# Global Insight/National City

## Housing Valuation Assessment:
## A Comparative Analysis of House Valuations in Major U.S. Metropolitan Areas

***"Whether home prices on average for the nation as a whole are overvalued relative to underlying determinants is difficult to ascertain, but there do appear to be, at a minimum, signs of froth in some local markets where home prices seem to have risen to unsustainable levels."***

**Alan Greenspan**
**Monetary Policy Report to the Congress**
**July 20, 2005**

**October 2005**

## Summary


- Over the period from 1985 to 2005, single family house price-to-income ratios were studied for 299 metropolitan areas that now account for 80 percent of U.S. single family housing market value.
- Price-to-income ratios were statistically explained by household population density, mortgage interest rates, relative income levels and characteristics unique to each metro area.
- Markets are considered extremely overvalued when observed prices exceed statistical norms by 30 percent. That threshold was determined from the typical degree of overvaluation that preceded the 63 price declines actually observed over the past 20 years.
- As of the second quarter of this year, 56 metro areas representing 32 percent of the total U.S. housing market are extremely overvalued and confront a high risk of future price correction.
- California and Florida have the highest concentration of overvalued housing markets, as do parts of the Greater New York and Greater Boston areas.


## The Issue

As the Greenspan quotation states, it is "difficult to ascertain" whether the U.S. housing market is "overvalued." Yet such a determination is essential when assessing risks to homeowners, securities investors, real estate developers, lenders and the economy at large.

If home prices are overvalued, then by definition, the risk of a price correction is high. In the event that such a correction plays out with home prices falling broadly, adverse implications abound. Individuals will suffer a wealth decline and spend less freely. Lenders will suffer elevated loan losses and credit conditions will tighten. Mortgage-backed securities will lose value and consumer confidence and home building will decline, all other things being equal.

Given the obvious importance of the issue and the absence of any consensus regarding the question of housing market valuation, this report describes our efforts — and findings — along those lines.

## The Approach[1]

Our approach to determining fair value in the housing market is statistical in orientation. This contrasts with financial asset valuation, where a vast body of theoretical and empirical literature addresses the question of "intrinsic value." Rather, our approach examines a particular historical period — 1985 to 2005 — and accepts that house prices, on average, adhered to some normal relationship to underlying determinants during that time.

We conduct our analysis at the metropolitan area level of geographic detail, in recognition of, and controlling for, the disparate conditions that characterize different markets. This is done with a technique call multivariate pooled time series analysis, which combines the virtues of time series analysis (estimating relationships as they develop over time) and cross-section analysis (estimating relationships as they vary across different members of a group). Specifically[2], we examine the ratio of home prices to household incomes in 299 metropolitan areas and attempt to explain the variation in that ratio as a function of four key determinants:

- Household Population Density$_{MSA}$
- Conventional Mortgage Rate$_{US}$
- Relative Income Level$_{MSA}$
- Constant$_{MSA}$

Household population density is measured as the number of households per square mile in each metro area and serves as a proxy for the scarcity of land. The fact that Detroit, for example, has 1,246 households per square mile implies a far

[1] Following is an update of, and enhancement to, research conducted last year (*Metro Area Home Prices: Valuation Methodology*) and released publicly on www.nationalcity.com/economics this February.

[2] See Appendix I.

greater scarcity of land than in Las Vegas, where there are 82 households per square mile. Also relevant to house prices is the fact that Detroit's household population density has fallen 2 percent over the past decade, while in Las Vegas it climbed 70 percent.

The conventional mortgage rate is not specific to metropolitan areas, captures the extent to which financing costs influence home prices and is incorporated on a payment-equivalent basis. For example, a conventional 30-year mortgage of $200,000 carries a monthly cost of $1,468 with mortgage interest rates of 8 percent. At 6 percent, however, a homebuyer could service a far higher $245,000 mortgage with the same monthly expense. In fact, falling mortgage interest rates have contributed greatly to rising home prices over the past several years by enhancing affordability.

Relative income borrows from the economic concept of the "luxury good." Generally, a luxury good is defined as one toward which consumers allocate more of their income as their real incomes rise. In this case, we recognize that the high-income (twice the national average) residents of Bridgeport, Connecticut, are likely to allocate a larger share of their income toward housing than are the lower-income (three-quarters the national average) residents of Hattiesburg, Mississippi.

Finally, we calculate a "constant" term for each metropolitan area. These control for the historically observed difference in metro area price-to-income ratios that is not explained by the other three determinants. The numbers range from 0 to 3 and reflect a variety of difficult to quantify, but nonetheless important, factors that influence prices. For example, Honolulu has a metro constant of 2.7, meaning that house prices there should be 2.7 times income levels, abstracting from the influence of all other factors. Presumably, their famously pleasant climate, sunshine and beaches influence these high metro area constants. Other factors that influence metro area constants include pollution, cultural amenities, school systems, expected appreciation rates and miscellaneous costs (e.g. tax and utility rates).

