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**California, Hawaii and Massachusetts Have the Highest Share of Homeowners Who Would Benefit if Capital Gains Tax is Eliminated**

*Redfin reports 9 out of 10 homes in Anaheim, CA have gained more than \$250,000 in value, the most of any major metro*

SEATTLE — August 4, 2025 — More than one in four (25.9%) U.S. homes have gained at least \$250,000 in value since the last time they were purchased, while 8% have gained more than \$500,000. That’s according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. These are the upper and lower bounds of the potential share of homeowners who stand to benefit if the tax on capital gains from a home sale is eliminated—an idea currently being floated by President Trump and U.S. lawmakers.

Of the homes which have increased at least \$250,000 in value, the median gain is \$384,606—representing a potential tax liability of \$20,104 (using a 15% tax rate). For homes that have gained at least \$500,000 in value, the median gain is \$712,986—a potential tax liability of \$31,948.

U.S. Homes Potentially Impacted by Capital Gains Tax on Home Sales				
	Share of U.S. homes	Median capital gain	Tax liability on median capital gain (using 15% tax rate)	Median home value (Redfin Estimate)
Homes that have gained \$500,000+	8%	\$712,986	\$31,948	\$1,229,076
Homes that have gained \$250,000+	25.9%	\$384,026	\$20,104	\$720,111
Overall	N/A	\$144,543	\$0	\$385,700

This is according to an analysis of the current [Redfin Estimate](#) for U.S. homes, compared to their most recent sale price. The analysis provides a high-level estimate of who may benefit from a change in capital gain tax rules on home sales. Please note, however, that tax rules are complex and every homeowner’s circumstances are unique.

**Homeowners pay capital gains tax when they sell homes that have increased in value by at least \$250,000**

The typical U.S. home has gained \$144,543 in value since it was last purchased, meaning owners would not owe any capital gains tax if they sold it today.

That's because home sellers who lived in their home for at least two of the past five years can currently exclude up to \$250,000 in capital gains from their taxable income as a single filer, or up to \$500,000 as a couple filing jointly. Capital gains tax is paid at a rate of 0%, 15% or 20%—depending on income—with most people paying no more than 15%, according to the IRS.

For example, a couple who sells their primary residence for \$700,000 more than they paid for it 10 years ago would potentially owe capital gains tax on \$200,000—the amount above the \$500,000 exclusion for couples filing jointly. Using a 15% capital gains tax rate, that would project as a potential \$30,000 tax bill. (Note: Redfin's analysis does not take into account how home improvement costs and other offsets can also potentially reduce homeowners' capital gains tax burden.)

### **California, Hawaii and Massachusetts have the highest share of homeowners who stand to benefit if capital gains tax is scrapped**

The biggest potential beneficiaries of the capital gains tax being eliminated are homeowners who have already built considerable wealth through their property, and they mainly come from states where home prices are high and have increased quickly.

That starts with California—where the median home value is \$766,896 and the typical capital gain of *all* homes is \$332,659. Looking closer, 62.3% of Californian homes have gained at least \$250,000 since they were last sold—the highest share of any state. One in three (33%) have gained more than \$500,000.

<b>States With Highest Share of Homes Above Capital Gains Thresholds</b>				
	<b>Median home value (Redfin Estimate)</b>	<b>Share of homes that have gained \$250,000 in value since they were purchased</b>	<b>Share of homes that have gained \$500,000 in value since they were purchased</b>	<b>Median capital gain (all homes)</b>
California	\$766,896	62.3%	33%	\$332,659
Hawaii	\$834,015	61%	34.6%	\$338,346
Massachusetts	\$648,604	58.4%	20.8%	\$291,011
Washington	\$621,091	54.1%	19.4%	\$270,412
New Jersey	\$610,210	52.2%	15.4%	\$260,587

California homes are more likely to exceed capital gains thresholds partly because homes are more expensive there to begin with. Strong job markets and desirable climates have long kept demand high in multiple areas of the state—pushing the median price of homes over \$1 million in metros like [Los Angeles](#) and [San Francisco](#). On top of that, California’s Proposition 13—which can lock owners into low property-tax rates—has been a barrier for people to sell their homes. That means Californian homeowners typically stay in their homes [longer](#) than in other areas of the country, giving them more time to increase the size of their capital gain.

Compared to California, Hawaii has a slightly lower share of homes that have gained more than \$250,000 in value (61%), but a slightly higher share of homes that have gained \$500,000 (34.6%) and a higher overall median capital gain (\$338,346).

Massachusetts (58.4%), Washington (54.1%) and New Jersey (52.2%) round out the top 5 states with the highest share of homes that have gained at least \$250,000 in value since they were last sold.

More than one in five (20.8%) homes nationally that have gained over \$250,000 in value are from California—the highest share from any state. Next came Florida (12.1%), Massachusetts (7%), Washington (6.9%) and New Jersey (4.8%). California also has more than a third (35.6%) of homes nationally that have gained over \$500,000 in value.

