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, only about 80% of the nation's top 100 metropolitan areas have seen their homes recover all the value lost in the Great Recession and housing bust. Still-rising home values continue to help fill in home-value gaps, and lower-than-expected mortgage rates seem to have re-ignited price increases again. While that's not especially good news for potential homebuyers, it is welcome news for homeowners still waiting for the value of their home to get back to par. For 21 metro areas, the more than a decade-long wait for full recovery of home values still continues.

HSH.com's ***Home Price Recovery Index*** uses the Federal Housing Finance Agency's (FHFA) Home Price Index as a basis to determine which of the top 100 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 fourth quarter of 2019.

Quarterly update:
Metro-area home prices had mostly turned cooler in the last few quarters, with lesser gains seen compared to year ago or even quarter ago periods. However, market conditions suggest that the modest cooling trend won't last. Low mortgage rates continues to stoke demand for houses and it looks like price gains will again be on the upswing soon.

As was the case last quarter, that's not to say that gains in prices were evenly spread or that there were gains at all; in fact, like last quarter, 13 metro areas saw a decrease in aggregate value in the fourth quarter compared to where they were in the third. Additionally, in our last review, just one market showed a decline in value in this quarter compared to the same period last year; this number has now expanded to three (Elgin, IL, Charleston-North Charleston, SC and El Paso, TX). These three metros also posted lower values for the fourth quarter when compared to the third and so the decline in values in these areas seems to be more of trend than just a one-off quarter, as was the case (so far) for the other 10 areas.

Although there were increases in values in the other 87 metro areas, no new areas joined the ranks of the recovered in the fourth quarter of 2019. As such, 21 metros remain at aggregate home values that are below boom-era peaks.

The strongest increases in values in the fourth quarter of 2019 were scattered across the spectrum. Only one market in the "most recovered" group continued to be atop the pack for value gains - the Colorado Springs, CO metro was among the leaders for both quarterly and annual price increases, so the market there remains hot. That said, markets that have yet to achieve value recovery such as Camden, NJ may see a good quarter, with a 3.11% quarterly increase helping to carve into what is still a 12.44% gap between today's value and the market's zenith from the first quarter of 2007.

Most recovered group

As in the last quarter, the group of 10 markets that have values the furthest above their former "boom-era" peaks saw no changes their ranks, but two metros swapped positions. As noted above, the Colorado Springs, CO market recorded a faster uptick in values, and that saw it move up to the #8 position; meanwhile, a more modest quarterly increase in value saw the San Antonio-New Braunfels, TX metro vacate that slot and slip to the #10 position formerly held by Colorado Springs. The remaining markets in the most recovered group mostly solidified their positions and seem in no danger of giving them up anytime soon.

10 markets with the largest value gaps

There was rather more movement in the group of markets with the largest value chasms yet to fill. The Chicago-Naperville-Evanston IL metro exited the group this quarter, allowing the Lake County-Kenosha County, IL-WI market to slide back in at the #10 position. Six other markets swapped positions, with improving fortunes for the Cape Coral-Fort Myers, FL market (from last quarter's second largest value gap to this quarter's third largest), the Camden, NJ metro moved from #3 last time to #6 this time, and the Hartford-East Hartford-Middletown, CT edged up from #7 in Q3 to #8 in Q4. Based on their current value gaps, the smallest of which is still more than 7%, none of these area will achieve "escape velocity" soon, but steady improvement will continue to whittle away at the difference as time wends forward.

How much ground has been closed by the group that still has the biggest gap? Currently, the Bakersfield, CA market is holding the top spot with a 21.13% difference in value from peak (3Q06) to now. At its widest point (2Q11) the gap was a whopping 53.34%, so there has been considerable (if yet insufficient) improvement over time. There are currently just 8 markets with double-digit differences between peak and current values; three years ago, in the fourth quarter of 2016, there were 30 such areas, so progress continues to be made, if at varying speeds. The concentration of unrecovered markets is also geographically-oriented -- 3 California markets, 3 Connecticut markets, 2 Illinois metro areas plus a Florida and New Jersey market comprise the group at the moment.

Five metro areas have seen home prices rise more than 100% from their bottoms but still haven't made it back to previous-peak valuations. The markets with more than doubling of values but still falling short include the Cape Coral-Fort Myers, FL metro (a market that still has the third-largest gap to cover at 15.27%), Stockton CA, North Port-Sarasota-Bradenton FL, Riverside-San Bernardino-Ontario, CA and the Las Vegas-Henderson-Paradise, NV metro, where values have increased by an astounding 155.16% but yet remain 5.23% below 2006 peaks. At one point, Las Vegas was the market that endured with the biggest boom-and-bust as values dropped more than 60% from peak, but it has stormed back in the last eight years.

"Nearly recovered": Who's Next

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. A group of six markets now meet that criteria, and it is a solid bet that four of the six will make the leap to recover when the first quarter data comes out. The metros of Frederick-Gaithersburg-Rockville, MD, North Port-Sarasota-Bradenton, FL, Wilmington, DE, Newark,NJ, Tucson, AZ and Baltimore-

Columbia-Towson, MD are all in position, but only the first four saw value gains robust enough to overcome their remaining gaps when the next update comes and if they are repeated.