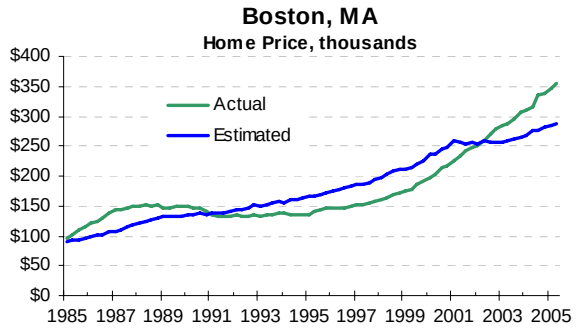
While metropolitan area constants, to some extent, reflect the desirability of residential areas, that would be an overly simplistic interpretation. For example, the New York metro area has a relatively low constant of 0.09. However, because its household population density is the highest (by far) and its residences are largely multifamily properties (as opposed to single family properties, which are covered herein), its low constant term corrects for the overstatement of its relevant population.

On the whole, this statistical model works well. It explains 82 percent of the variation in home price-to-income ratios across places and over time. Additionally, all explanatory variables are very statistically significant.

Once the model has been estimated, we then use it to determine what prices "should" be, in the statistical sense. By comparing those estimated prices to actually observed prices, we then determine the extent to which markets have historically been under or overvalued.

## The Findings[3]

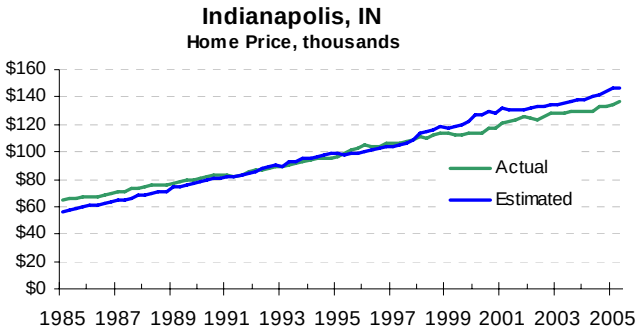
Results for the Boston area are shown as an example in the following chart. As of the second quarter of 2005, the observed median house price of $355,000 compares to an estimated price of $289,000, meaning that houses there were overvalued by 23 percent, comparable to the 1987 high. Note that over the 20-year period as a whole, house prices are fairly valued (i.e. average valuation = 0), as is the case for all metro areas.




Boston is not representative, however, as this area is known to experience greater-than-average house price volatility over time. Indianapolis presents the other extreme, where stability is more characteristic. This metro area's valuation has varied between a high of 14 percent overvalued

[3] See Appendix II for a summary and Appendix III for 299 detailed metro area charts.

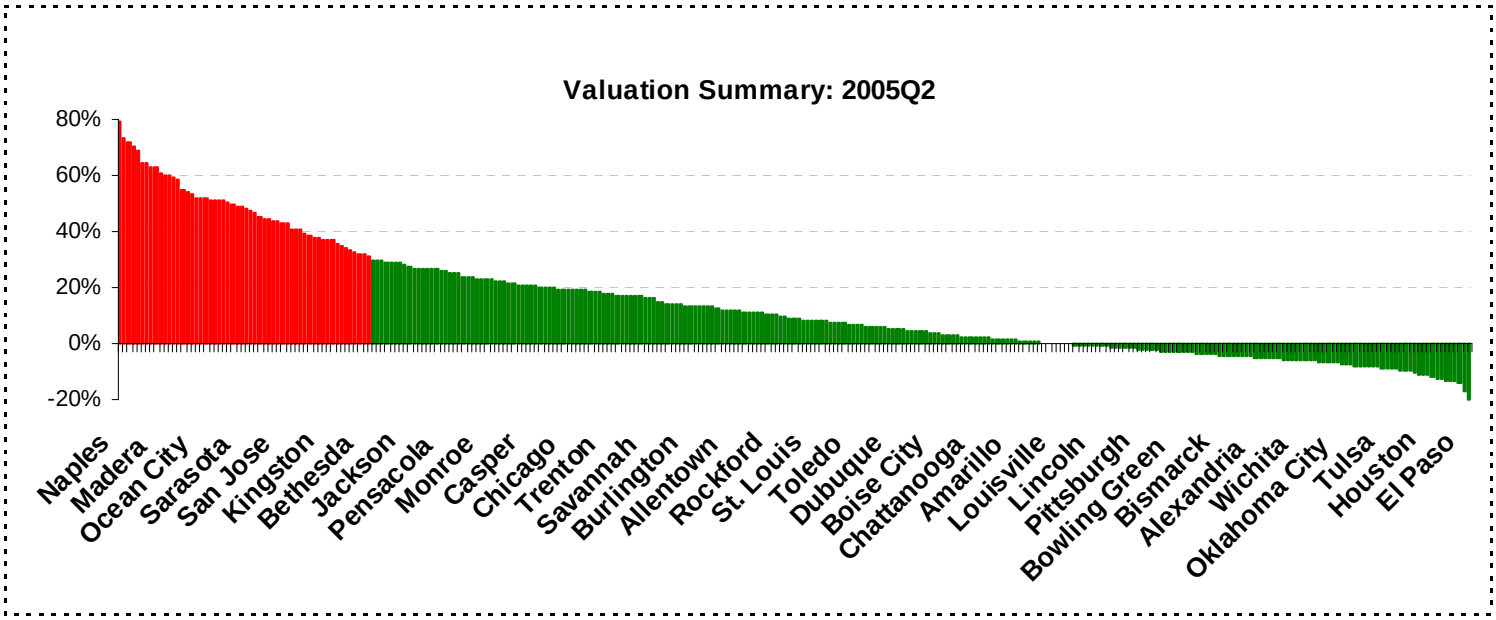
(1985) and 11 percent undervalued (2000). For practical purposes, we recommend treating valuation metrics between +/-15 percent as "fair value."




