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Home Sales Drop to Lowest Level in Nearly 2 Years, With Texas and Seattle Driving Decline

Near-record home prices, elevated mortgage rates and economic instability drove down U.S. home sales in July

SEATTLE — Aug. 12, 2026 — U.S. home sales fell 4.1% from a month earlier in July, dropping to their lowest level in nearly two years on a seasonally adjusted basis. That's according to a new report from Redfin, the real estate brokerage powered by Rocket.

Pending home sales, a real-time indicator of homebuying demand, fell 2.5% to their lowest level since December.

Homebuying demand is slipping largely because housing costs are historically high, pricing many would-be buyers out of the market. The median U.S. home-sale price rose 3.2% year over year to $407,730, the highest July level on record, and the monthly average mortgage rate rose to a one-year high of 6.54%.

Widespread economic uncertainty was another factor that kept some would-be homebuyers on the sidelines in July. Concerns about the labor market, inflation and the broader economy made some buyers hesitant to make a major financial commitment, especially with housing costs already near record highs. That uncertainty likely contributed to the decline in sales and pending sales. It's also worth noting that some buyers backed out after making offers on homes: 14% of July's home-sale agreements fell through, the highest share since 2023.

"The housing market suffered from a mid-summer slump in July as would-be buyers grappled with record-high home prices, increasing mortgage rates and growing financial insecurity," said Chen Zhao, Redfin's head of economics research. "Many Americans simply can't afford today's housing costs, while others are holding off because they're worried about the economy and/or their job security. The silver lining is that the buyers who can afford a home may be able to negotiate on price and get concessions from sellers who are eager to offload their house."

Homebuying Demand Slumps Most in Texas and Tech-Heavy Seattle

Certain parts of the country are driving homebuying demand down. Home sales are falling fastest in Texas—San Antonio (-12.6% year over year), Dallas (-10%) and Fort Worth (-9.9%), specifically. Detroit (-9.3%) and Seattle (-9.1%) round out the top five.

Pending home sales are falling fastest in Seattle, where they declined 15.6% year over year. Seattle is followed by Houston (-14.3%) and Phoenix (-13.3%).

Texas' housing market is slowing partly because buyers have a lot to choose from after years of homebuilding, reducing urgency and competition. In some neighborhoods, sellers are also competing with builders offering incentives on new homes, according to Redfin agents.

In Seattle, meanwhile, pending sales are dropping as would-be buyers contend with stubbornly high housing costs; the metro area's median home-sale price is $809,479, roughly double the national average. Prospective house hunters are also grappling with a shaky tech job market: Layoffs at major employers like Microsoft and Amazon have hit some workers' finances hard, and made others less confident about their job security.

"Seattle is a tech-driven market, and right now a lot of buyers are feeling cautious about layoffs, AI and job security," said Chase Costello, a Redfin Premier agent in the Seattle area. "Tech workers aren't moving between companies—or moving into the area—as much as they used to, and that means fewer people are trading up into new homes. Buyers are still out there, but they're taking more time and being more careful about making a major purchase."

Home Sales Surge in West Palm Beach, San Francisco and Milwaukee, Bucking National Trend

Demand is strong in some places. Home sales rose fastest in July in West Palm Beach, FL, where they increased 17.1% from a year earlier. It's followed by San Francisco (8.5%) and Milwaukee (7%).

In South Florida and the Bay Area, affluent buyers who aren't sensitive to cost are driving the market; in San Francisco specifically, the AI boom is also contributing to strong home sales.

Milwaukee is bucking the national slowdown partly because homes remain relatively affordable: The typical home sells for about $383,805, less than the national average. The number of homes for sale in Milwaukee is also rising, and more listings can lead to more sales.

U.S. New Listings Dip to Lowest Level in Nearly 2 Years

Nationwide, new listings of homes dropped in July to their lowest level since October 2024. On a month-over-month basis, listings fell just 0.1%.

Both buyers and sellers are pulling back. High mortgage rates are discouraging some homeowners from listing, especially those who would have to give up a much lower rate to move, keeping new listings in check. Other would-be sellers are holding off as they notice tepid homebuying demand.

The total number of homes for sale dipped 0.3% month over month. Sluggish homebuying demand means the homes that do hit the market are taking longer to sell, preventing the total number of homes for sale from falling significantly.

July 2026 Housing Market Highlights: United States			
	July 2026	**Month-over-month change**	**Year-over-year change**
Median sale price	$407,730	n/a	3.2%
Existing-home sales, seasonally adjusted annual rate	4,259,358	-2.2%	1%
Pending home sales	335,051	-2.5%	-0.7%
Homes sold	285,312	-4.1%	-0.6%
New listings	375,149	-0.1%	-0.6%
Total homes for sale (active listings)	1,462,921	-0.3%	-0.6%
Months of supply	4	0.1	-0.2
Median days on market	49	unchanged	unchanged
Share of homes that sold below original list price	59.2%	-0.7 ppts	-1.6 ppts
Average sale-to-original-list-price ratio	96.5%	0.1 ppt	0.3 ppts
Pending sales that fell out of contract, as % of overall pending sales	14%	0.3 ppts	0.7 ppts
Monthly average 30-year fixed mortgage rate	6.54%	0.05 ppts	-0.18 ppts

July 2026 Metro-Level Highlights

- **Prices:** Median sale prices rose most from a year earlier in West Palm Beach, FL (9.9%), Pittsburgh (6.6%) and Newark, NJ (6.6%). They fell most in San Jose, CA (-4%), Seattle (-3.6%) and Dallas (-0.8%).
- **Pending home sales:** Pending sales rose most in West Palm Beach, FL (14.2%), Milwaukee (4.5%) and Pittsburgh (3.9%). They fell most in Seattle (-15.6%), Houston (-14.3%) and Phoenix (-13.3%).
- **Closed home sales:** Home sales rose most in West Palm Beach, FL (17.1%), San Francisco (8.5%) and Milwaukee (7%). They fell most in San Antonio (-12.6%), Dallas (-10%) and Fort Worth, TX (-9.9%).
- **New listings:** New listings rose most in St. Louis (17.8%), San Jose, CA (10.5%) and Warren, MI (9.6%). They fell most in Miami (-9.3%), Dallas (-7.8%) and San Antonio (-7.6%).

- **Active listings:** Active listings rose most in Seattle (16.7%), St. Louis (13.9%) and Cincinnati (13.5%). They fell most in San Francisco (-18.4%), Miami (-18%) and Jacksonville, FL (-16.8%).
- **Days on market:** In West Palm Beach, FL the typical home that went under contract did so in 77 days, which was 16 days faster than a year earlier—the biggest decline among the metros analyzed. Next came Jacksonville, FL (-9 days) and Riverside, CA (-9 days). Days on market increased the most in Indianapolis (+7 days), Houston (+7 days) and Nashville, TN (+7 days).

To view the full report, including charts and additional metro-level data, please visit: https://www.redfin.com/news/pending-sales-decline-july-2026

About Redfin
Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at https://www.redfin.com/news. For more information about Rocket Companies, visit https://www.rocketcompanies.com.

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