

# U.S. Median Home Price Hit New High in June

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By Nicole Friedman

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Continued strong demand pushed the median U.S. home price to a record high in June, though the national house-buying frenzy cooled slightly as supply ticked higher.

Existing-home sales rose 1.4% in June from the prior month to a seasonally adjusted annual rate of 5.86 million, the National Association of Realtors said Thursday. June sales rose 22.9% from a year earlier.

The median existing-home price rose to \$363,300, in June, up 23.4% from a year earlier, setting a record high, NAR said, extending steady price increases amid limited inventory.

Separate figures on the labor market showed that the number of people receiving jobless benefits fell to the lowest level since early in the pandemic as states withdrew from participation in federal pandemic relief. First-time applications, meanwhile, rose as supply constraints persisted in the auto industry.

The housing-market boom is easing slightly, as rising prices are prompting more homeowners to list their houses for sale. Homes sold in June received four offers on average, down from five offers the previous month, said Lawrence Yun, NAR's chief economist.

But the number of homes for sale remains far lower than normal, and robust demand due to ultralow mortgage-interest rates is expected to continue pushing home prices higher.

As more homes come on the market, they are quickly snapped up by buyers, said Robert Frick, corporate economist at Navy Federal Credit Union.

“Demand is trumping everything,” he said. “Higher inventory isn't going to take the brakes off price increases.”

Many homes are selling above listing price and receiving multiple offers. The typical home sold in June was on the market for 17 days, holding at a record low, NAR said.





## John Niehaus and Dana Laboy raised their budget for a house after losing out on multiple offers.

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Dana Laboy and John Niehaus of Columbus, Ohio, started shopping in February for a house costing \$400,000 or less, but they raised their budget after losing out on multiple offers, Ms. Laboy said.

“When we were losing out on houses left and right every weekend for eight weekends in a row, it was very demoralizing,” Ms. Laboy said. “I did not think that we would offer up to \$40,000 over and still not get it, like we did in some cases.”

The couple’s rental lease ended in March and they moved in with Mr. Niehaus’s parents while they continued house hunting. They bought a three-bedroom house in June for \$447,200.

There were 1.25 million homes for sale at the end of June, up 3.3% from May and down 18.8% from June 2020. At the current sales pace, there was a 2.6-month supply of homes on the market at the end of June.

Market watchers expect the housing frenzy to continue to cool in the coming months, as the number of homes for sale increases and high prices force some buyers out of the market.

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“I don’t believe you’ll see the kinds of [price] increases you’ve seen in the last 12 months,” said Sheryl Palmer, chief executive of home builder Taylor Morrison Home Corp. “That’s not sustainable.”

First-time buyers or those who can only afford small down payments are struggling the most to compete. More than half of existing-home buyers in June who used mortgages to buy a property put at least 20% down, according to a NAR survey. Buyers are also making their offers stand out in this competitive market by agreeing to buy houses without contract terms that typically protect buyers, such as inspection requirements.





**Alex Wolf and Maggie Jasper bought a home in the Denver suburbs in June after a few months of hunting.**

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Photo: Tom Wolf

Alex Wolf and Maggie Jasper bought a two-story home in the Denver suburbs in June after a few months of hunting. Mr. Wolf and Ms. Jasper didn't waive the home-inspection requirement in their offers, which made it harder to compete.

"I'm not willing to take on quite that much risk," Mr. Wolf said. "We had a lot of things working against us, so we got really lucky."

Existing-home sales rose the most month-over-month in the Midwest, up 3.1%, and in the Northeast, up 2.8%.

Sales were especially strong at the high end of the market. Sales of homes that were priced at more than \$1 million more than doubled in June compared with a year earlier, according to NAR.

Building activity has increased due to the strong demand, but home builders are limited by labor availability, land supply and material costs. A measure of U.S. home-builder confidence declined in July, the National Association of Home Builders said this week.

Housing starts, a measure of U.S. home-building, rose 6.3% in June from May, the Commerce Department said earlier this week. Residential permits, which can be a bellwether for future home construction, fell 5.1%.

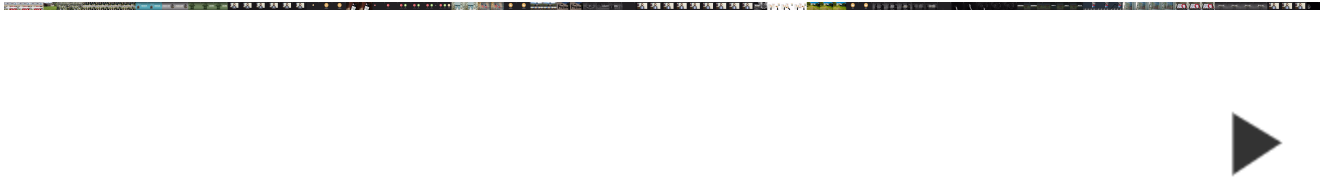
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**Write to** Nicole Friedman at [nicole.friedman@wsj.com](mailto:nicole.friedman@wsj.com)

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