



AUSTIN BUSKOHL
REAL ESTATE

HOUSING MARKET REPORT

REDMOND - 2024



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Introduction

The year 2024 began with optimism in the housing market. Predictions anticipated mortgage rates falling to the low sixes or even high fives, fueling expectations for increased transactions and market recovery compared to the challenging conditions of 2023. However, by the end of the year, mortgage rates remained in the upper sixes to low sevens, reflecting the economy's uneven progress in controlling inflation.

Despite these challenges, the Redmond housing market showed notable improvements and key trends, offering valuable insights for buyers and sellers.

Market Activity and Inventory

Sellers/New Listings

Redmond sellers took a slower-than-expected start to 2024, with January and February new listings falling below seasonal expectations at -29.5% and -12.3%, respectively. While the exact reasons for this sluggish start are unclear, one possible explanation could be the unusually strong activity in December 2023. Since 2000, Redmond has experienced a November-to-December increase in new listings only five times, making the 27% jump in December 2023 a rare occurrence and just the sixth time in over two decades. This heightened activity in December may have pulled some potential early 2024 listings into the prior year.



Figure 1: New listing activity deviating from seasonal expectations, with a slow start to 2024 potentially linked to strong December activity in 2023.

By March and April, new listings were in full swing, with strong activity dominating these two months. However, the rest of the year returned to more typical levels, aligning with or slightly below seasonal expectations. Buyer activity—discussed in more detail later—didn't keep pace, leading to a growth in available inventory. This brought inventory levels back to those last seen in 2019, providing buyers with more options to choose from.

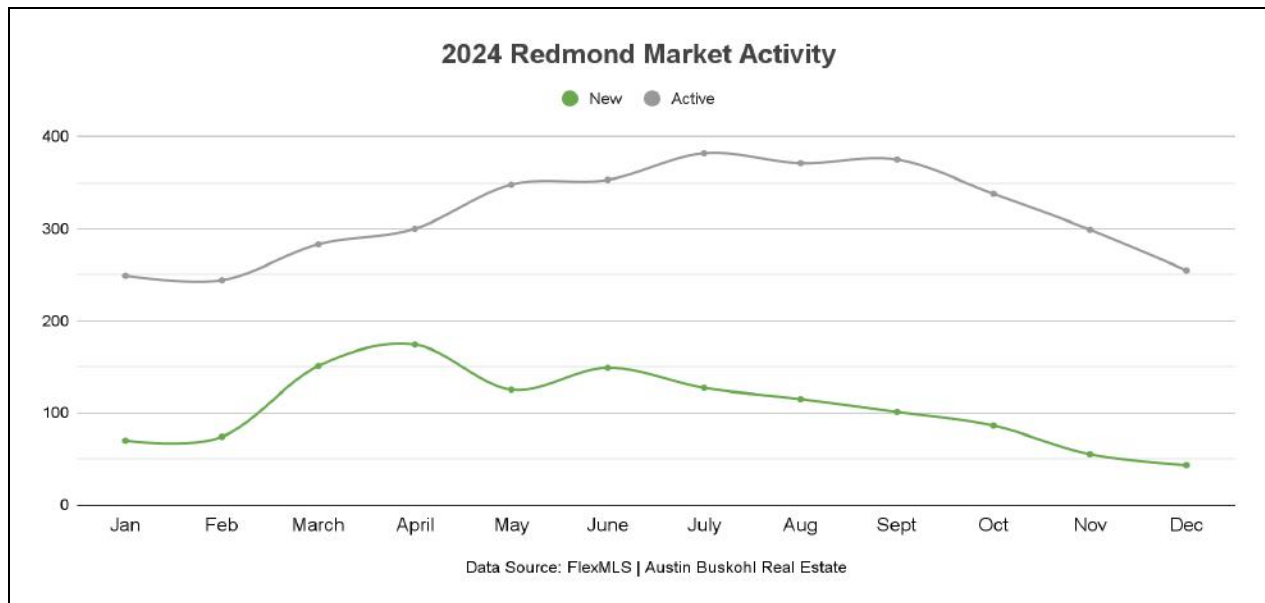


Figure 2: The trends in new listings (green line) and active inventory (gray line) throughout the year.

