

Best Real Estate Markets in The U.S.

Aug 27, 2019 | Adam McCann, Financial Writer

Whether you're joining the real estate business or just looking for a place to call home, it's important to get a handle on the housing markets you're considering before investing in a property.

With unemployment falling and house prices rising, the market as a whole has been [in a boom](#) despite the fact that the new tax code has drastically [reduced mortgage interest deductions](#). But while home values are rising, up [5.2%](#) from last year, [fewer homes are affordable](#) because mortgage rates are rising. However, home prices and rental rates vary widely across the U.S. based on supply and demand.

If you aim for long term growth, equity and profit, you'll need to look beyond tangible factors like square footage and style. Those factors certainly drive up property values. From an investor's standpoint, though, they hold less significance than historical market trends and the economic health of residents.

Main Findings



Best Palces to Buy a House

Overall Rank (1=Best)	City	Total Score	'Real Estate Market' Rank	'Affordability & Economic Environment' Rank
1	Boise, ID	73.68	1	38
2	Frisco, TX	72.44	9	1
3	Overland Park, KS	71.69	2	57
4	Cary, NC	71.07	7	3
5	Denton, TX	70.51	3	41
6	McKinney, TX	70.23	26	2
7	Carrollton, TX	70.02	6	21
8	Durham, NC	69.67	4	37
9	Allen, TX	69.52	13	6
10	Fort Wayne, IN	69.51	5	51
11	Murfreesboro, TN	69.19	18	4
12	Austin, TX	68.47	12	28
13	Fort Worth, TX	68.23	16	27
14	Gilbert, AZ	67.99	25	8
15	Grand Rapids, MI	67.88	8	103
16	Thornton, CO	67.58	19	43
17	Spokane Valley, WA	67.12	17	83
18	Aurora, CO	67.11	11	121
19	Wilmington, NC	66.83	10	156
20	Greeley, CO	66.8	20	84
21	Denver, CO	66.8	14	131
22	Charlotte, NC	66.6	29	22
23	Nashville, TN	66.45	24	70
24	Hillsboro, OR	66.42	35	16

Overall Rank (1=Best)	City	Total Score	'Real Estate Market' Rank	'Affordability & Economic Environment' Rank
25	Richardson, TX	66.32	34	17
26	Lexington, KY	66.31	22	86
27	Colorado Springs, CO	66.28	28	64
28	Chico, CA	66.2	23	82
29	Seattle, WA	65.84	15	179
30	Bellevue, WA	65.69	21	140
31	Tuscaloosa, AL	65.38	39	47
32	Laredo, TX	65.29	42	46
33	Arvada, CO	65.18	37	79
34	Fort Collins, CO	65.04	32	104
35	Roseville, CA	65	45	29
36	Grand Prairie, TX	64.8	46	54
243	New Haven, CT	50.93	235	234
253	Rochester, NY	50.13	252	203
259	Jersey City, NJ	49.5	250	218
262	Stamford, CT	49.1	259	195
267	New York, NY	47.6	260	240
270	Buffalo, NY	47.45	248	291
279	Yonkers, NY	46.09	266	267
281	Albany, NY	46.02	286	202
283	Waterbury, CT	45.85	278	233
287	Bridgeport, CT	44.8	285	254
288	Hartford, CT	44.63	263	297
291	Paterson, NJ	43.24	284	290
296	Elizabeth, NJ	40.18	294	285
300	Newark, NJ	33.31	300	299

Lowest % of Homes with Negative Equity

1. Berkeley, CA
2. San Mateo, CA
3. Sunnyvale, CA
4. Santa Clara, CA
5. San Jose, CA



Best City vs. Worst City

Highest % of Homes with Negative Equity

- T- 270. Bridgeport, CT
- T- 270. Newark, NJ
- T- 270. Dayton, OH
- T- 270. Waterbury, CT
- T- 270. Flint, MI
- T- 270. Detroit, MI