To summarize, the chart below shows valuation metrics for all 299 metro areas as of the first quarter of 2005. Metro areas are ranked from most overvalued (Naples, FL: +79 percent) to most undervalued (College Station, Texas: -20 percent), with only each tenth market labeled. The table that follows shows the actual and predicted housing prices of the 299 metropolitan areas. Again, the gravity of the overvaluation reveals itself in the recurring statistic: the 56 metro areas that are 30 percent or more overvalued account for 32 percent of the U.S. housing market.

Markets with valuations of +30 percent or greater are indicated in red to signify that these areas are at an especially high risk of future price corrections. We chose the cutoff level of +30 percent based on a review of actually observed price corrections over the past 20-year history[4]. Specifically, we define price corrections as declines of 10 percent or more, lasting a period of two years or more. In all, 63 metro areas — 21 percent of the total — satisfy these criteria. The median degree of overvaluation demonstrated by these 63 areas is 30 percent, the typical price decline is 17 percent, and the typical adjustment period is 13 quarters.

High-risk markets continue to be disproportionately concentrated in California, Southern Florida (east and west coasts) and in parts of the Metropolitan Boston (e.g. Barnstable, Providence), Metropolitan New York (e.g. Nassau-Suffolk, NY and Ocean City, NJ), and Metropolitan Washington DC (e.g., Bethesda MD) areas.




[4] See Appendix IV.

