

Starter Homes That Cost \$1M Have Spread to More Than Half of States

A record 242 U.S. cities now have entry-level homes priced at \$1 million or more, nearly triple the count before the pandemic

- The number of cities where a typical starter home is worth \$1 million or more has nearly tripled since before the pandemic, rising from 80 in February 2020 to a record 242 today.
- California still accounts for the most cities with million-dollar starter homes, but New York and New Jersey are driving the fastest growth.
- Nationwide, the typical starter home is worth \$198,649, up 1.7% from a year ago.

The pandemic reset the cost of buying a home, spreading million-dollar starter homes from a handful of coastal states to more than two dozen across the country. Now, a record 242 cities across 26 states have starter homes valued at \$1 million or more.



A typical “starter home” is defined for this analysis as a home in the lowest third of home values in a given region. The typical starter home nationwide is worth \$198,649, meaning million-dollar starter homes are still the exception, not the norm.

The number of cities where the entry point for homeownership is \$1 million or more grew from 226 cities a year ago. The effects of the pandemic housing boom have proven durable. A housing shortage a decade in the making, ran headlong into intense demand with mortgage rates at historic lows, driving up home values at a record pace.

Conditions are slowly becoming friendlier for buyers: The typical home buyer now breaks even relative to renting after roughly six years, down from more than eight years in late 2023. More inventory and slower price growth mean buyers who are financially prepared are generally in better shape than in recent years.

<https://www.zillow.com/research/million-dollar-starter-home-36452/>



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