

# Home Sellers in Migration Hotspots Increasingly Turn to Price Drops

*The sudden surge in mortgage rates has reduced homebuyers' budgets in many markets, forcing sellers to reset their price expectations*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Price drops are becoming increasingly common, particularly in hot migration destinations, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. In Boise, ID, where home prices are up 62% in the past two years, 41% of home-sellers dropped their price in April, the largest share among the 108 metropolitan divisions included in Redfin's analysis. That's up from 10% a year ago. Cape Coral, FL (33%), New Orleans (32%), Baton Rouge, LA (31%) and Sacramento (30%) rounded out the five markets that are driving the national rate of price drops to its highest level since October 2019.

“Many places like Boise or Sacramento that saw a surge in migration and a sharp increase in home prices over the past two years have now seen an abrupt drop-off in demand, leading sellers to drop their prices with increasing frequency,” said Redfin Chief Economist Daryl Fairweather. “When mortgage rates were at or below 3%, both local and out-of-town homebuyers were more willing and able to tolerate high prices, but at 5%, many are now priced out. A home's price is driven by the balance of supply and demand, and when demand drops off and supply increases like it is now, rapid price increases evaporate quickly.”

More than 20% of home sellers dropped their price in April in seven of the 10 most popular April migration destinations (Cape Coral, FL; Sacramento; North Port, FL; Tampa, FL; Atlanta, GA; San Antonio, TX and Phoenix). For home sellers in these markets, the sharp increase in mortgage rates has knocked some of the wind out of a housing market that had been super-charged by surging migration.

“Conversations with prospective sellers are longer and more emotional now than they were just a few months ago,” said Boise Redfin real estate agent Shauna Pendleton. “If your home has been listed for several days with little or no interest from buyers, it's time to consider dropping the price. If you do have to drop the price, you are far better off doing one large price drop instead of a series of smaller price drops. A larger number of drops is often interpreted as desperation and encourages buyers to wait even longer or make a lower offer.”

In six metro areas, the share of homes with a price drop decreased significantly (5 percentage points or more) from a year ago. All six had a median sale price in April below the national median of \$424,400. The share of homes with price drops fell 18 points in Fresno, CA, 12 points in McAllen, TX, 10 points in Bakersfield, CA and 9 points in Elgin, IL, Lake County, IL and Chicago.

To view the full report, including a table with metro-level data for 108 metros, please visit:  
<https://www.redfin.com/news/price-drops-surg-ing-in-big-metros/>

## **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.

For more information or to contact a local Redfin real estate agent, visit [www.redfin.com](http://www.redfin.com). To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be added to Redfin's press release distribution list, email [press@redfin.com](mailto:press@redfin.com). To view Redfin's press center, [click here](#).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20220527005083/en/>

### **Redfin Journalist Services:**

Angela Cherry, (913) 638-8249  
[press@redfin.com](mailto:press@redfin.com)

Source: Redfin