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Abilene, TX | $ 69,083 | $ 75,248 | -8.19 | 277 |
| Akron, OH | $ 133,987 | $ 131,435 | 1.94 | 192 |
| Albany, GA | $ 86,864 | $ 91,494 | -5.06 | 257 |
| Albany, NY | $ 174,061 | $ 155,818 | 11.71 | 138 |
| Albuquerque, NM | $ 155,338 | $ 158,623 | -2.07 | 227 |
| Alexandria, LA | $ 80,297 | $ 84,466 | -4.94 | 253 |
| Allentown, PA-NJ | $ 186,330 | $ 166,452 | 11.94 | 136 |
| Amarillo, TX | $ 87,245 | $ 86,279 | 1.12 | 199 |
| Anchorage, AK | $ 213,190 | $ 186,376 | 14.39 | 122 |
| Anderson, IN | $ 95,045 | $ 95,176 | -0.14 | 210 |
| Ann Arbor, MI | $ 223,014 | $ 185,257 | 20.38 | 93 |
| Appleton, WI | $ 133,483 | $ 134,448 | -0.72 | 216 |
| Asheville, NC | $ 142,980 | $ 116,160 | 23.09 | 80 |
| Athens, GA | $ 136,758 | $ 133,865 | 2.16 | 191 |
| Atlanta, GA | $ 173,155 | $ 166,539 | 3.97 | 180 |
| Atlantic City, NJ | $ 230,834 | $ 145,247 | 58.92 | 13 |
| Augusta, GA-SC | $ 104,255 | $ 108,281 | -3.72 | 243 |
| Austin, TX | $ 147,123 | $ 154,917 | -5.03 | 256 |
| Bakersfield, CA | $ 190,831 | $ 129,605 | 47.24 | 30 |
| Baltimore, MD | $ 244,863 | $ 197,602 | 23.92 | 78 |
| Barnstable Town, MA | $ 347,170 | $ 233,036 | 48.98 | 27 |
| Baton Rouge, LA | $ 106,916 | $ 109,883 | -2.70 | 231 |
| Battle Creek, MI | $ 101,393 | $ 85,296 | 18.87 | 105 |
| Bay City, MI | $ 105,741 | $ 83,679 | 26.36 | 71 |
| Beaumont, TX | $ 71,958 | $ 80,953 | -11.11 | 288 |
| Bellingham, WA | $ 252,921 | $ 179,487 | 40.91 | 41 |
| Bend, OR | $ 220,302 | $ 145,903 | 50.99 | 23 |
| Bethesda, MD (Div) | $ 395,710 | $ 300,422 | 31.72 | 55 |
| Billings, MT | $ 138,199 | $ 125,619 | 10.01 | 146 |
| Binghamton, NY | $ 96,094 | $ 99,786 | -3.70 | 242 |
| Birmingham, AL | $ 117,377 | $ 121,770 | -3.61 | 240 |
| Bismarck, ND | $ 113,289 | $ 118,167 | -4.13 | 244 |
| Bloomington, IL | $ 117,963 | $ 117,224 | 0.63 | 203 |
| Bloomington, IN | $ 129,903 | $ 133,112 | -2.41 | 229 |
| Boise City, ID | $ 150,013 | $ 144,769 | 3.62 | 181 |
| Boston, MA (Div) | $ 355,258 | $ 288,704 | 23.05 | 81 |
| Boulder, CO | $ 294,149 | $ 247,376 | 18.91 | 104 |
| Bowling Green, KY | $ 107,546 | $ 110,693 | -2.84 | 235 |
| Bremerton, WA | $ 230,614 | $ 192,497 | 19.80 | 97 |
| Bridgeport, CT | $ 441,863 | $ 409,977 | 7.78 | 158 |
| Brunswick, GA | $ 116,174 | $ 98,090 | 18.44 | 106 |
| Buffalo, NY | $ 110,836 | $ 117,864 | -5.96 | 263 |
| Burlington, NC | $ 112,713 | $ 110,913 | 1.62 | 195 |
| Burlington, VT | $ 201,176 | $ 177,273 | 13.48 | 127 |
| Cambridge, MA (Div) | $ 389,520 | $ 332,706 | 17.08 | 112 |
| Camden, NJ (Div) | $ 210,946 | $ 179,094 | 17.78 | 110 |
| Canton, OH | $ 119,588 | $ 110,653 | 8.08 | 153 |
| Cape Coral, FL | $ 199,957 | $ 138,718 | 44.15 | 34 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Casper, WY | $ 126,591 | $ 104,905 | 20.67 | 91 |
| Cedar Rapids, IA | $ 114,470 | $ 117,785 | -2.81 | 234 |
| Champaign, IL | $ 115,349 | $ 110,168 | 4.70 | 176 |
| Charleston WV | $ 88,269 | $ 97,095 | -9.09 | 283 |
| Charleston-North Charleston SC | $ 153,332 | $ 121,577 | 26.12 | 72 |
| Charlotte, NC-SC | $ 142,387 | $ 149,828 | -4.97 | 255 |
| Charlottesville, VA | $ 226,058 | $ 175,104 | 29.10 | 60 |
| Chattanooga, TN-GA | $ 112,298 | $ 109,865 | 2.21 | 190 |
| Cheyenne, WY | $ 142,101 | $ 134,778 | 5.43 | 171 |
| Chicago, IL (Div) | $ 234,056 | $ 195,821 | 19.53 | 100 |
| Chico, CA | $ 248,223 | $ 156,863 | 58.24 | 14 |
| Cincinnati, OH-KY-IN | $ 139,513 | $ 141,845 | -1.64 | 224 |
| Cleveland, OH | $ 145,386 | $ 139,389 | 4.30 | 178 |
| College Station, TX | $ 95,758 | $ 119,344 | -19.76 | 299 |
| Colorado Springs, CO | $ 191,664 | $ 172,688 | 10.99 | 141 |
| Columbia, MO | $ 122,834 | $ 123,230 | -0.32 | 211 |
| Columbia, SC | $ 113,101 | $ 112,226 | 0.78 | 201 |
| Columbus, GA-AL | $ 106,577 | $ 112,936 | -5.63 | 260 |
| Columbus, IN | $ 115,944 | $ 120,330 | -3.65 | 241 |
| Columbus, OH | $ 149,329 | $ 148,507 | 0.55 | 204 |
