



AI Surge Sees 44 Luxury Homes in San Francisco Sell for Over £1M Above Asking Price

Description

The rapid growth of artificial intelligence (AI) is creating intense competition for luxury homes in the San Francisco Bay Area. In June, 44 properties sold for over \$1 million above their asking prices, a sign of escalating demand in the high-end housing market.

Mike Simonsen, chief economist at Compass International Holdings, highlighted this trend in a recent analysis of multiple listing service (MLS) data. The 44 homes sold last month amounted to over \$60 million in total sales, continuing a pattern observed in previous months. April and May recorded slightly more than 30 transactions at similar price premiums, while March had 20 such sales totaling approximately \$30 million. This marks a significant shift from the period between February 2024 and February 2026, where sales above \$1 million were infrequent, indicating a surge in bidding wars.

Most notably, the luxury homes fetching more than \$1 million above their asking prices were concentrated in the 94114 postal code, which includes high-demand neighborhoods such as The Castro and Noe Valley. The success of AI businesses has fuelled interest in the area, thus sustaining the upward momentum in property demand.

Joel Berner, senior economist at Realtor.com, remarked that the current market functions as a "seller's market," with properties selling 18% more quickly than at the same time last year. Despite an overall median listing price decline of 4.9%, Berner indicated that the luxury sector is witnessing greater price growth, driven by buyers' increased purchasing power associated with the ongoing AI boom.

Given the high costs of land and stringent building regulations in San Francisco, experts believe that new construction is unlikely to alleviate the supply constraints. Therefore, the market is expected to remain competitive, with rising prices likely in the foreseeable future.

Vocabulary List:

1. **escalating** //ˈɛskəˌleɪtɪŋ// (adjective): getting larger or more serious over time
2. **surge** //sɜːdʒ// (noun): a sudden large increase or rise
3. **concentrated** //ˈkɒnsənˌtreɪtɪd// (adjective): located mostly in one small area
4. **constraints** //kənˈstreɪnts// (noun): limits that stop or slow progress
5. **alleviate** //əˈlɪvɪˌeɪt// (verb): make something less severe or difficult
6. **median** //ˈmiːdiən// (noun): the middle value in a list of numbers



Comprehension Questions

Multiple Choice

1. How many properties sold for over \$1 million above their asking prices in June?
Option: 30
Option: 44
Option: 50
Option: 20
2. What was the total sales amount for the 44 homes sold last month?
Option: \$30 million
Option: \$60 million
Option: \$44 million
Option: \$50 million
3. Which postal code was noted for having a concentration of luxury homes sold above \$1 million?
Option: 94103
Option: 94114
Option: 94110
Option: 94109
4. Who is the chief economist at Compass International Holdings?
Option: Joel Berner
Option: Mike Simonsen
Option: Tom Hanks
Option: Robert Brown
5. What percentage more quickly are properties selling compared to last year?
Option: 10%
Option: 15%
Option: 18%
Option: 25%
6. What was the overall median listing price decline?
Option: 4.2%



- Option: 3.5%
- Option: 5.1%
- Option: 4.9%

True-False

7. The AI boom has negatively impacted the demand for luxury homes in San Francisco.
8. Sales above \$1 million were infrequent between February 2024 and February 2026.
9. Joel Berner is associated with Compass International Holdings.
10. The luxury housing market is currently functioning as a buyer's market.
11. Experts believe that new construction will help alleviate supply constraints in San Francisco.
12. April and May recorded slightly more than 30 transactions at similar price premiums.

Gap-Fill

13. In June, _____ properties sold for over \$1 million above their asking prices.
14. The total sales for the 44 homes amounted to over \$ _____ million.
15. Properties are selling _____ % more quickly than last year.
16. The luxury homes selling for over \$1 million above their asking prices were primarily located in the _____ postal code.
17. The overall median listing price decline was _____ %.
18. Experts believe new construction is _____ to alleviate supply constraints in San Francisco.

Answer

Multiple Choice: 1. 44 2. \$60 million 3. 94114 4. Mike Simonsen 5. 18% 6. 4.9%
True-False: 7. False



8. True 9. False 10. False 11. False 12. True

Gap-Fill: 13. 44 14. 60 15. 18 16. 94114 17. 4.9 18. unlikely

CATEGORY

1. Business - LEVEL6

POST TAG

1. AI
2. C2
3. ESL learning
4. esl news
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6. luxury homes
7. real estate
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