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56% of Redfin Offers Faced Bidding Wars in September, Down From 59% in August

Competition in the housing market remains fierce, but has cooled slightly amid a seasonal slowdown and surging home prices

SEATTLE, Oct. 20, 2020 /PRNewswire/ -- (NASDAQ: RDFN) — 56.3% of Redfin offers on homes faced competition nationwide in September, down from a revised rate of 59.1% in August, according to a [new report](#) from Redfin (www.redfin.com), the technology-powered real estate brokerage. While that's the first decline in at least five months, a majority of offers still encountered bidding wars for the fifth month in a row, indicating that competition remains intense in many parts of the country.



The housing market has been on fire since the start of summer due to record-low mortgage rates and a shortage of homes for sale, and competition remains fierce despite a slight drop off in bidding wars, according to Redfin chief economist Daryl Fairweather.

"The slight decline in bidding wars is largely a reflection of a seasonal cooldown, which typically starts in the late summer but was delayed by a few months this year," Fairweather said. "But homebuyers are still sweating as they navigate what remains an unseasonably hot seller's market."

Tampa Was the Least Competitive Market; Salt Lake City Was the Most Competitive

Tampa, FL had a lower rate of competition than any other metro area in this analysis, with just 26.3% of offers facing bidding wars in September, down from 54.1% in August. Rounding out the bottom three were two other southeastern markets—Miami, which had a bidding-war rate of 38%, and Raleigh, NC, at 41.4%.

"Until very recently, bidding wars were entirely ubiquitous in Tampa, but it suddenly seems like buyers have had enough of sellers' pie-in-the-sky, aspirational pricing. The market is getting a little too hot, and buyers are feeling fatigued," said Tampa real estate agent Brian Walsh. "It's getting to the point where you'll see a seller demand \$50,000 over what they paid a year ago—and the only thing they've done to the home is minimal DIY renovations, like slapping on some new paint and flooring. Some of my buyers have decided to take a break from making offers altogether and just wait until the market cools off."

At least half of offers faced bidding wars in 15 of the 24 metros in this analysis.

Salt Lake City had the highest bidding-war rate, with 81.1% of Redfin offers encountering competition. In second place was San Diego, at 69.1%, followed by San Francisco/San Jose, at 67.4%.

"Salt Lake City has been going crazy," said local Redfin real estate agent Dean Cotter. "If I have a house in reasonable condition priced at the average price range, it gets multiple offers and is gone in a weekend."

A relatively acute housing shortage in Salt Lake City is fueling fierce competition. The number of homes for sale shrunk 50% year over year in September, compared with a national decline of 22.8% on a seasonally adjusted basis. A lack of homes being added to the market is what's driving the shortage; new listings plunged 53% in September from the prior year, compared with a 5.9% gain nationwide. A 2019 Redfin analysis found that Salt Lake City homeowners stay in their homes longer than homeowners in other major metros. The pandemic has likely encouraged residents to stay put for even longer, according to Fairweather.

Single-Family Homes Were the Most Likely to Face Competition

Single-family homes were most likely to encounter bidding wars in September, with 58.9% of Redfin offers facing competition, followed by townhouses, at 56%. Meanwhile, just 40.5% of offers for condos experienced bidding wars. The condo market has seen relatively slow growth as remote work, the desire for privacy and record-low mortgage rates have made single-family homes more desirable during the coronavirus pandemic.

"Condos are not selling as fast as they used to," said Mary Bazargan, a Redfin real estate agent in Washington, DC. "Single-family homes are selling fairly quickly as long as they're priced right. The homes we price correctly or a little conservatively are getting multiple offers. The ones that push the price aggressively high are sitting on the market."

Bidding-War Rates By Metro Area, September 2020 and August 2020


Metro Area	Share of Redfin offers that faced bidding wars in September 2020	Share of Redfin offers that faced bidding wars in August 2020
Salt Lake City, UT	81.1%	69.0%
San Diego, CA	69.1%	73.0%
San Francisco / San Jose, CA	67.4%	70.5%
Washington, D.C.	65.6%	67.9%
Minneapolis, MN	63.9%	61.4%
Portland, OR	61.0%	60.4%
Austin, TX	60.4%	60.2%
Sacramento, CA	59.3%	64.0%
Seattle, WA	59.2%	64.4%
Phoenix, AZ	57.4%	61.3%
New York, NY	57.1%	53.7%
Boston, MA	56.7%	64.4%
Los Angeles, CA	56.2%	62.7%
Philadelphia, PA	55.8%	60.8%
Houston, TX	50.0%	46.9%
Denver, CO	49.8%	52.6%
Dallas, TX	49.0%	44.0%
Detroit, MI	47.5%	56.4%
Las Vegas, NV	47.5%	40.4%
Atlanta, GA	47.4%	51.0%
Chicago, IL	41.9%	45.2%
Raleigh, NC	41.4%	47.5%
Miami, FL	38.0%	34.5%
Tampa, FL	26.3%	54.1%

To read the full report, please visit: <https://www.redfin.com/news/real-estate-bidding-wars-september-2020>.

About Redfin

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