



Home Prices Rising, But 21 Metros Still Show Value Gaps from Boom-Era Prices

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For some metros, years of price recovery hasn't proven sufficient

FOSTER CITY, Calif., March 12, 2020 /PRNewswire/ -- [HSH.com](https://www.hsh.com) releases today its latest "[Home Price Recovery Index](https://www.hsh.com)," (HPRI), a quarterly analysis of changing home values in the nation's top 100 metropolitan housing markets. Developed by HSH, a premiere consumer destination for mortgage information and rate shopping since 1979, HPRI reveals markets with home prices at or above previous "boom era" peaks and those that have not yet completely recovered lost value.

The latest study examines home values in the largest 100 metropolitan areas from 1991 through the fourth quarter of 2019. Although home prices are rising broadly, increases in value remain uneven. As such, value gaps in many areas continue to narrow but no new markets joined the ranks of the recovered in the latest quarter, and some markets seem unlikely to reach recovery in the current economic and housing cycle. However, there is a group of markets that stand a good chance to move into the black in the next quarter or two.

[HSH.com](https://www.hsh.com)'s "Home Price Recovery Index" uses the Federal Housing Finance Agency's (FHFA) Home Price Index for insight on housing market values since the last decade. By this reference, 87 of the 100 largest metro areas saw quarter-to-quarter increases in home values, but 13 metros did show lower values in the fourth quarter of 2019 compared to the third.

In addition, three markets (Elgin IL, Charleston-North Charleston SC and El Paso, TX) saw home values that were lower in the fourth quarter when compared against year-ago levels, up from just one such market in the third quarter. These markets appear to be cooling a bit.

Areas with greatest pricing recovery	Percent value now above "boom era" price peak
1. Denver-Aurora-Lakewood, CO	97.71%
2. Austin-Round Rock-Georgetown, TX	85.82%
3. Dallas-Plano-Irving, TX	75.50%

It is important to note that many markets have seen significant price recoveries since hitting their bottom values but many have still not attained full recovery of lost value. In fact, there are still five metros areas where this is the case despite a doubling or more of "bust era" bottom home values, and two (Cape Coral-Cape Myers, FL and Stockton, CA) remain in the group with the largest value gaps yet.

Areas with largest recovery gaps	Percent increase needed to regain price peak
1. Bakersfield, CA	21.13%
2. Bridgeport-Stamford-Norwalk, CT	15.90%
3. Cape Coral-Fort Myers, FL	15.27%

Although increases in home values in the fourth quarter weren't strong enough to move any new markets into the black, home price gains are improving the fortunes of those next in line, making it a virtual certainty that another group will join the recovered ranks soon.

Areas nearing recovery	Percent increase needed to regain price peak
1. Frederick-Gaithersburg-Rockville, MD	0.22%
2. North Port-Sarasota-Bradenton, FL	0.86%
3. Wilmington, DE	0.97%

Important takeaways

- **Lower and still falling mortgage rates are re-igniting home price gains.** 64 markets now have values that are more than 10% above previous peak, a figure up from 61 just a quarter ago, and an increase of 7 metros compared against the fourth quarter of 2018.
- **Only eight metro areas still have double-digit value gaps yet to fill.** Better still, the size of the gaps in the markets with the greatest chasms continues to shrink. Two markets in the group with the largest recovery gaps have only single-digit value gaps to cover, and the market with the largest gap (Bakersfield, CA) has seen its gap shrink from 24.34% last year to 21.13% in the latest review, so progress is being made, if slowly.
- **There were no new entrants in to the "most recovered" group.** However, stronger price gains in the Colorado Springs CO and Buffalo NY metro areas pushed San Antonio TX from its #8 slot in the "most recovered" group to #10. In the top group, no market has seen home values increase by less than 50% since their respective bottoms.
- **Although no new markets hit "escape velocity" this quarter, a total of six seem poised to do so in the next quarter or two.** Three are shown in the table above; the three others can be seen in the analysis which accompanies the content on HSH.
- **The ranks of the markets with the largest gaps to fill were shuffled a bit in the fourth quarter.** After dropping in during the 3Q19 ranking, the Chicago-Naperville-Evanston IL metro stepped back out in Q4, replaced by the Lake County-Kenosha County IL/WI metro. As noted, Bakersfield, CA retained the top spot and five others swapped positions in the remaining nine slots.

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](#)" tool. It allows users to select their market from 100 metropolitan areas and enter the time frame in which they've owned their home; the tool reveals changes in the home's value during this ownership period and provides a current price estimate based on housing cost trends in the selected metro area.

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