Median Home Prices of Active Market

If you're familiar with Redmond, you may know that the \$400,000 to \$599,999 price range consistently dominates nearly half of the active inventory throughout the year. This provides buyers in this range with a broad selection of homes, varying in location, size, features, and condition. This characteristic of the Redmond market also contributes to greater stability in key metrics such as Median Pending Sales Activity and Median Sales Price.

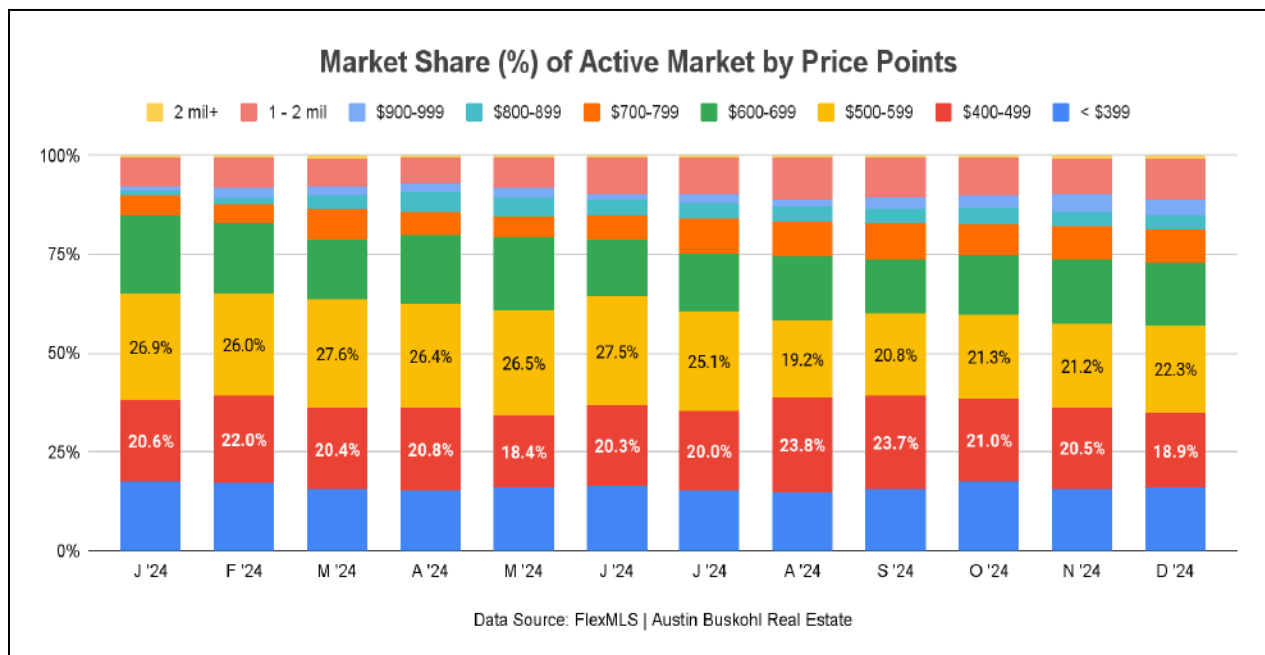


Figure 3: Active inventory in the \$400,000 to \$599,999 price range consistently dominated the market throughout 2024, providing stability in Redmond's median active and pending prices.

Buyers/Pending Activity

Redmond buyers started the year differently than sellers. While new listings lagged, January buyer activity surged, exceeding seasonal expectations by 22.1%. This may be due to the gradual decline in mortgage rates,

from 8% in October 2023 to the mid-6% range by December. Unlike Bend, which saw increased buyer activity in December, Redmond experienced a delayed reaction in January, possibly driven by buyers priced out of other markets shifting their focus to Redmond's more affordable options.