33x Difference

Lowest Avg. Number of Days until a House is Sold

- 1. Berkeley, CA
- T- 2. San Francisco, CA
- T- 2. San Mateo, CA
- T- 4. Alexandria, VA
- T- 4. Sunnyvale, CA
- T- 4. Bellevue, WA



Best City vs. Worst City

Highest Avg. Number of Days until a House is Sold

- T- 292. Jersey City, NJ
- T- 292. Newark, NJ
- T- 292. Fort Lauderdale, FL
- T- 292. Miami, FL
- T- 292. Miami Beach, FL
- T- 292. New York, NY

5x Difference

Highest Median Home Price Appreciation

1. Richmond, CA
2. Oakland, CA
3. Miami Gardens, FL
4. Dearborn, MI
5. Grand Rapids, MI



Lowest Median Home Price Appreciation

194. Anchorage, AK
195. Stamford, CT
196. Little Rock, AR
197. Springfield, IL
198. Fayetteville, NC

Highest Foreclosure Rate

1. Allen, TX
2. Chico, CA
3. Santa Monica, CA
4. Sunnyvale, CA
5. New York, NY



Highest Foreclosure Rate

- T- 264. Bakersfield, CA
- T- 264. San Bernardino, CA
- T- 264. Newark, NJ
- T- 264. Palm Bay, FL
- T- 264. Lincoln, NE
- T- 264. Baltimore, MD

Best City vs. Worst City

36x Difference

Lowest % of Delinquent Mortgage Holders

- T- 1. Fort Collins, CO
- T- 1. Sunnyvale, CA
- T- 1. Bellevue, WA
- T- 1. Santa Clara, CA
- T- 1. Boulder, CO
- T- 1. Longmont, CO



Highest % of Delinquent Mortgage Holders

- T- 270. Brockton, MA
- T- 270. Patterson, NJ
- T- 270. Elizabeth, NJ
- T- 270. Springfield, MA
- T- 270. New York, NY
- T- 270. Newark, NJ

Fewest Unsold Homes Owned by Banks

1. New Orleans, LA
2. Omaha, NE
3. Jackson, MS
3. Cedar Rapids, IA
5. Wichita, KS



Most Unsold Homes Owned by Banks

284. Rockford, IL
285. Sunrise, FL
286. Miramar, FL
287. Miami Gardens, FL
288. Detroit, MI

Lowest Home Price as % of Income

1. Akron, OH
2. Toledo, OH
3. Cleveland, OH
4. Rochester, NY
5. Rockford, IL



Best City vs. Worst City

8x Difference

Highest Home Price as % of Income

- T- 257. San Mateo, CA
- T- 257. Sunnyvale, CA
- T- 257. Glendale, CA
- T- 257. Santa Barbara, CA
- T- 257. Berkeley, CA

