

## Market tips toward balance as inventory rises and competition eases

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Calmer economic seas revive home sales in May, but buyers still face confounding costs

- Newly pending sales rose 3.5% in May from a slower April and now stand 0.9% above last year.
- The number of available homes to buy increased to 1.3 million, giving buyers more options than in any month since July 2020.
- Buyers don't quite have the upper hand, but are facing the least competition for any May in Zillow records.

SEATTLE, June 16, 2025 /PRNewswire/ -- More stable economic conditions and a surge in available homes helped boost sales in May after a slow April, according to the [latest market report](#)<sup>1</sup> from Zillow®. Buyers have more options and lower mortgage rates than last year. But sales remain sluggish compared to historical norms as buyers grapple with affordability headwinds.

"Home buyers today have a few factors in their favor: Rates are lower than last year, they have more homes to choose from, and sellers are cutting prices at record rates," said Kara Ng, Zillow senior economist. "But they still face major obstacles, particularly saving up enough for a down payment and finding a home within their budget. Many families looking to upsize are realizing it's cheaper to rent a starter home than to buy one."

Economic uncertainty in the wake of trade tariffs and losses in the stock market contributed to slower newly pending sales than expected in April, falling 2.5% from the year before. As tariff concerns eased and the S&P 500 rebounded in May, sales rose 3.5% over April, up 0.9% from last year.

More inventory also helped sales. With inventory up nearly 20% over the previous year buyers had more options in May than at any time since July 2020. Despite higher sales, sellers still outnumber buyers.

This gives buyers more time to decide and more power in negotiations. Zillow's market heat index shows a balanced market nationwide, one that's a lot more buyer-friendly than in recent years. Competition among buyers declined to the lowest level seen in May in Zillow records, reaching back through 2018.

Home values have fallen in 22 of the 50 largest metro areas over the past year, and sellers cut prices on almost 26% of listings nationwide — another May high in Zillow records. Homes that sell typically do so in 17 days, about four more than last year and only two days fewer than pre-pandemic averages.

Despite a less competitive for-sale market, renting a starter home makes financial sense — at least in the short term — for much of the nation. Rent for a typical single-family home is roughly \$100 cheaper per month than the mortgage payment on the typical U.S. home, even after a 10% down payment. Six years ago, renting was \$373 more expensive than buying. This shift helps explain why housing demand continues to bounce along the bottom.

Demand for single-family rentals and a limited supply pushed up those rents faster than apartment rents during the pandemic, but Zillow's latest [Rental Market Report](#) shows that single-family rent growth is finally cooling. Meanwhile, mortgage costs have fallen annually, thanks to slower home value growth and lower mortgage rates. This has closed the gap between buying and renting by half over the past year, and that trend could stick — Zillow's [forecast](#) expects single-family rents will far outpace home value growth this year.

Metro Area*	Zillow Home Value Index (ZHVI)	ZHVI Year over Year (YoY)	Share of Listings With a Price Cut	Inventory YoY	Newly Pending Listings YoY	Single-Family Rent Cost	Mortgage Payment on a Typical Home at 10% Down
United States	\$366,289	0.4 %	25.8 %	19.6 %	0.9 %	\$2,296	\$2,388
New York, NY	\$705,117	4.3 %	15.0 %	-0.8 %	-4.8 %	\$3,824	\$4,575
Los Angeles, CA	\$966,715	0.2 %	23.2 %	36.4 %	-1.8 %	\$4,462	\$6,315
Chicago, IL	\$340,713	3.3 %	22.4 %	2.5 %	3.0 %	\$2,553	\$2,217
Dallas, TX	\$373,617	-3.4 %	34.2 %	32.1 %	-1.0 %	\$2,382	\$2,447
Houston, TX	\$312,657	-1.5 %	30.0 %	30.5 %	6.2 %	\$2,215	\$2,039
Washington, DC	\$584,727	1.5 %	26.2 %	37.7 %	9.0 %	\$3,253	\$3,813
Philadelphia, PA	\$382,423	3.3 %	22.3 %	10.9 %	1.2 %	\$2,264	\$2,482
Miami, FL	\$478,524	-3.2 %	23.6 %	24.1 %	-13.7 %	\$3,542	\$3,129
Atlanta, GA	\$386,672	-2.7 %	30.0 %	30.2 %	-3.3 %	\$2,253	\$2,525
Boston, MA	\$729,032	1.6 %	20.7 %	16.3 %	2.6 %	\$3,991	\$4,758
Phoenix, AZ	\$454,127	-3.4 %	37.2 %	36.4 %	-1.6 %	\$2,366	\$2,964
San Francisco, CA	\$1,152,783	-2.5 %	22.4 %	25.7 %	-0.4 %	\$4,065	\$7,564
Riverside, CA	\$588,180	-0.8 %	25.7 %	32.1 %	-5.6 %	\$3,085	\$3,838
Detroit, MI	\$263,946	2.8 %	22.4 %	8.2 %	-3.7 %	\$1,569	\$1,718
Seattle, WA	\$759,243	-0.1 %	27.3 %	30.4 %	0.9 %	\$3,375	\$4,981
Minneapolis, MN	\$386,592	1.2 %	21.6 %	9.0 %	1.4 %	\$2,346	\$2,525
San Diego, CA	\$937,964	-1.9 %	28.6 %	35.9 %	-7.3 %	\$4,177	\$6,133
Tampa, FL	\$365,243	-5.4 %	35.0 %	19.6 %	-1.7 %	\$2,462	\$2,390
Denver, CO	\$587,483	-2.4 %	37.8 %	37.8 %	0.7 %	\$3,034	\$3,847
Baltimore, MD	\$401,076	1.8 %	26.4 %	18.8 %	3.8 %	\$2,394	\$2,609
St. Louis, MO	\$268,506	2.3 %	22.9 %	12.1 %	5.1 %	\$1,605	\$1,749
Orlando, FL	\$390,922	-3.2 %	30.7 %	26.7 %	-2.6 %	\$2,462	\$2,556
Charlotte, NC	\$389,056	-0.9 %	27.9 %	32.1 %	-4.4 %	\$2,152	\$2,536
San Antonio, TX	\$284,702	-3.3 %	30.7 %	18.8 %	0.6 %	\$1,881	\$1,859
Portland, OR	\$557,238	-0.5 %	29.2 %	20.2 %	-1.3 %	\$2,687	\$3,643
Sacramento, CA	\$586,352	-1.4 %	30.3 %	33.0 %	-4.4 %	\$2,800	\$3,833

