

Sellers Pull Back Nationwide as Demand Slows

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Joe Raedle / Getty Images

By Mitchell Hartman

National data shows record price cuts and the highest delisting rate since 2017 as affordability, flat job growth and weak demand keep the housing market sluggish.

NEW YORK — Recent reports from national real estate firms indicate some shifts in the struggling housing market. Zillow finds sellers are discounting their properties at record levels once they're on the market — when they do so, reducing the sale price an average of \$25,000. Redfin reports sellers have been delisting their homes at the highest level since 2017, generally taking them off the market because they're not selling at or near the asking price.

After years of rising sharply, home prices have been stagnant or falling in many markets this year. Mortgage rates have also come down from the 7% or higher level that we saw in January.

"Even though conditions have improved a little bit from an affordability standpoint, they're still not affordable," said Nationwide economist Ben Ayers. "We have many people who are worried about the labor market, and more and more people saying this is not really a great time still to buy a home."

There were hopes the housing market would rebound earlier this year as interest rates fell, said Guy Cecala at Inside Mortgage Finance. But that didn't happen.

"We still have pretty much a lackluster housing market, mortgage rates are high, inventory is somewhat strained," he said.

An increase in the supply of new homes would keep prices down and help first-time buyers. But instead, "single-family home construction this year is likely to be down 6% or 7%," said Robert Dietz, chief economist at the National Association of Home Builders.

Putting all this together, Portland, Oregon, real estate broker Israel Hill sees a housing market where buyers and sellers are struggling, and the economy isn't helping.

"The biggest indicator in the real estate market is job growth," Hill said. "And the job market is flat."

And that's making consumers hesitant to take the leap into

homeownership.

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