Real estate daily market update: November 1, 2017

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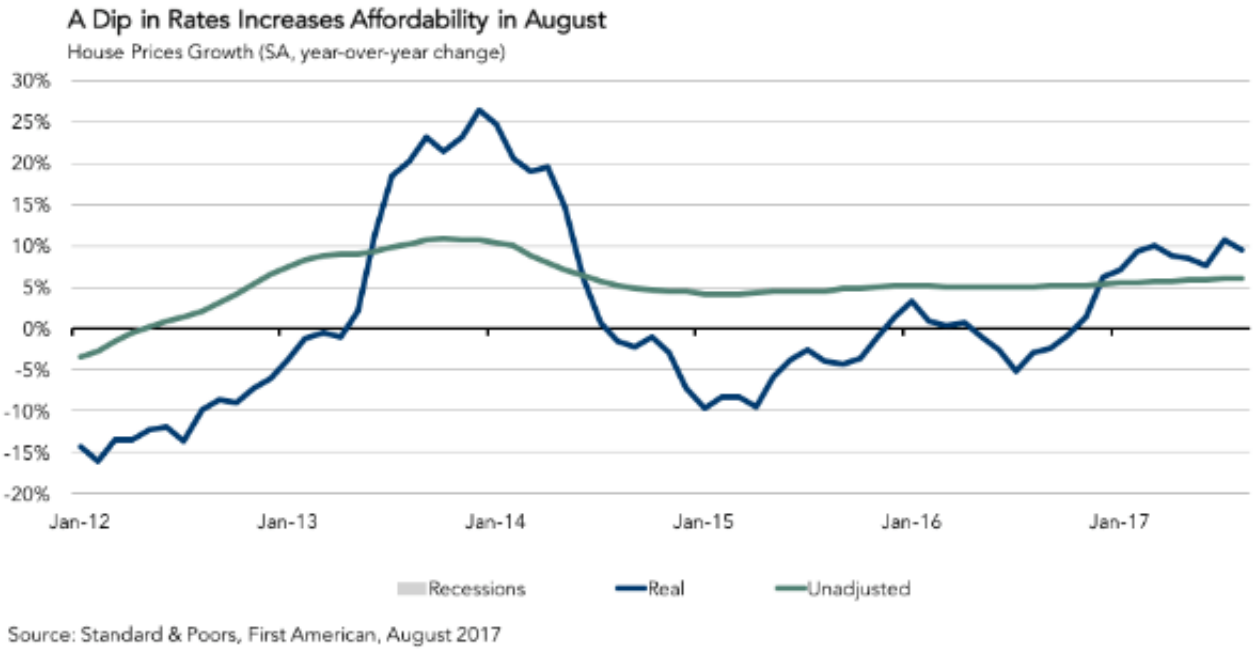
Most recent market news

