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Two Years Later: How the Pandemic Has Rocked the U.S. Housing Market

Redfin reports there are 50% fewer homes to buy, and houses are 34% more expensive, with the median sale price now \$369,000

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — This week marks the two-year anniversary of the coronavirus pandemic, which the World Health Organization officially declared a pandemic on March 11, 2020. The housing market has changed drastically since then—there are now half as many homes to choose from, and prices have surged 34%, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage.

Unless otherwise noted, the data in this report represents the four weeks ending March 6, 2022, compared with roughly the same period two years earlier (the four weeks ending March 8, 2020). The records in this report date back to 2017 unless otherwise noted.

Buyers Have Half as Many Homes to Choose From

The number of homes on the market is down 49.9% from two years ago to a record low of roughly 456,000.

Remote work and record-low mortgage rates prompted scores of Americans to move during the pandemic, intensifying a housing shortage that began in the wake of the 2008 financial crisis. With so few homes available to purchase, house hunters have waged fierce bidding wars, causing prices to surge.

Homes Are 34% More Expensive

The median home sale price is \$369,125, the highest on record and up 33.6% from \$276,225 two years ago. That's a significantly larger jump than the prior two-year period (2018 to 2020), during which home prices grew about 10%.

The Share of Homes Selling for Above the List Price Has Doubled

Homebuyers are now twice as likely to pay above the asking price as they strive to beat out the competition, which is one reason home prices have climbed so high. Nationwide, 46.3% of homes sell for more than the asking price, up from 21.8% two years ago. Some bidders are paying significant premiums to win. Nearly 6,000 homes have sold for \$100,000 or more over asking price so far this year, up from 2,241 during the same period last year.

Homes Are Selling Twice as Fast

The typical home sells in 25 days, down from 53 days two years ago. A record 44.7% of homes sell within just one week, compared with 30.8% two years ago.

A Record Share of Homebuyers Face Competition

A record 70% of home offers written by Redfin agents faced bidding wars on a seasonally adjusted basis in January—the most recent month for which Redfin has data. That's up from 33.4% in April 2020, the earliest month in Redfin's records. An offer is considered part of a bidding war if a Redfin agent reported that it received at least one competing bid.

Nearly One-Third of Homebuyers Are Looking to Relocate

A record 32.4% of Redfin.com users nationwide looked to move to a different metro area in January—the most recent period for which data is available. That's up from the previous peak of 31.5% in the first quarter of 2021 and significantly higher than before the pandemic, when about one-quarter of homebuyers were looking to relocate.

The most popular destinations in January were Miami, Phoenix, Tampa, Sacramento and Las Vegas. Relatively affordable, warm metros normally top the list, and have only become more popular during the pandemic as people have left expensive coastal markets in search of lower prices and more space in the Sun Belt. San Francisco, Los Angeles, New York, Seattle and Washington, D.C. were the top metros homebuyers looked to leave in January.

Mortgage Rates Have Returned to Pre-Pandemic Levels After Plummeting to a Record Low

Mortgage rates are back above pre-pandemic levels after hitting an all-time low of 2.65% in January 2021. The average 30-year fixed mortgage rate was 3.76% during the week ending March 3, 2022, according to the latest data from Freddie Mac. That's up from 3.29% two years earlier, when early signs of the pandemic had already started to put downward pressure on mortgage rates. Rates started rising sharply at the end of 2021, though they've dropped slightly in recent weeks as Russia's invasion of Ukraine has shaken global financial markets.

The Second-Home Market Is Booming

Homebuyer demand for second homes was up 87% from pre-pandemic levels in January—the most recent period for which data is available. That's the highest level in a year and just shy of the record 90% gain in September 2020. It's worth noting that preliminary February data suggests second-home demand slowed as mortgage rates jumped.

Interest in second homes surged during the pandemic because many affluent Americans purchased vacation properties to escape crowded, boarded-up cities. Additionally, some Americans bought second homes not as vacation properties, but as full-time residences to live in while they rent out their old homes.

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

<https://www.redfin.com/news/pandemic-housing-market-two-years-later/>

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.

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