

Most home buyers skip rate shopping, potentially costing them hundreds a month

2025-12-11

Even small rate differences can expand the number of homes within reach for buyers facing strained affordability

- Nearly 7 in 10 mortgage shoppers submit only one application.
- A buyer can save \$1,100 a year by reducing their mortgage rate 50 basis points when they purchase a typical U.S. home.
- A savings of this size would have made 22,000 more homes on the market affordable for a median-income U.S. household.

SEATTLE, Dec. 11, 2025 /PRNewswire/ -- Home shoppers spend months searching for the right home, but most gather quotes from only one mortgage lender. That seemingly small decision can be a missed opportunity that costs buyers tens of thousands of dollars over the life of a loan, a [new Zillow® analysis](#) shows.

Home buyers [typically invest months into the search process](#) between hiring an agent, touring homes and making offers. Yet, when it comes to a mortgage, many buyers stop after the first quote, despite the huge financial stakes. Nearly 7 in 10 mortgage shoppers submit only one application, according to Zillow's Consumer Housing Trends Report.

"Buyers often spend months finding the right home, but only minutes comparing lenders," said Kara Ng, senior economist at Zillow Home Loans. "Even a small difference in rate can meaningfully shrink a monthly payment and expand the number of homes within reach. Affordability is tough enough today that buyers shouldn't overlook any potential savings."

Zillow's analysis shows that on a typical U.S. home worth about \$360,000, a buyer paying 6.24% — the [average 30-year fixed rate in November](#) — would owe about \$2,345 each month.¹ At 5.74% — within the [typical range](#) for

shoppers who compare multiple offers — the payment drops to \$2,253, saving roughly \$1,100 a year. In November, that savings would have been enough to make 22,000 more homes nationwide affordable to a median-income household.

These differences only grow in higher-cost markets. In San Jose, landing the lower rate would save a buyer about \$4,750 a year, and annual savings would exceed \$2,000 in six other expensive metros. When looking at homes on the market in November, the potential savings from rate shopping would bring more than 1,200 additional listings within a typical buyer's budget² in Dallas, the most in the country.

Lenders weigh credit profiles, loan types and market conditions differently, meaning the same borrower can receive materially different offers. In a [2019 analysis](#), Zillow found spreads of from 90 to 130 basis points between the best and worst quotes for borrowers, depending on their credit profile. A more recent [analysis from Freddie Mac](#) showed home buyers can see rates move 50 basis points in either direction when receiving quotes from different lenders.

While affordability remains stretched for many prospective home buyers, it recently reached a [three-year best](#), thanks in part to lower mortgage rates and [record-high discounts](#) from home sellers. Home shoppers can see how different rates would affect their monthly payment and which homes fit their budget using tools on Zillow, including Zillow Home Loans' [BuyAbilitySM tool](#) and the [affordability calculator](#).

Metro Area*	Typical Home Value (November 2025)	Typical Monthly Mortgage Cost (6.24% Rate)	Annual Cost Difference (5.74% Rate)	Annual Cost Difference (6.74% Rate)
United States	\$359,241	\$2,345	-\$1,104	+\$1,140
New York, NY	\$699,395	\$4,821	-\$2,160	+\$2,208
Los Angeles, CA	\$932,886	\$5,664	-\$2,868	+\$2,952
Chicago, IL	\$334,512	\$2,397	-\$1,032	+\$1,056
Dallas, TX	\$359,523	\$2,565	-\$1,116	+\$1,128
Houston, TX	\$303,675	\$2,130	-\$936	+\$948
Washington, DC	\$567,340	\$3,624	-\$1,752	+\$1,788
Philadelphia, PA	\$375,501	\$2,553	-\$1,152	+\$1,188
Miami, FL	\$467,083	\$3,324	-\$1,440	+\$1,476
Atlanta, GA	\$376,192	\$2,484	-\$1,152	+\$1,188
Boston, MA	\$709,859	\$4,551	-\$2,184	+\$2,244
Phoenix, AZ	\$441,999	\$2,623	-\$1,368	+\$1,392
San Francisco, CA	\$1,087,917	\$6,711	-\$3,360	+\$3,432
Riverside, CA	\$574,943	\$3,608	-\$1,776	+\$1,812
Detroit, MI	\$256,081	\$1,742	-\$780	+\$816
Seattle, WA	\$730,101	\$4,581	-\$2,256	+\$2,304
Minneapolis, MN	\$375,610	\$2,559	-\$1,152	+\$1,188
San Diego, CA	\$910,768	\$5,524	-\$2,808	+\$2,880
Tampa, FL	\$354,666	\$2,451	-\$1,092	+\$1,116
Denver, CO	\$559,323	\$3,479	-\$1,728	+\$1,764
Baltimore, MD	\$391,727	\$2,531	-\$1,212	+\$1,236
St. Louis, MO	\$263,197	\$1,841	-\$816	+\$828
Orlando, FL	\$382,156	\$2,587	-\$1,188	+\$1,200
Charlotte, NC	\$382,169	\$2,393	-\$1,176	+\$1,212
San Antonio, TX	\$274,977	\$1,993	-\$840	+\$876

Portland, OR	\$536,764	\$3,414	-\$1,656	+\$1,692
Sacramento, CA	\$567,352	\$3,579	-\$1,752	+\$1,788
Pittsburgh, PA	\$221,009	\$1,539	-\$684	+\$696
Cincinnati, OH	\$297,208	\$2,040	-\$912	+\$948
Austin, TX	\$422,294	\$3,001	-\$1,308	+\$1,332
Las Vegas, NV	\$426,817	\$2,548	-\$1,308	+\$1,344
Kansas City, MO	\$311,790	\$2,161	-\$960	+\$984
Columbus, OH	\$319,706	\$2,199	-\$984	+\$1,008
Indianapolis, IN	\$285,179	\$1,883	-\$876	+\$900
Cleveland, OH	\$239,597	\$1,735	-\$744	+\$756
San Jose, CA	\$1,539,985	\$9,222	-\$4,752	+\$4,860
Nashville, TN	\$447,624	\$2,717	-\$1,380	+\$1,416
Virginia Beach, VA	\$359,155	\$2,375	-\$1,104	+\$1,140
Providence, RI	\$498,503	\$3,281	-\$1,536	+\$1,572
Jacksonville, FL	\$345,365	\$2,334	-\$1,068	+\$1,092
Milwaukee, WI	\$364,421	\$2,362	-\$1,128	+\$1,152
Oklahoma City, OK	\$239,569	\$1,728	-\$744	+\$756
Raleigh, NC	\$431,547	\$2,740	-\$1,332	+\$1,368
Memphis, TN	\$240,716	\$1,662	-\$744	+\$756
Richmond, VA	\$380,431	\$2,414	-\$1,176	+\$1,200
Louisville, KY	\$268,531	\$1,754	-\$828	+\$852
New Orleans, LA	\$252,775	\$1,973	-\$780	+\$792
Salt Lake City, UT	\$551,356	\$3,316	-\$1,692	+\$1,740
Hartford, CT	\$377,750	\$2,753	-\$1,164	+\$1,188
Buffalo, NY	\$273,962	\$1,688	-\$852	+\$864
Birmingham, AL	\$252,254	\$1,606	-\$780	+\$804

*Table ordered by market size

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¹ Assuming a 20% down payment. Figures include estimates for principal, interest, taxes, insurance and maintenance costs.

² For the purposes of this analysis, a home is considered affordable if the monthly payments would take up no more than 30% of a median income.

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