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## Redfin Reports Nearly One-Third of Homeowners Have a Mortgage Rate Far Below Today's Level, Prompting Some to Stay Put

*With mortgage rates surging, some homeowners who would otherwise be selling are staying put, as moving could mean losing their ultra-low rate and getting stuck with a heftier housing bill*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — About half (51%) of U.S. homeowners with mortgages have a mortgage rate under 4%—substantially below today's level of 5%, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage.

About one-third (32%) of *all* homeowners—including those without mortgages—have a mortgage rate under 4%. With rates now at their highest level in over a decade, many of these homeowners may be incentivized to stay put because selling their home and buying another could mean giving up their ultra-low mortgage rate and increasing their monthly housing bill. This may be contributing to a decline in home listings.

Mortgage rates have surged as the government seeks to combat inflation. The average 30-year fixed mortgage rate hit 5% for the first time since 2011 during the week ending April 14, up from a record low of 2.65% in January 2021. That has helped push the typical homebuyer's monthly mortgage payment to a record high of \$2,288, up 35% from about a year ago.

Redfin economists are watching closely to see whether the rise in mortgage rates has a measurable impact on housing supply, which is already at historically low levels. New listings fell 7% year over year during the four weeks ending April 10. By comparison, they were only down 1% at the end of February, before mortgage rates skyrocketed.

"Higher mortgage rates may already be putting a damper on home listings, but they're also curbing the insatiable homebuyer demand for those listings," Redfin Deputy Chief Economist Taylor Marr said. "That slowdown in demand may cause homes to stay on the market longer, in effect giving buyers more options to choose from. Overall, that could mean housing inventory actually gets better, not worse."

There are already early signs that demand is starting to back off. Home sellers are increasingly cutting their list prices to find buyers, and Redfin has seen a drop in buyers requesting service from its agents in pricey coastal markets. Mortgage purchase applications fell 6% year over year during the week ending April 8, and home-touring activity is below last year's levels.

## Utah, Colorado Have Highest Share of Homeowners With Mortgage Rates Significantly Below Today's Level

In Utah, 46% of homeowners had a mortgage rate below 4% as of the fourth quarter of 2021—a higher share than any other state. Next came Colorado (43%), Washington, D.C. (42%), California (40%) and Washington (40%). The list is slightly different when looking only at homeowners with outstanding mortgages. The top spot is still held by Utah, where 65% of mortgage holders had a rate below 4%, but next came South Dakota, Colorado, North Dakota, Washington and Idaho—all at roughly 60%.

Meanwhile, just 18% of total homeowners in West Virginia had a mortgage rate below 4%—the lowest share in the country. It was followed by Mississippi (22%), Louisiana (23%), New Mexico (24%) and Oklahoma (24%). West Virginia also had the lowest share of *mortgage holders* (39%) with rates below 4%. Next came New York, Florida, Mississippi, Louisiana and Oklahoma, all at about 44%.

Redfin agents say the rise in mortgage rates is having varying impacts on homeowners, causing some to stay put, but others to list their homes more quickly.

In Salt Lake City, the rise in mortgage rates is exacerbating a phenomenon that was already prompting many homeowners to stay put, according to Ryan Aycock, Redfin's market manager in the Utah capitol.

"Many homeowners haven't been selling because housing prices have surged so much, they're worried they won't be able to find a replacement home," he said. "The rise in prices has helped homeowners build equity, but often not enough to afford the house they want next, and higher mortgage rates are now making that next home even more unaffordable."

To view the full report, including charts and methodology, please visit:  
<https://www.redfin.com/news/homeowners-stay-put-as-mortgage-rates-rise/>

### About Redfin

Redfin ([www.redfin.com](http://www.redfin.com)) is a technology-powered real estate company. We help people find a place to live with brokerage, instant home-buying (iBuying), rentals, lending, title insurance, and renovations services. We sell homes for more money and charge half the fee. We also run the country's #1 real-estate brokerage site. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can take an instant cash offer from Redfin or have our renovations crew fix up their home to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 6,000 people.

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