| Corpus Christi, TX | $ 88,740 | $ 94,872 | -6.46 | 267 |
| Corvallis, OR | $ 216,363 | $ 185,594 | 16.58 | 117 |
| Dallas, TX (Div) | $ 128,253 | $ 147,479 | -13.04 | 294 |
| Dalton, GA | $ 105,229 | $ 100,383 | 4.83 | 174 |
| Davenport, IA-IL | $ 102,594 | $ 97,080 | 5.68 | 170 |
| Dayton, OH | $ 121,422 | $ 124,543 | -2.51 | 230 |
| Decatur, AL | $ 91,554 | $ 99,950 | -8.40 | 279 |
| Decatur, IL | $ 83,640 | $ 81,763 | 2.30 | 189 |
| Deltona, FL | $ 158,307 | $ 115,725 | 36.80 | 48 |
| Denver, CO | $ 223,520 | $ 199,019 | 12.31 | 133 |
| Des Moines, IA | $ 127,134 | $ 130,861 | -2.85 | 236 |
| Detroit, MI (Div) | $ 119,546 | $ 99,423 | 20.24 | 95 |
| Dubuque, IA | $ 114,706 | $ 109,249 | 5.00 | 172 |
| Duluth, MN-WI | $ 118,543 | $ 90,640 | 30.78 | 56 |
| Durham, NC | $ 161,125 | $ 155,917 | 3.34 | 182 |
| Eau Claire, WI | $ 121,236 | $ 103,735 | 16.87 | 116 |
| Edison, NJ (Div) | $ 322,421 | $ 244,727 | 31.75 | 54 |
| El Paso, TX | $ 84,802 | $ 102,083 | -16.93 | 298 |
| Elkhart, IN | $ 112,930 | $ 125,604 | -10.09 | 287 |
| Erie, PA | $ 100,942 | $ 99,060 | 1.90 | 193 |
| Essex County, MA (Div) | $ 343,063 | $ 263,955 | 29.97 | 57 |
| Eugene, OR | $ 190,656 | $ 143,412 | 32.94 | 53 |
| Evansville, IN-KY | $ 97,972 | $ 102,507 | -4.42 | 248 |
| Fargo, ND-MN | $ 126,618 | $ 126,599 | 0.02 | 209 |
| Farmington, NM | $ 112,388 | $ 99,488 | 12.97 | 132 |
| Fayetteville, AR-MO | $ 122,916 | $ 114,075 | 7.75 | 159 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Flagstaff, AZ | $ 205,649 | $ 168,508 | 22.04 | 84 |
| Flint, MI | $ 112,228 | $ 89,769 | 25.02 | 76 |
| Florence, SC | $ 83,420 | $ 84,620 | -1.42 | 220 |
| Fond du Lac, WI | $ 127,560 | $ 122,050 | 4.51 | 177 |
| Fort Collins, CO | $ 219,524 | $ 195,698 | 12.17 | 134 |
| Fort Lauderdale, FL (Div) | $ 221,651 | $ 149,304 | 48.46 | 29 |
| Fort Smith, AR-OK | $ 78,074 | $ 85,013 | -8.16 | 276 |
| Fort Walton Beach, FL | $ 184,229 | $ 137,228 | 34.25 | 51 |
| Fort Wayne, IN | $ 102,295 | $ 110,600 | -7.51 | 272 |
| Fort Worth, TX (Div) | $ 105,870 | $ 120,778 | -12.34 | 292 |
| Fresno, CA | $ 228,724 | $ 148,161 | 54.37 | 16 |
| Gainesville, FL | $ 141,165 | $ 117,366 | 20.28 | 94 |
| Gainesville, GA | $ 142,879 | $ 133,199 | 7.27 | 161 |
| Gary, IN | $ 127,717 | $ 120,169 | 6.28 | 166 |
| Grand Junction, CO | $ 161,731 | $ 124,897 | 29.49 | 58 |
| Grand Rapids, MI | $ 134,860 | $ 118,146 | 14.15 | 123 |
| Greeley, CO | $ 176,023 | $ 145,479 | 21.00 | 89 |
| Green Bay, WI | $ 141,423 | $ 132,465 | 6.76 | 164 |
| Greensboro, NC | $ 118,427 | $ 121,747 | -2.73 | 233 |
| Greenville, NC | $ 95,961 | $ 98,886 | -2.96 | 237 |
| Greenville, SC | $ 114,600 | $ 112,722 | 1.67 | 194 |
| Harrisburg, PA | $ 140,164 | $ 140,777 | -0.44 | 212 |
| Harrisonburg, VA | $ 156,801 | $ 140,362 | 11.71 | 137 |
| Hartford, CT | $ 225,205 | $ 214,891 | 4.80 | 175 |
| Hattiesburg, MS | $ 84,667 | $ 89,041 | -4.91 | 252 |
| Hickory, NC | $ 102,191 | $ 95,907 | 6.55 | 165 |
| Holland, MI | $ 159,063 | $ 132,683 | 19.88 | 96 |
| Honolulu, HI | $ 503,086 | $ 391,320 | 28.56 | 63 |
| Houma, LA | $ 94,706 | $ 95,745 | -1.09 | 219 |
| Houston, TX | $ 107,401 | $ 120,941 | -11.20 | 289 |
| Huntsville, AL | $ 114,399 | $ 133,403 | -14.25 | 297 |
| Idaho Falls, ID | $ 118,508 | $ 119,110 | -0.51 | 213 |
| Indianapolis, IN | $ 136,886 | $ 146,653 | -6.66 | 269 |
| Iowa City, IA | $ 145,890 | $ 155,888 | -6.41 | 266 |
| Jackson, MI | $ 125,033 | $ 97,845 | 27.79 | 64 |
| Jackson, MS | $ 98,897 | $ 108,748 | -9.06 | 282 |
| Jacksonville, FL | $ 158,423 | $ 124,376 | 27.37 | 65 |
| Janesville, WI | $ 124,445 | $ 113,528 | 9.62 | 147 |
| Jefferson City, MO | $ 108,257 | $ 114,629 | -5.56 | 258 |
| Kalamazoo, MI | $ 127,058 | $ 114,580 | 10.89 | 142 |
| Kansas City, MO-KS | $ 135,123 | $ 129,592 | 4.27 | 179 |
| Kennewick, WA | $ 141,563 | $ 137,115 | 3.24 | 183 |
