

REAL ESTATE

Home prices keep climbing as new listings dip

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Low inventory is driving up real estate prices. Image credit: Redfin

By SARAH RAMIREZ

While there are some indications that housing competition is beginning to soften, new data from real estate brokerage Redfin shows that prices remain high.

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For the four-week period ending Sept. 5, new home listings fell 7 percent year-over-year while pending sales are up 6 percent from the same period in 2020. Home prices are up 14 percent year-over-year, even as the share of home sold above list price continues to decline.

"More homes were listed this summer, but they were quickly snatched up by homebuyers even as bidding wars have become more rare," said Taylor Marr, lead economist at [Redfin](#), in a statement.

"The market hasn't cooled off any further than it usually does this time of year, and we expect homebuying demand to remain strong through the fall."

Redfin's findings are based on housing market information from more than 400 U.S. metro areas. The company's housing market data dates to 2012.

Ebbs and flows

While metrics such as home sale prices, listing prices and pending sales remain elevated compared to 2020, there have been dips since peaks earlier this summer.

The four-week rolling average of the median sale price of homes sold is up 14 percent y-o-y, from \$314,366 to \$358,250.



Home prices are surging. Image credit: Redfin

For newly listed homes, asking prices were up 10 percent to a median price of \$353,500. This marks a 2 percent dip from the all-time high in late June, and on par with asking prices in late April.

Similarly, pending home sales are up 6 percent y-o-y, but have fallen 9 percent from this year's heights in May.

Inventory also remains stretched, especially as the market experiences its typical seasonal decline in new listings.

New home listings are down 7 percent y-o-y, and down 16 percent from the 2021 peak in June. Active listings have decreased 23 percent y-o-y, having fallen 3 percent from the 2021 peak achieved during the four-week period ending Aug. 8.



Luxury homes have on average historically taken longer to sell than homes in other price tiers, but the gap has narrowed during the pandemic. Image credit: Redfin

As competition and bidding wars dip, listing time has ticked up.

Sold homes were on the market for a median of 19 days, down from 33 days in 2020 and up slightly from the record low of 15 days in late June and July. Almost half of homes, 47 percent, went under contract within the first two weeks on the market, with 34 percent of all sellers under contract accepting an offer within a week.

Luxury look

At the luxury end of the real estate market, home prices also continue to climb, particularly in warm-weather markets including Austin, Phoenix and West Palm Beach.

According to Redfin, the median sale price of U.S. luxury homes increased by 25.8 percent year-over-year in the second quarter. Purchases of luxury homes in the U.S. also increased by 88.2 percent year-over-year ([see story](#)).

Globally, growth of mainstream market prices has fallen behind prime prices, which saw an 8.2 percent year-over-year increase in June 2021, according to Knight Frank.

Of the 46 cities tracked for Knight Frank's Prime Global Cities Index, 13 registered double-digit annual price growth.

Across 150 cities, mainstream market prices increased by 7.3 percent in Q1 2021, per the latest data available. By comparison, prime cities saw annual price growth of 8.2 percent in Q2 2021 the strongest performance since 2008 ([see story](#)).

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