Housing continues its Recovery!

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It seems that with each month that passes, there is more good news about the housing market – and its continued recovery.

The latest survey, from Pulsenomic LLC (on behalf of Zillow) asked more than 100 economists, real estate experts, and investment strategists to project changes in the S&P/Case-Shiller U.S. National Home Price Index over the next five years.

If you're not familiar with the index (or indices, since there are actually several which fall under this label), it is calculated on repeat sales of single-family homes. The indices include a national home price index, a 20-city composite index, a 10-city composite index, and twenty individual metro area indices. This provides data for the United States' residential housing market.

Results from the survey indicated that those who participated felt that home prices will see steady increases through 2016 and starting this year.

The most recent indices include data through June of 2012, which shows the national home prices up 1.2 percent from a year ago. And all of the markets in the index showed gains for the second month in row. All but two (Charlotte and Dallas) had better annual returns in June than in May. The other eighteen markets, all of which showed those improved gains, were Atlanta, Boston, Chicago, Cleveland, Denver, Detroit, Phoenix, Las Vegas, Los Angeles, Miami/Ft. Lauderdale, Minneapolis-St. Paul, New York, Portland, San Diego, San Francisco, Seattle, Tampa/St. Petersburg, and Washington D.C.,

Participants in the survey had previously predicted a slight dip of 0.4% in price this year, followed by modest increases beginning in 2013, and may have been surprised by the pace at which the housing market is recovering. Currently, economists are now forecasting that fourth quarter 2012 as compared to fourth quarter 2011 will show an increase of 2.3% -- and they are predicting increase of 4.7% in 2013, followed by 8.0% in 2014. Estimates for 2015 and 2016 show increases of 11.4% and 15.2% respectively.

Before you begin to panic about another housing "bubble", that growth rate calculates to 2.9% between 2012 and 2016. This is well under the rate of 3.6% that we say in the years we had a very "hot" national housing market, 1987 to 1999.

With some of the smartest people in this industry weighing in, I'm encouraged by this latest survey – and you should be too! If you're looking for more information on today's housing market, just give me a call at 360-620-2690 or send an email to mollyells@windermere.com. I'll be happy to provide information on what's happening in your market!

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