

Sellers ramp up price cuts to woo struggling buyers

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Competition over homes is relatively soft as mortgage rates stymie sales, letting inventory recover

- Nearly 23% of sellers cut their home's list price, the highest share of any January in Zillow records.
- Buyers have more negotiating power than in any January over the past five years.
- Competition varies widely by region but is fiercest in the San Francisco Bay Area and the coastal Northeast.

SEATTLE, Feb. 12, 2025 /PRNewswire/ -- Persistently high mortgage rates are having a bigger impact on buyers than on sellers as the home shopping season approaches, the [latest data from Zillow®](#) shows. Though competition varies greatly by region, most buyers in the market today have a good chance of seeing a price cut on their saved listing.

"Homeowners are finally coming back to the market as the effects of rate lock ease over time, but buyers are still struggling with high monthly costs," said Skylar Olsen, Zillow chief economist. "Sellers are in a good position, and are willing to make price cuts to close a deal. Home equity is near record highs, and the general economy and financial markets are surprisingly strong. Homes are selling faster than they did before the pandemic."

Home values are up 44% compared to before the pandemic and have risen 2.6% year over year. There are wide differences in annual appreciation throughout the country, ranging from an 8.1% rise in San Jose to a 3.4% drop in Austin.

Mortgage rates [ticked up to 7.04% in January](#), the highest level since May and significantly higher than the mid-6% rates seen in January last year. That gave buyers facing affordability challenges stronger headwinds in closing the deal — newly pending sales fell 3.6% year over year.

What sellers are seeing

Sellers seem less concerned about rate movements. New listings hitting the market from existing owners rose nearly 12% year over year. The hold of "rate lock" is weakening over time as homeowners rack up equity and encounter pressing reasons to sell. Zillow [surveys of recent sellers](#) show 78% were influenced by life events to make their decision to sell, such as landing a new job or a change in family size.

The same survey found just 54% of sellers then bought a home, the lowest share since 2018 and down from 70% last year.

New listings are rising the fastest year over year in expensive Western markets, led by Portland (up 48%), Seattle (40%), Denver (34%) and San Francisco (32%).

Despite the challenges for buyers, plenty of sellers are getting more than they asked for. Nearly 25% of homes that sold in December — the latest data available — did so for more than the original asking price. That's compared to about 19% before the pandemic.

What buyers are seeing

While high rates are frustrating, buyers have a good chance to find deals on the margins. [Zillow's market heat index](#) shows buyers have more power in negotiations than in any January over the past five years.

Almost 23% of sellers cut the price of their listing last month, the largest portion for any January since 2018, when Zillow began tracking the metric. The share of listings with a price cut rose the most year over year in Denver, Las Vegas, San Diego and Austin.

Price cuts are most common in Phoenix, where they're found on more than one-third of listings (34%), Tampa (32%), Jacksonville (31%), and Orlando and Dallas (both with 29%).

Nationally, homes that sell are typically under contract in 38 days. That's nine days slower than last year but nearly 10 days faster than pre-pandemic norms.

However, regional variation in competition is massive. Homes are selling in two weeks or less in expensive coastal metros like San Jose, Boston, Seattle and Washington, D.C., and far more slowly in the South; New Orleans and Atlanta join Texas and Florida metros with the most relaxed pace of sales.

