

BRACE FOR THE HOLIDAY MARKET

THE MARKET'S SEASONAL SHIFT

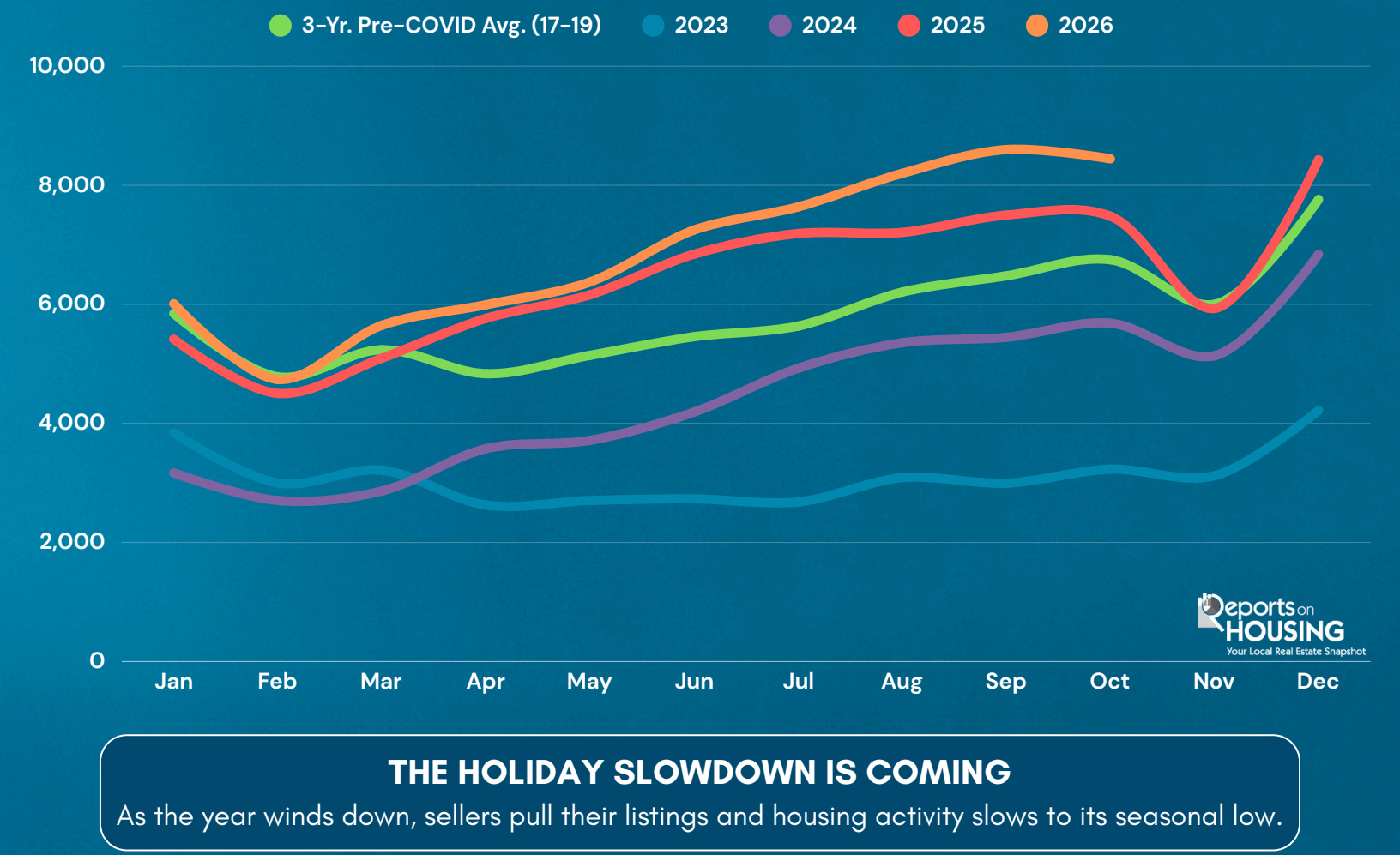
As November approaches, attention quickly shifts from Halloween to the holidays in November and December. For stores like Target and Costco, decorations and merchandise are back on display. Temperatures begin to cool, and people use fireplaces more often. Although it's hard to ignore the signs, it's safe to admit that the holidays are right around the corner.

The housing market shifts uniquely with each season: Winter, Spring, Summer, Autumn, and ultimately, the Holiday Market. The Winter Market is when demand quickly heats up, as buyers are eager to start purchasing right out of the gate (mid-January), while supply slowly rises. By the Spring Market, supply continues to rise and demand peaks and slowly falls. For the Summer Market, supply typically peaks and begins to fall, while demand continues its slow descent. The Autumn Market is when supply and demand typically decline at around the same speed. The Holiday Market is the final chapter of the year.

The Holiday Market runs from mid-November to mid-January. It is the slowest time of the year for real estate. During the Holiday Market, both supply and demand fall rapidly. As a result, the Expected Market Time, the number of days it takes to sell all the listings in a given area, does not change much. Sellers who haven't found success quickly realize the distractions the holidays usher in a slower season, and many throw in the towel. Buyers, along with sellers eager to wait for the new year instead of languishing on the market, decide to put house-hunting on pause and enjoy the holiday festivities. With very few exceptions, the second half of November and the month of December are the slowest time of the year for pending sales activity and newly listed homes.

Since most sellers **don't have to** sell, they can delist their home during the slowest season instead. In fact, in Southern California, 8,445 homes were delisted in October alone, which is 13% higher than

THE HOLIDAY SEASON DRIVES DELISTINGS HIGHER



THE HOLIDAY SLOWDOWN IS COMING

As the year winds down, sellers pull their listings and housing activity slows to its seasonal low.

last October and 49% higher than October 2024. Delistings typically dip slightly in November as sellers keep their fingers crossed and their poles in the water, hoping for a purchase offer before moving deeper into the holiday season. Once December arrives, the 'brakes' are pressed even harder as a wave of unsuccessful sellers opt to delist.

While the Holiday Market is the slowest in terms of supply and demand, it does offer a unique opportunity for some. Both buyers and sellers can succeed, as competition is lower later in the year. More often than not, it's one of the best times of the year to buy a property. For sellers, the best opportunity arrives around the transition from the Holiday Market to the Winter Market in mid-January, even though most people believe the best time is in the Spring. The best time to list a property is around late January to early February because of a mix of market changes: inventory is typically at its lowest at the start of the year and rises moderately from there, while demand soars in late January before peaking between mid-March and mid-April.

The housing market may be sluggish this year, not only because of elevated mortgage rates but also because of the seasonal shift. Understanding the different seasons and how the market behaves throughout the year is essential to setting **proper expectations** for today's tricky housing market. Every season and year following 2022 has been at the mercy of interest rates. There have been differences from year to year, but the market still follows its seasonal pattern.