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Housing Market Shifts in Favor of Buyers as Inventory Rebounds

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For the first time in years, homebuyers in the United States are seeing meaningful improvements in their market position. A combination of increased housing inventory, softening prices, and stabilizing mortgage rates is reshaping the dynamic between buyers and sellers. According to housing platform Zillow, while affordability remains a challenge, conditions are more favorable now than they've been since before the pandemic.

After years of tight supply and soaring home prices, the U.S. housing market appears to be rebalancing. Data from Zillow, a leading online real estate marketplace, shows that housing inventory is up 17% year-over-year, offering the highest number of listings since 2019. While prices remain elevated, the pace of appreciation has slowed, and homebuyers are gaining leverage they haven't enjoyed in some time. Sellers, meanwhile, are beginning to make concessions, especially in high-inventory regions such as Florida and Texas.

Kara Ng, senior economist at Zillow, attributes the shift to a mix of economic caution and buyer hesitation brought on by affordability issues. "A lot of them don't have that luxury of waiting until the rates fall again," Ng said of sellers, many of whom are returning to the market out of necessity rather than opportunity. That has allowed buyers to start negotiating better deals, whether it's through lower asking prices, seller-paid closing costs, or mortgage rate buydowns.

While homes are still moving quickly, the average time on market has climbed to 17 days, about four days longer than a year ago. It's a small change, but one that signals growing buyer influence in certain areas. Sellers now must differentiate their listings, often relying on improved staging, better online presentation, and even virtual or 3D tours to draw attention.

Even with more listings and softening prices, the market remains expensive. Zillow data shows the median home price is $369,000, meaning a household income of nearly $100,000 is required to comfortably afford a typical property. That's a stark contrast to five years ago, when the median earner could afford homes in 39 major U.S. markets. Today, that number has dropped to just 11. While cities like Cleveland and Pittsburgh remain relatively affordable, metros such as San Jose and San Francisco are well beyond reach for many middle-income earners.

Despite the slight shift in favor of buyers, the market remains relatively balanced overall. Many homeowners who purchased before or during the early pandemic years are still holding strong equity positions and historically low mortgage rates. Rather than accept a less favorable deal, some are choosing to delist their properties altogether or convert them into rentals.

"The market today rewards those who are patient and strategic," said Ng. "Sellers need to work harder now, there's more competition because there are more listings and more listings are lingering."

This return to balance may not bring prices crashing down, but it does offer a window of opportunity for those who have been priced out or are hesitant to buy. With more inventory to choose from and sellers under increasing pressure, buyers willing to do their homework and negotiate may finally have the upper hand in select U.S. markets.