Metro Area*	Zillow Home Value Index (ZHVI)	ZHVI Change, Year over Year (YoY)	Share of Listings with a Price Cut	Share of Listings Sold Over List	Change in New Listings (YoY)	Change in Inventory (YoY)	Median Days to Pending
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				Price (December)			
United States	\$356,776	2.6 %	22.8 %	24.8 %	11.5 %	17.6 %	38
New York, NY	\$676,723	6.0 %	12.1 %	48.7 %	-3.9 %	-8.1 %	44
Los Angeles, CA	\$946,931	4.3 %	17.0 %	40.7 %	24.9 %	32.0 %	24
Chicago, IL	\$324,595	5.5 %	22.1 %	30.1 %	5.1 %	4.3 %	21
Dallas, TX	\$368,789	-0.7 %	28.7 %	15.5 %	17.2 %	29.8 %	51
Houston, TX	\$306,027	0.4 %	26.2 %	13.7 %	14.1 %	24.7 %	52
Washington, DC	\$570,191	4.5 %	18.3 %	35.7 %	20.9 %	19.8 %	12
Philadelphia, PA	\$362,962	4.6 %	20.7 %	36.4 %	11.7 %	6.6 %	17
Miami, FL	\$483,774	0.5 %	25.1 %	7.9 %	2.0 %	28.1 %	65
Atlanta, GA	\$376,238	0.0 %	26.6 %	18.7 %	8.7 %	37.5 %	56
Boston, MA	\$692,137	4.6 %	15.7 %	45.2 %	2.4 %	2.5 %	10
Phoenix, AZ	\$448,824	-0.8 %	33.5 %	14.9 %	26.2 %	32.8 %	38
San Francisco, CA	\$1,129,010	2.7 %	15.9 %	49.7 %	32.3 %	27.9 %	14
Riverside, CA	\$580,994	2.3 %	21.5 %	36.8 %	18.0 %	29.4 %	40
Detroit, MI	\$250,132	5.0 %	20.6 %	30.7 %	5.5 %	5.9 %	22
Seattle, WA	\$737,843	5.1 %	19.3 %	28.2 %	39.6 %	32.8 %	11
Minneapolis, MN	\$368,944	2.8 %	19.8 %	30.5 %	11.9 %	11.5 %	44
San Diego, CA	\$932,108	3.2 %	23.0 %	33.9 %	14.0 %	32.6 %	20
Tampa, FL	\$366,402	-2.8 %	32.4 %	14.3 %	14.0 %	22.4 %	43
Denver, CO	\$578,221	0.7 %	28.5 %	22.7 %	33.7 %	40.2 %	35
Baltimore, MD	\$387,205	3.7 %	22.0 %	38.1 %	13.2 %	11.4 %	17
St. Louis, MO	\$251,413	4.2 %	19.6 %	31.3 %	4.1 %	10.2 %	20
Orlando, FL	\$389,487	-0.6 %	29.1 %	12.3 %	16.5 %	30.6 %	49
Charlotte, NC	\$378,271	1.6 %	25.8 %	18.4 %	12.8 %	29.5 %	40
San Antonio, TX	\$279,520	-1.8 %	28.1 %	14.2 %	4.4 %	12.8 %	76
Portland, OR	\$543,598	1.7 %	22.6 %	25.0 %	48.3 %	20.3 %	23
Sacramento, CA	\$574,976	1.9 %	20.9 %	33.4 %	27.5 %	27.0 %	20
Pittsburgh, PA	\$211,227	2.6 %	20.8 %	20.8 %	-1.2 %	12.3 %	43
Cincinnati, OH	\$285,289	5.0 %	23.1 %	25.8 %	5.0 %	7.0 %	17
Austin, TX	\$438,906	-3.4 %	24.7 %	10.7 %	13.5 %	7.4 %	87
Las Vegas, NV	\$431,197	5.0 %	25.5 %	17.9 %	25.0 %	35.8 %	41
Kansas City, MO	\$300,871	3.7 %	22.0 %	26.0 %	6.2 %	17.8 %	23
Columbus, OH	\$313,400	3.8 %	24.9 %	28.7 %	10.5 %	21.4 %	14
Indianapolis, IN	\$275,992	3.6 %	26.4 %	17.0 %	2.4 %	7.5 %	33
Cleveland, OH	\$228,297	6.6 %	20.3 %	31.3 %	1.6 %	2.9 %	18
San Jose, CA	\$1,600,673	8.1 %	13.1 %	56.3 %	30.6 %	22.1 %	9
Nashville, TN	\$443,534	1.9 %	28.4 %	12.7 %	27.7 %	26.7 %	48
Virginia Beach, VA	\$350,383	4.6 %	21.5 %	35.2 %	8.6 %	17.0 %	38
Providence, RI	\$480,761	6.7 %	18.2 %	44.3 %	6.8 %	5.2 %	17
Jacksonville, FL	\$349,746	-0.9 %	30.8 %	9.7 %	16.2 %	30.1 %	65
Milwaukee, WI	\$345,106	5.5 %	16.3 %	41.1 %	11.4 %	5.2 %	34
Oklahoma City, OK	\$231,696	2.5 %	25.9 %	19.6 %	11.0 %	14.7 %	42
Raleigh, NC	\$436,817	0.8 %	26.2 %	18.9 %	18.2 %	24.5 %	25
Memphis, TN	\$234,187	1.2 %	25.8 %	14.2 %	26.3 %	10.7 %	40
Richmond, VA	\$371,172	4.2 %	22.2 %	34.9 %	-5.8 %	12.1 %	15
Louisville, KY	\$260,162	5.4 %	25.5 %	21.5 %	-2.6 %	9.3 %	31
New							

Orleans, LA	\$234,359	-1.1 %	23.7 %	10.5 %	0.3 %	11.3 %	67
Salt Lake City, UT	\$546,129	3.1 %	27.5 %	23.3 %	22.1 %	19.1 %	35
Hartford, CT	\$363,608	6.3 %	15.2 %	61.8 %	10.8 %	12.8 %	9
Buffalo, NY	\$255,892	5.3 %	15.1 %	60.5 %	1.7 %	3.1 %	24
Birmingham, AL	\$247,772	0.9 %	22.5 %	20.8 %	-1.3 %	9.2 %	46

* Table ordered by market size

The Zillow® market report is a monthly overview of the national and local real estate markets. The report is compiled by Zillow Research. For

¹ more information, visit [zillow.com/research](https://www.zillow.com/research).

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