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

Mar 12, 2019 [Keith Gumbinger](#) HSH.com Read Time: 11 min read

Even after years have passed since last decade's boom and bust, at least some homeowners in 27 major metropolitan have not yet seen their homes recover peak values reached during the previous boom. The good news is that as home prices rise, these unlucky homeowners are dwindling in number.

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 third quarter of 2019.

Quarterly update:

Home prices generally continue to rise, but the pace of gain has slowed of late. As such, there was little by way of movement to be seen in terms of recovery in the fourth quarter of 2018, as no new markets joined the ranks of the recovered in the fourth quarter of 2019, so the number of metropolitan areas that have reached or exceeded previous "boom-era" home price peaks remained at 73 for a second consecutive quarter.

Among the markets that are furthest above previous peaks, all the players remained the same, although the Dallas-Plano-Irving, TX (MSAD) elbowed past the re-defined San Francisco-San Mateo-Redwood City, CA (MSAD) to take over the third slot, while the Nashville-Davidson--Murfreesboro--Franklin, TN metro swapped positions with the Houston-The Woodlands-Sugar Land, TX (now 6 and 7 from 7 and 6 in the third quarter).


There was rather more movement in the ranks of those markets that yet have the greatest gap to cover to reach recovery. Bakersfield, CA retains the widest gap, currently 24.34% and closing slowly; meanwhile, two markets climbed out of the bottom group with strong home price gains in the fourth quarter relative to their peers. The Tucson, AZ and Lake County-Kenosha County, IL-WI (MSAD) metros jumped out of last quarter's #9 and #10 positions, and those slots were backfilled by the newly-defined Hartford-East Hartford-Middletown, CT and Las Vegas-Henderson-Paradise, NV metros.


Metros in two states make up the majority of the least recovered bunch. California has three, and now with the addition of the Hartford-East Hartford-Middletown metro, Connecticut now has three as well.


It should be noted that although they *may* be, changes in positions here aren't necessarily caused by declines in home values in an area, but may instead be the result of stronger price gains in one market over another. For example, the Las Vegas-Henderson-Paradise, NV metro had escaped the bottom tier for the first time in the last quarter, but its modest quarterly price increase for the latest period of just 0.34% was surpassed by other metros (by comparison, the two "escapees" from the bottom posted 3.96% and 3.22% increases).

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A noteworthy item here is that despite being in the bottom group, the Las Vegas-Henderson-Paradise, NV metro is only 9.43% below its previous price peak of nearly 13 years ago. *It is the first time we've seen a market with a single-digit deficit in the bottom group*, continuing a remarkable turnaround. Three years ago, the *smallest* deficit of the bottom 10 group was 28.03% (Fort Lauderdale-Pompano Beach-Sunrise, FL metro); now, the *largest* gap of the bottom 10 is Bakersfield, CA at 24.34%. The "worst of the worst" now is actually considerably better than the "best of the worst" from just a few years ago.







The grind toward recovery continues for this group; only the Bakersfield metro holds a greater than a 20% price gap yet to recover. However, with home price gains starting to cool, and some prominent economists expecting that the next economic recession may begin in 2020 or 2021, it may be a race against time to see if full recovery will occur in these places. Time will tell, but it may be that some won't make it, as metros such as New Haven-Milford, CT may take as many as four more years to fully recover, and that only if the pace of home price increases continues at the same rate as seen in the last quarter.

It's quite remarkable to see that **there are five 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**. These include Cape Coral-Fort Myers, FL (up 101.13% from bottom), Stockton, CA (+118.18%), Las Vegas-Henderson-Paradise, NV (+145.26%), Sacramento-Roseville-Folsom, CA (+100.56%) and North Port-Sarasota-Bradenton, FL (+104.51%). Perhaps as remarkable is that despite these massive increases, three of these (Cape Coral-Fort Myers, FL, Stockton, CA and the Las Vegas-Henderson-Paradise, NV) remain in our group with the biggest price chasm yet to fill, albeit much smaller gaps than at any time in the recovery to date.