Figure 4: The deviation of pending sales activity from seasonal expectations.

Seller and buyer activity finally aligned in March when both groups saw a stronger than expected month of activity, 16.8% stronger to be exact. Again, similar to sellers, activity through the remainder of the year settled back more in alignment with seasonal expectations.

Median Home Prices of Pending Market

As previously noted about the active listing market, the \$400,000 to \$599,999 price range dominated buyer activity—not necessarily due to the quality of inventory but simply because that's where most of the inventory was priced.

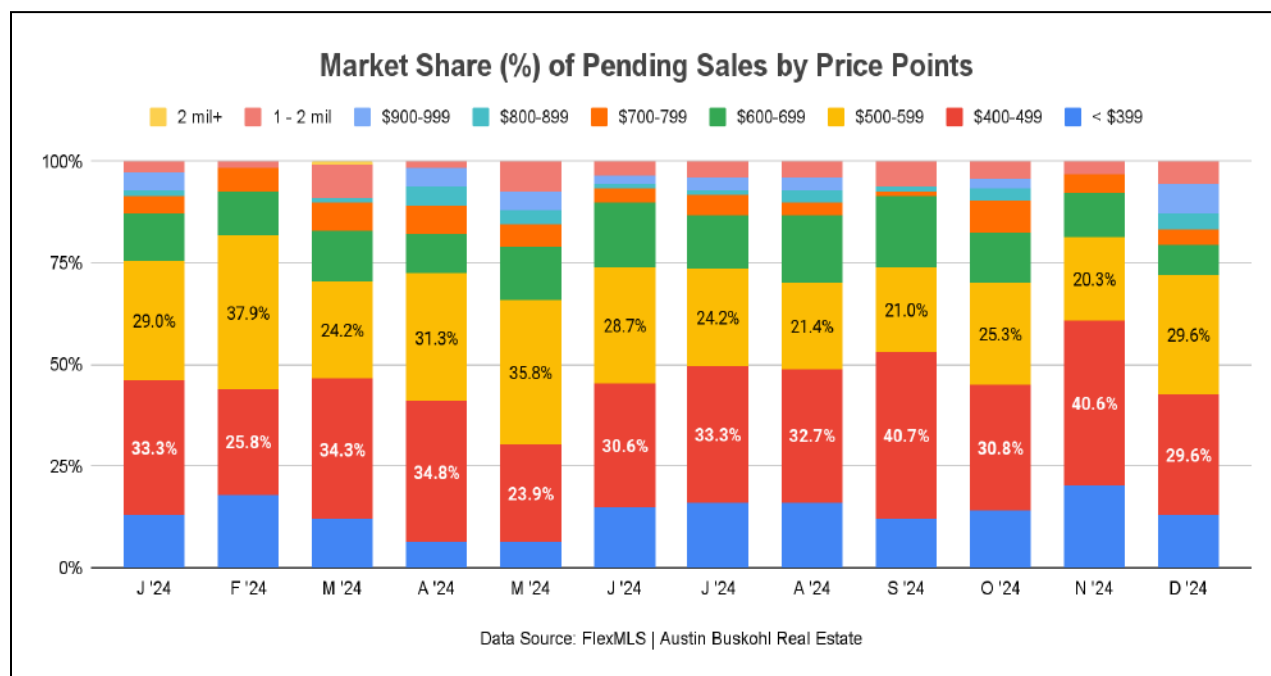


Figure 5: The median pending activity price remained steady in the \$500,000–\$599,999 range for most of 2024

Sold Home Prices & Days on Market Impact

A quick look at the breakdown of homes sold by price point each month reveals results that align with expectations, given the trends in the active market and pending sales activity.

