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NEWS RELEASE

Mortgage-rate dip lifts affordability to a three-year high, sparks a fall housing flurry

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Buyers and sellers took advantage of a rare affordability break in October

- An October dip in mortgage rates helped drive a 5% annual increase in both new listings and pending sales.
- Inventory continues to recover from record lows reached in 2022 — the current 17% shortfall from pre-pandemic averages is the smallest since March 2020.
- Affordability for home buyers reached a three-year high as monthly mortgage payments fell 1.8% from last year.

SEATTLE, Nov. 18, 2025 /PRNewswire/ -- Thanksgiving may mean eating turkey sandwiches on cardboard-box tables for plenty of home buyers this year. Buyers and sellers defied seasonal cooling patterns to turn in the strongest October housing market in three years, according to the latest market report[1] from Zillow®.

Improved affordability helped drive a rare fall surge in sellers both listing their homes and accepting offers from buyers; both metrics are up 5% year over year to levels not seen in October since 2022, and both stayed flat from September instead of ticking down, as they typically do this time of year.

"Buyers and sellers both got some badly needed relief to perk up what is typically a shoulder season for the housing market. The reaction to lower rates shows that buyers are ready to make offers when affordability improves," said Kara Ng, Zillow senior economist. "While fall has been a sneaky good market for buyers and sellers who stuck it out past the busy season, winter is coming, and it may bring rate volatility with it. This warm-up is not guaranteed to last."

The average 30-year mortgage rate eased to 6.25%, reaching the lowest monthly average[2] in more than a year. Home values stayed steady from last year, with the typical U.S. home value up 0.1% from last October to $362,117,

according to the Zillow Home Value Index. Together those factors reduced mortgage payments by 1.8% compared to last October.[3]

Paired with rising incomes, this has improved affordability for new home buyers to three-year highs — though costs are still a significant challenge. The median-earning household would spend 32.9% of its income on a mortgage on the typical home, given a 20% down payment. That's the smallest share of income needed since August 2022. However, it's still higher than the 30% threshold at which housing is considered a financial burden, and a 20% down payment is a serious hurdle at more than $72,000.

More sellers test the market ahead of the holidays

Sellers reemerged in October after a sluggish summer, taking advantage of stronger demand and enjoying increased affordability themselves if they purchased another home. New listings picked up most compared to last year in Tampa, Raleigh, Orlando, Columbus, Louisville and Indianapolis.

Total inventory has risen 12.8% since last year and is 17.3% lower than 2018–2019 averages for this time of year. This is the smallest supply deficit since the pandemic began in March 2020 and a vast improvement over the 51% shortfall seen in February 2022, when the supply shortfall was largest.

Sales momentum improves as buyers seize lower rates

Buyers also responded quickly to the rate reprieve. Newly pending listings fell just 0.1% from September, but climbed 5% from a year earlier, signaling resilience in a month when demand typically tapers off.

The sharpest increases in newly pending sales were seen in Tampa, Boston, Orlando, Jacksonville and Miami, where activity rebounded from last year's unusually slow conditions and "snowbird" demand likely provided a boost.

Competition cools, bringing buyers markets to new frontiers

Zillow's Market Heat Index shows competition among buyers is easing along seasonal lines and is far cooler than in past years.

The market is balanced on the national scale, but 19 major markets now favor buyers, three more markets than in September and up from nine last October. These are concentrated in the South, but cold weather and accumulating inventory are bringing them farther north and west; new additions in October were Cincinnati, Milwaukee and Birmingham.

Sellers retain the strongest edge in Hartford, San Francisco, New York, San Jose and Providence, while Miami, Indianapolis, Milwaukee, Pittsburgh and New Orleans rank among the country's strongest buyers markets.

