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Austin Homes Selling 7% Above Asking Prices--The Biggest Premium in the U.S.

Homes in the Texas capital were selling for 1% below asking prices pre-pandemic. The reversal is driven in part by out-of-towners moving into Austin, driving up competition and prices.

SEATTLE, March 24, 2021 /PRNewswire/ -- (NASDAQ: RDFN) — The average home in the Austin metro sold for 7.1% above its asking price during the four weeks ending March 14, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. That's the biggest premium of the 47 metros included in Redfin's analysis of recent home sales, and it's up 8 percentage points from a year ago when the average Austin home sold for 0.9% *below* its asking price. It represents a larger year-over-year gain than any other metro.



Austin has had one of the hottest housing markets of the pandemic era, with the typical home selling for 23% more than the year before in February, and the typical home selling in 30 days—12 days faster than the year before.

"Nearly every offer my clients make faces competition, and most homes are going for more than 20% over asking price," said Austin Redfin agent April Miller. "I recently submitted an offer on behalf of a client for a remodeled three-bedroom, two-bathroom home listed at \$515,000. We offered \$100,000 over asking price and waived the appraisal and financing contingencies, and we still came in third out of 38 total offers. Every single potential buyer offered more than the asking price, and four of the offers were \$100,000 or more over."

Austin is perennially one of the most popular destinations for Redfin.com users looking to move from one metro area to another, and its popularity has skyrocketed over the last year. Nearly three times more out-of-towners looked to move into Austin in January than the year before. Affluent migrants are one reason for Austin's competitive market and soaring home prices. In Austin, the average out-of-towner had an \$852,500 homebuying budget in 2020, 32% higher than locals.

Nationwide, the average home in the U.S. sold for exactly 100% of its list price during the four weeks ending March 14—an all-time high. That compares with an average of 1.8% *below* its list price a year earlier. This is the first time the average U.S. home has sold for the

same as or above its list price since Redfin started tracking this data in 2016.

Homes in San Jose, Seattle, San Francisco and Sacramento are also selling for well above their asking prices

The average home in the San Jose metro sold for 5.5% above its asking price in the four weeks ending March 14, the second-biggest premium of the metros tracked by Redfin, after Austin. It's followed by Seattle (5.3% above asking), San Francisco (5%) and Sacramento (2.7%). Although some Bay Area remote workers are moving away from the region to more affordable parts of the country, residential neighborhoods in the San Jose and San Francisco metros remain competitive.

Austin, Seattle and Sacramento are also on the list of places with the largest increases in premiums above asking price. Seattle saw a 4.1 percentage-point gain, with homes selling for 5.3% above asking price in the four weeks ending March 14, compared with 1.2% above asking price a year earlier. Next come Buffalo, NY (4-point increase to 1.7% above asking price), Sacramento (3.1-point increase to 2.7% above asking price) and Providence, RI (3.1-point gain to 1.1% above asking price).

San Francisco is the only market that saw its premium decline. The typical San Francisco home sold for 5% above its asking price in the four weeks ending March 14, down from 6.4% above a year earlier. Even with the drop, San Francisco still has the fourth-highest premium of all the metros tracked by Redfin, as noted above.

The average home in the Miami metro sold for 4% *below* its asking price in the four weeks ending March 14, the biggest discount of the metros tracked by Redfin. Even so, Miami's housing market has been hot during the pandemic, particularly for high-end homes. Homes selling below their list price reflects market norms in the area.


Miami is followed by New Orleans (2.5% below asking), Pittsburgh (-2%), Orlando (-1.7%) and Chicago (-1.6%).

To view the full report, including additional metro-level data, please visit:
<https://www.redfin.com/news/austin-homes-selling-above-asking-price>

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