

# US home price growth soars to a new record

**Amanda Fung**

·Editor

Tue, July 27, 2021, 6:00 AM · 3 min read

Home price growth in the U.S. soared to a new record in May as the [housing market](#) continues to heat up.

[Standard & Poor's said Tuesday that its S&P CoreLogic Case-Shiller national home price index](#) posted a 16.6% annual gain in May, up from 14.8% in April — marking the highest reading in more than 30 years of data. It is also the 12th straight month of accelerating prices. The 20-City Composite posted a 17% annual gain, up from 15% a month earlier. The 20-City results surpassed analysts' expectations of a 16.3% annual gain, according to Bloomberg consensus estimates.

“Housing price growth set a record for the second consecutive month,” said Craig J. Lazzara, managing director and global head of index investment strategy at S&P Dow Jones Indices, in a press statement. “A month ago, I described April’s performance as 'truly extraordinary,' and this month I find myself running out of superlatives.”

The results were expected as low interest rates and historically low inventory continued to fuel home buying. Last week, the National Association of Realtors [reported that the median existing-home price for all housing types in June hit \\$363,300](#), the highest level recorded since January 1999.

“This month's S&P Case Shiller Index highlighted a housing market in full swing during May 2021, when strong demand and insufficient supply pushed home prices up at a record-breaking pace,” said Realtor.com Senior Economist George Ratiu in a statement prior to the results. “The combination of historically-low mortgage rates, business re-openings and the lifting of pandemic restrictions fueled a buying frenzy with multiple bids, price escalation clauses and contingency waivers. The summer buying season is fully underway, with many families seeking to take advantage of the current market and favorable financing to find their next home before the start of the school year.”

## **Home price growth not deterring buyers**

According to the index, home price growth was recorded in all 20 cities, and the gains in the 12 months ended in May exceeded the gains in the 12 months ended in April. Prices in 18 of the index's 20 cities now stand at all-time highs.

"The market's strength continues to be broadly-based," said Lazarra.

Once again Phoenix led the 20-City Composite, recording a 25.9% annual gain. The city has led the composite for two years now. San Diego and Seattle followed by posting 24.7% and 23.4% gains respectively.

"Despite home prices skyrocketing, the acceleration in home price growth has not deterred prospective buyers' desire for ownership," CoreLogic Deputy Chief Economist Selma Hepp said in a press statement prior to the results. "In fact, the number of homes selling over the asking price continues to rise with more than half of homes sold now closing above the original listing price."