

Home Prices Rise Most since 2006; Pace to Slow

By: Matthew Graham | Wed, Nov 6 2013, 2:58 PM

Home Prices continued higher for most of the metropolitan areas examined in the most recent quarterly report by the National Association of Realtors® (NAR). Median prices for the report were based on closings in the 3rd quarter.

The number of Metropolitan Statistical Areas (MSAs) with higher prices **increased by 1 percent** from the second quarter and by 7 percent from the third quarter of 2012--the strongest year-over-year improvement **since 2006**.

Prices rose in 144 out of the 163 metro areas surveyed (88%). Nineteen percent saw prices decline and 33 percent experienced double digit increases--nearly twice as many as last year. That's a trend that NAR's chief economist Lawrence Yun sees shifting in 2014.

"Rising prices and higher interest rates have taken a bite out of housing affordability," Yun says. "However, we have the ongoing situation of more buyers than sellers in the market, so lower sales will help to take the pressure off home price growth and allow them to rise slowly at a single-digit growth rate in 2014."

Despite rising prices, affordability wasn't negatively affected **for most buyers** in Q3, though the areas with higher median prices are the notable exceptions. The NAR bases its measurement of affordability on median home prices as well as median incomes in the MSA.

Five most expensive MSAs

MSA	Median Price
1. San Jose, CA	\$805,000
2. San Francisco, CA	\$705,000
3. Honolulu, HI	\$679,800
4. Anaheim-Santa Ana, CA	\$670,700
5. San Diego, CA	\$485,000

Five most affordable metro areas

MSA	Median Price
1. Toledo, Ohio	\$87,500
2. Rockford, Ill	\$88,900
3. Decatur, Ill	\$91,000
4. Ocala Fla.	\$103,600
5. Topeka, Kan	\$106,900

View this Article: <https://www.mortgagenewsdaily.com/news/11062013-third-quarter-home-prices>