Lowest Maintenance Costs as % of Income

1. Longmont, CO
2. Boulder, CO
3. Arvada, CO
4. Sunnyvale, CA
5. Fort Collins, CO



Highest Maintenance Costs as % of Income

296. Hialeah, FL
297. Gainesville, FL
298. Detroit, MI
299. Cleveland, OH
300. Flint, MI

Ranking by City Size

Overall Rank (1=Best)	Large Cities	Overall Rank (1=Best)	Midsize Cities	Overall Rank (1=Best)	Small Cities
1	Austin, TX (68.47)	1	Boise, ID (73.68)	1	Denton, TX (70.51)
2	Fort Worth, TX (68.23)	2	Frisco, TX (72.44)	2	Carrollton, TX (70.02)
3	Aurora, CO (67.11)	3	Overland Park, KS (71.69)	3	Allen, TX (69.52)
4	Denver, CO (66.80)	4	Cary, NC (71.07)	4	Murfreesboro, TN (69.19)
5	Charlotte, NC (66.60)	5	McKinney, TX (70.23)	5	Thornton, CO (67.58)
6	Nashville, TN (66.45)	6	Durham, NC (69.67)	6	Spokane Valley, WA (67.12)
7	Lexington, KY (66.31)	7	Fort Wayne, IN (69.51)	7	Wilmington, NC (66.83)
8	Colorado Spring, CO (66.28)	8	Gilbert, AZ (67.99)	8	Greeley, CO (66.80)
9	Seattle, WA (65.84)	9	Grand Rapids, MI (67.88)	9	Hillsboro, OR (66.42)
10	Raleigh, NC (64.61)	10	Laredo, TX (65.29)	10	Richardson, TX (66.32)
11	Atlanta, GA (64.25)	11	Fort Collins, CO (65.04)	11	Chico, CA (66.20)
12	Minneapolis, MN (64.01)	12	Grand Prairie, TX (64.80)	12	Bellevue, WA (65.69)
13	Omaha, NE (62.68)	13	Irving, TX (64.03)	13	Tuscaloosa, AL (65.38)
14	Arlington, TX (62.13)	14	Salem, OR (64.02)	14	Arvada, CO (65.18)
15	San Francisco, CA (60.97)	15	Chesapeake, VA (63.66)	15	Roseville, CA (65.00)
16	Louisville, KY (60.94)	16	Vancouver, WA (63.60)	16	Renton, WA (63.91)
17	Columbus, OH (60.94)	17	Reno, NV (63.50)	17	Sterling Heights, MI (63.87)
18	Oakland, CA (60.07)	18	Irvine, CA (63.37)	18	Longmont, CO (63.25)
19	St. Paul, MN (60.31)	19	Eugene, OR (63.21)	19	Clovis, CA (63.22)
20	San Jose, CA (60.30)	20	Henderson, NV (63.15)	20	Everett, WA (63.06)
21	Sacramento, CA (60.28)	21	Huntsville, AL (62.86)	21	Athens-Clarke, GA (62.76)
22	Wichita, KS (59.91)	22	Madison, WI (62.81)	22	North Charleston, SC (62.65)
23	Mesa, AZ (59.91)	23	Elk Grove, CA (62.77)	23	Santa Clara, CA (62.11)
24	Dallas, TX (58.42)	24	Chandler, AZ (61.84)	24	Vacaville, CA (62.03)
25	Portland, OR (58.40)	25	Spokane, WA (61.65)	25	Ann Arbor, MI (61.97)
26	Phoenix, AZ (57.81)	26	Lakewood, CO (61.58)	26	Centennial, CO (61.78)
27	San Antonio, TX (57.76)	27	Tempe, AZ (61.35)	27	Westminster, CO (61.45)
28	Kansas City, MO (57.52)	28	Sunnyvale, CA (61.24)	28	Pueblo, CO (61.38)
29	Oklahoma City, OK (57.34)	29	Plano, TX (61.05)	29	Yakima, WA (61.31)
30	Santa Ana, CA (56.96)	30	Winston-Salem, NC (60.97)	30	Lansing, MI (61.29)
31	El Paso, TX (56.69)	31	Fremont, CA (60.77)	31	Fairfield, CA (61.20)
32	Houston, TX (56.53)	32	Hayward, CA (60.55)	32	Beaverton, OR (61.00)
33	Las Vegas, NV (56.53)	33	Tacoma, WA (60.46)	33	Livonia, MI (60.94)
34	Memphis, TN (56.41)	34	Lincoln, NE (60.27)	34	Rosewell, GA (60.90)
35	Stockton, CA (56.39)	35	Port St. Lucie, FL (59.93)	35	Charleston, SC (60.73)
36	Boston, MA (56.16)	36	Peoria, AZ (59.89)	36	Manchester, NH (60.62)
37	San Diego, CA (55.72)	37	Alexandria, VA (59.38)	37	Kenosha, WI (60.22)
38	Indianapolis, IN (55.71)	38	Ontario, CA (59.30)	38	Kent, WA (60.17)
39	Fresno, CA (55.52)	39	North Las Vegas, NV (59.24)	39	Davie, FL (59.82)
40	Riverside, CA (55.43)	40	Orlando, FL (59.12)	40	High Point, NC (59.24)
41	Tampa, FL (55.13)	41	Santa Clarita, CA (58.86)	41	Federal Way, WA (59.23)
42	Bakersfield, CA (54.98)	42	Moreno Valley, CA (58.41)	42	Surprise, AZ (59.21)
43	Anaheim, CA (54.83)	43	Garland, TX (58.28)	106	New Haven, CT (50.93)
44	Honolulu, HI (54.68)	44	Fontana, CA (58.26)	118	Stamford, CT (49.10)
45	Jacksonville, FL (54.13)	45	Santa Rosa, CA (58.26)	125	Albany, NY (46.02)
46	Corpus Christi, TX (54.10)	87	Rochester, NY (50.13)	126	Waterbury, CT (45.85)
47	Virginia Beach, VA (53.94)	89	Jersey City, NJ (49.50)	129	Bridgeport, CT (44.80)
48	Milwaukee, WI (53.90)	91	Buffalo, NY (47.45)	130	Hartford, CT (44.63)
49	Tucson, AZ (53.67)	95	Yonkers, NY (46.09)	132	Paterson, NJ (43.24)
56	New York, NY (47.60)	100	Newark, NJ (33.31)	134	Elizabeth, NJ (40.18)

