

# Looking for House Prices to Drop? Wait Until Next April

Nine years of annual home price gains are expected to come to an end by next April, according to the forecast by CoreLogic, although prices locally are projected to continue rising.

U.S. home prices will drop 1.3% year over year by April 2021, the real estate data firm said Tuesday, June 2.

The forecast is predicting price drops in 41 states, with the biggest declines occurring in areas hit by downturns in tourism and oil and gas industries.

“The very low inventory of homes for sale, coupled with homebuyers’ spur of record-low mortgage rates, will likely continue to support home price growth during the spring,” said CoreLogic Chief Economist Frank Nothaft. “(But) if unemployment remains elevated in early 2021, then we can expect home prices to soften.”

However, price drops aren’t expected in Southern California. Prices instead are forecast to rise 3% in Los Angeles County by April 2021, 5% in Orange County and 6% in the Inland Empire, CoreLogic estimated.

The price strength is “quite surprising, but when you think about it, it’s also not surprising. All the fundamentals are there,” said CoreLogic Deputy Chief Economist Selma Hepp, referring to the region’s wealth, low inventories, cheap mortgage rates and growing numbers of millennials entering the homebuying market.

Meanwhile, CoreLogic’s Home Price Index showed single-family homes posted their biggest percentage gains of the year so far in April. House prices increased 4.9% in Los Angeles County, 3.7% in Orange County and 5% in the Inland Empire, the index showed. Nationally, house prices rose 5.4%.

Although numerous reports show homebuyer demand dropped at the start of the coronavirus lockdown, prices were buoyed by a drop in homes on the market, experts say.

Source: <https://www.msn.com/en-us/money/markets/u-s-house-price-drop-forecast-by-next-april/ar-BB14VKXK?ocid=hplocalnews>

