 1.04 million homes were on the market last month, more than in any February since 2020, and 15% more than last year. That's despite a nearly 5% slowdown from last year in the flow of new listings to the market.

"Affordability is still a massive challenge for those who have been waiting to buy a home, but the lower rates we've seen so far in March are taking the edge off," said Skylar Olsen, Zillow chief economist. "Rate dips tend to energize buyers and sellers both; if they continue or hold, we should see more activity. Economic uncertainty is a

counterbalance, one that will be felt in some areas of the country more than others. People tend to shelter in place when the future of their job or industry is uncertain."

With more homes for sale, competition among buyers is slower, too. Listings are spending about 23 days on the market before a sale is pending. That's six more days than last year and just four fewer than at this time pre-pandemic — closer to "normal" than at any time since 2020.

Slowing competition means slower growth in home values. Typical home values are up 2.1% year over year, the slowest growth seen in 18 months and the lowest for any February since 2012.

Newly pending listings fell by nearly 8% compared to the prior year, but still stand about 10% above pre-pandemic norms, nationally. Sellers nationwide should [expect to fetch premiums](#) on their sale from now through the end of July, according to Zillow research.

Neither buyers nor sellers have a clear advantage in negotiations at the national level, according to Zillow's market heat index — a throwback for this time of year. The last year that happened in February was 2019.

Meanwhile, Zillow's [latest rental market report](#) reveals a major shift in market dynamics. With an increase in single-family home construction, a slowdown in new apartment developments, and an affordability pinch, multifamily rent growth is surpassing that of single-family homes for the first time since June 2024.

Least Competitive Markets — Best for Buyers	Most Competitive Markets — Best for Sellers
Miami	Buffalo
New Orleans	San Jose
Jacksonville	San Francisco
Tampa	Hartford
Memphis	Boston

Metro Area*	Zillow Home Value Index (ZHVI)	ZHVI Change Year over Year (YoY)	Inventory YoY	New Listings YoY	Market Favors	Newly Pending Listings YoY	Change in Median Days to Pending From Pre-Pandemic
United States	\$357,377	2.1 %	15.4 %	-4.7 %	neutral	-7.9 %	-4
New York, NY	\$682,679	5.6 %	-9.2 %	-13.3 %	strong seller	-12.4 %	-30

