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NEWS RELEASE

Home shopping early may pay off as price cuts abound

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Expensive, coastal and Western markets are already heating up as spring season approaches

- Well-priced homes are selling in 29 days, and that will shorten quickly as the shopping season opens.
- Mispriced inventory is lingering, however; an elevated 1 in 5 sellers are cutting prices to find buyers.
- New listings and total inventory are up slightly over last year, an encouraging sign for buyers.

SEATTLE, Feb. 14, 2024 /PRNewswire/ -- Both buyers and sellers should prepare for a competitive home shopping season this spring. The latest market report[1] from Zillow® shows that well-priced homes are being snapped up quickly, while those that linger on the market are seeing their asking prices cut.

"Some of the homes loitering on the market may just need the right buyer and digital curb appeal to cast a wider net, but many may be overpriced. There are slightly more homes for sale than this time last year, and there is still plenty of competition for well-priced houses," said Zillow Chief Economist Skylar Olsen. "Buyers should prep their credit scores and sellers should prep their properties now — attractive listings are going pending in less than a month, and time on market will shrink in the weeks ahead."

What buyers are seeing

Just over 1 in 5 houses on Zillow saw a price cut in January — that's about equal to last year, but more common than in any of the five preceding years. Those cuts are bringing seller expectations more in line with the market conditions — the typical sold home was on the market for 29 days before going pending, while other homes lingered on the market for months, driving up the typical age of listings on Zillow to 72 days.

Shoppers already touring virtually and in person might be able to negotiate a deal on a house that's been waiting just for them. But that's likely not the case in places where median time on market for sold homes has dropped the

most since last year: Las Vegas (down 32 days), Phoenix (30) and Seattle (28).

So where are the "deals" drying up and where are they plentiful? Price cuts are much less common than a year ago in expensive Western metros: Seattle, Las Vegas, Austin and San Jose.

Price cuts are most prevalent in Florida and Texas markets and in Phoenix. These are areas where total inventory is higher than before the pandemic — as in Austin and San Antonio — or where inventory declines are comparatively low.

There are a few more options available now than last year. Total inventory is up more than 3% from a year ago, while the flow of new listings to the market is up nearly 6%. January typically sees a significant jump in new inventory over December, and this year that monthly boost was 43%. Unfortunately — and in keeping with unimpressive Januaries over the past few years — that was a relatively small bump up.

What sellers are seeing

Sellers are still sitting pretty with record home equity. The typical U.S. home value is up nearly $100,000 since 2020, now standing at $344,159. Annual appreciation of 3.6% nationwide is fairly healthy, and only three of the 50 largest U.S. metros saw their home values fall over the year.

More than a quarter of homes sold for more than asking price in December, the most recent data available. That's fewer than in the rate-fueled real estate rush of the early pandemic, but slightly more than in December 2022 and far more than before the pandemic, when less than 20% of homes sold over list price.

Metros where sellers are showing up much stronger than last year are San Diego, where new listings are up 28% annually, Miami (22%) and Riverside (20%).

What to expect in coming months

All this points to a relatively competitive home shopping season in which attractive listings are moving quickly. Demographic factors and a relatively strong economy mean vast numbers of millennials and baby boomers looking for houses, even while affordability is still extremely challenging.

Buyers should get their credit in order, talk to a loan officer to understand their budget, and search by monthly payment to make sure their search results stay within their budgets, regardless of mortgage rate swings. Relevant down payment assistance programs are on every Zillow listing.

For sellers, it's important to work with an agent who understands local market conditions and will price their home correctly. Sellers can make their home stand out by upping its online curb appeal — Listing Showcase leads to

more views, saves and shares on Zillow.