| Killeen, TX | $ 92,250 | $ 106,642 | -13.50 | 296 |
| Kingston, NY | $ 205,416 | $ 150,123 | 36.83 | 46 |
| Knoxville, TN | $ 121,150 | $ 121,881 | -0.60 | 215 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Kokomo, IN | $ 99,774 | $ 103,170 | -3.29 | 238 |
| La Crosse, WI-MN | $ 124,379 | $ 111,793 | 11.26 | 139 |
| Lafayette, IN | $ 115,357 | $ 130,263 | -11.44 | 290 |
| Lafayette, LA | $ 108,765 | $ 107,870 | 0.83 | 200 |
| Lake-Kenosha, IL-WI (Div) | $ 248,819 | $ 219,701 | 13.25 | 130 |
| Lakeland, FL | $ 109,054 | $ 96,124 | 13.45 | 128 |
| Lancaster, PA | $ 164,503 | $ 152,490 | 7.88 | 156 |
| Lansing, MI | $ 136,915 | $ 114,628 | 19.44 | 101 |
| Las Cruces, NM | $ 104,553 | $ 105,134 | -0.55 | 214 |
| Las Vegas, NV | $ 258,859 | $ 186,053 | 39.13 | 42 |
| Lawrence, KS | $ 155,467 | $ 150,633 | 3.21 | 184 |
| Lexington, KY | $ 134,173 | $ 133,212 | 0.72 | 202 |
| Lima, OH | $ 101,345 | $ 103,679 | -2.25 | 228 |
| Lincoln, NE | $ 127,771 | $ 128,909 | -0.88 | 217 |
| Little Rock, AR | $ 102,365 | $ 111,002 | -7.78 | 274 |
| Longview, TX | $ 80,875 | $ 89,803 | -9.94 | 286 |
| Longview, WA | $ 158,431 | $ 134,186 | 18.07 | 108 |
| Los Angeles, CA (Div) | $ 432,559 | $ 284,303 | 52.15 | 18 |
| Louisville, KY-IN | $ 125,610 | $ 125,586 | 0.02 | 208 |
| Lubbock, TX | $ 81,351 | $ 85,601 | -4.97 | 254 |
| Lynchburg, VA | $ 126,657 | $ 115,976 | 9.21 | 149 |
| Macon, GA | $ 97,091 | $ 107,235 | -9.46 | 284 |
| Madera, CA | $ 256,417 | $ 159,875 | 60.39 | 10 |
| Madison, WI | $ 195,717 | $ 170,851 | 14.55 | 121 |
| Manchester, NH | $ 233,138 | $ 191,853 | 21.52 | 87 |
| Mansfield, OH | $ 106,770 | $ 104,287 | 2.38 | 188 |
| Medford, OR | $ 246,245 | $ 149,438 | 64.78 | 6 |
| Memphis, TN-MS-AR | $ 105,520 | $ 120,831 | -12.67 | 293 |
| Merced, CA | $ 256,348 | $ 149,290 | 71.71 | 3 |
| Miami, FL (Div) | $ 235,291 | $ 155,437 | 51.37 | 21 |
| Michigan City, IN | $ 114,210 | $ 104,925 | 8.85 | 150 |
| Midland, TX | $ 86,355 | $ 94,130 | -8.26 | 278 |
| Milwaukee, WI | $ 184,308 | $ 161,822 | 13.90 | 124 |
| Minneapolis, MN-WI | $ 217,911 | $ 173,908 | 25.30 | 74 |
| Mobile, AL | $ 93,394 | $ 97,977 | -4.68 | 251 |
| Modesto, CA | $ 287,030 | $ 176,338 | 62.77 | 9 |
| Monroe, LA | $ 88,224 | $ 92,239 | -4.35 | 246 |
| Monroe, MI | $ 157,454 | $ 128,174 | 22.84 | 82 |
| Montgomery, AL | $ 101,473 | $ 116,902 | -13.20 | 295 |
| Mount Vernon, WA | $ 229,928 | $ 189,643 | 21.24 | 88 |
| Muskegon, MI | $ 105,860 | $ 90,555 | 16.90 | 115 |
| Napa, CA | $ 489,875 | $ 305,644 | 60.28 | 11 |
| Naples, FL | $ 319,572 | $ 178,180 | 79.35 | 1 |
| Nashville, TN | $ 152,199 | $ 156,432 | -2.71 | 232 |
| Nassau-Suffolk, NY (Div) | $ 405,959 | $ 281,953 | 43.98 | 35 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| New Haven, CT | $ 244,338 | $ 220,346 | 10.89 | 143 |
| New Orleans, LA | $ 133,495 | $ 129,745 | 2.89 | 186 |
| New York, NY-NJ (Div) | $ 426,350 | $ 336,153 | 26.83 | 67 |
| Newark, NJ-PA (Div) | $ 355,631 | $ 281,222 | 26.46 | 69 |
| Niles, MI | $ 123,905 | $ 102,895 | 20.42 | 92 |
| Norwich, CT | $ 237,689 | $ 203,151 | 17.00 | 113 |
| Oakland, CA (Div) | $ 515,808 | $ 351,327 | 46.82 | 31 |
| Ocala, FL | $ 117,495 | $ 91,318 | 28.67 | 62 |
| Ocean City, NJ | $ 288,339 | $ 189,611 | 52.07 | 19 |
| Odessa, TX | $ 52,987 | $ 60,006 | -11.70 | 291 |
| Ogden, UT | $ 160,647 | $ 162,144 | -0.92 | 218 |
| Oklahoma City, OK | $ 98,206 | $ 105,942 | -7.30 | 271 |
| Olympia, WA | $ 207,522 | $ 168,969 | 22.82 | 83 |
| Omaha, NE-IA | $ 121,886 | $ 121,857 | 0.02 | 207 |
| Orlando, FL | $ 172,341 | $ 137,669 | 25.19 | 75 |
| Oshkosh, WI | $ 121,896 | $ 123,695 | -1.45 | 222 |
| Owensboro, KY | $ 86,662 | $ 93,748 | -7.56 | 273 |
| Oxnard, CA | $ 498,343 | $ 325,299 | 53.20 | 17 |
| Palm Bay, FL | $ 183,971 | $ 128,645 | 43.01 | 38 |
| Panama City, FL | $ 154,195 | $ 109,304 | 41.07 | 39 |
| Pensacola, FL | $ 139,728 | $ 111,038 | 25.84 | 73 |
