



OVER HALF OF HOMES SOLD ABOVE LIST PRICE IN MAY

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The national median home-sale price reached a record high of \$377,200 in May, up a record 26 percent year-over-year, according to a recent Redfin report. Also, a record 54 percent of homes sold above their list price, up 26 percent from a year ago. **The average sale-to-list ratio hit a record high of 102.2 percent in May**, meaning the **average home sold for 2.2 percent above its asking price**. The market also set **new records for home-selling speeds and competition**.

But lockdowns significantly slowed homebuying and selling in May 2020, which means the year-over-year trends for home prices, pending sales, closed sales and new listings are exaggerated, Redfin said. Leading indicators of housing market activity are declining into June, signaling the frantic market pace may be slowing.

“May marked the likely peak of the blazing hot pandemic housing market, as many buyers and sellers are vaccinated and returning to pre-pandemic spending patterns,” Redfin Lead Economist Taylor Marr said in a release. “Sellers are still squarely in the drivers’ seat, but buyers have hit a limit on their willingness to pay. The affordability boost from low mortgage rates has been offset by high home price growth.”

According to Redfin’s report, the smallest year-over-year increase in median home sale prices was in San Francisco, where prices were up 2.8 percent. The largest price increases were in Austin, Texas, (42 percent), Phoenix, Ariz., (33 percent) and Detroit (32 percent). To put Austin’s increase in context, the sale price of a typical three-bedroom, two-bath-room suburban Austin home increased from around \$330,000 in May 2020 to \$470,000 in May 2021.

The number of homes sold in May was up 46 percent year-over-year, but down 0.7 percent from April. The largest gains in sales were in San Francisco (up 171 percent), San Jose (167 percent) and Warren, Mich., (154 percent).

Seasonally adjusted active listings fell 27 percent year-over-year to their lowest level on record. The cities that saw the biggest gains were Philadelphia (up 14 percent), New York (13 percent) and San Francisco (12 percent). The biggest year-over-year declines in active housing supply in May were in Baton Rouge, La., (down 60 percent) and North Port, Fla., (down 51 percent).