That said, our **"nearly recovered"** group contains those areas with current values only about one or 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 markets include El Paso (TX), Albuquerque (NM), Sacramento-Roseville-Folsom, (CA), Miami-Miami Beach-Kendall, FL (MSAD), and a new metro area Frederick-Gaithersburg-Rockville, MD (MSAD). All are within about 2.5% of previous record-high levels. In the latest period, only the Miami market showed strong much by way of significant price momentum, however. Still, and including the Las Vegas metro, 18 markets are within 10% of reaching full recovery.

Although we are starting to see some reports that home price gains are cooling, they should be strong enough for a while to push more markets into fully-recovered territory as 2019 unfolds.

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Of course, we only review trough-to-peak for each market in our evaluation, so your local experience in price changes 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.

A technical note: With this quarterly update, some metropolitan area definitions have changed. This is a routine happenstance, occurring about once every five years or so. The Office of Management and Budget notes that "the majority of changes are modifications to names" but there were a couple of markets that underwent more substantive revision. For example, two upstate counties were dropped from the New York-Jersey City-White Plains, NY-NJ metro definition, and the former Silver Spring-Frederick-Rockville, MD (MSAD) has been recast as the Frederick-Gaithersburg-Rockville, MD (MSAD).

Below are the markets that have been revised.

Changes to MSA definition	
Old	New
Atlanta-Sandy Springs-Roswell, GA	Atlanta-Sandy Springs-Alpharetta, GA
Austin-Round Rock, TX	Austin-Round Rock-Georgetown, TX
Buffalo-Cheektowaga-Niagara Falls, NY	Buffalo-Cheektowaga, NY
Chicago-Naperville-Arlington Heights, IL (MSAD)	Chicago-Naperville-Evanston, IL (MSAD)
Dayton, OH	Dayton-Kettering, OH
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL (MSAD)	Fort Lauderdale-Pompano Beach-Sunrise, FL (MSAD)
Fort Worth-Arlington, TX (MSAD)	Fort Worth-Arlington-Grapevine, TX (MSAD)
Grand Rapids-Wyoming, MI	Grand Rapids-Kentwood, MI
Greenville-Anderson-Mauldin, SC	Greenville-Anderson, SC
Hartford-West Hartford-East Hartford, CT	Hartford-East Hartford-Middletown, CT
Milwaukee-Waukesha-West Allis, WI	Milwaukee-Waukesha, WI
Oakland-Hayward-Berkeley, CA (MSAD)	Oakland-Berkeley-Livermore, CA (MSAD)
Phoenix-Mesa-Scottsdale, AZ	Phoenix-Mesa-Chandler, AZ
Raleigh, NC	Raleigh-Cary, NC
Sacramento--Roseville--Arden-Arcade, CA	Sacramento-Roseville-Folsom, CA
San Diego-Carlsbad, CA	San Diego-Chula Vista-Carlsbad, CA
San Francisco-Redwood City-South San Francisco, CA (MSAD)	San Francisco-San Mateo-Redwood City, CA (MSAD)
Seattle-Bellevue-Everett, WA (MSAD)	Seattle-Bellevue-Kent, WA (MSAD)
Silver Spring-Frederick-Rockville, MD (MSAD)	Frederick-Gaithersburg-Rockville, MD (MSAD)
Stockton-Lodi, CA	Stockton, CA
West Palm Beach-Boca Raton-Delray Beach, FL (MSAD)	West Palm Beach-Boca Raton-Boynton Beach, FL (MSAD)

10 metro areas that have recovered the most

Metro Name	Peak Value	Bottom Value	Current Value	Amount Above Peak
Denver-Aurora-Lakewood, CO	275.62	253.89	518.94	88.28%
Austin-Round Rock-Georgetown, TX	268.76	259.05	462.63	72.13%
Dallas-Plano-Irving, TX (MSAD)	171.80	164.97	292.69	70.37%
San Francisco-San Mateo-Redwood City, CA (MSAD)	276.45	213.90	469.55	69.85%
Fort Worth-Arlington-Grapevine, TX (MSAD)	168.69	160.63	276.94	64.17%
Nashville-Davidson-Murfreesboro-Franklin, TN	223.59	196.42	352.32	57.57%
Houston-The Woodlands-Sugar Land, TX	200.25	193.91	311.09	55.35%
San Antonio-New Braunfels, TX	215.28	199.01	311.14	44.53%
Buffalo-Cheektowaga, NY	146.18	145.71	210.00	43.66%
San Jose-Sunnyvale-Santa Clara, CA	289.49	198.21	413.97	43.00%

