



# Redfin Reports Housing-Market Competition Dropped to a 15-Month Low in May

*Surging mortgage rates and home prices are causing more buyers to back off*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —Nationwide, 57.8% of home offers written by Redfin agents faced competition on a seasonally adjusted basis in May, the lowest level since February 2021, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. That's down from a revised rate of 60.9% one month earlier and a pandemic peak of 68.8% one year earlier, and marks the fourth-consecutive monthly decline.

The typical home in a bidding-war received 5.3 offers in May, down from 6.8 in April and 7.4 in May 2021, according to data submitted by Redfin agents.

Homebuyer competition is cooling because rising mortgage rates and surging home prices have made homebuying less feasible for many Americans. The typical monthly mortgage payment for a homebuyer is now \$2,514 at the current 5.78% mortgage rate. That's up 49% from a year earlier, when mortgage rates were 2.93%. Redfin economists expect the bidding-war rate to fall below 50% by the end of the year.

"Homes are now getting one to three offers, compared with five to 10 two months ago and as many as 25 to 30 six months ago," said Jennifer Bowers, a Redfin real estate agent in Nashville. "Offers also aren't coming in as high above the list price as before. I recently listed a three-bedroom, three-bathroom home in a super cute neighborhood for \$399,900. It ended up going under contract for \$12,000 above the list price with an inspection, whereas three months ago, the buyer probably would have paid \$60,000 over asking and waived the inspection."

## Homebuyer Competition Fell the Most in Providence, Riverside and Raleigh

In Providence, RI, 45.3% of home offers written by Redfin agents faced competition in May, down from 82.7% a year earlier. That 37.4-percentage-point decline was the largest among the 36 U.S. metropolitan areas in Redfin's analysis. Next came Riverside, CA (41% vs. 73.7%; -32.6 ppts), Raleigh, NC (52.2% vs. 82.9%; -30.7 ppts), San Francisco, CA (57.7% vs. 78.2%; -20.5 ppts) and Orlando, FL (51% vs. 71%; -20 ppts).

Competition increased on a year-over-year basis in just three of the 36 markets Redfin analyzed. In Las Vegas, 74.5% of home offers written by Redfin agents faced competition in May, up from 65.4% in May 2021 (+9.1 ppts). Next came Worcester, MA (81.8% vs. 77.3%; +4.5 ppts) and Miami (63.2% vs. 62.1%; +1.1 ppts).

## **Homebuyers in Worcester, Las Vegas and Boston Are Most Likely to Face Bidding Wars**

In addition to seeing the largest year-over-year declines in competition, Riverside and Providence had the lowest overall bidding-war rates, at 41% and 45.3%, respectively. Next came Olympia, WA, where 47.2% of home offers written by Redfin agents encountered competition in May. Rounding out the bottom five were Honolulu (47.8%) and Minneapolis (48.7%).

Worcester had the highest bidding-war rate, at 81.8%. It was followed by Las Vegas (74.5%), Boston (72.6%), Dallas (72.3%) and Philadelphia (69.3%).

## **Townhouses Are the Most Competitive Property Type**

Townhouses were more likely than any other property type to encounter competition, with 64.6% of Redfin offers facing bidding wars in May. Next came single-family homes (61.6%), followed by multi-family properties (58.2%) and condos/co-ops (54.7%).

Some homebuyers have sought out townhouses because they've been priced out of the market for single-family homes. The typical home that went under contract in March was 1,720 square feet, down 1.8% from 1,751 square feet a year earlier, a recent Redfin analysis found.

## **Bidding-War Rates by Metro Area**

The table below is sorted by lowest to highest bidding-war rates in May 2022.

U.S. metro area	May 2022: share of Redfin offers that faced competition	April 2022: share of Redfin offers that faced competition	May 2021: share of Redfin offers that faced competition
Riverside, CA	41%	45.3%	73.7%
Providence, RI	45.3%	74.1%	82.7%
Olympia, WA	47.2%	70.3%	63.4%
Honolulu, HI	47.8%	65.8%	62.5%
Minneapolis, MN	48.7%	68.1%	66.3%
Atlanta, GA	50.2%	59.8%	64.6%
Orlando, FL	51%	67.1%	71%
Raleigh, NC	52.2%	64.3%	82.9%
New York, NY	53.4%	63.2%	57%
Houston, TX	54%	61.9%	62.7%
Phoenix, AZ	54.1%	61.4%	68.8%
Tampa, FL	54.2%	73.4%	66.7%
Colorado Springs, CO	54.5%	62.8%	63.8%
Sacramento, CA	56.6%	73.6%	65.2%
San Antonio, TX	56.7%	59.1%	67.2%
Austin, TX	56.8%	72.8%	68.6%
San Francisco, CA	57.7%	60.7%	78.2%
San Jose, CA	58.5%	70.1%	75.8%
Charlotte, NC	58.9%	66.3%	76.9%
Portland, OR	60.5%	71.2%	76.9%
Washington, D.C.	61.1%	68.6%	70.6%
Seattle, WA	61.2%	72.6%	75.5%
Denver, CO	61.6%	76.4%	77.2%
Chicago, IL	61.7%	69.1%	66%
Miami, FL	63.2%	54.9%	62.1%
Los Angeles, CA	66.6%	70.4%	74%
Baltimore, MD	67%	73.3%	77.1%
Nashville, TN	67.2%	72.9%	73.3%
Detroit, MI	67.6%	80.8%	79%
San Diego, CA	68%	72.2%	77.5%
Indianapolis, IN	69%	69.2%	73.4%
Philadelphia, PA	69.3%	70.5%	70.9%
Dallas, TX	72.3%	71.6%	74.3%
Boston, MA	72.6%	76.5%	76.4%
Las Vegas, NV	74.5%	63.1%	65.4%
Worcester, MA	81.8%	75.3%	77.3%

To view the full report, including charts and methodology, please visit:  
<https://www.redfin.com/news/real-estate-bidding-wars-may-2022>

## About Redfin

Redfin ([www.redfin.com](https://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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**Redfin Journalist Services:**

Kenneth Applewhaite, 206-588-6863

[press@redfin.com](mailto:press@redfin.com)

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