Los Angeles, CA	\$964,556	3.9 %	35.5 %	16.8 %	seller	1.1 %	-3
Chicago, IL	\$325,908	5.1 %	-2.1 %	-17.2 %	seller	-8.6 %	-12
Dallas, TX	\$368,904	-1.4 %	26.5 %	-3.6 %	seller	-8.3 %	4
Houston, TX	\$305,726	-0.2 %	24.7 %	2.3 %	neutral	-6.9 %	13
Washington, DC	\$575,892	4.0 %	20.4 %	2.4 %	strong seller	-8.1 %	-16
Philadelphia, PA	\$365,216	4.1 %	2.2 %	-9.7 %	seller	-10.7 %	-24
Miami, FL	\$483,720	-0.2 %	23.7 %	-9.3 %	buyer	-15.2 %	16
Atlanta, GA	\$376,983	-0.7 %	31.4 %	0.1 %	neutral	-16.8 %	22
Boston, MA	\$699,867	4.2 %	-1.9 %	-13.7 %	strong seller	-9.0 %	-5
Phoenix, AZ	\$450,492	-1.6 %	35.3 %	12.5 %	neutral	2.7 %	0
San Francisco, CA	\$1,150,195	2.4 %	32.5 %	21.2 %	strong seller	11.5 %	-1
Riverside, CA	\$585,739	1.8 %	33.5 %	13.1 %	seller	-2.9 %	2
Detroit, MI	\$251,008	4.3 %	1.8 %	-11.4 %	seller	-10.8 %	-7
Seattle, WA	\$749,186	4.3 %	22.8 %	-1.5 %	strong seller	3.1 %	-3
Minneapolis, MN	\$371,306	2.4 %	6.1 %	-8.2 %	strong seller	-5.4 %	-2
San Diego, CA	\$946,075	2.3 %	39.0 %	13.6 %	seller	-1.8 %	-4
Tampa, FL	\$364,970	-3.6 %	19.8 %	-1.1 %	buyer	-6.1 %	7
Denver, CO	\$581,411	0.0 %	40.9 %	10.5 %	seller	3.5 %	9
Baltimore, MD	\$387,891	3.1 %	9.4 %	-8.8 %	seller	-10.9 %	-26
St. Louis, MO	\$252,339	3.6 %	10.9 %	-2.4 %	seller	-3.3 %	-14
Orlando, FL	\$389,928	-1.4 %	30.5 %	0.8 %	neutral	-13.3 %	15
Charlotte, NC	\$377,950	0.9 %	28.7 %	5.0 %	neutral	-13.8 %	8
San Antonio, TX	\$279,503	-2.0 %	11.3 %	-2.2 %	neutral	-14.6 %	22
Portland, OR	\$546,973	1.3 %	16.0 %	-4.6 %	seller	-6.3 %	-1
Sacramento, CA	\$578,290	1.3 %	34.6 %	19.7 %	seller	1.3 %	1
Pittsburgh, PA	\$209,132	2.4 %	6.1 %	-17.1 %	neutral	-10.3 %	-33
Cincinnati, OH	\$286,074	4.6 %	8.4 %	-6.7 %	seller	-6.8 %	-9
Austin, TX	\$443,106	-3.8 %	8.0 %	-7.6 %	neutral	-23.2 %	53
Las Vegas, NV	\$430,277	4.2 %	40.5 %	12.8 %	neutral	2.9 %	4
Kansas City, MO	\$301,717	3.1 %	13.0 %	-9.7 %	seller	-4.3 %	-9
Columbus, OH	\$314,266	3.1 %	20.5 %	-4.3 %	seller	-4.0 %	1
Indianapolis, IN	\$278,867	3.2 %	10.5 %	-3.4 %	neutral	-0.3 %	-7
Cleveland, OH	\$229,932	6.2 %	1.1 %	-10.2 %	seller	-10.6 %	-40
San Jose, CA	\$1,648,729	7.6 %	36.2 %	33.3 %	strong seller	12.0 %	-4
Nashville, TN	\$438,405	1.3 %	24.2 %	2.1 %	neutral	-4.1 %	11
Virginia Beach, VA	\$351,358	3.9 %	13.2 %	-12.6 %	seller	-10.0 %	-42
Providence, RI	\$487,233	6.5 %	8.5 %	-3.2 %	strong seller	-9.8 %	-23
Jacksonville, FL	\$350,305	-1.5 %	26.3 %	-0.3 %	buyer	-11.6 %	10
Milwaukee, WI	\$346,216	4.7 %	5.3 %	-0.6 %	strong seller	-13.8 %	N/A
Oklahoma City, OK	\$231,780	2.0 %	7.2 %	-15.9 %	neutral	-15.9 %	-38
Raleigh, NC	\$439,173	0.0 %	21.5 %	0.3 %	seller	-18.8 %	8
Memphis, TN	\$234,849	0.7 %	2.6 %	-14.8 %	neutral	23.4 %	-12
Richmond, VA	\$371,665	3.6 %	8.8 %	-12.6 %	strong seller	-3.9 %	-4
Louisville, KY	\$260,288	5.2 %	8.3 %	-12.6 %	neutral	-19.9 %	-10
New Orleans, LA	\$232,287	-1.7 %	11.4 %	-7.2 %	buyer	2.6 %	20
Salt Lake City, UT	\$549,728	2.7 %	16.2 %	-4.7 %	seller	-13.1 %	9
Hartford, CT	\$365,431	5.6 %	-1.1 %	-14.8 %	strong seller	-8.5 %	-26
Buffalo, NY	\$259,075	5.0 %	-8.0 %	-22.6 %	strong seller	-8.2 %	-16
Birmingham, AL	\$247,443	0.6 %	10.5 %	-0.5 %	neutral	-1.5 %	2

*Table ordered by market size

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