

# Home price recovery index: Which metros have improved the most, least?

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Even after years have passed since last decade's boom and bust, at least some homeowners in 25 major metropolitan have not yet seen their homes recover peak values reached during the previous boom. With home price gains cooling in a number of areas and with concerns about slowing economic growth filling the headlines, it's beginning to seem likely that a fair number of markets simply won't see strong enough price gains to reach

complete recovery before the next economic downturn softens home values.

HSH.com's **Home Price Recovery Index** uses the Federal Housing Finance Agency's (FHFA) Home Price Index as a basis to determine which housing markets have fully recovered (or more) and which still lag behind the housing recovery. The time period represented begins with the first quarter of 1991 and runs through the second quarter of 2019.

## Quarterly update:

Home price gains have turned decidedly cooler in the last few quarters, and despite lower mortgage rates helping to promote home sales, that was the case again in the second quarter of 2019. For the second quarter in a row, only one metro area has climbed out of the ranks of the unrecovered, with the Orlando-Kissimmee-Sanford, FL metro area bringing the total number of fully-recovered markets to 75.

Of course, that leaves 25 major metro areas where at least some homeowners are still waiting for market-based price appreciation to reflate the value of their home back to the original purchase price. While markets of course appreciate at different speeds, gains have been hard to come by overall, and in the last three quarters (4Q18 to 2Q19) additions to the positive side of the ledger have totaled zero, one and one over those time periods.

That's not to say there have been no improvements over that time, as there continue to be shuffling among the ranks. For example, A robust quarterly gain in price in the Colorado Springs, CO metro saw it rise into the ranks of the markets most above

boom-era price peaks, and this metro now has a home value that is some 45.77% above its former 2007 high water mark. All other nine slots in the "most recovered" group remained unchanged from the first quarter.

There was rather more movement in the ranks of those markets that yet have the greatest gap to cover to reach recovery. Although conditions generally continue to improve for this least fortunate group, there was some quarter-to-quarter backsliding in the second quarter, so the value gap got a little larger for metros like Camden, NJ (was 13.13% below peak in the first quarter and is now 16.11% below in the second), Lake County (IL)/Kenosha County (WI) metro (was -7.43%, now -9.06%) and Elgin, IL (was -9.18%, now -10.60%) among others. Bakersfield, CA still retains the widest gap, currently 24.57% and closing slowly, followed by the Cape Coral-Fort Myers, FL metro area with a 18.49% deficit.

In fact, there were quarter-to-quarter value declines in 21 metropolitan areas compared against the first quarter of 2019, and the median quarter-to-quarter price increase was just 0.82%. Compared to a the same quarter a year ago, the median price increase was 3.22%, but price moves ranged from -0.92% (Frederick-Gaithersburg-Rockville, MD metro) to +8.84% in Boise City, ID.

As we've noted before, it's amazing to see that **there are six metro areas where home values have climbed by more than 100 percent** -- that is, more than doubled -- their low-water mark values **but still have yet to achieve full recovery**. One of them is literally the second farthest away from full recovery despite this -- the Cape Coral-Fort Myers, FL (up 102.88% from a 2011 bottom but still 18.49% away recovering the lofty values set at peak in mid-2006), Stockton, CA (+120.57%, but still 14.58% away), Las Vegas-Henderson-Paradise, NV (+149.81%), Riverside-San Bernardino (+100.80%), North Port-Sarasota-Bradenton, FL (+100.90%) and Sacramento-Roseville-Folsom, CA (+104.55%) -- a market now just 0.14% away from becoming fully recovered from 14 and a half years after reaching a boom-era price peak in the fourth quarter of 2005.

Although we are starting to see some reports that home price gains are cooling -- we noted three markets where values in the second quarter of 2019 were lower than they were in 2Q18, value gains should be strong enough for a while to push at least a few more markets into fully-recovered territory as the year progresses.

Our "nearly recovered" group contains those areas with current values only about two percent below previous highs and who are likely to be next in line to hit "fully recovered" in the next quarter or so. These include the aforementioned Sacramento-Roseville-Folsom, CA, and the metro areas of Oxnard-Thousand Oaks-Ventura, CA, Miami-Miami Beach-Kendall, FL and Fort Lauderdale-Pompano Beach-Sunrise, FL. Seventeen markets are within 10% of reaching full recovery and some of them have a good chance of making it should the economic expansion continue and prices rise for another year or two.

