



Share of Homes Bought With All Cash Hits 30% for First Time Since 2014

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Redfin analysis finds affluent American homebuyers benefit from a surging stock market and the flexibility to relocate to more affordable parts of the country

SEATTLE, July 15, 2021 /PRNewswire/ -- (NASDAQ: RDFN) — Nearly one-third (30%) of U.S. home purchases this year were paid for with all cash, according to an analysis from Redfin (www.redfin.com), the technology-powered real estate brokerage. That's up from 25.3% during all of 2020 and represents the largest share since 2014, when 30.6% of homes were purchased with all cash. Redfin analyzed county records published from January 2021 to April 2021.



Cash purchases are on the rise as Americans reap the benefits of a strong stock market. The S&P 500 Index has gained 36% in the past 12 months alone, as of July 14, 2021.

"I've never seen more cash in Boise's housing market than I've seen in the past year," said Shauna Pendleton, a Redfin real estate agent in Idaho. "I just sold a \$700,000 home to a cash buyer last week. The entire \$700,000 came from his E*Trade account."

Additionally, remote work has allowed homeowners in expensive cities, including San Francisco and New York, to sell their homes and move to less expensive areas, where they can often afford to buy properties in cash.

"Affluent homeowners in Seattle, Portland and parts of California are selling their homes for \$1 million or \$2 million," Pendleton said. "Then they're coming to Boise, where they're buying houses that are twice the size for half the price."

Investors, who often pay in cash, are wading back into the housing market after pressing pause at the onset of the pandemic. U.S. home purchases by investors rose 2.7% year over year in the first quarter, marking the first period of growth since the coronavirus pandemic began.

The rise in all-cash home purchases is posing challenges for many first-time and lower-income homebuyers, who are having trouble competing with cash offers. While competition is easing slightly, about two-thirds of home offers written by Redfin agents still face bidding wars.

In Parts of Florida, More Than Half of Homes That Have Sold This Year Were Bought With Cash

In the West Palm Beach, FL metro area, 52.6% of home purchases this year were paid for with all cash. That's the largest share of the 86 metropolitan areas in Redfin's analysis. Metros must have had at least 3,000 recorded home sales from Jan. 1, 2021 and April 30, 2021 to be included in this report. West Palm Beach was followed by Naples, FL (52.5%), Nassau County, NY (50.2%), North Port, FL (49.4%), Port St. Lucie, FL (46.2%), Greenville, SC (45.4%), Palm Bay, FL (44.1%), Cape Coral, FL (44.1%), Des Moines, IA (41%) and Jacksonville, FL (40.1%).

"Florida is a big second-home market, and second-home buyers often pay with cash," said Dina Blau, a Redfin real estate agent in the West Palm Beach area. "During the pandemic, folks also flocked to Florida to buy primary homes. They sold their houses in New York, New Jersey, Chicago or California and used the proceeds to pay cash for properties in Florida."

California Has Lowest Share of Cash Transactions

Expensive California metros, where it's more challenging to pay with cash because home prices are relatively high, were at the bottom of the list. In both San Jose, CA and Oakland, CA, 12.5% of reported home purchases this year used all cash—the lowest share of the metros Redfin analyzed. Next came Richmond, VA (16%), Los Angeles (16%), San Diego (16.2%), Lake County, IL (17.2%), Sacramento (17.7%), San Francisco (17.8%), Oxnard, CA (18%) and Bakersfield, CA (19.3%).

Still, buyers in California aren't out of the woods, according to Steven Moore, a Redfin real estate agent in Los Angeles.

"I recently put in a \$1.8 million offer on a home that was listed at \$1.7 million," Moore said. "The top 10 offers—out of 40 total—all came in at around \$2 million and were all cash."

To read the full report, complete with metro-level data and methodology, please visit: <https://www.redfin.com/news/all-cash-home-purchases-2021>.

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