REAL ESTATE

Number of US million-dollar cities hits new record

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The New York metro area has the most million-dollar cities, but Indian Creek, Florida has the most expensive homes on average. Image credit: Douglas Elliman

By LUXURY DAILY NEWS SERVICE

In 2021, a record 146 U.S. cities were added to the "million-dollar cities" list, according to the latest data from Zillow.

There are now 481 cities across the United States in which the average home is worth at least $1 million, and if the current appreciation rates remain, another 49 could join the list by this June. The number of cities that crossed the $1 million mark in 2021 is nearly triple that of 2020 which reflects the 19.6 percent increase in home value.

"The surge in demand for housing last year sent home values skyrocketing, even in places where prices already were sky-high, and that helped tip a record number of cities into the million-dollar club," said Jeff Tucker, senior economist at Zillow, in a statement.

"California, Massachusetts and New York led the pack for the newest cities with home values above $1 million," he said. "Still, we're seeing how the geography of wealth in the U.S. has begun to shift, as 2021 was the first year for both Idaho and Montana to place any cities on this list, and now those Western states boast three-million-dollar cities each."

Home appreciation
The majority of these million-dollar cities are clustered within a few large coastal regions.

California is home to 44 percent of the current million-dollar cities list. Image credit: Douglas Elliman

Sixty percent of all million-dollar cities lie within eight metro areas: New York, San Fransisco, Los Angeles, San Jose, Boston, Seattle, Miami, Washington, Santa Barbara and Santa Rosa. Forty-four percent are in California.

The San Fransisco and New York metro areas led with 76 million-dollar cities each, while the Los Angeles metro came in third with 57 cities and San Jose fourth with 22.

Indian Creek, Florida, a 300-acre island in Biscayne Bay in Miami with a population of less than 100, is the most expensive city in the country, with a typical home value of nearly $28.3 million.

The second most expensive U.S. city is Atherton, a town on the San Francisco Peninsula, where the typical home value is around $7.7 million.

Filling out the top five with typical home values of about $6 million each are Hunts Point, Washington; Jupiter Island, Florida and Sagaponack, New York.

Earlier this month, Redfin released data saying that the most popular migration destinations in the U.S. also have the highest rates of inflation, citing migration patterns are one contributor to climbing costs for consumer goods and services (see story).