

Home sellers step back, despite three-year high in affordability

2025-12-18

Buyers gained options, leverage and ground on affordability in 2025

- Sellers hunkered down — new listings declined 30% from October to November to return to seasonal averages.
- Price cuts fell from near-record highs to seasonal norms.
- Mortgage payments as a share of median household income fell to 32.6%, the lowest since 2022.

SEATTLE, Dec. 18, 2025 /PRNewswire/ -- Seasonal cooling is finally seeping into the housing market after an unseasonably active fall, according to the [latest market report](#)¹ from Zillow®. Price cuts from sellers dropped back to normal levels from near-record highs; a rare instance of buyers losing a bit of leverage in a year when many housing trends moved in their favor.

"Affordability is still a hurdle for home buyers, but 2025 brought real progress," said Zillow Senior Economist Kara Ng. "Mortgage payments dropped by more than \$100 a month, while incomes continued to rise. For many households, that small shift can be the difference between sitting out the market and finally being able to buy or sell a home. While sellers and buyers alike pulled back in November, reminding us that seasonality still matters, we expect the market to warm up a bit next spring."

Seasonality strikes, cooling listings and sales

Low mortgage rates in September and October pushed buyers and sellers to be more active than usual. But November saw a return to seasonality, despite mortgage rates that ticked down to 2025 lows.

Homeowners without a need to sell are likely deciding to wait out the winter. New listings from sellers fell sharply, nearly 30% month over month — the largest monthly November decline since at least 2018. This reversed annual

growth in new listings, from 5.1% year over year in October to a 4.4% annual decline in November.

Calendar effects may explain some of the pullback in new listings: October has more Thursdays and Fridays than last year, and November has fewer — Thursday and Friday are the biggest days of the week for listing homes. However, the precipitous drop still marks the end of an unseasonably warm fall, as sellers reset before the coming year.

Price cuts from sellers also dropped, from being offered on a near-record 26.9% of listings in October to 21.2% in November, a share right in line with seasonal norms. Sellers may be holding out hope that they get the price they want in the spring instead of cutting prices to attract a buyer.

Newly pending sales that stayed steady in October finally succumbed to the seasonal slowdown in November, falling 18.5% month over month while remaining 3% above last year.

2025 national trends in review

The housing market continued to rebalance in 2025 in the wake of explosive cost increases early in the pandemic. Buyers saw several factors move in their favor over the course of the year. These are the biggest housing macro moves from 2025:

- Rates ruled the rhythm of the market. Spiking mortgage rates in early 2025 cooled the spring shopping season, keeping buyers cautious despite rising listings. Zillow market reports show that when rates eased over the summer, activity rebounded, pulling buyers and sellers back into the market before settling into normal seasonal patterns by November.
- Inventory increased, and buyers gained leverage. Inventory accumulated as sellers outnumbered buyers through the spring and early summer. Growth compared to the prior year peaked at 22.8% in March, and a longstanding deficit in inventory shrank from 24% below pre-pandemic levels on New Year's Day to a 17% shortfall by the end of November.
- Home values flattened. Typical home values nationwide are up just 0.2% over last year, a welcome reprieve for buyers who watched prices skyrocket in past years. At the property level, [53% of home values fell](#) over the past year, according to Zillow research. But the vast majority of homes have gained value since their last sale.
- Affordability improved (slightly). Affordability remains a major challenge, but it did improve slightly in 2025, thanks to declining mortgage rates, flattened home values and growing incomes. Monthly mortgage payments for a typical house required 35.7% of median household income at the start of the year (with a 20% down payment). That declined to 32.6% in November, the lowest since August 2022.

Zillow [economists expect](#)² mortgage rates to continue their gentle path downward in 2026, helping home values

and sales to bounce back after a flat year.