| Peoria, IL | $ 108,448 | $ 99,727 | 8.74 | 151 |
| Philadelphia, PA (Div) | $ 206,118 | $ 182,038 | 13.23 | 131 |
| Phoenix, AZ | $ 199,347 | $ 157,208 | 26.80 | 68 |
| Pittsburgh, PA | $ 109,456 | $ 111,638 | -1.95 | 226 |
| Pittsfield, MA | $ 186,406 | $ 164,234 | 13.50 | 126 |
| Port St. Lucie, FL | $ 210,727 | $ 128,361 | 64.17 | 7 |
| Portland, ME | $ 211,278 | $ 170,548 | 23.88 | 79 |
| Portland, OR-WA | $ 237,843 | $ 178,017 | 33.61 | 52 |
| Poughkeepsie, NY | $ 272,504 | $ 197,534 | 37.95 | 44 |
| Prescott, AZ | $ 195,250 | $ 138,530 | 40.94 | 40 |
| Providence, RI-MA | $ 268,610 | $ 196,340 | 36.81 | 47 |
| Provo, UT | $ 177,864 | $ 177,802 | 0.03 | 206 |
| Pueblo, CO | $ 119,681 | $ 111,565 | 7.27 | 160 |
| Racine, WI | $ 154,429 | $ 131,678 | 17.28 | 111 |
| Raleigh, NC | $ 167,171 | $ 169,895 | -1.60 | 223 |
| Reading, PA | $ 151,709 | $ 140,742 | 7.79 | 157 |
| Redding, CA | $ 238,626 | $ 157,968 | 51.06 | 22 |
| Reno, NV | $ 295,581 | $ 214,515 | 37.79 | 45 |
| Richmond, VA | $ 168,470 | $ 146,966 | 14.63 | 120 |
| Riverside, CA | $ 291,170 | $ 178,715 | 62.92 | 8 |
| Roanoke, VA | $ 137,446 | $ 125,454 | 9.56 | 148 |
| Rochester, MN | $ 144,420 | $ 144,223 | 0.14 | 205 |
| Rochester, NY | $ 114,636 | $ 127,213 | -9.89 | 285 |
| Rockford, IL | $ 119,243 | $ 108,075 | 10.33 | 145 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Rockingham County-Strafford County, NH | $ 246,728 | $ 206,822 | 19.30 | 102 |
| Rocky Mount, NC | $ 89,731 | $ 95,535 | -6.08 | 264 |
| Sacramento, CA | $ 352,071 | $ 219,668 | 60.27 | 12 |
| Saginaw, MI | $ 102,962 | $ 90,437 | 13.85 | 125 |
| Salem, OR | $ 168,795 | $ 136,171 | 23.96 | 77 |
| Salinas, CA | $ 539,273 | $ 316,314 | 70.49 | 4 |
| Salt Lake City, UT | $ 192,474 | $ 187,649 | 2.57 | 187 |
| San Angelo, TX | $ 78,245 | $ 82,914 | -5.63 | 261 |
| San Antonio, TX | $ 95,948 | $ 105,504 | -9.06 | 281 |
| San Diego, CA | $ 461,769 | $ 308,496 | 49.68 | 26 |
| San Francisco, CA (Div) | $ 726,554 | $ 535,249 | 35.74 | 49 |
| San Jose, CA | $ 638,598 | $ 445,827 | 43.24 | 37 |
| San Luis Obispo, CA | $ 455,302 | $ 299,424 | 52.06 | 20 |
| Sandusky, OH | $ 133,210 | $ 129,324 | 3.00 | 185 |
| Santa Ana, CA (Div) | $ 536,835 | $ 372,109 | 44.27 | 33 |
| Santa Barbara, CA | $ 600,999 | $ 346,015 | 73.69 | 2 |
| Santa Cruz, CA | $ 595,483 | $ 415,361 | 43.37 | 36 |
| Santa Fe, NM | $ 249,813 | $ 208,947 | 19.56 | 99 |
| Santa Rosa, CA | $ 492,390 | $ 318,224 | 54.73 | 15 |
| Sarasota, FL | $ 211,596 | $ 142,217 | 48.78 | 28 |
| Savannah, GA | $ 133,037 | $ 114,166 | 16.53 | 118 |
| Scranton, PA | $ 114,975 | $ 113,518 | 1.28 | 197 |
| Seattle, WA (Div) | $ 311,512 | $ 255,518 | 21.91 | 86 |
| Sheboygan, WI | $ 135,732 | $ 126,811 | 7.03 | 162 |
| Sherman, TX | $ 84,739 | $ 83,717 | 1.22 | 198 |
| Shreveport, LA | $ 93,714 | $ 99,796 | -6.09 | 265 |
| Sioux Falls, SD | $ 119,864 | $ 125,375 | -4.40 | 247 |
| South Bend, IN-MI | $ 106,079 | $ 112,328 | -5.56 | 259 |
| Spartanburg, SC | $ 98,223 | $ 100,017 | -1.79 | 225 |
| Spokane, WA | $ 154,764 | $ 139,184 | 11.19 | 140 |
| Springfield, IL | $ 102,907 | $ 110,203 | -6.62 | 268 |
| Springfield, MA | $ 200,739 | $ 168,305 | 19.27 | 103 |
| Springfield, MO | $ 109,047 | $ 116,902 | -6.72 | 270 |
| Springfield, OH | $ 109,591 | $ 103,227 | 6.17 | 167 |
| St. George, UT | $ 193,540 | $ 153,132 | 26.39 | 70 |
| St. Joseph, MO-KS | $ 93,494 | $ 89,171 | 4.85 | 173 |
| St. Louis, MO-IL | $ 136,179 | $ 126,062 | 8.03 | 154 |
| Stockton, CA | $ 307,849 | $ 182,521 | 68.66 | 5 |
| Syracuse, NY | $ 110,647 | $ 115,480 | -4.19 | 245 |
| Tacoma, WA (Div) | $ 221,639 | $ 181,748 | 21.95 | 85 |
| Tallahassee, FL | $ 140,667 | $ 118,959 | 18.25 | 107 |
| Tampa, FL | $ 151,430 | $ 117,559 | 28.81 | 61 |
| Toledo, OH | $ 118,932 | $ 111,372 | 6.79 | 163 |
| Topeka, KS | $ 102,872 | $ 97,148 | 5.89 | 168 |
| Trenton, NJ | $ 254,819 | $ 216,009 | 17.97 | 109 |

