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Feb. 15, 2021

Every metro area tracked through the fourth quarter of 2020 witnessed home prices grow from a year ago, according to the National Association of Realtors latest quarterly report.

Eighty-eight percent of the metros followed (161 areas) saw double-digit price increases. For comparison, only 115 metro areas saw such growth in the third quarter.

"The fourth quarter of 2020 presented circumstances ripe for home price increases,"

Kingston, N.Y. (24.2%); and Spokane, Wash. (23.6%). It is worth noting that national destination sites such as Atlantic City, Barnstable, and Naples, along with small towns within driving distance from major cities like Binghamton and Kingston in New York, all saw large price increases, an indication of the strong demand for vacation homes and affordable homes during the ongoing pandemic.

"Although tourism took a major hit overall throughout 2020, our data shows that vacation housing still did well in terms of sales," Yun said. "Many people purchased in these areas because they found themselves with new work-from-home freedoms."

Eight places in the West region, along with two areas in the East, combined for the 10 most expensive metros in the fourth quarter. This included San Jose, Calif. ($1.40 million); San Francisco, Calif. ($1.14 million); Anaheim, Calif. ($935,000); Urban Honolulu, Hawaii ($902,500); San Diego, Calif.

($740,000); Los Angeles, Calif. ($688,700); Boulder, Colo. ($661,300); Seattle, Wash., ($614,700); Nassau, N.Y. ($591,600); and Boston, Mass. ($579,100). With the exception of Boulder, these same metros—the most expensive markets—all saw double-digit growth in median single-family existing-home sale prices.

The national median existing single-family home price rose 14.9% on a year-over-year basis, to $315,900. All regions experienced double-digit year-over-year price growth. The Northeast led this charge at 20.7%, followed by the West at 15.5%, the Midwest at 15.1% and finally the South at 14.0%.

While home sellers have benefited from the fourth quarter price increases, Yun says the large shifts in home prices could soon become detrimental to homebuyers. "The average, working family is struggling to contend with home prices that are rising much faster than income," he said. "This sidelines a consumer from becoming an actual buyer, causing them to miss out on accumulating wealth from

However, in seven metro areas, NAR found that a family needed more than $100,000 in income to buy a house. This was the case in San-Jose-Sunnyvale, Calif. ($222,989); San Francisco, Calif. ($181,576); Anaheim, Calif. ($148,925); Urban Honolulu, Hawaii ($143,748); San Diego, Calif. ($117,865); Los Angeles, Calif. ($109,694); and Boulder, Colo. ($105,330).

On average, families typically spent 14.8% of their income on mortgage payments based on a median family income of $84,313 in the fourth quarter (14.9% one year ago) if assuming a 20% down payment mortgage. With higher home prices, the monthly mortgage payment marginally rose to $1,040 ($1,020 one year ago). This is the case even as the effective 30-year fixed mortgage rate decreased to 2.81% in the fourth quarter of 2020 (3.76% one year ago).

The National Association of Realtors is America's largest trade association, representing more than 1.4 million members involved in all aspects of the residential and commercial real estate industries.

Small Business