For example, take the New Haven-Milford CT metro, which had the strongest year-over-year gain of our group with the biggest value cap yet to cover. The 3.62% year-

over-year increase in value would need to be repeated in each of the next four years (so until 2023) before this metro reaches fully-recovered status. Of course, there is no guarantee that this will happen, and any slowing of increases in value in the coming years would lengthen this time horizon.

We only review trough-to-peak for each market in our evaluation, so your local experience in price changes from when you purchased your home to now will of course be different. To see what's happened with home prices during the time you've owned your home, check our [home value estimator, MyHPI](#). To see where you are in your mortgage, use our [mortgage amortization calculator](#). The combination of price increase and your retirement of the amount you owe may see with a larger equity stake than you think. As well, if you're interested in how much equity you've got in your home or are looking to pursue a future home equity goal, you'll want to check out our [Home Equity Calculator and Projector](#).

### 10 metro areas that have recovered the most

Metro Area	Peak high value	Post-peak Low value	Current value	Amount now above prev peak
Denver-Aurora-Lakewood, CO	275.30	253.32	525.70	90.96%
Austin-Round Rock-Georgetown, TX	268.25	258.99	486.64	81.41%
San Francisco-San Mateo-Redwood City, CA (MSAD)	276.19	213.68	479.16	73.49%
Dallas-Plano-Irving, TX (MSAD)	171.69	164.88	295.70	72.23%
Fort Worth-Arlington-Grapevine, TX (MSAD)	168.69	160.59	282.74	67.61%
Nashville-Davidson--Murfreeseboro--Franklin, TN	223.61	196.34	359.90	60.95%
Houston-The Woodlands-Sugar Land, TX	200.25	193.89	317.49	58.55%
Buffalo-Cheektowaga, NY	145.94	145.55	220.64	51.19%
San Antonio-New Braunfels, TX	215.42	199.06	324.56	50.66%
Colorado Springs, CO	260.09	215.43	379.14	45.77%

## 10 metro areas that have recovered the least

It is important to note that many markets -- even the 10 that still remain the furthest from their boom-year price peaks -- have seen significant price recoveries since hitting their bottom values. However, home prices in areas like Bakersfield, CA may have been inflated to such a degree that even when they return to a "normal" value they may still be well below their previous price peak.

For example, despite more than a 120 percent rise from the metro's lowest value (a figure reached in the fourth quarter of 2011), there is still a gap of over 14 percent yet to go in the Stockton (CA) metro. There are plenty of other markets with a similar tale to tell, and places where the home price recovery is happening at a much slower pace.

*It's important to note that even in markets that have not yet returned to previous peaks, it's not as though borrowers have no equity in their homes.* Underwater or no- or low-equity situations might only exist for a relatively small slice of properties purchased during peak pricing times of last decade's boom.

For example, if someone purchased a home in the Sacramento, CA metro area *before the second quarter of 2005*, our calculations suggest that the value of your home has recently risen to or is now slightly above its original purchase price. This is also the case if the home was purchased when prices had begun to decline, in this case *after the third quarter of 2005*. **In this metro, only homes purchased in this one-quarter window have yet to reclaim their original purchase value.**

In either case, years of making regular payments should also by now give the homeowner a considerable equity stake. In the case of a home purchased in early 2005 (and assuming no refinance of the mortgage) the homeowner would have paid off about 30 percent of their original loan balance by now; for a home purchased early in 2006, about 27 percent of the loan amount will have been retired by now. This calculation doesn't include any downpayment the homeowner may have made, so the equity stake would be increased by that amount. In the case of a pre-2Q05 purchase, the homeowner would likely have a minimum 32 percent equity stake.

Similar experiences should be seen in other markets, too. Also, as home prices generally continue to increase over time, this "yet unrecovered time period" will continue to narrow. For example, in Sacramento, this time period has shrunk by three quarters over the last year alone.