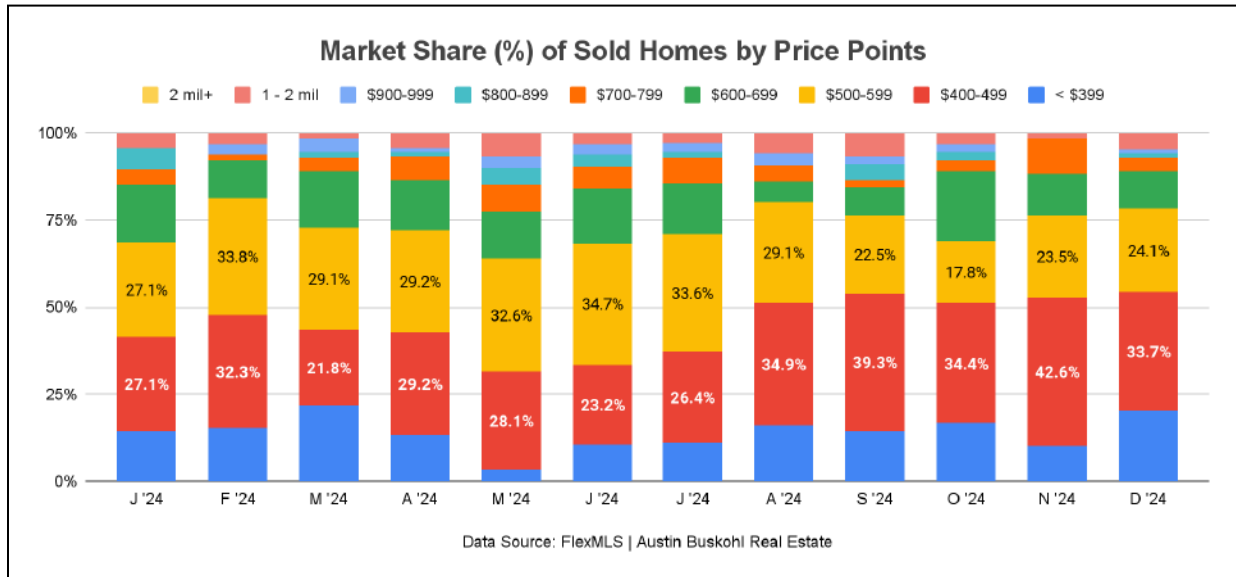


Figure 6: While there is some fluctuation each month, the bulk of the market consistently sells between \$400,000 and \$599,999

Days on Market Impact

Redmond, like other markets, sees the relationship between days on market and the final sales price.

- **Week 1 (days 0-7):** Over 50% of homes that go under contract in the first month sell within the first week, with sellers typically receiving 100% of their asking price.
- **Week 2 (8-15):** Around 20% more homes go under contract, also achieving 100% of the asking price on average.
- **Weeks 3 & 4 (16-30):** The remaining 30% of first-month sales occur during this period, with sellers generally accepting offers 2% below the original asking price.

