



# Bidding-War Rate Drops to Lowest Level Since April 2020 As Mortgage Rates Surge

*Just over 4 in 10 Redfin home offers faced competition in August, down significantly from a year earlier as 6% mortgage rates price buyers out of the market*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Nationwide, 44.6% of home offers written by Redfin agents faced competition in August, the lowest bidding-war rate since the beginning of the pandemic when the housing market nearly ground to a halt, according to a new [report](https://www.redfin.com) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. It's down from 63.5% a year earlier and a revised rate of 47.2% in July, and marks the seventh-straight monthly decline.

The typical home in a bidding war received 3.2 offers in August, compared with 3.5 one month earlier and 5 one year earlier, according to data submitted by Redfin agents nationwide.

The bidding-war rate is falling as the housing market cools and buyers back off from the pandemic-driven homebuying frenzy in 2021 and early 2022, with the number of home sales down nearly 20% year over year.

Buyers are dropping out of the market and competition is dwindling largely because mortgage rates have doubled from a year ago, reaching 6% in mid-September. The increase in rates makes buying a home much more expensive: A buyer purchasing a \$400,000 home has a monthly mortgage payment of roughly \$2,500 with today's 6% mortgage rate, up from under \$2,000 with last year's 3% rates.

## **San Antonio, Tampa and Phoenix among metros with the lowest bidding-war rates**

Just over one in five (21.7%) of home offers submitted by Redfin agents in San Antonio, TX faced competition in August, the lowest share of the 36 metros in this analysis.

Tampa, FL had the second-lowest bidding-war rate, with 23.8% of offers facing competition, followed by Olympia, WA (24.2%), Phoenix (26.4%) and Minneapolis (27%). Tampa, Olympia (part of the greater Seattle metro) and Phoenix are all among the 20 U.S. housing markets cooling fastest this year after attracting scores of homebuyers during the pandemic.

To be included in this analysis, metros must have had a monthly average of at least 50 offers submitted by Redfin agents from March 2021 to March 2022. Scroll down to the bottom of this report to see a table with data on all 36 metros.

Philadelphia, where 61.7% of offers faced competition, had the highest bidding-war rate. It's followed by San Jose (58%), Providence, RI (54.5%), Boston (54%) and Detroit (52.9%).

## **Homebuyer competition declined most in North Carolina**

The bidding-war rate has declined most in Raleigh, NC, where 35.4% of home offers faced competition in August, down from 78.9% a year earlier. It's followed by San Antonio, where 59.8% of offers faced competition last year.

Charlotte, NC (31.4%, down from 68.8%), Olympia, WA (24.2%, down from 60.7%) and Colorado Springs, CO (29.7%, down from 62.5%) round out the five metros where competition has dropped most.

The bidding-war rate declined in all 36 metros in this analysis except Philadelphia, the metro with the highest rate. The rate there is up from 60.2% a year ago.

## **Townhomes most likely to face competition, condos least likely**

Offers for townhouses were more likely than other property types to encounter competition, with 44.1% of Redfin offers facing bidding wars. They were followed by single-family homes (42.1%), multi-family properties (40.2%) and condos (37%).

Townhouses are popular in today's pricey housing market because they're typically smaller and more affordable than single-family homes.

**Bidding-War Rates by Metro Area**

This table is sorted by lowest to highest bidding-war rates in August 2022

U.S. metro area	August 2022: Share of Redfin offers that faced competition	July 2022: Share of Redfin offers that faced competition	August 2021: Share of Redfin offers that faced competition
San Antonio, TX	21.7%	43.4%	59.8%
Tampa, FL	23.8%	35.7%	53.6%
Olympia, WA	24.2%	47.7%	60.7%
Phoenix, AZ	26.4%	26.9%	57.9%
Minneapolis, MN	27%	49%	50%
Austin, TX	28.6%	33.3%	58%
Colorado Springs, CO	29.7%	38.5%	62.5%
Orlando, FL	30%	42.4%	56.7%
Las Vegas, NV	30.9%	38.4%	56.3%
Charlotte, NC	31.4%	35.4%	68.8%
Seattle, WA	33.9%	32.2%	62.4%
Atlanta, GA	34.9%	44.8%	59.6%
Raleigh, NC	35.4%	63.8%	78.9%
Houston, TX	36.7%	45.8%	49.6%
Denver, CO	38.9%	37.9%	57.9%
Riverside, CA	39.4%	32.9%	67.2%
Nashville, TN	40%	35%	60.5%
Chicago, IL	41.9%	48.4%	46.4%
Dallas-Fort Worth, TX	41.9%	53.6%	65.6%
New York, NY	42.2%	48.9%	60.4%
Miami, FL	42.2%	39.4%	57.5%
Washington, D.C.	44.3%	45.4%	54.1%
San Diego, CA	45.5%	42.5%	68.3%
Sacramento, CA	45.5%	32.9%	65.5%
Honolulu, HI	45.7%	66.7%	59.6%
Los Angeles, CA	49.1%	58.4%	69.8%
Portland, OR	49.3%	41.4%	63.5%
Baltimore, MD	50.3%	54.7%	58.6%
Worcester, MA	51.2%	54.3%	65.3%
Indianapolis, IN	51.6%	47.4%	57.1%
San Francisco, CA	52.5%	52.8%	69.9%
Detroit, MI	52.9%	46.8%	68.1%
Boston, MA	54%	55.2%	68.7%
Providence, RI	54.5%	61.4%	60%
San Jose, CA	58%	52.9%	72.3%
Philadelphia, PA	61.7%	63.1%	60.2%

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

<https://www.redfin.com/news/real-estate-bidding-wars-august-2022>

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