Metro Area	Peak high value	Post-peak Low value	Current value	Amount still below peak value
Bakersfield, CA	251.81	117.69	202.15	24.57%

Metro Area	Peak high value	Post-peak Low value	Current value	Amount still below peak value
Cape Coral-Fort Myers, FL	317.20	131.95	267.70	18.49%
Camden, NJ (MSAD)	224.04	163.72	192.04	16.66%
New Haven-Milford, CT	201.65	153.42	174.83	15.34%
Bridgeport-Stamford-Norwalk, CT	241.59	182.25	210.68	14.67%
Stockton, CA	274.38	108.57	239.47	14.58%
Fresno, CA	272.78	136.94	242.69	12.40%
Elgin, IL (MSAD)	200.55	129.47	181.33	10.60%
Lake County-Kenosha County, IL-WI (MSAD)	208.78	139.78	191.43	9.06%
Hartford-East Hartford-Middletown, CT	173.21	144.69	159.97	8.28%

## How has the value of YOUR home changed?

HSH.com has developed a tool that allows you to see how the price change in your market has affected the value of your home. With our **“Home Value Estimator,”** you select your market and the time frame in which you have owned your home to estimate how the changes in your market have impacted your home’s value. If your market still hasn’t fully recovered and you think your home is still underwater, find out when you’ll have positive home equity again with our [KnowEquity When](#) calculator.

Neither most nor least: 80 more metro areas

Here's a look at the remaining 80 metro areas from the FHFA's HPI list.

Metro Area	Peak high value	Post-peak Low value	Current value	Amount still below peak value	Amount now above prev peak
Akron, OH	177.46	142.1	203.48	n/a	14.66%

<b>Metro Area</b>	<b>Peak high value</b>	<b>Post-peak Low value</b>	<b>Current value</b>	<b>Amount still below peak value</b>	<b>Amount now above prev peak</b>
<b>Albany-Schenectady-Troy, NY</b>	184.18	168.2	202.74	n/a	10.08%
<b>Albuquerque, NM</b>	238.62	188.78	243.68	n/a	2.12%
<b>Allentown-Bethlehem-Easton, PA-NJ</b>	204.97	152.2	193.6	5.87%	n/a
<b>Anaheim-Santa Ana-Irvine, CA (MSAD)</b>	287.84	197.13	324.93	n/a	12.89%
<b>Atlanta-Sandy Springs-Alpharetta, GA</b>	199.93	139.42	268.07	n/a	34.08%
<b>Baltimore-Columbia-Towson, MD</b>	269.66	206.69	259.09	4.08%	n/a
<b>Baton Rouge, LA</b>	229.45	213.34	276.98	n/a	20.71%
<b>Birmingham-Hoover, AL</b>	213.57	176.01	260.42	n/a	21.94%
<b>Boise City, ID</b>	296.85	163.52	421.54	n/a	42.00%
<b>Boston, MA (MSAD)</b>	269.1	221.67	327.09	n/a	21.55%
<b>Cambridge-Newton-Framingham, MA (MSAD)</b>	257.81	213.16	321.26	n/a	24.61%
<b>Charleston-North Charleston, SC</b>	285.93	202.98	387.83	n/a	35.64%
<b>Charlotte-Concord-Gastonia, NC-SC</b>	195.44	159.35	273.73	n/a	40.06%
<b>Chicago-Naperville-Evanston, IL (MSAD)</b>	238.79	160.12	223.59	6.80%	n/a
<b>Cincinnati, OH-KY-IN</b>	179.66	149.6	220.73	n/a	22.86%
<b>Cleveland-Elyria, OH</b>	173.64	135.68	190.58	n/a	9.76%
<b>Columbia, SC</b>	187.25	161.24	221.43	n/a	18.25%
<b>Columbus, OH</b>	180.56	159.36	256.18	n/a	41.88%

