

Home seller profits soared in 2020

Home sellers in 2020 realized a home-price gain of \$68,843 on the typical sale, up from \$53,700 in 2019 and \$48,500 two years ago, according to a report from ATTOM Data Solutions.

ATTOM's 2020 U.S. Home Sales Report found profits rose in more than 90 percent of housing markets with enough data to analyze, marking the highest level in the U.S. since at least 2005.

The report said the \$68,843 profit on median priced single-family homes and condos represented a 34.7 percent return on investment compared to the original purchase price, up from 29.4 percent last year and 27.2 percent in 2018, to the highest average home-seller return on investment (ROI) since 2006.

"Last year marked a unique year in the history of home prices and profits in the United States. A once-in-a-century health crisis tore through much of the nation's economy but seemed to have the opposite effect on the housing market," ATTOM Chief Product Officer Todd Teta said in a release.

"Demand remained strong as people who could afford the space and relative safety of single-family homes did just that, aided by super-low mortgage rates and a strong stock market," Teta said. "But they went after a narrowing supply of housing stock, so prices soared and so did seller profits. While it's unclear how long that will last, in the

annals of history, there will be few years recorded as better for sellers and more challenging for buyers."

The report said raw profits and ROI have improved nationwide for nine straight years. Last year's gain in ROI – up more than 5 percent – marked the largest annual increase since 2017.

According to the report, the top 10 metro areas with the highest ROIs on typical home sales in 2020 were San Jose, Calif. (87.3 percent return on investments); Seattle (72.1 percent); Salem, Ore. (69.6 percent); Spokane, Wash. (69.2 percent); and San Francisco (68.2 percent).

ATTOM said the largest median-price increases in metro areas with a population of at least 1 million in 2020 were in Milwaukee (up 15.3 percent); Memphis, Tenn. (up 15.1 percent); Phoenix (up 14.9 percent); Birmingham, Ala. (up 13.7 percent); and Seattle (up 12.9 percent).

Home prices in 2020 reached new peaks in 129 of the 132 metros analyzed, including New York, Los Angeles, Chicago, Dallas and Houston.

Among metro areas with a population of at least 1 million in 2020, the largest annual ROI increases were in Birmingham, Ala. (up 71.5 percent); Hartford, Conn. (up 56.9 percent); Cleveland (up 52.2 percent); Rochester, N.Y. (up 49.9 percent); and St. Louis (up 45.7 percent).