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## 10 Cities Where Home Prices Have Held Up Most



You may not be surprised to see the city that made the top of our list. It's the epicenter of government spending, and the median home price rose the most in 2010. The economy there felt only a glancing blow from the recession.

The remainder of the top ten is a geographically diverse mix of oil-industry centers, cities that largely missed the real estate boom and areas that were among the hardest hit by the bust.

Most benefited from a spike in sales due to the home-buyer's credit in the first half of 2010. But the pervasiveness of the housing bust and the soft economy led to a falloff in sales after that, meaning the change in home prices even in the best markets is barely positive.

All of the metropolitan areas we've ranked have a population of at least 500,000. Change in home prices reflects the one-year period through December 31, 2010, when the national average was -4.1%. Unemployment rate is as of February 2011, when the national average was 9.5%. Foreclosure rate is as of March 31, 2011, when the national average was around 0.5%.

**Find out which cities made our top ten list.**

*Sources: Fiserv Case-Shiller, National Association of Realtors, Bureau of Labor Statistics, RealtyTrac, Data Quick, Trulia.com, metro-area multiple-listing services*

**10 Cities Where Home Prices Have Held Up Most**

### 1. Washington, D.C.

slideshow image

Courtesy of AgnosticPreachersKid

**One-year change in home prices:** +5.6%

**Median home price:** \$395,000

**Change in price since peak (Q1 2006):** -26.2%

**Unemployment rate:** 5.9%

**Foreclosure rate:** 1 of every 326 housing units (0.31%)

Relatively strong employment has led to a modest rebound in Washington. The federal government employs almost one-fifth of workers here, and the metro area is also a center for information and communications and headquarters to many international and national organizations.

Sales are down from the previous year, but the median home price has been growing, even though housing here is still overvalued compared with income. The supply of homes is relatively tight, at three to four months (the length of time it would take to deplete the current supply of homes for sale, given the current pace of sales), giving a slight advantage to sellers.

#### 1. Washington, D.C.

## 2. Detroit, Mich.

slideshow image **One-year change in home prices:** + 3.0%  
Courtesy of Shawn Wilson

**Median home price:** \$56,000

**Change in price since peak (Q1 2006):** -58.1%

**Unemployment rate:** 11.8%

**Foreclosure rate:** 1 of every 90 housing units (1.12%)

Detroit now ranks as the most affordable city in the country -- great news if you have a job. The region is still plagued by a high rate of unemployment as it waits for the auto industry to regain traction, and population is declining.

The increase in the median home price in 2010 was driven by the home-buyer's tax credit and investor demand. But sales and prices are falling. And the foreclosure rate is still high -- about one-third of the inventory is distressed properties.

#### 2. Detroit, Mich.

## 3. Syracuse, N.Y.

slideshow image **One-year change in home prices:** + 2.6%  
Courtesy of Chloe Clay

**Median home price:** \$90,000

**Change in price since peak (Q1 2008):** + 1.3%

**Unemployment rate:** 8.9%

**Foreclosure rate:** 1 of every 7,766 housing units (0.01%)

As in much of upstate New York, home prices in Syracuse crept steadily upward through the past decade, but the area has remained one of the most affordable cities in the U.S.

Sales have been fueled in part by respectable growth in employment: The metro area's economy, once dominated by larger manufacturers, now hums along with more and smaller employers concentrated in education or the service industry. The foreclosure rate there is among the lowest in the country.

#### 3. Syracuse, N.Y.

## 4. Honolulu, Hawaii



Courtesy of Jim Harper

**One-year change in home prices:** + 2.0%

**Median home price:** \$598,000

**Change in price since peak (Q4 2007):** -8.1%

**Unemployment rate:** 5.3%

**Foreclosure rate:** 1 of every 330 housing units (0.30%)

Between 2000 and 2007, the median home price in Honolulu doubled, making President Obama's birthplace one of the least affordable cities in the U.S. to buy a home. The median home price has been ticking down, but sales are reasonably steady.

The metro area has about five months of inventory, considered balanced between sellers and buyers. As a trade and tourist hub, Honolulu's economy is healthy and should get healthier, and the foreclosure rate is relatively low.