<b>Metro Area</b>	<b>Peak high value</b>	<b>Post-peak Low value</b>	<b>Current value</b>	<b>Amount still below peak value</b>	<b>Amount now above prev peak</b>
<b>Dayton-Kettering, OH</b>	156.04	125.88	179.14	n/a	14.80%
<b>Detroit-Dearborn-Livonia, MI (MSAD)</b>	207.83	112.68	219.93	n/a	5.82%
<b>El Paso, TX</b>	195.32	167.51	207.74	n/a	6.36%
<b>Fort Lauderdale-Pompano Beach-Sunrise, FL (MSAD)</b>	352.56	176.59	345.44	2.06%	n/a
<b>Frederick-Gaithersburg-Rockville, MD (MSAD)</b>	279.52	205.85	268.81	3.98%	n/a
<b>Gary, IN (MSAD)</b>	186.47	158.73	223.04	n/a	19.61%
<b>Grand Rapids-Kentwood, MI</b>	185.76	139.52	265.61	n/a	42.99%
<b>Greensboro-High Point, NC</b>	168.08	144.27	195.26	n/a	16.17%
<b>Greenville-Anderson, SC</b>	193.38	173.66	274.95	n/a	42.18%
<b>Indianapolis-Carmel-Anderson, IN</b>	160.64	145.77	226.49	n/a	40.99%
<b>Jacksonville, FL</b>	300.92	181.97	324.63	n/a	7.88%
<b>Kansas City, MO-KS</b>	200.89	164.7	268.16	n/a	33.49%
<b>Knoxville, TN</b>	206.24	178.37	262.29	n/a	27.18%
<b>Las Vegas-Henderson-Paradise, NV</b>	269.05	100.35	250.68	7.33%	n/a
<b>Little Rock-North Little Rock-Conway, AR</b>	191.2	181.25	219.43	n/a	14.76%
<b>Los Angeles-Long Beach-Glendale, CA (MSAD)</b>	276.98	166.38	308.7	n/a	11.45%
<b>Louisville/Jefferson County, KY-IN</b>	200.65	186.98	267.45	n/a	33.29%
<b>Memphis, TN-MS-AR</b>	176.19	144.58	210.48	n/a	19.46%
<b>Miami-Miami Beach-Kendall,</b>	419.63	214.54	414.44	1.25%	n/a

<b>Metro Area</b>	<b>Peak high value</b>	<b>Post-peak Low value</b>	<b>Current value</b>	<b>Amount still below peak value</b>	<b>Amount now above prev peak</b>
<b>FL (MSAD)</b>					
<b>Milwaukee-Waukesha, WI</b>	236.01	189.65	267.57	n/a	13.37%
<b>Minneapolis-St. Paul-Bloomington, MN-WI</b>	264.41	189.04	303.77	n/a	14.89%
<b>Montgomery County-Bucks County-Chester County, PA (MSAD)</b>	213.25	183.97	231.63	n/a	8.62%
<b>Nassau County-Suffolk County, NY (MSAD)</b>	301.84	237.4	316.02	n/a	4.70%
<b>New Orleans-Metairie, LA</b>	265.06	223.02	317.58	n/a	19.81%
<b>New York-Jersey City-White Plains, NY-NJ (MSAD)</b>	274.5	221.5	294.51	n/a	7.29%
<b>Newark, NJ-PA (MSAD)</b>	271.32	206.36	261.73	3.66%	n/a
<b>North Port-Sarasota-Bradenton, FL</b>	343.99	161.73	324.96	5.86%	n/a
<b>Oakland-Berkeley-Livermore, CA (MSAD)</b>	308.92	163.07	366.59	n/a	18.67%
<b>Oklahoma City, OK</b>	201.71	193.37	265.72	n/a	31.73%
<b>Omaha-Council Bluffs, NE-IA</b>	201.38	181	268.9	n/a	33.53%
<b>Orlando-Kissimmee-Sanford, FL</b>	287.95	142.92	292.97	n/a	1.74%
<b>Oxnard-Thousand Oaks-Ventura, CA</b>	285.18	172.81	281.96	1.14%	n/a
<b>Philadelphia, PA (MSAD)</b>	239.07	204.51	292.89	n/a	22.51%
<b>Phoenix-Mesa-Chandler, AZ</b>	341.63	162.07	365.15	n/a	6.88%
<b>Pittsburgh, PA</b>	179.62	174.99	261.36	n/a	45.51%
<b>Portland-Vancouver-Hillsboro, OR-WA</b>	337.45	248.6	464.76	n/a	37.73%

