

Markets

U.S. Home Values Are Rising at Their Fastest Pace in 12 Years

by [Alexandre Tanzi](#)
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National home values have increased 8.7 percent since last April to a median value of \$215,600, according to Zillow.

Newly released data from the Federal Housing Finance Agency confirm the widespread gains seen by Zillow as home prices rose in all 50 states and the District of Columbia in the first quarter of 2018 compared to a year earlier. The FHFA report shows first-quarter home prices rose 6.9 percent from a year earlier. Annual appreciation surpassed 10 percent in Nevada (13.7 percent), Washington (13.1 percent), Idaho (11.1 percent), Colorado (10.6 percent).

The rise in home prices has allowed more people to take cash-out of the homes when they refinance. Refinancing, where the home owner took additional cash out, rose to 61 percent in the first quarter -- the highest rate seen since the third quarter of 2008, according to FHFA data.

The pace of appreciation seen by Zillow is the fastest since June 2006, when home values were rising nine percent annually.

San Jose home values appreciated 26 percent year-over-year. Las Vegas, Seattle, Dallas-Fort Worth, San Francisco, Tampa, Atlanta, Charlotte and Orlando all saw double digit a growth.

"The spring home shopping season has been a perfect storm of strong demand and tight supply," said Zillow senior economist Aaron Terrazas. "Sluggish new construction has exacerbated the supply situation and homes that are hitting the market, are moving very quickly once they do. Americans are also in a spending mood,

boosted by recent tax cuts and rising wages."

In 21 of the 35 largest housing markets, home values have surpassed levels reached during the height of the housing boom over a decade ago.

California Dreamin'

In San Jose, annual home values rose 26 percent to a median of \$1,263,900



Source: Zillow