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Redfin signals a shift in power to buyers as a record share of sellers cut prices for this time of year—but 7% mortgage rates are a problem

Story by Bilin Lin • 2026-10-6

There was a time when open houses were packed, homes drew multiple offers on listing day, and buyers wrote love letters to sellers hoping to beat the competition. Now the balance has tipped. The share of home sellers cutting their asking price has hit a record for this time of year, according to Redfin, which calls it a strong buyer's market.

More than one in five U.S. home sellers with active listings cut their asking price in the four weeks ending Sept. 20. At 21.1%, that was the highest share for this time of year since Redfin began tracking it in 2022.

Among the 50 most populous U.S. metro areas, Redfin's analysis of MLS data found that Denver had the highest share of active listings with a price cut, at 30.9%. Indianapolis followed at 29.9%. Three Texas metros rounded out the top five: San Antonio (26.8%), Dallas (26.6%), and Austin (26.1%).

San Francisco had the lowest share, at 9.6%. The city is home to OpenAI and Anthropic, and highly paid AI workers have been pouring their salaries, signing bonuses, and equity into local real estate, according to a separate Redfin report. It's one of just five seller's markets among the major metros Redfin tracks. Newark followed at 12.2%, then Chicago at 13.3%, New York at 13.6%, and Miami at 13.7%.

The national share of sellers cutting prices is only slightly above last year's 19.8%, but that figure doesn't tell the whole story. Redfin says some would-be sellers are holding off on listing. Others are pulling their homes off the market rather than accept less. Still others are pricing realistically from the start, which leaves less need for a markdown later.

Nationally, the numbers favor buyers. U.S. home sellers outnumbered buyers by 58% in August, according to Redfin's estimates. That was the widest gap in records dating back to 2013.

Buyer's market, or overall challenge?

But national data doesn't always match local realities, and not everyone agrees with Redfin's assessment. Lisa Sturtevant, chief economist at Bright MLS, questioned whether the buyer's market label fits the mid-Atlantic region her firm covers, which spans six states and Washington, D.C.

Note "I would not necessarily call it a 'buyer's market' as the Redfin headline suggests. Inventory is still very tight, and prices remain near record highs in many local markets," she told *Fortune*. She also acknowledged that more sellers in the region are cutting their asking prices.

Room to negotiate is one thing. Room in the budget is another. It's only a buyer's market for those who can afford to buy. *Note*

Sturtevant said many buyers are already hitting the limits of what they can afford, and rising mortgage rates aren't helping. The average rate on a 30-year fixed mortgage climbed to 7.28% as of Oct. 1, according to Freddie Mac. That's its highest level since November 2023 and up from 6.34% a year earlier. *Note*

Sellers are cutting prices. Buyers who need a mortgage are stretched. Is this the moment for all-cash buyers?

"The best time and place to buy all-cash is during periods of uncertainty and illiquidity in the housing market," Michael Reher, an associate professor of finance at UC San Diego's Rady School of Management, told *Fortune*. Reher coauthored research finding that all-cash buyers pay about 10% less on average than buyers who rely on a mortgage. The reason is that sellers will give up some money to avoid the risk that a buyer's financing falls through. *Note*

Rising price cuts, on their own, strengthen the case for paying cash for buyers who have the funds, Reher said. Higher mortgage rates mean bigger monthly payments. That can make it harder for buyers to qualify for a loan if those payments are too high relative to their income. Sellers risk accepting an offer, only to have the bank say no. A cash buyer doesn't need the bank's permission.

Still, price cuts alone aren't enough to make the decision. Reher said buyers should look at conditions in their target market before choosing whether to borrow or pay cash.

It may be a buyer's market. The question is, which buyers?