Ask the experts:

Economic indicators point to a strong housing market, but does that mean it's a good time to buy a home?

- 1. Is now a good time to buy a home? What economic indicators should potential buyers be watching?**
- 2. Are foreign buyers driving up the cost of U.S. real estate? Which cities are most affected?**
- 3. How likely is it that the Federal Reserve will increase interest rates in the coming months? How will this impact the housing market?**
- 4. Why are Millennials still sitting out of the housing market? What can be done to increase homeownership rates for this cohort?**
- 5. In evaluating the healthiest housing markets, what are the top five indicators?**



Reid Cummings

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Is now a good time to buy? What economic indicators should potential buyers be watching?

It is a great time to buy in many markets, especially those in the South. Interest rates are near or at all time lows, prices for



Alvin Chiang

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Is now a good time to buy? What economic indicators should potential buyers be watching?

There is really no right or wrong answer to this question; it depends on your current situation. Potential buyers need to do their research in their own area. Purchasing a home is a long term decision that shouldn't be taken lightly.

Right now, the economy is healthy, unemployment is low, incomes are rising, inflation is steady, and interest rates are relatively low. If individuals are in the market for housing, know that they:

- will be in the same location for a few years, i.e. will face no constraints that would force them to sell and move,
- are able to budget for and afford it, and
- if it makes financial sense for them, then now is as good a time as any to begin the process of searching and buying a home.

Trying to time the market can lead to regret; buyers don't want to lose out on their potential dream home in hopes of waiting the price to drop which may or may not happen.

new homes continue to move higher as material and labor costs rise, and existing home inventories are tight. All of these factors make existing homes quite attractive.

How likely is it that the Federal Reserve will increase interest rates in the coming months? How will this impact the housing market?

The markets seem to infer that the Fed will cut interest rates. For many buyers, especially those looking to buy for the first time, this can be an influencing factor. Consider a 30-year, \$200,000 mortgage loan. A 0.25% interest rate cut reduces the monthly payment by \$21.67. While this may seem small, over the life of the loan the consumer will save \$7,801.89 in interest. Clearly, even small policy changes can yield significant effects.

Why are Millennials still sitting out of the housing market? What can be done to increase homeownership rates for this cohort?

Not all Millennials are sitting it out as many in their early thirties are now actively moving into residential real estate.

In evaluating the healthiest housing markets, what are the top 5 indicators?

1. Available inventory
2. Interest rates
3. Local economic growth
4. Local job growth
5. Local wage growth

On the other hand, though, although interest rates are still relatively low, housing prices have become inflated due to higher than normal demand and low supply making it more difficult to find affordable housing. In this case, buyers run the risk of overpaying now for a home's true value which will be exacerbated if the current fears of a recession come to fruition.

For many individuals, renting may be a better option than buying, especially if they desire more flexibility.

Are foreign buyers driving up the cost of U.S. real estate? Which cities are most affected?

