

Report: Home Price Growth Outpacing Wages

New housing market data show California's Central Valley has some of the country's largest gaps between price increases and wage growth.

Research firm [RealtyTrac](#) analyzed growth in average weekly wages and median home prices, comparing 2014 to 2012 numbers. "There definitely is a disconnect forming between wages and home prices," says RealtyTrac's Daren Blomquist.

Blomquist says nationwide home price appreciation has outpaced wage growth by a 13-to-one ratio. Merced was well above the national average with a 141-to-one ratio.

"And that was actually the top of the list in terms of the disparity between wage growth and home price growth," explains Blomquist.

Home prices in Merced increased 42 percent while wages went up by less than one percent. The numbers were similar in Modesto.

Blomquist says Sacramento had a 17-to-one ratio. He says Sacramento and other markets with the biggest disconnect between price growth and wages are likely to see plateauing home prices this year as salaries catch up.