#### 4. Honolulu, Hawaii

## 5. San Diego, Cal.

slideshow image **One-year change in home prices:** +1.6%

**Median home price:** \$385,000

**Change in price since peak (Q1 2006):** -36.4%

**Unemployment rate:** 10.1%

**Foreclosure rate:** 1 of every 97 housing units (1.03%)

Unemployment in San Diego is higher than the national average despite its concentration of military, government, education and health care employment. The metro area is still overvalued and prices have recently been heading lower, despite being buoyed by the home-buyer's tax credit in 2010.

About one-third of properties sold in Southern California generally have been foreclosures and about one-fifth, short sales. And about one-fourth of buyers have been absentee, mostly investors, who snap up bargains and push average prices down.

#### 5. San Diego, Cal.

## 6. Riverside, Cal.

slideshow image **One-year change in home prices:** + 1.5%

**Median home price:** \$185,000

**Change in price since peak (Q2 2006):** -54.8%

**Unemployment rate:** 13.9%

**Foreclosure rate:** 1 of every 49 housing units (2.04%)

The Riverside area anchors the Inland Empire (east of Los Angeles), which was rocked by overbuilding, subprime lending, boom and bust. The uptick in the median home price reflects the effect of the home-buyer's tax credit.

Throughout 2010 and into 2011, overall sales continued to decrease, although sales of distressed properties have increased recently, which will push prices down. Unemployment in the metro area, a major distribution center for imports, is high, and foreclosures are rampant.

#### 6. Riverside, Cal.

## 7. Oakland, Cal.

slideshow image **One-year change in home prices:** + 1.3%  
Courtesy of David Corby

**Median home price:** \$365,000

**Change in price since peak (Q1 2006):** -42.6%

**Rate of unemployment:** 11.5%\*

**Foreclosure rate:** 1 of every 105 housing units (0.95%)\*\*

Price gains in the East Bay are slowing -- although sales, which declined last year, may be picking up. While the rate of foreclosure has fallen from its peak in late 2008, distressed properties -- as well as a high unemployment rate -- will keep the lid on home prices and construction over the next few years.

*\*according to Beacon Economics*

*\*\*for the San Francisco-Oakland-Fremont, Cal., metropolitan statistical area (MSA)*

#### 7. Oakland, Cal.

## 8. Cambridge, Mass.

slideshow image **One-year change in home prices:** + 1.2%  
Courtesy of Chensiyuan

**Median home price:** \$391,000

**Change in price since peak (Q2 2005):** -11.0%

**Unemployment rate:** 7.5%

**Foreclosure rate:** 1 of every 537 housing units (0.19%)\*

Of markets that Fiserv tracks, this slice of the larger Boston region was the first to peak (in the second quarter of 2005). But its median home price has lost much less ground than many other areas, and prices appear to be near bottom. Sales continue to fall from the year before, but the monthly declines are becoming less steep. Rates of unemployment and foreclosure are lower than the national averages and improving.

*\*data is for the larger Boston-Cambridge-Quincy MSA*

#### 8. Cambridge, Mass.

## 9. Houston, Tex.

slideshow image **One-year change in home prices:** + 0.9%

**Median home price:** \$ 154,000

**Change in price since peak (Q2 2010):** -1.8%

**Unemployment rate:** 8.4%

**Foreclosure rate:** 1 of every 209 housing units (0.48%)

In this center of the energy industry, with its three Gulf Coast ports, higher oil prices mean work -- and steady home sales. Throughout the national real estate boom, the housing market in Houston, like the state of Texas generally, enjoyed affordability and small but steady home price gains. Although sales are rising, prices have plateaued. The metro area has a strong economy, with good job growth that has been attracting job seekers.

**9. Houston, Tex.**

## 10. Oklahoma City, Okla.

slideshow image **One-year change in home prices:** + 0.8%

**Median home price:** \$135,000

**Change in price since peak (Q3 2010):** -0.2%

**Unemployment rate:** 6.2%

**Foreclosure rate:** 1 of every 395 housing units (0.25%)

Oklahoma City's housing market rises and falls with the fortunes of the oil and gas industries, and lately business has been brisk. While the rest of the nation reeled from plunging home prices, values in Oklahoma City improved by 9.5% over the past five years -- up until their peak in the third quarter of 2010. Sales were down by about one-third in the fourth quarter of 2010 from the year before, but the trend is improving.

**10. Oklahoma City, Okla.**

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