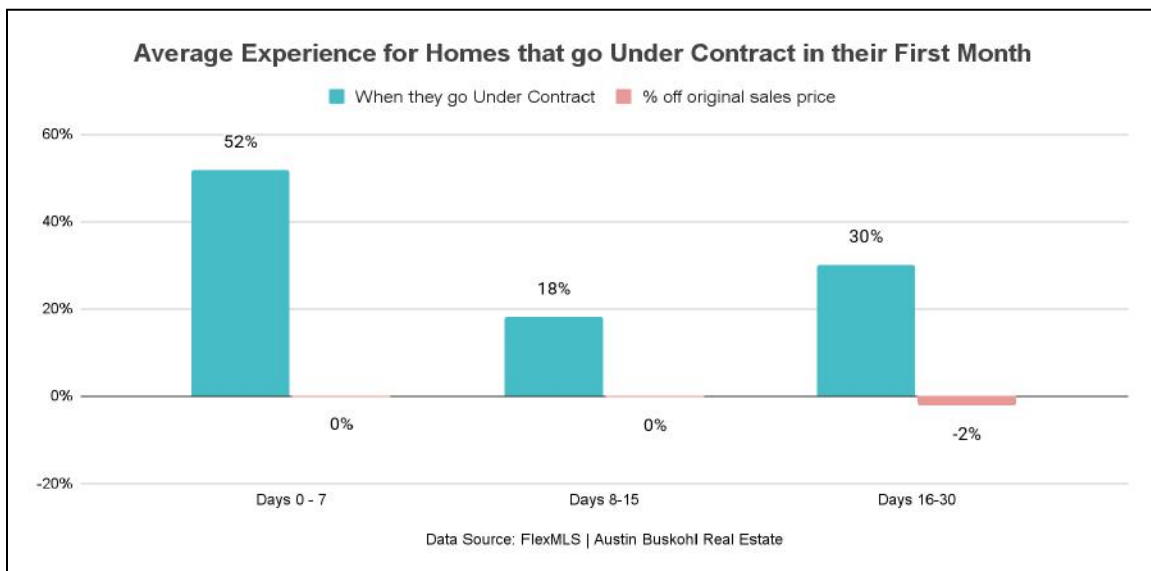


Figure 7: Over 50% of homes under contract in their first month sell within the first 7 days, with sellers typically receiving 100% of their asking price.

Beyond the first month, the impact of days on market becomes more pronounced. Although a slight improvement is observed from month 4 to month 5, the small sample size makes it less significant. The small number of homes selling after this much time on the market introduces greater volatility in the data.

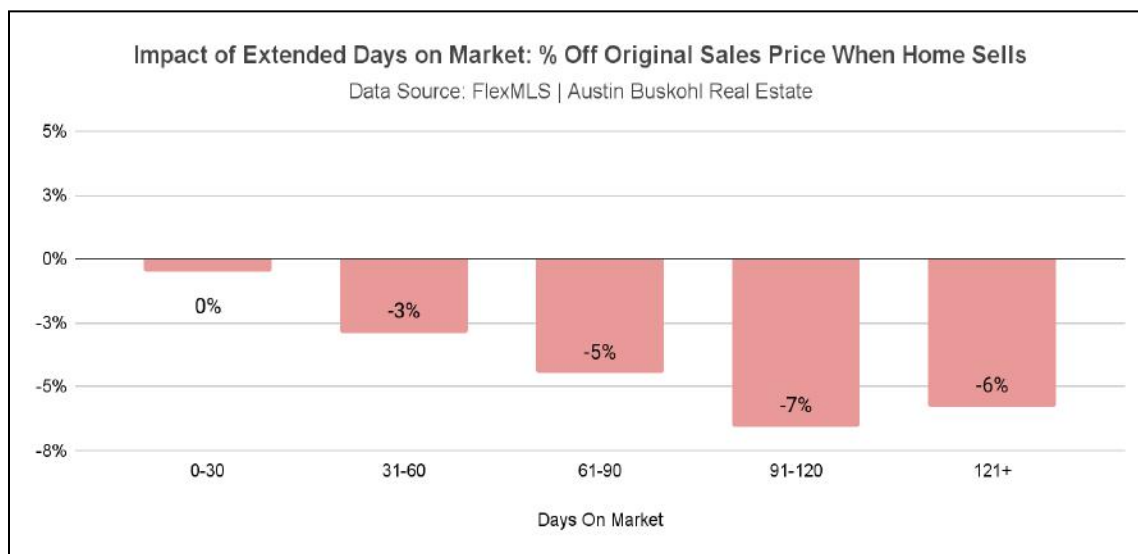


Figure 8: Long-term trend extended days on market can have on a home's original asking price

None of this accounts for any seller credits often provided to buyers as part of the transaction. . Instead of, or alongside price reductions, sellers use credits to help buyers overcome affordability challenges and complete the purchase. These credits are commonly applied to cover closing costs or buy down mortgage rates—temporarily or permanently—reducing monthly payments and making the transaction more

Seasonality in Sales Price Trends

Lastly, sellers should take the time of year into account when setting expectations for the final sales price relative to their original asking price. Although seasonality in Redmond is less pronounced than in Bend, clear variations exist in the percentage of homes selling below, at, or above their original asking price.

