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San Jose Holds Its Ground as America's Priciest Housing Market

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— Categories: Real Estate

San Jose continues to lead the nation as the most expensive metro area for homebuyers, according to new 2025 data from SmartAsset, a financial technology company. With a median home price reaching $1,626,041 in May, the Silicon Valley city has retained its top spot for a second consecutive year. The report, which uses data from Zillow on single-family homes, condominiums, and co-ops in 100 major U.S. metros, paints a clear picture: California remains dominant in the high-end real estate market.

SmartAsset's analysis revealed that the five most expensive housing markets by median sale price in 2025 are all located in California. San Jose's price climb, though modest at 1.63% since May 2024, represents a 38.09% jump since 2020. Its location in a thriving tech corridor and its proximity to the coast make it a highly desirable area for affluent buyers.

"California has this really beautiful intersection of a really highly productive economy, and also just natural beauty that enables a really comfortable lifestyle for a lot of people," said Jaclyn DeJohn, SmartAsset's director of economic analysis. She explained that this appealing combination continues to attract buyers despite the hefty price tags.

California's Real Estate Surge

San Francisco, coming in second, has a median home price of $1,181,211. While that is slightly down by 2.38% from last year, the city's home values have risen 32.72% over the past five years. Los Angeles is next, with a current median price of $975,475, up slightly by 0.56% from 2024 and showing a strong five-year gain of 51.24%.

San Diego ranks fourth at $894,777, though prices dipped slightly by 0.58%. Oxnard, however, saw the largest year-over-year jump among California metros at 4.83%, bringing its median price to $880,544. These price movements reflect the ongoing demand across the state's coastal and economically active parts.

Outside California, the top ten list includes Seattle ($727,919), Honolulu ($724,470), Boston ($723,079), Bridgeport, Connecticut ($662,866), and New York City ($651,474). Notably, Honolulu recorded an 18.68% year-over-year price surge, while Bridgeport saw a 12.35% jump.

All ten metro areas experienced double-digit growth compared to 2020, with cities like Los Angeles, Boston, Bridgeport, and New York showing increases above 50%. This sustained price acceleration points to a deeper challenge in the U.S. housing market: high demand and limited inventory.

Even in cities where prices dipped slightly, long-term trends remain upward. The combination of limited housing stock, economic opportunity, and regional desirability continues to push prices higher, leaving many first-time buyers struggling to enter the market.

As high-cost metros remain out of reach for many Americans, the housing affordability crisis remains at the forefront of national economic concerns. Without meaningful increases in supply, home prices in the country's most desirable regions are unlikely to retreat anytime soon.