

## Top Single-Family Housing Markets

Spring 2015

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- As the economic recovery has strengthened, the US housing market has emerged from the slowdown during late 2013 and early 2014, when a too-fast run up in prices and unusually harsh weather significantly stunted sales. **Recent housing indicators have been stronger but the recovery remains a grinding one, and we continue to expect the recovery to be choppy,** especially amid a still-falling homeownership rate.
- In this report Auction.com Research highlights the “hottest” major single-family markets based on current and expected future housing fundamentals, using a variety of measures. Of the 49 largest US markets, the five currently sitting on the top of the rankings have displayed consistently strong demand, home price appreciation, and economic and demographic growth.

### Top Five Markets: At a Glance

|                     | Home Price Growth, y-y | Home Sales Growth, y-y |
|---------------------|------------------------|------------------------|
| Denver, CO          | 9.2%                   | 4.6%                   |
| San Antonio, TX     | 4.3%                   | 5.5%                   |
| Nashville, TN       | 6.2%                   | 4.0%                   |
| Fort Lauderdale, FL | 7.8%                   | 2.3%                   |
| Dallas, TX          | 7.3%                   | 5.5%                   |

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## Five Hottest Single-Family Markets

This report details the five single-family markets that earn the designation “hot”. These hot markets scored as the top five out of the 49 largest US housing markets in a process that gauges the strength of each single-family market across multiple measures, both current and our expectations for the next several years. The five hottest US single-family housing markets are: Denver, San Antonio, Nashville, Fort Lauderdale and Dallas, in that order. Three of these five markets are located within the Southwest region, while two of these are located in the Southeast. The two Texas markets garnered top ratings despite the cloud looming over the state from the decline in oil prices. Fort Lauderdale is noteworthy because it was a poster child for the housing bust. Nashville is one of the faces of the new South, driven by education and health services, tourism and a vibrant downtown that is attractive to millennials.

Auction.com Research regularly monitors the nation’s largest 49 housing markets, tracking metrics as varied as existing-home sales, existing home prices, affordability, and development activity. Additionally, we pay close attention to the economic and demographic trends in each of these metro areas, as single-family housing markets are naturally intertwined with the overall health of the local economy. Sales and pricing activity on our platform provides real-time insight into buyer demand and price appetite, particularly investors, who have been a key ingredient in the housing recovery so far. Combining the aforementioned past and current trends with our economic and demographic growth forecasts, we ranked each of the largest 49 metros. The five top rated markets display strongly rising home prices, favorable affordability, strong housing demand and excellent economic and demographic conditions for future demand. Rankings in the top 5-10 indicate a strong, healthy single-family market with good potential over coming years. A ranking closer to the bottom indicates poor current housing conditions; declining home prices, subpar demand, and a weak outlook over the next few years.

## Single-Family Heat Map Visualization of the Largest US Housing Markets

Our heat maps are a visual depiction of the current situation and outlook for each of the top US single-family markets. The boxes representing each major US metro are sized by population. The boxes are color coded from dark green=strongest to dark red=weakest. The overall coloration of the heat map provides an overview of the segment. The generally pale green coloration of the heat map reflects the continued, albeit choppy, improvement in the single family housing market, with the blotches of red indicating that several markets remain laggards.

The Southwest, with its overall dark green coloration remains the strongest region. The robust local economies there, with their strong population growth, continue to drive housing demand and these markets were relatively unscathed by the downturn. While the effects of low oil have yet to be felt in Texas' housing markets, we await the fallout, especially in energy-reliant Houston. The Southeast and West regions also boast universally stronger markets as well, as even previously hard hit housing markets are now improving rapidly.



Source: Auction.com Research

The following pages highlight the “top five” single-family markets: their economic and demographic underpinnings and key housing fundamentals.

## Single Family Rankings Spring 2015

### Strength of Market

|                     |    |
|---------------------|----|
| Denver              | 1  |
| San Antonio         | 2  |
| Nashville           | 3  |
| Fort Lauderdale     | 4  |
| Dallas              | 5  |
| Fort Worth          | 6  |
| Seattle             | 7  |
| San Francisco       | 8  |
| Phoenix             | 9  |
| Charlotte           | 10 |
| Palm Beach County   | 11 |
| San Jose            | 12 |
| Austin              | 13 |
| Orlando             | 14 |
| Miami               | 15 |
| Atlanta             | 16 |
| Portland            | 17 |
| Jacksonville        | 18 |
| Oakland             | 19 |
| Columbus            | 20 |
| Tampa               | 21 |
| San Diego           | 22 |
| Raleigh             | 23 |
| Las Vegas           | 24 |
| Houston             | 25 |
| Los Angeles         | 26 |
| Riverside           | 27 |
| Indianapolis        | 28 |
| Sacramento          | 29 |
| Salt Lake City      | 30 |
| Northern Virginia   | 31 |
| Minneapolis         | 32 |
| Orange County       | 33 |
| Boston              | 34 |
| Suburban Maryland   | 35 |
| Cincinnati          | 36 |
| Kansas City         | 37 |
| Milwaukee           | 38 |
| Chicago             | 39 |
| Philadelphia        | 40 |
| Baltimore           | 41 |
| Long Island         | 42 |
| Northern New Jersey | 43 |
| Memphis             | 44 |
| Detroit             | 45 |
| Cleveland           | 46 |
| St. Louis           | 47 |
| Pittsburgh          | 48 |
| Central New Jersey  | 49 |