Metro Area*	Zillow Home Value Index (ZHVI)	ZHVI Year over Year (YoY)	Newly Pending Listings Change YoY	Market Favors (Zillow Market Heat Index)	Inventory Change YoY	Inventory Change Since Before the Pandemic	New Listings Change YoY
United States	$362,117	0.1 %	5.0 %	Neutral	12.8 %	-17.3 %	5.0 %
New York, NY	$709,052	3.1 %	-0.6 %	Seller	3.1 %	-47.6 %	1.1 %
Los Angeles, CA	$949,365	-1.0 %	-0.9 %	Seller	14.3 %	-16.1 %	-2.4 %
Chicago, IL	$338,938	3.7 %	-1.9 %	Neutral	-2.4 %	-50.8 %	-3.4 %
Dallas, TX	$362,053	-4.0 %	-5.1 %	Neutral	12.7 %	12.9 %	-2.2 %
Houston, TX	$305,280	-2.1 %	2.0 %	Buyer	23.4 %	17.1 %	2.9 %
Washington, DC	$575,078	0.3 %	1.0 %	Seller	31.5 %	-17.8 %	10.7 %
Philadelphia, PA	$377,765	2.7 %	4.8 %	Neutral	9.7 %	-37.7 %	5.0 %
Miami, FL	$470,828	-4.8 %	17.0 %	Buyer	10.3 %	2.2 %	4.4 %
Atlanta, GA	$378,785	-2.9 %	2.0 %	Buyer	15.9 %	3.3 %	-2.6 %
Boston, MA	$721,320	1.5 %	29.9 %	Seller	14.2 %	-28.6 %	1.9 %
Phoenix, AZ	$444,548	-3.4 %	5.7 %	Neutral	15.9 %	1.9 %	6.9 %
San Francisco, CA	$1,107,255	-2.8 %	5.4 %	Seller	4.2 %	-1.9 %	-2.2 %
Riverside, CA	$580,718	-2.3 %	4.2 %	Seller	11.4 %	-19.6 %	0.1 %
Detroit, MI	$260,188	3.4 %	-1.1 %	Buyer	15.2 %	-27.7 %	10.6 %
Seattle, WA	$739,161	-1.1 %	-9.7 %	Buyer	18.6 %	-5.8 %	-3.8 %
Minneapolis, MN	$382,058	2.0 %	-2.5 %	Seller	5.4 %	-25.4 %	5.2 %
San Diego, CA	$921,959	-2.4 %	2.7 %	Neutral	13.7 %	-22.6 %	-0.3 %
Tampa, FL	$356,298	-6.1 %	38.5 %	Buyer	19.1 %	17.6 %	38.6 %
Denver, CO	$566,597	-2.9 %	-2.2 %	Neutral	12.7 %	16.9 %	-6.6 %
Baltimore, MD	$395,401	1.3 %	-0.9 %	Neutral	20.8 %	-33.5 %	3.5 %
St. Louis, MO	$264,917	2.4 %	5.3 %	Neutral	13.8 %	-41.8 %	8.6 %
Orlando, FL	$384,931	-4.6 %	23.6 %	Neutral	15.2 %	18.7 %	15.0 %
Charlotte, NC	$384,030	-0.7 %	-8.0 %	Buyer	20.6 %	22.2 %	8.1 %
San Antonio, TX	$276,411	-3.0 %	1.7 %	Buyer	13.0 %	35.2 %	8.3 %
Portland, OR	$543,976	-1.0 %	0.5 %	Neutral	12.5 %	-14.1 %	1.8 %
Sacramento, CA	$573,109	-2.3 %	1.3 %	Seller	6.2 %	-23.3 %	-9.3 %
Pittsburgh, PA	$221,717	1.4 %	4.5 %	Buyer	9.4 %	-29.0 %	4.0 %
Cincinnati, OH	$298,945	2.9 %	2.3 %	Buyer	14.9 %	-20.3 %	10.6 %
Austin, TX	$426,454	-6.1 %	-4.3 %	Buyer	8.4 %	49.4 %	9.5 %
Las Vegas, NV	$429,719	-1.7 %	-5.0 %	Neutral	25.9 %	-1.0 %	1.9 %
Kansas City, MO	$313,756	2.6 %	2.6 %	Neutral	12.3 %	-25.7 %	7.0 %
Columbus, OH	$322,398	1.4 %	4.1 %	Neutral	21.0 %	-12.0 %	12.5 %
Indianapolis, IN	$286,794	1.5 %	5.8 %	Buyer	19.4 %	-2.2 %	11.6 %
Cleveland, OH	$241,368	4.5 %	7.0 %	Seller	11.6 %	-47.4 %	5.9 %
San Jose, CA	$1,572,103	-1.2 %	-6.3 %	Seller	3.7 %	-21.4 %	-9.5 %
Nashville, TN	$449,989	-0.3 %	2.4 %	Buyer	19.9 %	8.8 %	9.0 %
Virginia Beach, VA	$362,137	1.9 %	-1.5 %	Neutral	11.8 %	-36.1 %	1.2 %
Providence, RI	$506,874	2.5 %	9.7 %	Seller	9.9 %	-53.4 %	6.1 %
Jacksonville, FL	$347,020	-3.4 %	22.5 %	Buyer	7.9 %	18.7 %	7.8 %
Milwaukee, WI	$370,525	4.0 %	-5.6 %	Buyer	3.2 %	-27.1 %	0.2 %
Oklahoma							

City, OK	$239,890	1.0 %	0.9 %	Neutral	10.5 %	9.9 %	-0.6 %
Raleigh, NC	$435,449	-2.5 %	4.4 %	Neutral	36.9 %	20.7 %	15.0 %
Memphis, TN	$240,785	-0.5 %	-6.5 %	Buyer	11.1 %	10.4 %	3.5 %
Richmond, VA	$383,776	1.5 %	8.5 %	Seller	16.4 %	-30.6 %	4.6 %
Louisville, KY	$270,566	3.2 %	-19.0 %	Buyer	20.0 %	-16.6 %	12.1 %
New Orleans, LA	$254,170	0.6 %	9.0 %	Buyer	1.1 %	56.1 %	1.5 %
Salt Lake City, UT	$560,475	2.3 %	-8.4 %	Neutral	18.8 %	0.9 %	3.1 %
Hartford, CT	$382,321	4.4 %	-2.6 %	Strong Seller	6.2 %	-62.1 %	7.6 %
Buffalo, NY	$277,334	3.7 %	-3.1 %	Seller	7.5 %	-36.6 %	2.6 %
Birmingham, AL	$253,322	0.5 %	-0.9 %	Buyer	11.7 %	-4.2 %	3.4 %

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* 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**.

[2] Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; **https://fred.stlouisfed.org/series/MORTGAGE30US**, November 13, 2025.

[3] For the typical U.S. home, assuming a 20% down payment.

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