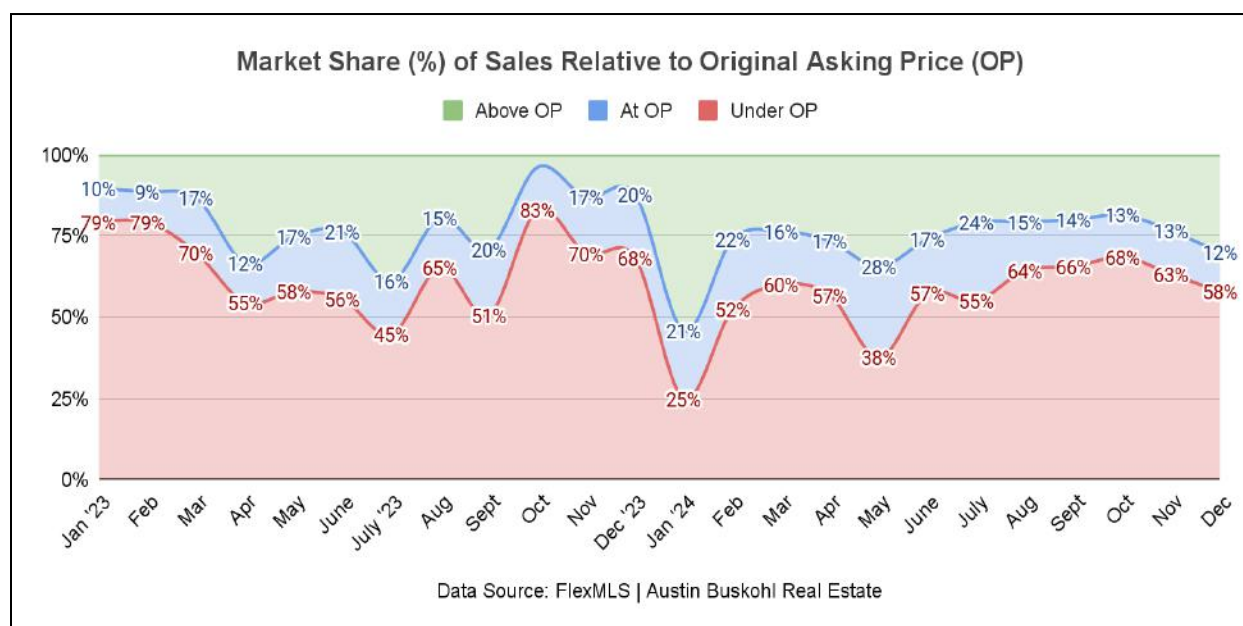


Figure 9: The percentage of homes selling below, at, or above their original asking price fluctuates throughout the year, with the best opportunities for sellers typically occurring in spring and early summer when fewer homes sell below asking.

Key Pricing Trend

While we observed some softening in home prices, the overall stability in median home prices can be attributed to two key factors: 1) the concentration of market activity in the \$400,000 to \$599,999 price range, and 2) the strategic use of seller credits. Many buyers instinctively opt for offering a lower price equivalent to the credit amount, but using seller credits for a temporary rate buydown—especially during the first two years—often results in a greater reduction in monthly payments than a price reduction. This explains why builders often use credits as a first resort and marketing strategy, rather than lowering prices outright. These credits, while advantageous for buyers, do not affect recorded sale prices.