Metro Area*	Zillow Home Value Index (ZHVI)	ZHVI Year over Year (YoY)	Mortgage Payment Share of Median Household Income (at 20% down)	Market Favors (Zillow Market Heat Index)	Inventory Change YoY	Inventory Change Since Before the Pandemic	New Listings Change YoY
United States	\$360,782	0.2 %	32.6 %	Neutral	11.2 %	-16.9 %	-4.4 %
New York, NY	\$704,041	3.1 %	55.0 %	Seller	4.6 %	-48.4 %	-4.6 %
Los Angeles, CA	\$938,754	-1.1 %	66.7 %	Seller	12.3 %	-18.5 %	-6.6 %
Chicago, IL	\$337,140	3.8 %	30.2 %	Neutral	-3.4 %	-51.5 %	-11.4 %
Dallas, TX	\$360,179	-3.9 %	31.3 %	Neutral	11.1 %	11.7 %	-5.2 %
Houston, TX	\$304,382	-1.9 %	29.8 %	Neutral	21.5 %	18.7 %	-2.8 %
Washington, DC	\$569,327	0.0 %	32.8 %	Seller	27.9 %	-18.4 %	-8.9 %
Philadelphia, PA	\$376,984	2.6 %	32.0 %	Neutral	5.9 %	-39.4 %	-7.5 %
Miami, FL	\$466,787	-4.6 %	46.7 %	Buyer	5.7 %	1.7 %	-12.4 %
Atlanta, GA	\$376,284	-2.9 %	30.6 %	Buyer	12.9 %	4.0 %	-7.7 %
Boston, MA	\$714,904	1.6 %	43.8 %	Seller	17.2 %	-30.3 %	2.7 %
Phoenix, AZ	\$443,168	-3.1 %	33.1 %	Neutral	11.6 %	-2.0 %	-6.2 %
San Francisco, CA	\$1,094,470	-2.8 %	56.1 %	Strong seller	2.4 %	-6.2 %	-5.8 %
Riverside, CA	\$577,679	-2.1 %	45.0 %	Seller	6.7 %	-21.6 %	-11.7 %
Detroit, MI	\$257,933	3.5 %	26.0 %	Buyer	15.3 %	-25.5 %	-2.5 %
Seattle, WA	\$734,555	-1.3 %	46.6 %	Buyer	24.0 %	-4.6 %	-4.9 %
Minneapolis, MN	\$378,058	1.7 %	29.8 %	Seller	6.3 %	-22.7 %	-2.3 %
San Diego, CA	\$914,016	-2.5 %	57.2 %	Neutral	10.4 %	-25.2 %	-5.2 %
Tampa, FL	\$354,915	-5.6 %	35.5 %	Buyer	12.0 %	23.1 %	-18.3 %
Denver, CO	\$561,177	-3.1 %	36.6 %	Neutral	13.6 %	18.0 %	-0.1 %
Baltimore, MD	\$392,564	1.0 %	29.3 %	Neutral	20.9 %	-33.5 %	-2.4 %
St. Louis, MO	\$265,112	2.5 %	25.8 %	Neutral	9.8 %	-42.7 %	-5.8 %
Orlando, FL	\$382,663	-4.3 %	36.3 %	Neutral	9.3 %	28.1 %	-7.1 %
Charlotte, NC	\$382,967	-0.7 %	31.6 %	Buyer	17.9 %	28.4 %	-8.4 %
San Antonio, TX	\$275,352	-2.7 %	29.0 %	Buyer	12.1 %	36.7 %	-2.5 %
Portland, OR	\$539,628	-1.1 %	39.1 %	Neutral	13.5 %	-14.0 %	-3.1 %
Sacramento, CA	\$569,818	-2.4 %	41.1 %	Seller	2.0 %	-25.1 %	-14.5 %
Pittsburgh, PA	\$222,039	1.5 %	22.5 %	Buyer	6.0 %	-29.3 %	-5.7 %
Cincinnati, OH	\$299,088	3.0 %	28.6 %	NA	14.8 %	-19.3 %	0.2 %
Austin, TX	\$422,260	-6.0 %	34.5 %	Buyer	8.1 %	48.1 %	-10.6 %
Las Vegas, NV	\$427,443	-2.1 %	36.3 %	Neutral	21.9 %	-1.7 %	-14.8 %
Kansas City, MO	\$314,078	2.7 %	29.3 %	Neutral	11.3 %	-26.6 %	1.3 %
Columbus, OH	\$321,209	1.4 %	30.1 %	Buyer	18.0 %	-10.9 %	-2.4 %
Indianapolis, IN	\$286,424	1.5 %	27.0 %	Buyer	18.4 %	-0.3 %	-2.5 %
Cleveland, OH	\$241,321	4.6 %	28.2 %	Neutral	7.5 %	-49.1 %	-5.4 %
San Jose, CA	\$1,560,482	-1.3 %	62.5 %	Strong seller	7.4 %	-26.7 %	-10.7 %
Nashville, TN	\$448,565	-0.4 %	34.9 %	Buyer	18.2 %	8.3 %	-4.5 %
Virginia Beach, VA	\$360,572	1.8 %	32.8 %	Neutral	14.1 %	-35.1 %	-0.8 %
Providence, RI	\$501,555	2.4 %	45.7 %	Seller	10.6 %	-54.9 %	-5.4 %
Jacksonville, FL	\$345,809	-3.2 %	32.5 %	Buyer	2.1 %	16.0 %	-13.6 %
Milwaukee, WI	\$368,369	4.5 %	34.7 %	Buyer	4.1 %	-25.7 %	-5.1 %
Oklahoma City, OK	\$240,383	1.0 %	26.8 %	Neutral	11.5 %	11.4 %	1.0 %
Raleigh, NC	\$431,755	-2.7 %	30.5 %	Neutral	37.6 %	20.2 %	3.8 %
Memphis, TN	\$241,369	-0.5 %	27.8 %	Buyer	12.4 %	11.9 %	1.3 %
Richmond, VA	\$382,395	1.6 %	33.2 %	Seller	9.7 %	-34.2 %	-7.1 %
Louisville, KY	\$270,189	2.9 %	27.0 %	Buyer	19.4 %	-15.1 %	4.3 %
New Orleans, LA	\$253,983	0.7 %	36.0 %	Buyer	2.6 %	64.2 %	6.5 %
Salt Lake City, UT	\$554,622	1.9 %	37.6 %	Neutral	23.2 %	5.0 %	4.3 %
Hartford, CT	\$380,548	4.6 %	33.3 %	Strong seller	8.7 %	-63.0 %	0.1 %
Buffalo, NY	\$275,761	3.9 %	26.7 %	Seller	11.3 %	-39.1 %	-1.9 %
Birmingham, AL	\$253,380	0.6 %	24.2 %	Buyer	13.0 %	-1.1 %	-1.1 %