Metro Area	Peak high value	Post-peak Low value	Current value	Amount still below peak value	Amount now above prev peak
Providence-Warwick, RI-MA	243.17	178.09	249.65	n/a	2.66%
Raleigh-Cary, NC	200.28	176.65	278.12	n/a	38.87%
Richmond, VA	240.2	184.18	277.01	n/a	15.32%
Riverside-San Bernardino-Ontario, CA	272.73	127.87	256.63	6.27%	n/a
Rochester, NY	139.3	134.73	175.35	n/a	25.88%
Sacramento-Roseville-Folsom, CA	257.96	125.94	257.61	0.14%	n/a
Salt Lake City, UT	354.07	262.9	487.91	n/a	37.80%
San Diego-Chula Vista-Carlsbad, CA	299.68	188.25	332.9	n/a	11.09%
San Jose-Sunnyvale-Santa Clara, CA	289.25	197.84	413.75	n/a	43.04%
Seattle-Bellevue-Kent, WA (MSAD)	297.37	203.82	418.94	n/a	40.88%
St. Louis, MO-IL	211.81	173.53	242.31	n/a	14.40%
Syracuse, NY	149.38	140.84	177.33	n/a	18.71%
Tacoma-Lakewood, WA (MSAD)	295.02	181.84	369.46	n/a	25.23%
Tampa-St. Petersburg-Clearwater, FL	313.36	170.89	344.89	n/a	10.06%
Tucson, AZ	307.5	174.64	290.58	5.82%	n/a
Tulsa, OK	190.87	170.43	239.1	n/a	25.27%
Urban Honolulu, HI	195.61	174.08	255.92	n/a	30.83%
Virginia Beach-Norfolk-Newport News, VA-NC	274.96	207.07	256.95	7.01%	n/a
Warren-Troy-Farmington Hills,	206.47	123.37	238.01	n/a	15.28%

Metro Area	Peak high value	Post-peak Low value	Current value	Amount still below peak value	Amount now above prev peak
<b>MI (MSAD)</b>					
Washington-Arlington-Alexandria, DC-VA-MD-WV (MSAD)	283.84	205.07	310.39	n/a	9.35%
West Palm Beach-Boca Raton-Boynton Beach, FL (MSAD)	323.19	154.46	327.87	n/a	1.45%
Wichita, KS	183.52	165.52	223.42	n/a	21.74%
Wilmington, DE-MD-NJ (MSAD)	216.75	165.46	200.61	8.05%	n/a
Winston-Salem, NC	172.34	153.23	204.99	n/a	18.95%
Worcester, MA-CT	231.94	171.56	241.2	n/a	3.99%

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Lender	Rate	APR	Monthly Payment	Details
US Bank	3.750%	3.831%	\$695	<a href="#">Learn more</a>
RateZip	3.500%	3.550%	\$674	<a href="#">Learn more</a>
AimLoan.com	3.250%	3.531%	\$653	<a href="#">Learn more</a>

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## More about the HPI

The Home Price Index is a broad measure of the movement of single-family house prices. It has been published by the Federal Housing Finance Agency and precursor agencies since the fourth quarter of 1995.

For each market, the index uses 1990 home prices as a basis. Those dollars are "normalized" to a value of 100 for each market; that is, regardless of the actual dollar cost, the index value for a given market becomes 100. For example, a home price in Allentown, PA in 1990 might have been \$65,000; this becomes a base value for

Allentown of 100, and changes since then are **presented as percentage changes** from that initial 100 value.

The HPI is based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. Only mortgage transactions on single-family properties are included. The HPI does not include property transactions backed by FHA, VA, USDA or non-conforming (i.e. jumbo) mortgages.

The HPI is updated each quarter as additional mortgages are purchased or securitized by Fannie Mae and Freddie Mac.

The HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinances on the same properties.

The HPI shows the relative change in prices in a metropolitan area from quarter to quarter or period to period. HSH.com has pulled out information from each area to show the amount of change from 1990 to the pre-housing-crisis peak, the low achieved during or after the peak, and how much improvement has taken place since that near-term bottom.

The FHFA uses the revised Metropolitan Statistical Areas (MSAs) and Divisions as defined by the Office of Management and Budget (OMB) in February 2013 (and revised in July 2015 and August 2017, and April 2018). If specified criteria are met and an MSA contains a single core population greater than 2.5 million, the MSA is divided into Metropolitan Divisions.

For more details on the HPI and how it is put together, see:

<http://www.fhfa.gov/Media/PublicAffairs/Pages/Housing-Price-Index-Frequently-Asked-Questions.aspx>