Home price appreciation is slowing around the country

Home price appreciation is growing at its slowest rate since August 2014, according to Redfin's latest market report. U.S. home prices grew 4.7 percent in August, year-over-year and home sales fell 2.4 percent over the same time frame.

Rebecca Walter, a Redfin agent in Portland quoted in the release, thinks it could be the price point peak for her market.

"I don't have a crystal ball, but I wouldn't count on your home appreciating and being worth more in the spring than it is now," said Walter. "The [Federal Reserve] has indicated they will make one more rate hike in December, which would impact buyers' purchasing power. We have this window before the market slows for the holidays, so the sooner the better if you're planning to sell."

Market Summary	August 2018	Month-Over-Month	Year-Over-Year
Median sale price	$300,900	-0.6%	4.7%
Homes sold	266,400	-2.1%	-2.4%
New listings	302,700	-1.1%	3.3%
All Homes for sale	723,200	-1.0%	-3.4%
Median days on market	37	2	-3
Months of supply	2.7	0	0
Sold above list	23.6%	-2.6%	-1.3%
Median Off-Market Redfin Estimate	$293,700	0.2%	8.0%
Average Sale-to-list	98.4%	0.0%	-0.1%

(Photo courtesy Redfin)

Inventory declines are starting to steady, according to the report. The number of homes for sale was down 3.4 percent, year-over-year — the smallest decline in 29 months. The number of homes newly placed on the market actually jumped 3.3 percent, year-over-year.

"While sale prices moderate, new listing prices keep accelerating," said Redfin senior economist Taylor Marr. "This mismatch between seller expectations and reality is fueling an increase in price drops in metros across the country."

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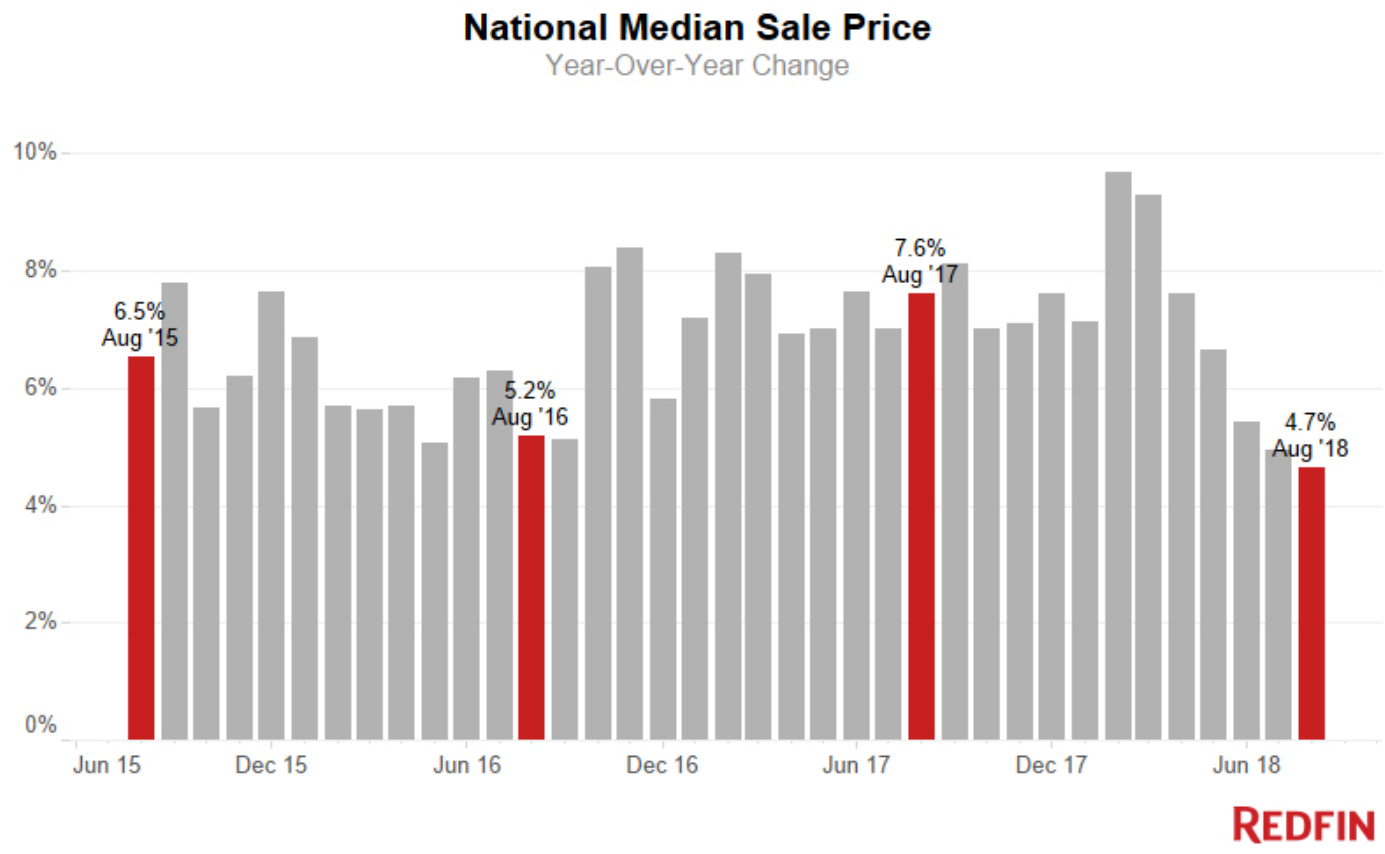
The price competition for homes is the market is also waning, according to the report. The share of homes that sold above asking price dropped from 25 percent in August 2017 to 23.6 percent this year. The typical home sold also went under contract in a median of 37 days, three days faster than in August 2017.

Regionally San Jose, Seattle and Portland all saw respective sales declines of 16 percent, 19 percent and 6 percent.

Walter says the shift in the market has been, “dramatic.”

“I tell sellers that the worst thing you can do is overprice your home,” said Walter. “If you have to drop the price, you can’t recreate the same excitement and fervor as when your home first hits the market. Pricing too high can ultimately result in getting less than market value, below what you likely could have gotten if you priced at market value from the start.”



Price appreciation has been pricing out many would-be buyers in Portland – and even causing some to move somewhere more affordable – but with this recent shift in the market, homeowners who are thinking of selling should do so sooner rather than later.

Despite seeing sales declines of 16 percent, San Jose still leads the nation in home price growth for listings, rising 22.3 percent over last year. Chicago was the only major metro area to actually see a decline in prices, but the median list price only dropped 0.5 percent.

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Source: click here