

Buyers Take the Reins: How Rising Inventory and Price Cuts Are Shaping the 2025 US Housing Market

June 26, 2025

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The US housing market is showing clear signs of shifting in favor of buyers after an extended period of rising prices and limited inventory. Recent data indicates that property price growth has stalled, with the median listing price remaining flat year-on-year and declining slightly in the first half of 2025. This development marks a notable change in market dynamics, offering buyers increased leverage.

Simultaneously, inventory levels are rising steadily. New listings have increased by 5.7% compared to last year, while active listings have surged 28.1%, reaching over one million homes for sale, the highest level since late 2019. This expanded supply provides buyers with more options and signals heightened competition among sellers.

Reflecting this shift, approximately one in five sellers is now reducing their asking prices. Additionally, the median time a property spends on the market has increased to 51 days, six days longer than the same period last year, returning to pre-pandemic norms. Southern cities, benefiting from a construction boom, are experiencing inventory levels that exceed those seen before COVID-19, while supply constraints persist in parts of the Midwest and Northeast.

Despite these encouraging trends for buyers, affordability remains a concern. The Federal Reserve has maintained interest rates between 4.25% and 4.5%, with the possibility of rate cuts later in 2025. However, significant reductions in mortgage rates are not expected in the near term, which may limit buyers' purchasing power.

Nevertheless, buyer and seller confidence is improving, supported by a stable employment market and easing financial uncertainties. This renewed optimism is fostering a more balanced housing market where buyers have greater negotiating power, and sellers must adjust their expectations accordingly. Overall, the US property market is transitioning toward equilibrium, presenting increased opportunities for buyers seeking choice and value.