

# Home Sellers Banking Record Profits

Those who sold their homes realized record amounts of profit not seen since the housing boom in the 2000s.

Two years ago before the pandemic, the average seller realized a profit of \$55,000 after selling their home. At the end of 2020, the average profit collected rose by 18% to \$64,931 and then by another 44% to \$94,092 at the end of 2021 for a total increase of 71% since before the pandemic hit.

This data comes from a new year-end report from [ATTOM](#), a California-based property information company, covering the state of home sales for the year.



All-in-all, the report found that home sale profits rose in 90% of all localities across the U.S. that have enough data to be statistically relevant; this is the highest levels recorded, topping previous highs last recorded in 2008.

“The \$94,092 profit on the median-priced home sale in 2021 represented a 45.3% return on investment (ROI) compared to the original purchase price, up from 33.6% last year and from 30.6% in 2019. The latest profit margin also stood out as the largest since at least 2008,” the report said. “Both raw profits and ROI have improved nationwide for 10 straight years. Moreover, last year’s gain in ROI—up nearly 12 percentage points—was the biggest annual increase since 2013.”

ATTOM also found that in spite of the ongoing pandemic, the median price of a home rose 16.9% in 2021 and now stands at \$301,000, another annual record. Since 2011, when the housing market was mired in the aftermath of the Great Recession of the late 2000s, the national median home price has now risen 109%.



The median price of a home rose to this level due to low interest rates and a “desire by many households to trade congested virus-prone areas for the perceived safety and wider spaces of a single-family home and yard” in more rural areas.

But signs are on the horizon that prices could begin to level off in 2022. ATTOM cites declining affordability, lower investor profits and rising foreclosure activity as evidence towards that

belief. This is in addition to the expected increase in interest rates by the Federal Reserve this spring.

“What a year 2021 was for home sellers and the housing market all around the U.S. Prices went through the roof, kicking profits and profit margins up at a pace not seen for at least a decade. All that happened as the virus pandemic raged on, which actually helped drive the increases instead of stifle them,” said Todd Teta, chief product officer at ATTOM. “Households that escaped job losses from the pandemic dove into the market, in large part as a response to the crisis. And the rising demand led the market boom onward. No doubt, there are warning signs that the surge could slow down this year. But 2021 will go down as one of the greatest years for sellers and one of the toughest for buyers.”

Cash sales have also become more prevalent throughout the last year. According to the report, all-cash purchases accounted for 30.3%, or one of every three single-family house and condo sales in 2021—the highest level since 2015. The latest figure was up from 22.8% in 2020 and from 25% in 2019, although still off the 38.5% peaks in 2011 and 2012.

While many record level highs were seen in 2021, one of those was not the amount of foreclosures. Foreclosure sales to lenders accounted for just 1.4%, or one of every 69 single-family home sales in 2021—the lowest level since at least 2005. The 2021 figure was down from 3.5% of sales, or one in 29, in 2020 and 5.1%, or one in 20, in 2019. This represents the lowest level of foreclosures seen in the last 16 years.