Wednesday, November 1

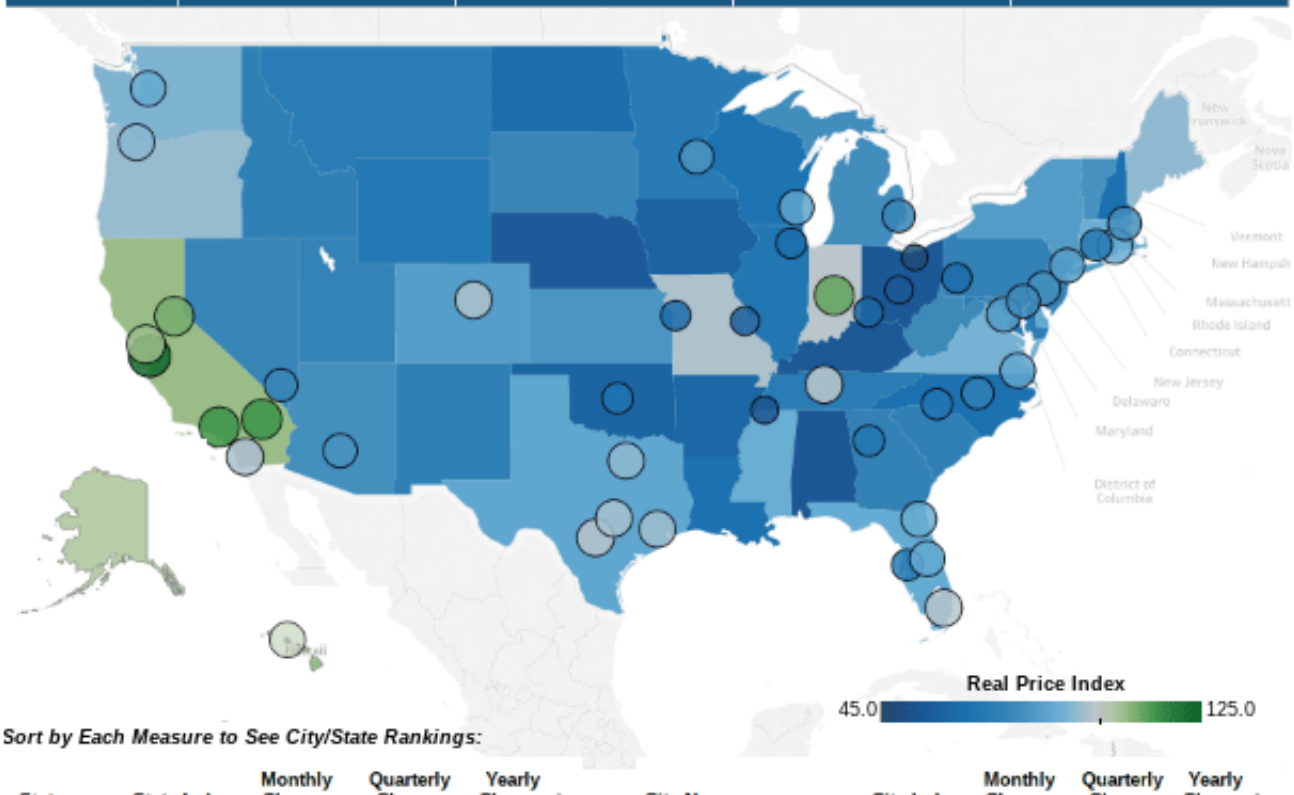
The First American Real House Price Index (RHPI): August 2017 Real House Price Index

- Affordability increased in August due to a dip in rates.
- Real house prices decreased 0.4 percent between July and August.
- Real house prices increased 9.6 percent year-over-year.
- Consumer house-buying power, how much one can buy based on changes in income and interest rates, increased 0.8 percent between July and August, and fell 3.2 percent year-over-year.
- Real house prices are 38.4 percent below their housing-boom peak in July 2006 and 17.2 percent below the level of prices in January 2000.
- Unadjusted house prices increased by 6.1 percent in August on a year-over-year basis and are 4.2 percent above the housing boom peak in 2007.



Source: Standard & Poors, First American, August 2017

	Real Price Index	Monthly Change	Quarterly Change	Yearly Change
August 2017	83	-0.4%	-0.5%	9.6%



Sort by Each Measure to See City/State Rankings:

State	State Index	Monthly Change	Quarterly Change	Yearly Change
AL	55.4	-1.5%	-4.3%	2.8%
ND	64.5	-2.9%	-7.7%	3.8%
HI	108.1	-2.4%	-4.1%	4.2%
NJ	76.6	0.2%	0.1%	4.2%
DC	103.6	-0.6%	-1.8%	4.6%

City Name	City Index	Monthly Change	Quarterly Change	Yearly Change
St. Louis, MO	58.28	-2.6%	-5.6%	0.3%
Pittsburgh, PA	63.58	-1.4%	-2.4%	2.2%
Virginia Beach, VA	87.37	-1.0%	-0.8%	6.7%
Memphis, TN	53.41	-0.7%	-1.2%	7.5%
Baltimore, MD	78.93	-0.9%	-1.1%	8.1%

“A dip in mortgage rates in August offset rapid price appreciation driven by the lack of supply, as existing homeowners remain reluctant to sell for fear of not being able to find something to buy. However, based on our RHPI, over the past 12 months affordability has declined by more than 9 percent,” said Mark Fleming, chief economist at First American.

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“Though consumer house-buying power improved in August, affordability is likely to fade as mortgage rates are expected to rise in the months to come, but lower affordability is only significant to potential first-time buyers. Existing homeowners with fixed-rate mortgages benefited from the rising prices with increased equity. If you’re renting and thinking of buying, then now is the time.

“As mortgage rates rise on the back of the last months’ FOMC decision to reduce its portfolio of bonds and supply remains constrained, affordability will continue to decline for those seeking to achieve the goal of homeownership. Yet, while affordability is lower than a year ago, it remains high by historic standards. Only three states and the District of Columbia are less affordable today than they were in January 2000.”

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Source: click here