| Metro Housing Market Statistics for 2005Q2 | | | | |
|---|---|---|---|---|
| | Actual Home Price | Model-Estimated Home Price | Over/Under Valued (%) | Rank |
| Tucson, AZ | $ 165,414 | $ 136,763 | 20.95 | 90 |
| Tulsa, OK | $ 97,067 | $ 106,244 | -8.64 | 280 |
| Tyler, TX | $ 97,490 | $ 105,893 | -7.94 | 275 |
| Utica, NY | $ 95,879 | $ 99,272 | -3.42 | 239 |
| Vallejo, CA | $ 369,752 | $ 245,013 | 50.91 | 24 |
| Vero Beach, FL | $ 181,929 | $ 125,549 | 44.91 | 32 |
| Vineland, NJ | $ 143,206 | $ 122,485 | 16.92 | 114 |
| Virginia Beach, VA-NC | $ 195,420 | $ 153,830 | 27.04 | 66 |
| Visalia, CA | $ 184,200 | $ 132,995 | 38.50 | 43 |
| Waco, TX | $ 83,704 | $ 87,615 | -4.46 | 249 |
| Warner Robins, GA | $ 103,938 | $ 108,809 | -4.48 | 250 |
| Warren, MI (Div) | $ 193,319 | $ 166,156 | 16.35 | 119 |
| Washington, DC-VA-MD-WV (Div) | $ 357,019 | $ 264,192 | 35.14 | 50 |
| Waterloo, IA | $ 103,440 | $ 95,378 | 8.45 | 152 |
| Wausau, WI | $ 125,819 | $ 123,854 | 1.59 | 196 |
| Wenatchee, WA | $ 179,986 | $ 163,027 | 10.40 | 144 |
| West Palm Beach, FL (Div) | $ 245,477 | $ 162,923 | 50.67 | 25 |
| Wichita, KS | $ 96,085 | $ 101,885 | -5.69 | 262 |
| Wilmington, DE-MD-NJ (Div) | $ 210,687 | $ 185,858 | 13.36 | 129 |
| Wilmington, NC | $ 154,131 | $ 128,850 | 19.62 | 98 |
| Winston-Salem, NC | $ 121,859 | $ 123,652 | -1.45 | 221 |
| Worcester, MA | $ 245,914 | $ 190,169 | 29.31 | 59 |
| Yakima, WA | $ 131,315 | $ 121,709 | 7.89 | 155 |
| York, PA | $ 150,468 | $ 134,142 | 12.17 | 135 |
| Youngstown, OH-PA | $ 99,005 | $ 93,568 | 5.81 | 169 |