



Four New Metro Areas Reach Full Home Price Recovery

December 12, 2019

Improvement continues, but 21 major metro areas still have value gaps from the previous boom-era high

Foster City, CA, December 12, 2019 - [HSH.com](https://www.hsh.com), a trusted online resource for mortgage data, content and expertise, has released its latest quarterly [Home Price Recovery Index](#), an analysis of the nation's top 100 metropolitan housing markets. The housing market report shows about 80% of home prices are at previous boom-era peaks, while others have not yet recovered their lost value from the Great Recession.

The study examines home values in the largest 100 metropolitan areas from 1991 through the third quarter of 2019. A faster-rising pace of home prices in many metros during the latest quarter enabled four metro areas to reach values last seen during boom-era peaks more than 13 years ago. Those are:

- *Sacramento-Roseville-Folsom CA*
- *Oxnard-Thousand Oaks-Ventura CA*
- *Miami-Miami Beach-Kendall FL*
- *Fort Lauderdale-Pompano Beach-Sunrise FL*

However, despite years of economic expansion and improving real estate markets, 21 of the nation's most populated metro areas have not seen values recover to previous highs. Even if gains in value accelerate, some markets seem unlikely to reach recovery in the current economic and housing cycle.

HSH.com's "Home Price Recovery Index" uses the Federal Housing Finance Agency's (FHFA) Home Price Index for insight on housing markets values. By this reference, 87 of the 100 largest metro areas enjoyed quarter-to-quarter increases in home values, and no metros report any decline in value when compared against the same period a year ago. But there is a danger sign with price gains becoming uneven, since 13 metro areas are showing lower values in the third quarter of 2019, compared to the second quarter.

| Areas with greatest pricing recovery | Percent value now above "boom era" price peak |
|--------------------------------------|---|
| 1. Denver-Aurora-Lakewood, CO | 93.48% |
| 2. Austin-Round Rock-Georgetown, TX | 81.23% |
| 3. Dallas-Plano-Irving, TX | 74.39% |
| Areas with largest recovery gaps | Percent increase needed to regain price peak |
| 1. Bakersfield, CA | 21.74% |
| 2. Cape Coral-Fort Myers, FL | 16.61% |
| 3. Camden, NJ | 16.51% |

It is important to note that many markets have seen significant price recoveries since hitting their bottom values, but that many still have not fully recovered the lost value. In fact, there are still five metro areas where this is the case, despite a doubling or more of 'bust-era' bottom home values. Two of those remain in the group with the largest value gap yet to close.

| Areas nearing recovery | Percent increase needed to regain price peak |
|--------------------------------------|--|
| 1. Tucson, AZ | 0.56% |
| 2. North Port-Sarasota-Bradenton, FL | 1.63% |

| | |
|---|-------|
| 3. Frederick-Gaithersburg-Rockville, MD | 2.14% |
|---|-------|

Important takeaways

- **Lower mortgage rates have helped re-ignite home price gains.** Faster home price increases pushed four new markets into the recovered ranks in the third quarter, a number greater than in the last three quarters combined. Sixty-one markets now have values that are more than 10% above previous peaks. A year ago, that number was 54.
- **Only seven metros still have double-digit value gaps yet to fill.** A year ago, all of the markets furthest away from full recovery had gaps of no less than 11%, with the largest difference over 27%. With home prices on an upward march for most areas, only seven markets now have chasms greater than 10%, with the largest just under 22% in Bakersfield, CA and the smallest just over 7% in the Chicago-Naperville-Evanston metro area.
- **There were no new entrants into the most-recovered group.** Stronger price gains in Texas saw two metros elbow their way up the ranks, with the Dallas-Plano-Irving and Fort Worth-Arlington-Grapevine TX metros moving up to the #3 and #4 slots, pushing the San Francisco-San Mateo-Redwood City metro to the #5 position. Another Texas market (San Antonio-New Braunfels) also climbed a spot in rank, moving to #8.
- **With a value gap of 7.34% yet to fill, the Chicago-Naperville-Evanston metro area slid into the #10 slot of the group with the largest gaps between previous peak and current values.** This area experienced a 0.45% decrease in value in the third quarter even as other markets that have not yet recovered saw gains. For example, the Lake County (IL)-Kenosha County (WI) metro saw values increase by 2.57% in the period, vaulting it out of the bottom group.

See the full analysis here: <https://www.hsh.com/finance/real-estate/home-price-recovery.html>

Homeowners interested in seeing how their home's value has changed over time are encouraged to use HSH.com's free "[Home Value Estimator](#)." The tool allows users to select their market from 100 metropolitan areas and enter the time frame in which they've owned their home; changes in the home's value during this ownership period are revealed and a current price estimate based on housing cost trends in the selected metro area is provided.

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