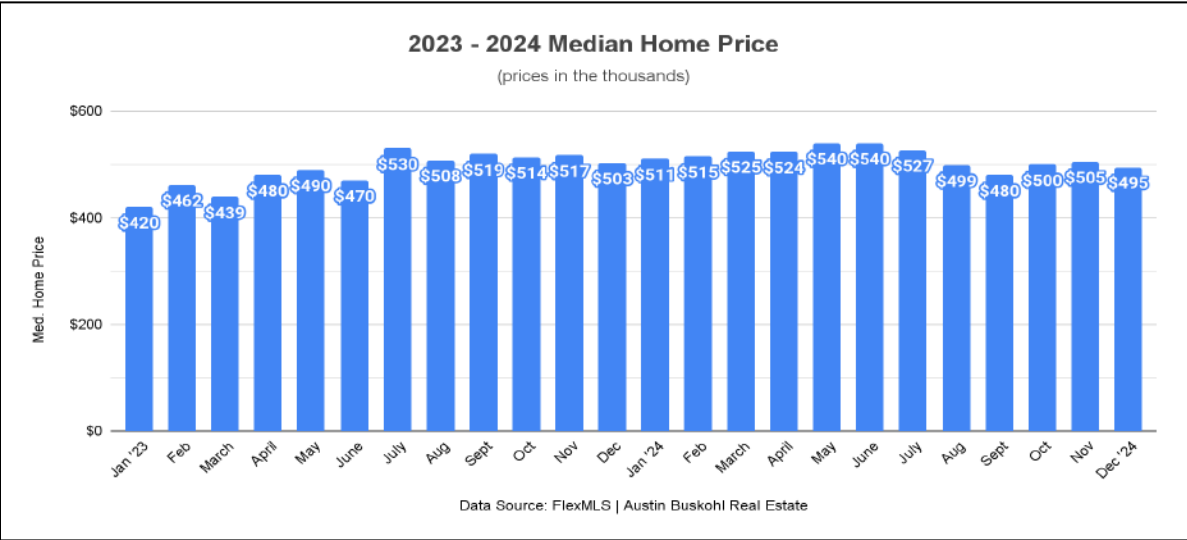


Figure 10: Redmond Median Sales Price continues to hold relatively steady for the last two years

Sold Inventory Type

While the majority (85.6%) of Redmond's sold market consists of 'traditional' single-family homes, they are not the only type of single-family property sold with a Redmond address. The market also includes six other property types for buyers to consider. In Figure 11 below, the market share and median sold price for each property type sold in 2024 are presented for comparison.