Pittsburgh, PA	\$226,259	0.8 %	25.0 %	12.8 %	0.5 %	\$1,666	\$1,472
Cincinnati, OH	\$300,141	3.0 %	25.2 %	15.5 %	5.7 %	\$1,998	\$1,953
Austin, TX	\$446,737	-5.5 %	31.7 %	15.5 %	-7.4 %	\$2,343	\$2,932
Las Vegas, NV	\$438,477	1.6 %	31.3 %	50.2 %	-10.5 %	\$2,260	\$2,857
Kansas City, MO	\$318,331	1.9 %	25.1 %	17.0 %	11.6 %	\$1,799	\$2,074
Columbus, OH	\$329,097	1.5 %	28.0 %	23.8 %	7.4 %	\$1,967	\$2,146
Indianapolis, IN	\$290,412	1.6 %	30.0 %	18.9 %	9.0 %	\$1,899	\$1,892
Cleveland, OH	\$243,383	4.6 %	21.4 %	15.3 %	4.2 %	\$1,631	\$1,582
San Jose, CA	\$1,624,141	0.8 %	21.6 %	25.4 %	-7.7 %	\$4,508	\$10,706
Nashville, TN	\$457,892	0.1 %	34.1 %	29.2 %	4.1 %	\$2,404	\$2,983
Virginia Beach, VA	\$363,157	2.0 %	21.7 %	18.2 %	1.3 %	\$2,222	\$2,362
Providence, RI	\$506,205	3.8 %	19.2 %	16.3 %	12.8 %	\$3,198	\$3,296
Jacksonville, FL	\$354,861	-3.0 %	33.1 %	22.4 %	-2.0 %	\$2,079	\$2,318
Milwaukee, WI	\$373,325	3.2 %	13.1 %	7.5 %	-11.5 %	\$1,719	\$2,428
Oklahoma City, OK	\$241,936	1.2 %	28.3 %	13.5 %	-1.0 %	\$1,537	\$1,573
Raleigh, NC	\$447,744	-1.8 %	35.4 %	45.4 %	2.3 %	\$2,127	\$2,923
Memphis, TN	\$244,922	-0.9 %	28.0 %	1.8 %	35.1 %	\$1,649	\$1,596
Richmond, VA	\$386,654	1.4 %	23.0 %	22.9 %	13.2 %	\$2,326	\$2,519
Louisville, KY	\$271,520	4.3 %	26.2 %	15.2 %	-12.9 %	\$1,650	\$1,763
New Orleans, LA	\$252,405	-2.3 %	27.4 %	10.1 %	4.1 %	\$1,915	\$1,643
Salt Lake City, UT	\$556,880	1.2 %	33.9 %	26.7 %	8.4 %	\$2,555	\$3,633
Hartford, CT	\$384,622	4.1 %	14.2 %	0.0 %	-3.8 %	\$2,517	\$2,497
Buffalo, NY	\$276,297	2.9 %	14.4 %	-3.0 %	-2.8 %	\$1,824	\$1,794
Birmingham, AL	\$257,266	-0.2 %	24.8 %	13.8 %	5.3 %	\$1,558	\$1,673

\*Table ordered by market size

<sup>1</sup> 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).

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