NEWS RELEASE

Number of high-intent home shoppers dropped to a new low last quarter as stubborn mortgage rates stymied demand

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Buffalo, Hartford, Providence and San Francisco remain the most competitive markets

- The number of engaged home shoppers — Zillow users who save or share a for-sale listing — fell 4.8% from a year earlier to 3.5 per listing in the third quarter of 2026, the lowest level since Zillow began tracking the metric in 2023.
- Engaged shoppers per listing declined from last year in 44 of the 50 largest metro areas, led by Seattle, Washington, D.C., and Louisville. Four of the six major markets where engagement increased were in Florida.
- Luxury homes are drawing more than twice as many engaged shoppers per listing as starter homes.

SEATTLE, Nov. 23, 2026 /PRNewswire/ -- Home-buying demand last quarter hit the lowest level Zillow® has tracked, according to a new Zillow analysis. Mortgage rates rose significantly from July through September, leaving fewer serious shoppers competing for each home on the market.

The number of engaged home shoppers per listing[1] — people who saved or shared a for-sale listing on Zillow, signaling real interest beyond casual browsing — fell to 3.5 nationally in the third quarter of 2026. That is down 4.8% from a year earlier and the lowest level since Zillow began tracking the metric in the second half of 2023. The pullback was widespread, with engagement down from last year in 44 of the 50 largest metro areas, although major Florida markets were an exception.

"Mortgage rates are still keeping many buyers on the sidelines, and as inventory continues to build we are seeing less competition for each home for sale," said Treh Manhertz, senior economic research scientist at Zillow. "The long-running inventory recovery means sales are poised to bounce back if mortgage rates finally move lower. But

for now, the pressure is on for rentals while the for-sale market is on hold."

Higher mortgage costs are the most likely driver of the drop in engaged home shoppers. Mortgage rates averaged 6.43% in Freddie Mac's July 2 **Primary Mortgage Market Survey**, and rose to 7.28% by October 1 — among the steepest three-month rate increases since the 1980s. That jump in rates is enough to increase the monthly mortgage payment on a $400,000 home by nearly $200, from $2,008 to $2,189 (assuming a 20% down payment). **Typical mortgage costs rose year over year** in August, September and October, ending a 10-month streak of annual declines.

More homes are sitting on the market as shoppers pull back, spreading home-buying demand across more listings. As of October, **for-sale inventory** has risen on an annual basis for 35 consecutive months, though it remains 14.4% below prepandemic norms. New listings have been a mixed bag, up on a year-over-year basis in just six of the past 12 months, suggesting the inventory buildup is more a result of homes staying on the market longer than a surge of new sellers.

Nearly every major metro saw home shoppers pull back

The pullback was widespread. Seattle saw the steepest drop in engaged shoppers per listing, down 17.1% from a year earlier. Washington, D.C. (-15.5%), Louisville (-14.3%), Salt Lake City (-13.7%) and Minneapolis (-13.4%) followed.

Only six large metros posted gains, and four of them are in Florida: Jacksonville (+12.2%), Miami (+8.7%), Tampa (+4.2%) and Orlando (+0.8%). San Francisco (+5.1%) and Birmingham (+0.9%) were the others.

Buffalo (6.7 engaged shoppers per listing), Hartford (6.2), Providence (6.1), San Francisco (6) and San Diego (5.2) had the most engagement last quarter. Despite its 8.7% year-over-year bounceback, Miami was one of the coolest markets with just 1.9 engaged shoppers per listing. Only Houston (1.6) had fewer.

Luxury engagement holds steady while starter-home interest slides

Luxury listings — homes among the top 5% most valuable in a given metro — typically drew 6.4 engaged shoppers last quarter, flat from a year earlier. Starter homes — homes in the 5th to 35th percentile of home values in a given metro — typically drew 2.9 engaged shoppers, down 8.2% year over year.

This reflects the **"K-shaped" housing market** that has emerged. Economic headwinds such as slower hiring and rising inflation are prompting many households to delay major financial commitments like a home purchase. Higher-income households are in a different position. Stock market gains have boosted buying power, while higher mortgage rates have little impact on those who can make an all-cash purchase.

Rental market is seeing spillover demand

With for-sale demand waning, many would-be buyers appear to be turning to rentals instead. Nationally, rental demand is up 22.1% from a year earlier, according to **Zillow's October Rental Market Report**. Demand for single-family rentals is up 24.3%, roughly double the 12.1% rise for apartments. The typical single-family rent is $2,243 a month, about $360 less than the monthly cost of owning a single-family home with 20% down.

Metro Area*	Engaged Shoppers per Listing (Q3 2026)	Year-over-Year Change
United States	3.5	-4.8
New York, NY	4.9	-6.2
Los Angeles, CA	4.6	-9.0
Chicago, IL	4.1	-8.3
Dallas, TX	2.9	-1.4
Houston, TX	1.6	-9.7
Washington, DC	3.4	-15.5
Philadelphia, PA	4.6	-8.1
Miami, FL	1.9	8.7
Atlanta, GA	3.4	-7.9
Boston, MA	4.9	-12.6
Phoenix, AZ	2.8	-4.9
San Francisco, CA	6.0	5.1
Riverside, CA	3.4	-2.3
Detroit, MI	4.5	-7.7
Seattle, WA	3.6	-17.1
Minneapolis, MN	3.5	-13.4
San Diego, CA	5.2	-4.8
Tampa, FL	3.1	4.2
Denver, CO	3.5	-4.3
Baltimore, MD	3.4	-11.7
St. Louis, MO	4.3	-7.9
Orlando, FL	2.9	0.8
Charlotte, NC	3.5	-7.3
San Antonio, TX	2.1	-4.9
Portland, OR	4.4	-4.3
Sacramento, CA	4.8	-2.9
Pittsburgh, PA	4.9	-9.3
Cincinnati, OH	4.3	-12.3
Austin, TX	2.4	-4.4
Las Vegas, NV	2.4	-10.5
Kansas City, MO	4.2	-2.8
Columbus, OH	3.8	-4.8
Indianapolis, IN	3.9	-8.9
Cleveland, OH	4.8	-8.5
San Jose, CA	4.9	-8.5
Nashville, TN	3.1	-9.4
Virginia Beach, VA	3.9	-11.0
Providence, RI	6.1	-10.4
Jacksonville, FL	3.5	12.2
Milwaukee, WI	3.7	-10.2
Oklahoma City, OK	3.1	-11.3
Raleigh, NC	4.0	-9.8
Memphis, TN	2.4	-5.8
Richmond, VA	4.6	-9.6
Louisville, KY	3.6	-14.3
New Orleans, LA	2.4	-4.5
Salt Lake City, UT	2.7	-13.7
Hartford, CT	6.2	-6.8
Buffalo, NY	6.7	-7.5
Birmingham, AL	2.8	0.9

*Table ordered by market size

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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 connects hundreds of millions of consumers with innovative technology, trusted agents and loan officers, and seamless digital solutions. With industry-leading tools and resources, Zillow supercharges real estate professionals so they can grow their businesses and deliver exceptional client experiences. For renters and housing providers, Zillow offers not only a robust marketplace but a set of end-to-end products and services to streamline applications, leases, payments and more.

Zillow's ecosystem spans the entire home journey — from dreaming and shopping to renting, buying, selling and financing.

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[1] Engaged shoppers per listing reflects Q3 2026 data. An engaged shopper is defined as a Zillow user who saved or shared a for-sale listing. Agent activity is excluded.

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