

Cooling trend

The Amherst Home Price Appreciation index cools following summer's record highs

by Gene Burinskiy

The Amherst Home Price Appreciation (HPA) index posted year-over-year growth of 17.2 percent in fourth quarter 2021, down from its all-time peak of 20.3 percent growth in 2021. Although lower than the summer Q2 growth of 20.3 percent, this marks the third-fastest growth of any quarter and the fastest Q4 growth since the index started tracking home price appreciation in 2000.

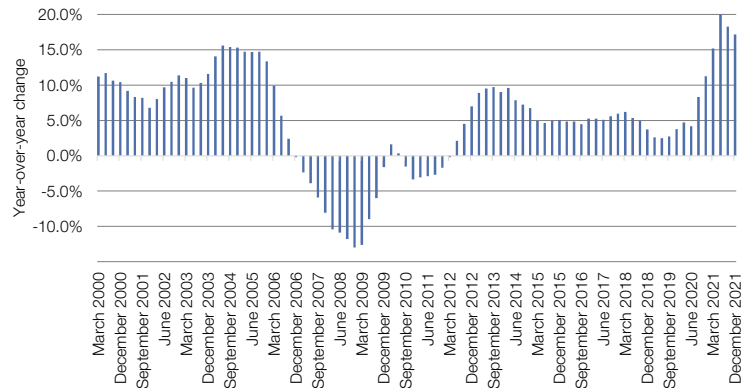
Market-level price appreciation indices suggest growth is fastest in the traditionally less expensive and less urban markets. Florida contains four of the five fastest growing markets, with year-over-year growth for Q4 ranging from 31.5 percent in North Port, Fla., to 42.0 percent in Naples, Fla. Phoenix is the third-fastest growing market with a growth rate of 33.3 percent. Robust home price appreciation was widespread in the fourth quarter throughout the United States, with only a handful of the tracked markets experiencing year-over-year growth of less than 10 percent.

Robust home price growth will likely continue well into early 2022. The persistence of high consumer demand for single-family homes along with pandemic-induced bottlenecks in the supply chain suggest the causes behind high home-price growth are unlikely to abate in early 2022.

The national Amherst HPA is based on the 20 MSAs that are used to construct the S&P Case-Shiller 20-city index and is based, on average, on 185,000 repeat-sale observations per quarter. Unlike other HPA indices, the Amherst HPA does not include foreclosures, short-sales, bank repossessions and REO resales. The use of the multiple listing service (MLS) to supplement Corelogic off-market data enables Amherst to offer a timelier look at shifts in the housing market than other indices. ❖

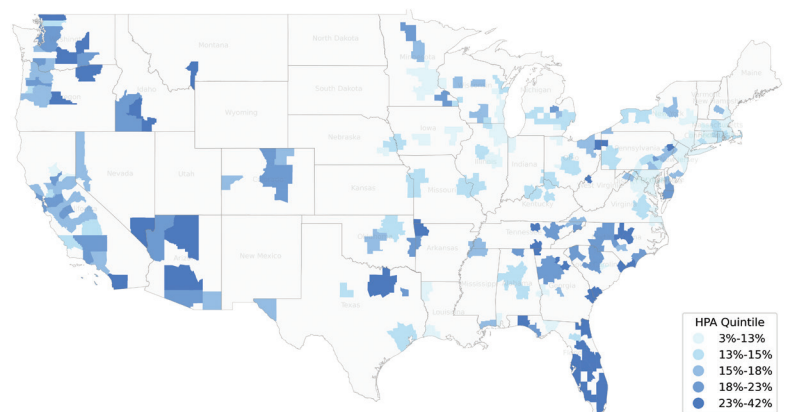
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Amherst Year-over-Year 20-City Home Price Appreciation Index



Source: The Amherst Group

MSA-Level Year-over-Year Home Price Appreciation Index, as of Q4 2021



Source: The Amherst Group

Top 10 markets in HPA, as of Q4 2021	
Market	Year-over-year change
Naples, FL	42.0%
Punta Gorda, FL	40.0%
Phoenix, AZ	33.3%
Port St. Lucie, FL	33.0%
North Port, FL	31.5%
Cape Coral, FL	31.2%
Raleigh, NC	30.0%
Hilton Head Island, SC	29.9%
Crestview, FL	29.6%
Cookeville, TN	29.4%

Source: The Amherst Group

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