Yes, demand from any source (domestic or foreign) can drive up the cost of U.S. real estate. Demand from international buyers has driven up the prices of real estate in the U.S. over the past few years.

The largest buyers, China, India, Canada, the U.K., and Mexico, tend to want to allocate some of their wealth into some type of relatively safe investment opportunity that has a prospect to appreciate in value in a stable country.

Moreover, these buyers are more likely to purchase houses with an all-cash transaction than domestic borrowers which can intensify competition and bidding wars.

This can be seen in typically large, urban and metropolitan areas such as San Francisco, Los Angeles, Seattle, Washington D.C., and Miami.

It should be noted, as well, that the growth of foreign purchases of U.S. real estate has slowed in recent years. Tighter investment restrictions, inventory shortages, slower global economic growth, and a stronger U.S. dollar have all had dampening effects on foreign demand, and will most likely persist for a period of time.

How likely is it that the Federal Reserve will increase interest rates in the coming months? How will this impact the housing market?

It is unlikely that the Federal Reserve will increase interest rates in the coming months. It is more likely they will lower rates due to the global tensions and fears of an economic slowdown that the U.S. faces. The Federal Reserve has signaled that it wants to remain flexible in uncertain economic times and will act appropriately when the time comes.

In the meantime, the housing market stands to benefit with lower interest rates, reducing the cost of borrowing, making home ownership more accessible. However, as we have seen in the past, this could easily fuel another housing bubble.

Why are Millennials still sitting out of the housing market? What can be done to increase home ownership rates for this cohort?

There are a variety of reasons why Millennials may be sitting out of the current housing market. Chief among them is that they have different characteristics and preferences than older generations.

Millennials are more likely to delay marriage and childbearing, they tend to be more mobile and desire more flexibility/convenience, and finally, they tend to view owning a house as financially risky. These differences in the millennial age group all have the impact of reducing the likelihood of home ownership.

Furthermore, they face tighter credit standards and higher debt-to-income ratios than past generations. All of this precipitates the need for enhancing financial literacy and home buying awareness programs which can help to reduce the burden of owning a home.

In evaluating the healthiest housing markets, what are the top 5 indicators?

- Housing prices to income ratio/Affordability of purchasing or renting housing,
- Housing price trend/Median housing prices,
- Population/Demographic changes,
- Inventory of new and existing homes on the market,
- Residential vacancies and homeownership rates.



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Is now a good time to buy? What economic indicators should potential buyers be watching?

Whether it is a good time to buy is a personal decision depending on an individual/family's financial situation. But given the ongoing economic expansion and very low unemployment rates, one could think that people would be more confident in buying homes. 30-year interest rates are essential in determining mortgage interest costs for potential homebuyers/homeowners. The recent fed rate cut has driven interest rates lower, which is a boost to affordability for new homeowners.

Are foreign buyers driving up the cost of U.S. real estate? Which cities are most affected?

Foreign buyers are a very small part of the US real estate/housing market. Most foreign buyer interest is concentrated in prime areas in gateway cities such as San Francisco, New York or Washington DC; hence, in my opinion, the broader impact of foreign buyers is not significant for the majority of the country.

How likely is it that the Federal Reserve will increase interest rates in the coming months? How will this impact the housing market?

In my opinion, it is unlikely the Federal Reserve will increase interest rates in 2019. This is a positive for the housing markets as the drop in yield is reflected in lower borrowing costs for both 30-year/15-year mortgages.

Why are Millennials still sitting out of the housing market? What can be done to increase home ownership rates for this cohort?

Stricter lending requirements post the last crisis have kept Millennials on the sidelines as they save towards their first down payment. In addition, with mobility being a premium for Millennials and their preference for city living, they continue to be cautious in making the commitment to being homeowners.

In evaluating the healthiest housing markets, what are the top 5 indicators?

The healthiest housing markets for families in general mean finding the right balance between economic opportunity and affordability as well as healthy and safe living environment for kids with appropriate educational and recreational opportunities. The top 5 indications are; economic growth, housing affordability, mortgage rate, quality of schools, and crime/safety.