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 118 percent rise from the metro's lowest value (a figure reached in the fourth quarter of 2011), there is still a gap of over 16 percent yet to go in the Stockton-Lodi (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 first quarter of 2006*. **In this metro, only homes purchased in this smaller than one-year window have yet to reclaim their original purchase value.**

In either case, years of making regular payments should also by now given 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 27 percent of their original loan balance by now; for a home purchased early in 2006, about 26 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 six quarters over the last year alone.

Metro Name	Peak Value	Bottom Value	Current Value	% Needed to Regain Peak
Bakersfield, CA	252.75	118.34	203.27	24.34%
Cape Coral-Fort Myers, FL	317.12	132.13	265.75	19.33%
New Haven-Milford, CT	201.79	153.85	169.60	18.98%
Camden, NJ (MSAD)	224.19	163.75	191.75	16.92%
Stockton, CA	273.98	108.18	236.03	16.08%
Bridgeport-Stamford-Norwalk, CT	241.51	182.51	208.19	16.00%
Fresno, CA	272.63	136.97	241.45	12.91%
Elgin, IL (MSAD)	200.68	129.36	177.80	12.87%
Hartford-East Hartford-Middletown, CT	173.34	145.01	156.25	10.94%
Las Vegas-Henderson-Paradise, NV	268.86	100.35	246.12	9.24%

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 Name	Peak Value	Bottom Value	Current Value	% Needed to Regain Peak	Amount Above Peak
Akron, OH	177.41	142.55	192.15	n/a	8.31%
Albany-Schenectady-Troy, NY	184.35	168.58	202.55	n/a	9.87%
Albuquerque, NM	239.11	188.66	236.93	0.92%	n/a
Allentown-Bethlehem-Easton, PA-NJ	204.75	151.95	189.37	8.12%	n/a
Anaheim-Santa Ana-Irvine, CA (MSAD)	287.98	197.22	318.79	n/a	10.70%

Metro Name	Peak Value	Bottom Value	Current Value	% Needed to Regain Peak	Amount Above Peak
Atlanta-Sandy Springs-Alpharetta, GA	199.87	139.52	262.82	n/a	31.50%
Baltimore-Columbia-Towson, MD	269.7	206.64	256.94	4.97%	n/a
Baton Rouge, LA	229.24	213.52	275.13	n/a	20.02%
Birmingham-Hoover, AL	213.76	176.27	250.97	n/a	17.41%
Boise City, ID	296.63	163.16	395.43	n/a	33.31%
Boston, MA (MSAD)	269.72	222.33	323.46	n/a	19.92%
Cambridge-Newton-Framingham, MA (MSAD)	257.37	213.27	322.97	n/a	25.49%
Charleston-North Charleston, SC	285.67	203.1	366.78	n/a	28.39%
Charlotte-Concord-Gastonia, NC-SC	195.56	159.66	265.82	n/a	35.93%
Chicago-Naperville-Evanston, IL (MSAD)	238.94	160.25	220.71	8.26%	n/a
Cincinnati, OH-KY-IN	179.78	149.7	215.41	n/a	19.82%
Cleveland-Elyria, OH	173.82	135.69	188.08	n/a	8.20%
Colorado Springs, CO	259.88	216.67	361.93	n/a	39.27%
Columbia, SC	187.15	159.78	214.06	n/a	14.38%
Columbus, OH	180.59	159.5	247.25	n/a	36.91%
Dayton-Kettering, OH	156.07	126.01	176.92	n/a	13.36%
Detroit-Dearborn-Livonia, MI (MSAD)	207.88	112.72	213.9	n/a	2.90%
El Paso, TX	195.33	169.3	194.67	0.34%	n/a
Fort Lauderdale-Pompano Beach-Sunrise, FL (MSAD)	352.59	177.32	340.81	3.46%	n/a
Frederick-Gaithersburg-Rockville, MD (MSAD)	279.8	205.91	272.87	2.54%	n/a

Showing 1 to 25 of 80 entries

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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>