Metropolitan Area*	January Zillow Home Value Index (ZHVI) (Raw)	ZHVI Change, Year over Year (YoY)	Median Days to Pending	Share of Listings with a Price Cut	Share of Listings with a Price Cut, January 2020	Share of Homes Sold over List Price, December 2023	New Inventory Change YoY
United States	$344,159	3.6 %	29	21 %	17 %	26 %	5.8 %
New York, NY	$632,127	5.6 %	43	12 %	15 %	49 %	-6.3 %
Los Angeles, CA	$911,320	7.4 %	18	16 %	15 %	44 %	18.2 %
Chicago, IL	$302,595	6.5 %	19	18 %	22 %	31 %	-6.2 %
Dallas, TX	$367,702	0.5 %	35	27 %	22 %	18 %	18.2 %
Houston, TX	$301,680	0.5 %	42	24 %	23 %	14 %	2.4 %
Washington, DC	$540,052	3.7 %	9	17 %	16 %	34 %	-10.0 %
Philadelphia, PA	$344,822	7.0 %	16	20 %	20 %	37 %	-10.4 %
Miami, FL	$475,863	7.1 %	42	24 %	19 %	12 %	21.9 %
Atlanta, GA	$371,663	3.7 %	33	24 %	22 %	22 %	17.3 %
Boston, MA	$654,158	8.0 %	9	12 %	14 %	50 %	5.1 %
Phoenix, AZ	$447,681	2.8 %	29	31 %	21 %	16 %	14.5 %
San Francisco, CA	$1,100,538	1.7 %	14	14 %	10 %	48 %	15.3 %
Riverside, CA	$564,505	5.3 %	29	19 %	18 %	37 %	20.1 %
Detroit, MI	$237,389	5.7 %	19	19 %	21 %	34 %	-0.3 %
Seattle, WA	$700,072	3.2 %	9	16 %	13 %	29 %	2.0 %
Minneapolis, MN	$356,357	1.6 %	41	17 %	15 %	30 %	19.1 %
San Diego, CA	$905,384	9.6 %	13	18 %	17 %	41 %	27.7 %
Tampa, FL	$372,230	3.0 %	36	33 %	26 %	14 %	19.2 %
Denver, CO	$566,617	1.1 %	19	21 %	20 %	22 %	7.8 %
Baltimore, MD	$369,268	3.7 %	14	21 %	21 %	38 %	-6.1 %
St. Louis, MO	$239,192	5.6 %	12	20 %	17 %	34 %	-4.6 %
Orlando, FL	$388,255	3.5 %	36	27 %	23 %	13 %	18.1 %
Charlotte, NC	$370,079	3.7 %	21	22 %	21 %	28 %	9.5 %
San Antonio, TX	$282,784	-3.2 %	57	27 %	24 %	16 %	1.5 %
Portland, OR	$530,065	1.9 %	37	21 %	18 %	26 %	-8.2 %
Sacramento, CA	$560,040	2.5 %	17	19 %	16 %	33 %	19.7 %
Pittsburgh, PA	$202,375	4.8 %	28	23 %	19 %	25 %	-4.1 %
Cincinnati, OH	$268,878	5.8 %	12	23 %	22 %	26 %	-2.4 %
Austin, TX	$449,867	-6.2 %	72	21 %	18 %	10 %	-7.8 %
Las Vegas, NV	$409,233	3.1 %	27	20 %	22 %	18 %	10.8 %
Kansas City, MO	$290,499	5.2 %	13	20 %	17 %	30 %	-7.7 %
Columbus, OH	$299,276	6.0 %	10	24 %	21 %	31 %	1.9 %
Indianapolis, IN	$269,013	2.8 %	26	25 %	22 %	16 %	12.1 %
Cleveland, OH	$212,944	6.9 %	15	21 %	18 %	34 %	-6.8 %
San Jose, CA	$1,478,932	7.2 %	10	11 %	12 %	55 %	15.3 %
Nashville, TN	$427,168	1.0 %	40	26 %	19 %	13 %	-17.2 %
Virginia Beach, VA	$333,989	5.7 %	35	20 %	18 %	32 %	2.7 %
Providence, RI	$451,146	8.3 %	14	15 %	16 %	48 %	6.5 %
Jacksonville, FL	$350,296	0.4 %	46	28 %	24 %	13 %	12.6 %
Milwaukee, WI	$322,644	7.1 %	31	14 %	15 %	29 %	6.0 %
Oklahoma City, OK	$226,803	3.5 %	31	25 %	19 %	22 %	2.6 %
Raleigh, NC	$431,676	2.1 %	19	24 %	22 %	24 %	6.7 %
Memphis, TN	$231,624	0.5 %	38	22 %	15 %	16 %	-6.4 %
Richmond, VA	$350,927	4.8 %	10	18 %	19 %	39 %	3.0 %
Louisville, KY	$244,617	4.3 %	20	24 %	23 %	19 %	-5.2 %
New Orleans, LA	$232,211	-8.2 %	55	22 %	21 %	10 %	-3.6 %
Salt Lake City, UT	$524,480	0.9 %	31	25 %	18 %	23 %	10.2 %
Hartford, CT	$337,348	12.2 %	7	16 %	20 %	64 %	-5.8 %
Buffalo, NY	$243,920	6.9 %	17	14 %	17 %	64 %	-10.1 %
Birmingham, AL	$247,020	1.1 %	33	20 %	14 %	25 %	-0.3 %

*Table ordered by market size

[1] The Zillow® Real Estate Market Report is a monthly overview of the national and local real estate markets. The

reports are compiled by Zillow Research. For more information, visit www.zillow.com/research.

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