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Redfin Reports Monthly Mortgage Payments Are Falling in 12 of the 50 Most Populous U.S. Metros

Monthly mortgage payments are declining in some parts of the country, like the Bay Area, Florida and Texas, as homebuying demand slows amid widespread economic uncertainty

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Monthly mortgage payments are declining in 12 of the 50 most populous U.S. metro areas, half of them in Florida or Texas. That's according to a new report from Redfin (redfin.com), the technology-powered real estate brokerage.

The typical homebuyer in Jacksonville, FL had a monthly mortgage payment of $2,482 in March, down 4.2% from a year earlier—the biggest decline among the metros in Redfin's analysis. The next-biggest declines were in the Bay Area: San Francisco, with a 3.5% decline to $10,054, and Oakland, with a 2% decline to $6,638.

Other West Coast metros including Seattle and Portland, OR are also among the places where monthly mortgage payments are falling, as are three more Florida metros and a pair of Texas metros.

Monthly mortgage payments fell from a year earlier in those 12 places mainly because mortgage rates declined and local home-sale prices either declined or stayed flat. The average 30-year fixed mortgage rate was 6.65% in March, down from 6.82% a year earlier. (Note that mortgage rates increased a bit in April.) The median home-sale price either declined or stayed flat year over year in nine of those metros: Jacksonville, San Francisco, West Palm Beach, Austin, Dallas, Oakland, Tampa, Orlando, and Portland, OR. The median home-sale price rose by less than 1% year over year in the other three metros: Seattle, Nashville and Denver.

Prices came down in those places because demand has slowed: Many would-be buyers are backing off due to widespread economic instability, including new tariffs and the increasing odds of a recession, and still-high mortgage rates.

"I recently had a client who was looking at a single-family home that had been sitting on the market. I told him, 'you're in the driver's seat; now is your chance to get a deal on a house in a neighborhood where you'd normally never get a deal,'" said Ali Mafi, a Redfin Premier agent in San Francisco. "Buyers are having luck negotiating because many of the people who need to sell now—those who are relocating, for example—are anxious and eager to sell quickly, before the economy potentially gets even more uncertain."

Monthly mortgage payments are increasing most in parts of the Rust Belt and the Northeast

In Cleveland, the typical homebuyer locked in a $1,687 monthly payment in March, up 9.3% year over year—the biggest increase of the 50 most populous U.S. metros.

Next come four East Coast metros, three of them in the greater New York City area: Newark, NJ, where the median monthly payment rose 6.7% to $4,485, Providence, RI, (5.6% to $3,451), Nassau County, NY (5.4% to $5,189) and New Brunswick, NJ (5.1% to $4,061).

In addition to Cleveland, three other Rust Belt metros are among the places where monthly mortgage payments are increasing most.

Monthly mortgage payments are rising in those places mainly because they're among the metros where home *prices* grew most. And prices are rising in those places for two main reasons: There's enough local demand to support high prices, and, in the case of the Rust Belt metros, housing expenses are low enough that there's room to grow.

California is the least affordable place in the country to buy a home

While the Bay Area is among the places where monthly mortgage payments are declining, it's still the most expensive part of the U.S. to buy a home—by far. In San Jose, the median monthly payment is $10,825, the highest in the country, followed closely by San Francisco, where it's $10,054.

Three other California metro areas round out the top five: Anaheim ($7,937), Oakland ($6,638) and Los Angeles ($6,169).

Just because homes cost more in California than anywhere else in the country doesn't necessarily mean it's the *least affordable* place in the country. That's because median incomes differ from metro to metro; the typical Bay Area household, for instance, earns roughly twice as much as the typical Indianapolis household.

But taking median local incomes into account, California actually *is* the least affordable place to buy a home. That's because home prices have increased faster than earnings.

In Los Angeles, a family earning the median household income of $96,509 would need to spend 77% of that to pay the median monthly mortgage payment, the highest share of any major metro. Next come four other California metros: Anaheim, where a household earning the median income of $125,038 would spend 76% of that on the median-priced home, San Jose ($173,698, 75%), San Francisco ($163,089, 74%) and San Diego ($112,482, 65%).

The Rust Belt is the most affordable place in the country to buy a home

Homebuyers in Detroit locked in the lowest monthly mortgage payments in the U.S. in March, with a median of $1,290. Next come four other Rust Belt metro areas: Pittsburgh ($1,685), Cleveland ($1,687), St. Louis ($1,831) and Philadelphia ($1,998).

Four of those five metros are also the *most affordable* places to buy a home when taking local incomes into account. A Detroit family earning the typical household income of $65,455 would spend 23% of that on the median monthly payment, the lowest share of any metro. Next come Pittsburgh ($82,363, 25%), St. Louis ($87,657, 25%), Cleveland ($77,076, 26%) and Indianapolis ($89,007, 26%).

To view the full report, including a metro-level summary and more data insights, please visit: https://www.redfin.com/news/monthly-mortgage-payments-falling-12-metros

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