How has your home value changed in the time you've owned it? 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.

Tracking and projecting your home equity
The combination of price increase and your retirement of the amount you owe may see with a larger equity stake than you think. 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	274.99	253.08	543.68	97.71%
Austin-Round Rock-Georgetown, TX	268.22	258.40	498.40	85.82%
Dallas-Plano-Irving, TX (MSAD)	171.74	164.90	301.41	75.50%
Fort Worth-Arlington-Grapevine, TX (MSAD)	168.37	159.73	289.51	71.95%
San Francisco-San Mateo-Redwood City, CA (MSAD)	275.63	213.26	467.58	69.64%
Nashville-Davidson--Murfreesboro--Franklin, TN	223.04	196.15	368.79	65.35%
Houston-The Woodlands-Sugar Land, TX	200.04	193.81	322.80	61.37%
Colorado Springs, CO	260.02	215.04	398.80	53.37%
Buffalo-Cheektowaga, NY	145.78	145.33	222.83	52.85%
San Antonio-New Braunfels, TX	215.22	198.89	328.61	52.69%

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 124 percent rise from the metro's lowest value (a figure reached in the fourth quarter of 2011), there is still a gap of over 12 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 Baltimore-Columbia-Towson, MD metro area *before the first quarter of 2007,* 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 instance *after the first quarter* *of 2008*. **In this metro, only homes purchased in this four-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 2007 (and assuming no refinance of the mortgage) the homeowner would have paid off about 27 percent of the original loan amount 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	251.96	117.56	208.00	21.13%
Bridgeport-Stamford-Norwalk, CT	241.68	181.98	208.53	15.90%
Cape Coral-Fort Myers, FL	317.26	131.98	275.23	15.27%
New Haven-Milford, CT	201.58	152.89	175.51	14.85%
Stockton, CA	274.60	108.84	244.04	12.52%
Camden, NJ (MSAD)	223.57	163.39	198.83	12.44%
Fresno, CA	272.53	136.20	245.01	11.23%
Elgin, IL (MSAD)	200.46	128.65	181.71	10.32%
Hartford-East Hartford-Middletown, CT	173.04	144.55	159.57	8.44%
Lake County-Kenosha County, IL-WI (MSAD)	208.67	139.69	195.44	6.77%

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	177.32	141.19	203.87	n/a	14.97%
Albany-Schenectady-Troy, NY	183.95	168.17	198.82	n/a	8.08%
Albuquerque, NM	238.8	188.89	249.64	n/a	4.54%
Allentown-Bethlehem-Easton, PA-NJ	204.66	152.07	197.71	3.52%	n/a
Anaheim-Santa Ana-Irvine, CA (MSAD)	287	196.85	335.52	n/a	16.91%
Atlanta-Sandy Springs-Alpharetta, GA	199.92	138.99	275.55	n/a	37.83%
Baltimore-Columbia-Towson, MD	269.47	206.4	264.88	1.73%	n/a
Baton Rouge, LA	229.6	213.41	274.33	n/a	19.48%
Birmingham-Hoover, AL	213.62	175.82	266.01	n/a	24.52%
Boise City, ID	296.78	163.37	443.14	n/a	49.32%
Boston, MA (MSAD)	268.96	221.15	331.76	n/a	23.35%
Cambridge-Newton-Framingham, MA (MSAD)	257.56	212.7	330.87	n/a	28.46%
Charleston-North Charleston, SC	286.21	203.16	385.48	n/a	34.68%
Charlotte-Concord-Gastonia, NC-SC	195.19	159.73	278.64	n/a	42.75%
Chicago-Naperville-Evanston, IL (MSAD)	238.41	160.36	224.39	6.25%	n/a
Cincinnati, OH-KY-IN	179.55	149.73	227.09	n/a	26.48%
Cleveland-Elyria, OH	173.55	135.45	195.49	n/a	12.64%
Columbia, SC	187.46	161.15	224.1	n/a	19.55%
Columbus, OH	180.45	158.69	262.32	n/a	45.37%
Dayton-Kettering, OH	155.96	125.66	187.79	n/a	20.41%
Detroit-Dearborn-Livonia, MI (MSAD)	207.72	112.45	220.27	n/a	6.04%
El Paso, TX	195.6	169.95	202.43	n/a	3.49%
Fort Lauderdale-Pompano Beach-Sunrise, FL (MSAD)	352.91	176.77	356.45	n/a	1.00%