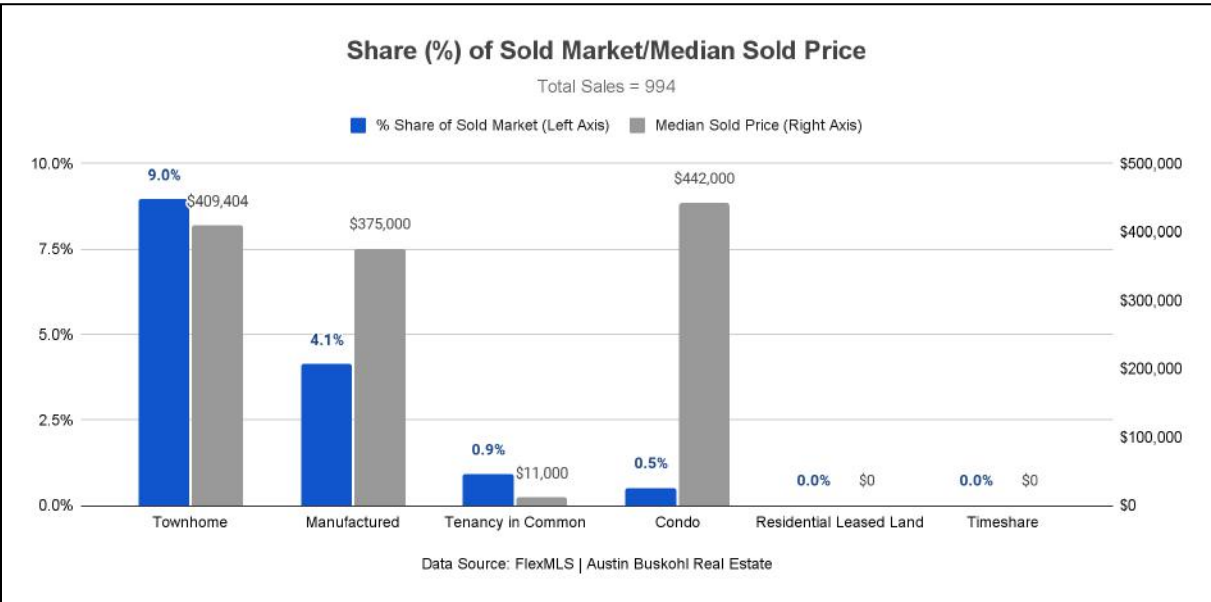


Figure 11: Breakdown of non-traditional build single-family homes property types sold in 2024 and the median sold price of each

Looking Ahead to 2025

As we look ahead to 2025, speculation abounds, with many of the biggest questions centered on the new presidential administration and the potential impact of its policy goals on overall inflation. While inflation generally trended downward throughout 2024, the economy continues to show resilience and strength. However, some argue that any further loosening of the Federal Funds Rate could stimulate demand across industries, potentially reversing recent improvements in inflation.

While this might sound promising for prospective homebuyers hoping for lower mortgage rates, the reality is more complex. If inflation worsens and the Federal Reserve even considers raising the Federal Funds Rate again, mortgage rates would likely climb higher as a result.

If inflation continues to improve gradually and the broader economy remains strong, 2025 could resemble 2024 in many ways. We could expect continued strong seller activity, cautious yet improving buyer confidence, and mortgage rates likely hovering in the 6% range. Home prices would remain relatively stable, with seller credits continuing to play a critical role in helping buyers achieve homeownership.

F.A.Q's

1. What's the scope of this report?

This report's parameters align with MLS data, which defines activity by address rather than strict city boundaries. In 2024, 68% of sales occurred within city limits, with the remaining 32% taking place in surrounding areas. The property types included in this analysis are single-family homes, manufactured homes, townhomes, condominiums, timeshares, and residential leased land.

2. Where do you get your data from?

The raw data used in this report is sourced directly from the local MLS (FlexMLS). After exporting the data, I process and analyze it further to extract the insights and information presented throughout the report.

3. The Active Listing count seems high, is that accurate?

The MLS categorizes active inventory using two labels: **Active Inventory** and **Current Active**.

- **Active Inventory** is measured consistently on the 15th of each month and reflects the total number of homes actively listed for sale during that month.
- **Current Active** represents the number of homes available on the market at the exact moment a user views the MLS.

Due to daily fluctuations, this report relies on **Active Inventory** for consistency when referencing the number of homes for sale. Notably, **Current Active** counts are typically lower than **Active Inventory** due to these variations.

4. Why didn't you emphasize metrics like Median Sale Price?

In my opinion, the best way to understand a housing market is by analyzing three key metrics: seller activity (new listings), buyer activity (pending sales), and the final sales price of sold homes. The first two provide real-time insights into market dynamics, while the third offers valuable context for what prospective buyers and sellers can expect.

5. What about stats like price reductions or homes coming back to market?

While these statistics can be helpful, I don't place a strong focus on them because the reasons behind such events—like price reductions or a property returning to the market—can vary widely and often depend on subjective or objective factors unique to each situation. For instance, a home may undergo price reductions due to a slowing market or simply because it was overpriced. Similarly, a property might return to the market due to issues uncovered during due diligence, such as a home inspection or title problem, or because the buyer no longer qualified for a loan or decided to back out. These individual circumstances may not accurately reflect the broader market trends.

6. This is great information about Redmond, but what about some of the other cities here in Central Oregon?

I chose to focus this report specifically on Redmond to keep it concise and manageable for readers. If you're interested in the Bend market, I have a dedicated report available. For insights into other surrounding areas, feel free to reach out—I'd be happy to provide similar information tailored to the area of your choice.