



US RESIDENTIAL REAL ESTATE MARKET REPORT

– December 2025

Pending Home Sales Drop to Lowest Level Outside Early Pandemic Period

U.S. pending home sales declined sharply in December, signaling continued weakness in the housing market as affordability challenges and economic uncertainty weigh on buyers.

Key Takeaways

- Pending home sales fell **5.9% month over month in December**, marking the largest seasonally adjusted decline since 2022.
- The typical home that went under contract spent **60 days on the market**, the slowest December pace in the past decade.
- The number of homes for sale declined at the fastest pace since 2023 as many sellers pulled back amid sluggish demand.
- Buyers are seeing some relief as **mortgage rates trend lower** and sellers increasingly offer concessions. Homes sold in December typically closed at about **2% below list price**.

Pending Sales Sink to Multi-Year Low

Pending home sales dropped to their **lowest seasonally adjusted level on record aside from April 2020**, when the pandemic temporarily froze housing activity. Compared with a year earlier, pending sales were down **7.4%**, highlighting how prolonged affordability pressures continue to suppress demand.

December's decline was the steepest monthly drop since September 2022.

High Costs Continue to Sideline Buyers

Homebuyers remain cautious due to a combination of high prices, layoffs, and broader economic and political uncertainty. While mortgage rates have eased in recent months, they remain above 6%, more than double the historic lows reached during the pandemic.

Home prices also remain elevated. The **median U.S. home sale price rose 0.5% year over year in December to \$428,742**, the highest level ever recorded for that month. Although price growth has slowed compared to prior years, many buyers remain priced out.

Mortgage rates briefly dipped below 6% earlier this month following a large-scale federal mortgage bond purchase, which triggered a short-term increase in mortgage applications. That shift could provide modest support to pending sales in January.

Buyers Take Their Time as Market Stalls

Industry professionals note that buyers are being extremely selective and are in no rush to make offers. Inventory remains limited, but there is enough supply for buyers to feel comfortable waiting.

A major challenge is that many buyers need to sell their current home before purchasing another, while sellers are often reluctant to accept contingent offers. This mismatch has contributed to a broader market standstill.

Homes that went under contract in December took **60 days on average**, six days longer than a year earlier.

Additionally, buyer hesitation is leading to more canceled deals. Roughly **40,000 pending purchases were canceled in December**, representing **16.3% of homes that went under contract**—the highest December cancellation rate on record.

New Listings and Inventory Decline

New listings fell **1.4% month over month** in December and were down **4.9% year over year**, reaching their lowest level since early 2024. Active listings also declined **1.1% month over month**, the largest seasonal drop since mid-2023, though they remained nearly **4% higher than a year ago**.

Many homeowners are opting not to sell because purchasing their next home has become too expensive. Some recent buyers are also finding that after factoring in closing costs and commissions, selling would result in little or no profit.

Sellers Offer Discounts to Attract Buyers

In many markets, sellers are offering concessions or reducing prices to entice buyers. Despite some sellers exiting the market, supply still exceeds demand in many regions, giving buyers negotiating leverage.

In December, the typical home sold for **1.8% less than its final list price**, the largest December discount since 2022. Only **22% of homes sold above list price**, the lowest share for the month since 2019.

December 2025 Housing Market Snapshot: United States

Metric	November 2025	MoM Change	YoY Change
Median sale price	\$428,742	-1.0%	+0.5%
Existing-home sales (SAAR)	4,290,826	0.0%	+0.3%
Pending home sales	457,538	-5.9%	-7.4%
Homes sold	435,735	+0.8%	-1.6%
New listings	521,701	-1.4%	-4.9%
Active listings	1,973,715	-1.1%	+3.9%
Months of supply	2.8	-0.1	-0.1
Median days on market	60	+7 days	+6 days
Share sold above list	22.0%	-2.3 pts	-2.2 pts
Sale-to-list ratio	98.2%	-0.2 pts	-0.3 pts
Contracts canceled	16.3%	+2.0 pts	+1.4 pts
Avg. 30-year mortgage rate	6.19%	-0.05 pts	-0.53 pts

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Metro-Level Trends (Year Over Year)

- **Strongest price growth:** Detroit, Newark (NJ), St. Louis
- **Largest price declines:** Dallas, Oakland, Austin
- **Biggest pending sales gains:** West Palm Beach, Riverside, Anaheim
- **Sharpest pending sales drops:** San Jose, San Francisco, Minneapolis
- **Fastest-moving markets:** Newark, Nassau County (NY), San Jose
- **Slowest-moving markets:** West Palm Beach, Miami, Fort Lauderdale