“A lot of baby boomers say they [never plan to sell](#) their homes—but that mindset could shift if capital gains are taken off the table,” said Redfin Chief Economist [Daryl Fairweather](#). “With the financial barrier removed, [more may decide to sell](#) and either downsize or relocate, potentially freeing up housing inventory and putting downwards pressure on home prices. But it’s important to note that these homes are not starter homes, they are more likely to be million-dollar homes that are out of reach for most homebuyers. The impact of the tax break would also not be felt nationwide—it would disproportionately benefit wealthier homeowners from coastal states like California. Some states, especially in the South and Midwest, would see far less impact.”

### **Mississippi, North Dakota and Iowa have the lowest share of homeowners who stand to benefit if capital gains tax is scrapped**

In Mississippi, where the median home value is \$254,319, only 1.2% of homes have gained \$250,000 in value since they were last sold and just 0.1% have gained \$500,000. Those are the lowest shares among all states. Put a different way, only one out of every 100 Mississippi homes has gained enough value to cross the capital gains tax threshold for single filers, and virtually no homes have crossed the threshold for couples.

States With Lowest Share of Homes Above Capital Gains Thresholds				
	Median home value (Redfin Estimate)	Share of homes that have gained \$250k in value	Share of homes that have gained \$500k in value	Median capital gain (all homes)

Mississippi	\$254,319	1.2%	0.1%	\$78,161
North Dakota	\$308,628	2.2%	0.1%	\$82,962
Iowa	\$238,295	2.4%	0.3%	\$68,697
Oklahoma	\$228,002	3.1%	0.4%	\$84,164
Wyoming	\$321,499	3.4%	0.2%	\$80,060

North Dakota, Iowa, Oklahoma and Wyoming round out the five states with the lowest share of homes that have gained enough value to trigger the capital gains tax.

### **Nine out of 10 homes in Anaheim have gained more than \$250,000 in value, leading all major metros**

Californian markets dominate the list of major metros where homeowners would benefit most from a repeal of the capital gains tax, taking the top six positions.

In Anaheim, incorporating much of Orange County, south of Los Angeles, nearly nine out of ten (89.4%) homes have gained more than \$250,000 in value since they were last sold. That's the highest share among the top 50 most populous U.S. metro areas.

<b>Major Metros With Highest Share of Homes Above Capital Gains Thresholds</b>				
	<b>Median home value (Redfin Estimate)</b>	<b>Share of homes that have gained \$250k in value</b>	<b>Share of homes that have gained \$500k in value</b>	<b>Median capital gain (all homes)</b>
Anaheim, CA	\$1,244,988	89.4%	68.1%	\$681,538
San Jose, CA	\$1,655,606	85.5%	71.3%	\$851,052
San Diego, CA	\$967,998	80.4%	50.3%	\$502,777
Los Angeles, CA	\$913,534	80.3%	49.5%	\$496,162
San Francisco, CA	\$1,572,937	77.7%	63.2%	\$704,305
Oakland, CA	\$989,490	72.8%	45.1%	\$453,400

Next comes San Jose, where 85.5% of homes have gained at least \$250,000 in value and 71.3% of homes have gained at least \$500,000—the latter share leading all major metros. The median

capital gain in the tech-driven Bay Area metro is \$851,052, also the highest among the major metros.

San Diego, Los Angeles, San Francisco and Oakland round out the top six metros.

In Detroit, only 5.1% of homes have gained \$250,000 in value since they were last sold, with just 0.4% having gained \$500,000—the lowest shares among major metros.

<b>Major Metros With Lowest Share of Homes Above Capital Gains Thresholds</b>				
	<b>Median home value (Redfin Estimate)</b>	<b>Share of homes that have gained \$250k in value</b>	<b>Share of homes that have gained \$500k in value</b>	<b>Median capital gain (all homes)</b>
Detroit, MI	\$224,349	5.1%	0.4%	\$84,733
Philadelphia, PA	\$254,798	6.3%	0.9%	\$108,271
Indianapolis, IN	\$299,786	7.2%	0.7%	\$113,031
San Antonio, TX	\$305,604	7.4%	0.9%	\$87,388
Cleveland, OH	\$253,142	8.4%	0.7%	\$110,273

Next comes Philadelphia, Indianapolis, San Antonio, TX and Cleveland.

### **Single family homes more likely to have gained enough value to trigger capital gains tax**

Owners of single family homes are more likely than owners of other property types to benefit if the capital gain tax was removed, with 28% having gained at least \$250,000 in value and 8.6% having gained at least \$500,000.

	<b>Share of homes that have gained \$250k in value</b>	<b>Share of homes that have gained \$500k in value</b>	<b>Median capital gain (all homes)</b>
Single Family	28%	8.6%	\$153,683
Condo/Co-op	13.6%	3.7%	\$99,435
Townhouse	15%	3%	\$122,964

In comparison, 15% of townhouses and 13.6% of condos have gained \$250,000 in value since last sold.

To view the full report, including charts and additional metro-level data, please visit:  
<https://www.redfin.com/news/capital-gains-2025>

### **About Redfin**

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

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### **Contact Redfin Journalist Services:**

Angela Cherry  
[press@redfin.com](mailto:press@redfin.com)