

May 6, 2022



Redfin Reports More Sellers Dropping Their Prices, But Buyers Find Little Relief

Homebuying is as competitive and costly as ever as soaring mortgage rates make the market less inviting for many would-be sellers

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —The share of home sellers who dropped their asking price shot up to a six-month-high of 15% for the four weeks ending May 1, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. That’s up from 9% a year earlier, and represents the largest annual gain on record in Redfin’s weekly housing data back through 2015

For homebuyers, the typical monthly mortgage payment skyrocketed a record 42% to a new high during the same period. Although a growing share of sellers are responding to the palpable drop in homebuyer demand by lowering their prices, sellers remain far outnumbered by buyers, so the typical home flies off the market at the fastest pace on record and for more than its asking price.

“Homebuyers continue to be squeezed in nearly every way possible, which is causing some to take a step back from the market,” said Redfin Chief Economist Daryl Fairweather. “Unfortunately for buyers hoping to find a deal as competition cools, sellers are pulling back even faster, which is keeping the market deep in seller’s territory. So even though price drops are becoming more common, most homes are still selling above asking price and in record time.”

Leading indicators of homebuying activity.

- Fewer people searched for “homes for sale” on Google—searches during the week ending April 30 were down 7% from a year earlier.
- The seasonally-adjusted Redfin Homebuyer Demand Index—a measure of requests for home tours and other home-buying services from Redfin agents—was down 1% year over year during the week ending May 1. It dropped 10% in the past four weeks, compared with a 1% decrease during the same period a year earlier.
- Touring activity from the first week of January through May 1 was 24 percentage points behind the same period in 2021, according to home tour technology company ShowingTime.
- Mortgage purchase applications were down 11% from a year earlier, while the seasonally-adjusted index increased 4% week over week during the week ending April 29.
- For the week ending May 5, 30-year mortgage rates increased to 5.27%—the highest level since August 2009.

Key housing market takeaways for 400+ U.S. metro areas:

Unless otherwise noted, this data covers **the four-week period ending May 1**. Redfin's weekly housing market data goes back through 2015.

- The median home sale price was up 17% year over year—the biggest increase since August—to a record \$396,125.
- The median asking price of newly listed homes increased 16% year over year to \$408,458, a new all-time high.
- The monthly mortgage payment on the median asking price home rose to a record high of \$2,404 at the current 5.27% mortgage rate. This was up 42%—an all-time high—from \$1,688 a year earlier, when mortgage rates were 2.96%.
- Pending home sales were down 4% year over year, the largest decrease since mid-February.
- New listings of homes for sale were down 6% from a year earlier, and have been down from 2021 since mid-March.
- Active listings (the number of homes listed for sale at any point during the period) fell 18% year over year.
- 56% of homes that went under contract had an accepted offer within the first two weeks on the market, up from 54% a year earlier, down less than a percentage point from the record high during the four-week period ending March 27.
- 42% of homes that went under contract had an accepted offer within one week of hitting the market, up from 41% a year earlier, down less than a percentage point from the record high during the four-week period ending March 27.
- Homes that sold were on the market for a record-low median of 15.5 days, down from 21.2 days a year earlier.
- A record 56% of homes sold above list price, up from 47% a year earlier.
- On average, 3.7% of homes for sale each week had a price drop. Overall, 14.9% dropped their price in the past four weeks, up from 11.2% a month earlier and 9.1% a year ago. This was the highest share since mid-November.
- The average sale-to-list price ratio, which measures how close homes are selling to their asking prices, rose to an all-time high of 102.8%. In other words, the average home sold for 2.8% above its asking price. This was up from 101% a year earlier.

To view the full report, including charts and methodology, please visit:

<https://www.redfin.com/news/housing-market-update-record-spke-in-price-drops/>

About Redfin

Redfin (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.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be

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Source: Redfin