



## Report: April home value highest since 2005

**Heavy demand and low supply have driven record-breaking home value appreciation over the past year**, according to a recent market report from Zillow, and April was no exception. Annual home value growth for a typical U.S. home was 11.6 percent year-over-year, the highest seen since 2005.

The rapid rise in prices reminds some of the mid-2000's, according to Zillow economist Jeff Tucker, as Google searches for “housing bubble” reached their highest point in nearly three years in April. But this situation is different, he said.

“Both of these hot markets saw extreme price appreciation in a relatively short period of time. But that’s where the similarities end,” Tucker said in a release. “Unlike the combination of speculators and people spending beyond their means with non-traditional loans in 2004 and 2005, today’s homebuying demand is driven by well-qualified buyers locking in traditional, fixed-rate mortgages. Builders are firing on all cylinders to meet the excess demand brought by low mortgage rates and millions of millennial buyers jockeying for limited homes, but after more than a decade of under-building, homes will remain scarce until existing homeowners feel more comfortable selling or prices rise enough to restore balance.”

Home values measured by Zillow’s Home Value Index reached \$281,370 in April, and April’s 1.3 percent home value increase over March is the largest jump in Zillow data reaching back to 1996.

Sun Belt and Mountain West markets lead major metros in annual appreciation, notably Austin, Texas, (25.5 percent), Phoenix (20.4 percent) and Salt Lake City (18.3 percent), according to the report. Boise, Idaho, leads the top-100 metros with 32.5 percent annual value growth.

Zillow economists expect another year of soaring home value appreciation, forecasting 11.8 percent growth through April 2022. Existing home sales in 2021 are predicted to be 10.3 percent higher than in 2020.