

# Central Valley Business Times

Home prices up by 6.3 percent year over year in May

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- Prices projected to increase by 5.1 percent by next May
- “Markets with high demand and limited supply, such as San Francisco, are recording double-digit appreciation rates”



Local Guides

Home prices nationwide, including distressed sales, increased by 6.3 percent in May compared with May 2014, according to a new report Tuesday from financial information company CoreLogic Inc. (NYSE: CLGX) of Irvine.

This change represents 39 months of consecutive year-over-year increases in home prices nationally. On a month-over-month basis, home prices nationwide, including distressed sales, increased by 1.7 percent in May compared with April.\*

Central Valley home prices also increases in May, both from the year before and from April, according to the report.

Including distressed sales, 33 states and the District of Columbia were at or within 10 percent of their peak prices in May. Ten states and the District of Columbia reached new price peaks not experienced since January 1976 when the CoreLogic HPI started. These states include Alaska, Colorado, Iowa, Nebraska, New York, North Carolina, Oklahoma, Tennessee, Texas and Vermont.

Excluding distressed sales, home prices increased by 6.3 percent in May compared with May 2014 and increased by 1.4 percent month over month compared with April. Excluding distressed sales, only Massachusetts (-2 percent) and Louisiana (-0.2 percent) showed year-over-year depreciation in May. Distressed sales include short sales and real estate-owned (REO) transactions.

The CoreLogic HPI Forecast indicates that home prices, including distressed sales, are projected to increase by 0.9 percent month over month from May to June 2015 and by 5.1 percent on a year-over-year basis from May to May 2016. Excluding distressed sales, home prices are projected to increase by 0.8 percent month over month

from May to June 2015 and by 4.7 percent year over year from May to May 2016. The CoreLogic HPI Forecast is a projection of home prices using the CoreLogic HPI and other economic variables. Values are derived from state-level forecasts by weighting indices according to the number of owner-occupied households for each state.

"Mortgage rates on 30-year fixed-rate loans remained below 4 percent through May, helping to fuel home-purchase activity," says Frank Nothaft, chief economist for CoreLogic. "Our homes-for-sale listing data shows that markets with high demand and limited supply, such as San Francisco, are recording double-digit appreciation rates over the past year."

"The rate of home price appreciation ticked up in May with gains being fairly widely distributed across the country. Importantly, higher home prices over the past couple of years have spurred increases in new single-family construction," adds Anand Nallathambi, president and CEO of CoreLogic. "Sales of newly built homes during the first five months of 2015 were up 23 percent from a year ago, and as rising values build equity for homeowners, we expect to see more existing homes offered for sale in the coming year."

Here are CoreLogic's market summaries for the Central Valley:

- Home Prices in Fresno Increase

In Fresno, home prices, including distressed sales, increased by 4.3 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 1.3 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 4.1 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.8 percent in May compared with April.

- Home Prices in Madera Increase

In Madera, home prices, including distressed sales, increased by 5.8 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 0.5 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 4.4 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.8 percent in May compared with April.

- Home Prices in Merced Increase

In Merced, home prices, including distressed sales, increased by 8.0 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 1.2 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 4.9 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 0.3 percent in May compared with April.

- Home Prices in Modesto Increase

In Modesto, home prices, including distressed sales, increased by 7.9 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 0.8 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 7.6 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.1 percent in May compared with April.

#### Home Prices in metropolitan Sacramento Increase

In metro Sacramento, home prices, including distressed sales, increased by 5.7 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 1.1 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 6.6 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.6 percent in May compared with April.

- Home Prices in Bakersfield Increase

In Bakersfield, home prices, including distressed sales, increased by 3.6 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 0.8 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 4.0 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.3 percent in May compared with April.

- Home Prices in Visalia-Porterville Increase

In Visalia-Porterville, home prices, including distressed

sales, increased by 12.2 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 3.4 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 13.3 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 2.7 percent in May compared with April.

- Home Prices in Stockton-Lodi Increase

In Stockton-Lodi, home prices, including distressed sales, increased by 6.2 percent in May compared with May 2014. On a month-over-month basis, home prices, including distressed sales, increased by 1.4 percent in May compared with April.

Excluding distressed sales, year-over-year prices increased by 6.1 percent in May compared with May 2014. On a month-over-month basis, excluding distressed sales, the CoreLogic HPI indicates home prices increased by 1.3 percent in May compared with April.

### **National Highlights as of May:**

→ Including distressed sales, the five states with the highest home price appreciation were: South Carolina (+10.3 percent), Colorado (+9.8 percent), Washington (+8.8 percent), Florida (+8.7 percent) and Nevada (+8.3 percent). Excluding distressed sales, the five states with the highest home price appreciation were: South Carolina (+9.6 percent), Colorado (+9.2 percent), Florida (+8.9 percent), Washington (+8.5 percent) and Oregon (+7.9 percent).

→ Including distressed sales, only five states experienced home price depreciation including: Massachusetts (-4.8 percent), Connecticut (-1.8 percent), Maryland (-1.5 percent), Mississippi (-1.4 percent) and Louisiana (-0.8 percent).

→ Including distressed transactions, the peak-to-current change in the national HPI (from April 2006 to May) was -8.4 percent. Excluding distressed transactions, the peak-to-current change for the same period was -4.7 percent.

→ The five states with the largest peak-to-current declines, including distressed transactions, were: Nevada (-32.9 percent), Florida (-28.8 percent), Rhode Island (-27.5 percent), Arizona (-26 percent) and Maryland (-23.1 percent).

→ Of the top 100 Core Based Statistical Areas (CBSAs) measured by population, 92 showed year-over-year increases. The eight CBSAs that showed year-over-year declines were: Baltimore-Columbia-Towson, MD (-1.8 percent); Boston, MA (-4.8 percent); Bridgeport-Stamford-

Norwalk, CT (-0.32 percent); Cambridge-Newton-Framingham, MA (-2.9 percent); Camden, NJ (-0.96 percent); New Orleans-Metairie, LA (-6.4 percent); Silver Spring-Frederick-Rockville, MD (-0.31 percent) and Worcester, MA-CT (-6.6 percent).



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9

Free Views Are Left