

NAR: Almost 50% of homes sold for more than list price

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By Tim Glaze

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The **National Association of Realtors** Confidence Index Survey for April reveals how hot the housing market is. Per the report, homes that sold had five offers on average, and nearly 50% of homes sold for more than their list price during the four weeks ending May 16. NAR expects home prices in the next three months to increase nearly 6% from one year ago and will increase almost 3% from last year's sales level.

The April 2021 survey was sent to 50,000 Realtors selected from NAR's over 1.4 million members, and to 6,686 respondents in the previous three surveys who provided email addresses. There were 3,541 respondents to the online survey which ran from May 3-10, 2021, of which 1,731 had a client.

“With little supply in the market, homes typically sold within 17 days — down from 27 days one year ago, as buyer competition heats up,” NAR said in a statement. “The share of first-time buyers decreased to 31% from 32% in the prior month, and 36% one year ago. The pandemic continues to impact how people live and work.”

Eighty-five percent of buyers purchased a property in a suburban, small town, rural, or resort area — the same percentage as a year ago. Sixty percent of Realtors reported they had potential buyers looking for work-from-home features such as an extra room, a finished basement, or a bigger home.

25% of all sales were cash sales, per the report. Buyer traffic index was noted as “very strong” in every state except Utah, South Dakota, Minnesota, Michigan, Indiana, Kentucky, Vermont, New Hampshire, Delaware, Maryland, and Washington D.C.

The jumbo market for brokers is back in a huge way

With intense demand for homes on the higher end of the pricing spectrum, new updates to the QM rule that went into effect on March 1 and growing investor interest in jumbo mortgages — this is the perfect time for the broker community to support their clients with speed and ease.

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However, there are signs that housing market demand may be reaching its peak, according to a recent study from **Redfin**.

Pending sales for the seven-day period ending May 16 were down 10% from four weeks prior, compared to an 8% increase during the same period in 2019. Mortgage purchase applications also decreased 4% week over week.

“Make no mistake, the housing market is still very hot and will remain hot for the rest of the year,” said Daryl Fairweather, Redfin chief economist. “But there may be signs that some buyers would rather spend their money on restaurants, vacations, and other things they have held back on for the past year, instead of on housing now that the threat of the pandemic is dissipating in America.”

New listings of homes for sale were down 12% from the same period in 2019, and active listings — the number of homes listed for sale at any point during the period — fell 49% from the same period in 2019. (2019 is being used as a reference point since 2020 data is skewed by the pandemic.)

This is happening, of course, with prices remaining astronomically high. Home prices were recently reported at a record high of \$352,975, and were up 24% year over year. Asking prices increased to \$358,975, also a record high.