

BIDDING-WAR RATE KEEPS DROPPING

NOV 2022 — **Nationwide, 44.6 percent of home offers written by Redfin agents faced competition in August, the lowest bidding-war rate since the beginning of the pandemic.** It's down from 63.5 percent a year earlier and a revised rate of 47.2 percent 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 in July and 5 a year ago, 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 home-buying frenzy in 2021 and early 2022, with the number of home sales down nearly 20 percent year-over-year.

Buyers are dropping out of the market largely because mortgage rates have doubled from a year ago, reaching 6 percent in mid-September.

Just over 1 in 5 (21.7 percent) of home offers submitted by Redfin agents in San Antonio, Texas, faced competition in August, the lowest share of the metros analyzed. Tampa, Fla., had the second-lowest bidding-war rate (23.8 percent), followed by Olympia, Wash. (24.2 percent), Phoenix (26.4 percent) and Minneapolis (27 percent).

Philadelphia has the **highest bidding-war rate** (61.7 percent of offers faced competition) followed by **San Jose, Calif. (58 percent)**, Providence, R.I. (54.5 percent), Boston (54 percent) and Detroit (52.9 percent).

The bidding-war rate declined most in Raleigh, N.C., where 35.4 percent of home offers faced competition in August, down from 78.9 percent a year earlier. It's followed by San Antonio, Texas (21.7 percent, down from 59.8 percent), Charlotte, N.C. (31.4 percent, down from 68.8 percent), Olympia, Wash. (24.2 percent, down from 60.7 percent) and Colorado Springs, Colo. (29.7 percent, down from 62.5 percent).

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

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

