



Jon and Hannah Vokal thought Austin, Texas, area homes were overpriced in 2024, but they recently had an offer accepted for 4% below the listing price. FROM LEFT: BRANDON BELL/ GETTY IMAGES, JON VOKAL

Housing Market Is Shifting Back Toward an Advantage for Buyers

BY NICOLE FRIEDMAN

Many home shoppers have given up on the depressed housing market, where sales are stuck at a 30-year low. But those buying are enjoying discounts at the highest rate in years.

About 62% of buyers last year purchased a home below the original listing price. That was the highest proportion since 2019, according to a new analysis by the real-estate brokerage Redfin.

The average discount for the homes that sold below their original listing price was around 8%—the largest since 2012.

Buyers are also obtaining concessions from sellers, including cash that can be used for closing costs or to buy down a buyer's mortgage rate.

The proliferation of discounts and incentives offer the latest evidence that the housing market is tilting back in the buyer's favor. From 2020 to 2022, it was a robust seller's market as rock-bottom mortgage rates attracted

hordes of buyers. Cutthroat bidding wars were routine, and buyers went to great lengths to ingratiate themselves with sellers.

Now, the situation has flipped. The U.S. housing market had over 600,000 more sellers than buyers in December, the biggest such gap on record in seasonally adjusted data going back to 2013, according to Redfin.

Many would-be buyers are sidelined by high home prices and elevated mortgage rates, and home-buying demand is low. For those who are still able to buy, they have more homes on the market from which to choose and more power to negotiate.

"When there is this gap between what sellers expect and what buyers can afford, it's the buyers that end up negotiating that lower price," said Daryl Fairweather, Redfin's chief economist. "Sellers aren't the ones that dictate prices—it's buyers that do."

Fairweather said she expects a small increase in home sales this year, after sales of previously owned homes held last year at the lowest level since 1995.

"Buyers and sellers are going to be more on the same page about what an appropriate price will be," Fairweather said.

The market gained some momentum in recent months. Mortgage rates are lower than they were a year ago, making purchases more affordable. Sales of existing homes jumped 5.1% in December, the biggest gain in nearly two years, while home-price growth slowed.

The market is the most buyer-friendly in Southern markets, especially Florida and Texas, where new-home construction in recent years contributed to a bigger supply of homes for sale.

In the Florida metro areas of West Palm Beach, Fort Lauderdale and Miami, at least 85% of home buyers in 2025 paid under the original listing price, according to Redfin.

Buyers were the least likely to get a discount in Newark, N.J., where 32% paid under the original listing price, followed by San Francisco and San Jose, Calif., both at 39%. New construction in those markets has been limited.

Because home purchases are so expensive, buyers are being picky. Even in cities where the inventory is lower than normal, homes that are priced too high can sit on the market, real-estate agents said.

"Sellers that think we're still living in a 2021 world where you could overprice your home and still get multiple offers—that's just not happening right now," said Joselin Malkhasian, a real-estate agent in Waltham, Mass.

Homes that need renovation are sitting because buyers are hesitant to take on potentially costly projects, agents said. The number of home-purchase contracts being canceled has increased, partly because of buyers who back out of deals after inspections.

"There's definitely sellers who are willing to negotiate way more now than they were the last couple of years," said Jason Moon, a real-estate agent in northwestern Indiana.

Jon and Hannah Vokal started house hunting in the Austin, Texas, area in 2024, but they thought homes were overpriced at the time.

Since then, "The general lowering of buyer demand has made the market a good bit more favorable," Jon Vokal said. "This is the best environment that I think I've been in as a buyer so far."

In January, they had an offer accepted for a three-bedroom home for 4% below the listing price. "We're super excited," he said.