*Table ordered by market size

¹ The Zillow market report is a monthly overview of the national and local real estate markets. The report is

compiled by Zillow Research. For more information, visit [zillow.com/research](https://www.zillow.com/research).

² This press release includes forward-looking statements about future housing market conditions, mortgage rates and other economic factors. These statements are based on current expectations and assumptions, which are subject to change. Actual outcomes may differ materially due to changes in economic and market conditions. Forward-looking statements speak only as of the date of this release, and Zillow Group undertakes no obligation to update them.

About Zillow Group:

Zillow Group, Inc. (Nasdaq: Z and ZG) is reimagining real estate to make home a reality for more and more people. As the most visited real estate app and website in the United States, Zillow and its affiliates help people find and get the home they want by connecting them with digital solutions, dedicated real estate professionals, and easier buying, selling, financing, and renting experiences.

Zillow Group's affiliates, subsidiaries and brands include Zillow®, Zillow Premier Agent®, Zillow Home LoansSM, Zillow Rentals®, Trulia®, Out East®, StreetEasy®, HotPads®, ShowingTime+SM, Spruce®, and Follow Up Boss®.

All marks herein are owned by MFTB Holdco, Inc., a Zillow affiliate. Zillow Home Loans, LLC is an Equal Housing Lender, NMLS #10287 (www.nmlsconsumeraccess.org). © 2025 MFTB Holdco, Inc., a Zillow affiliate.

(ZFIN)

View original content to download multimedia:<https://www.prnewswire.com/news-releases/home-sellers-step-back-despite-three-year-high-in-affordability-302645463.html>

SOURCE Zillow