Frederick-Gaithersburg-Rockville, MD (MSAD)	279.31	205.96	278.69	0.22%	n/a
Gary, IN (MSAD)	186.62	158.17	225.27	n/a	20.71%
Grand Rapids-Kentwood, MI	184.3	137.98	271.92	n/a	47.54%
Greensboro-High Point, NC	168.03	143.96	202.24	n/a	20.36%
Greenville-Anderson, SC	193.46	173.63	285.35	n/a	47.50%
Indianapolis-Carmel-Anderson, IN	160.25	145.53	234.78	n/a	46.51%
Jacksonville, FL	301.2	182	329.19	n/a	9.29%
Kansas City, MO-KS	201.02	164.88	277.59	n/a	38.09%
Knoxville, TN	206.32	179.54	267.48	n/a	29.64%
Las Vegas-Henderson-Paradise, NV	269.19	100.25	255.8	5.23%	n/a
Little Rock-North Little Rock-Conway, AR	191.29	181.52	220.62	n/a	15.33%
Los Angeles-Long Beach-Glendale, CA (MSAD)	276.49	165.97	314.76	n/a	13.84%
Louisville/Jefferson County, KY-IN	200.52	187.06	275.51	n/a	37.40%
Memphis, TN-MS-AR	176.03	144.56	221.31	n/a	25.72%
Miami-Miami Beach-Kendall, FL (MSAD)	419.31	214.61	429.98	n/a	2.54%
Milwaukee-Waukesha, WI	235.88	189.4	276.87	n/a	17.38%
Minneapolis-St. Paul-Bloomington, MN-WI	264.3	188.71	312.56	n/a	18.26%
Montgomery County-Bucks County-Chester County, PA (MSAD)	213.18	183.73	237.56	n/a	11.44%
Nassau County-Suffolk County, NY (MSAD)	301.36	236.7	323.04	n/a	7.19%
New Orleans-Metairie, LA	265.32	223.22	325.53	n/a	22.69%
New York-Jersey City-White Plains, NY-NJ (MSAD)	273.66	221.51	298.33	n/a	9.01%
Newark, NJ-PA (MSAD)	271.33	206.7	268.27	1.14%	n/a
North Port-Sarasota-Bradenton, FL	344.47	162.08	341.52	0.86%	n/a
Oakland-Berkeley-Livermore, CA (MSAD)	308.29	162.83	368.87	n/a	19.65%
Oklahoma City, OK	201.61	193.31	278.2	n/a	37.99%
Omaha-Council Bluffs, NE-IA	201.19	180.98	272.17	n/a	35.28%

Orlando-Kissimmee-Sanford, FL	288.16	142.61	305.28	n/a	5.94%
Oxnard-Thousand Oaks-Ventura, CA	284.85	173.12	292.84	n/a	2.80%
Philadelphia, PA (MSAD)	238.9	204.45	299.71	n/a	25.45%
Phoenix-Mesa-Chandler, AZ	341.11	161.45	377.92	n/a	10.79%
Pittsburgh, PA	179.42	174.93	266.83	n/a	48.72%
Portland-Vancouver-Hillsboro, OR-WA	337.23	248.57	477.6	n/a	41.62%
Providence-Warwick, RI-MA	242.88	177.9	257.43	n/a	5.99%
Raleigh-Cary, NC	200.09	175.92	287.95	n/a	43.91%
Richmond, VA	240.15	184.56	283.73	n/a	18.15%
Riverside-San Bernardino-Ontario, CA	272.11	127.67	259.17	4.99%	n/a
Rochester, NY	138.93	134.47	177.73	n/a	27.93%
Sacramento-Roseville-Folsom, CA	257.6	125.86	262.79	n/a	2.01%
Salt Lake City, UT	353.76	262.38	506.62	n/a	43.21%
San Diego-Chula Vista-Carlsbad, CA	299.22	188.11	340.67	n/a	13.85%
San Jose-Sunnyvale-Santa Clara, CA	289.81	196.99	423.13	n/a	46.00%
Seattle-Bellevue-Kent, WA (MSAD)	297.31	203.27	431.34	n/a	45.08%
St. Louis, MO-IL	211.78	173.25	247.79	n/a	17.00%
Syracuse, NY	149.68	140.79	180.56	n/a	20.63%
Tacoma-Lakewood, WA (MSAD)	295.31	184.11	389.28	n/a	31.82%
Tampa-St. Petersburg-Clearwater, FL	313.1	170.78	359.01	n/a	14.66%
Tucson, AZ	307.32	174.68	302.44	1.61%	n/a
Tulsa, OK	190.73	170.29	249.2	n/a	30.66%
Urban Honolulu, HI	195.52	174.07	266.52	n/a	36.31%
Virginia Beach-Norfolk-Newport News, VA-NC	274.54	206.08	260.57	5.36%	n/a
Warren-Troy-Farmington Hills, MI (MSAD)	206.41	123.48	241	n/a	16.76%
Washington-Arlington-Alexandria, DC-VA-MD-WV (MSAD)	283.61	204.38	317.87	n/a	12.08%
West Palm Beach-Boca Raton-Boynton Beach, FL (MSAD)	322.66	154.18	335.46	n/a	3.97%

Wichita, KS	183.83	165.63	227.74	n/a	23.89%
Wilmington, DE-MD-NJ (MSAD)	216.45	165.1	214.37	0.97%	n/a
Winston-Salem, NC	172.23	152.99	208.74	n/a	21.20%
Worcester, MA-CT	232.06	171.45	245.15	n/a	5.64%

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 Bulletin 18-04. 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