### Alphabetical

|                     |    |
|---------------------|----|
| Atlanta             | 16 |
| Austin              | 13 |
| Baltimore           | 41 |
| Boston              | 34 |
| Central New Jersey  | 49 |
| Charlotte           | 10 |
| Chicago             | 39 |
| Cincinnati          | 36 |
| Cleveland           | 46 |
| Columbus            | 20 |
| Dallas              | 5  |
| Denver              | 1  |
| Detroit             | 45 |
| Fort Lauderdale     | 4  |
| Fort Worth          | 6  |
| Houston             | 25 |
| Indianapolis        | 28 |
| Jacksonville        | 18 |
| Kansas City         | 37 |
| Las Vegas           | 24 |
| Long Island         | 42 |
| Los Angeles         | 26 |
| Memphis             | 44 |
| Miami               | 15 |
| Milwaukee           | 38 |
| Minneapolis         | 32 |
| Nashville           | 3  |
| Northern New Jersey | 43 |
| Northern Virginia   | 31 |
| Oakland             | 19 |
| Orange County       | 33 |
| Orlando             | 14 |
| Palm Beach County   | 11 |
| Philadelphia        | 40 |
| Phoenix             | 9  |
| Pittsburgh          | 48 |
| Portland            | 17 |
| Raleigh             | 23 |
| Riverside           | 27 |
| Sacramento          | 29 |
| Salt Lake City      | 30 |
| San Antonio         | 2  |
| San Diego           | 22 |
| San Francisco       | 8  |
| San Jose            | 12 |
| Seattle             | 7  |
| St. Louis           | 47 |
| Suburban Maryland   | 35 |
| Tampa               | 21 |

**DENVER, COLORADO**

**Sector**

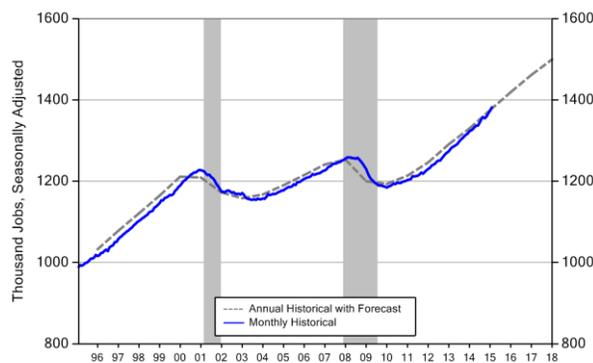
Economy

Denver's economy is soaring, as employment is at a new all-time peak. Payrolls have expanded in all but one of the past twelve months, leaving employment a whopping 4.3% above its year-ago level, placing it among the fastest growing large US metros. The outsized professional business services sector has been contributing to overall growth, with sector payrolls rising 3.6% over the past year. Similarly, the large financial services sector has been adding jobs at a rapid clip, expanding 2.3% over the past twelve months. Denver's leisure and hospitality sector is a standout, not surprising given the recent emergence of marijuana-related hospitality on the heels of Colorado's legalization of the drug. Sector employment has grown 5.8% over the past year and has expanded in seven of the past eight months. Denver's improving demographics will aid the area's growth; metro population expanded by 2% in 2014, the fastest growth in three years.

Single-Family

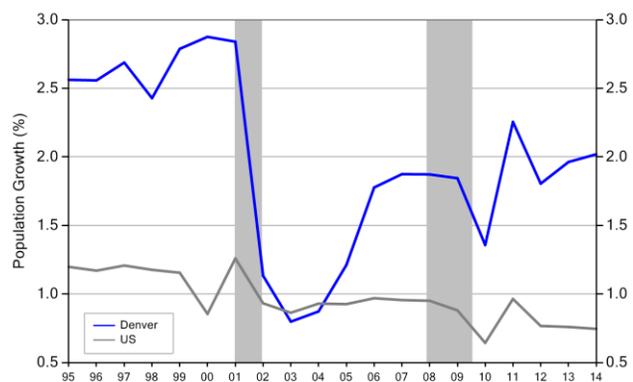
Denver's housing market remains among the most robust in the country, as a booming local economy is driving demand. Population is rapidly increasing, growing at a pace almost triple the national average. This has led to gradually rising home sales, which are at their highest level since 2007. Given this exceptional activity, home prices have been appreciating at a torrid pace since mid-2012. Prices rose to a record high last quarter on the heels of 9.3% year-over-year growth. With a bustling local economy producing jobs, along with a burgeoning population base, housing demand is expected to continue and drive prices up even further over the coming years.

**Denver Employment Level**



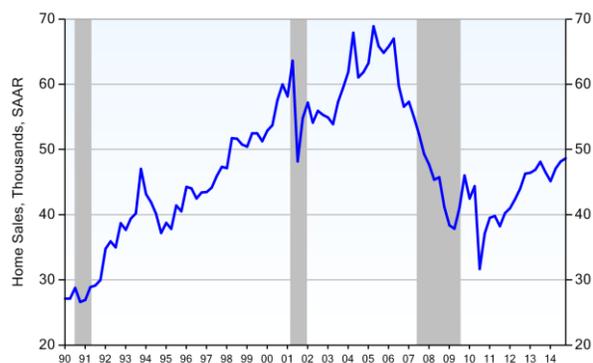
Source: BLS, Auction.com Research

**Denver Population Growth**



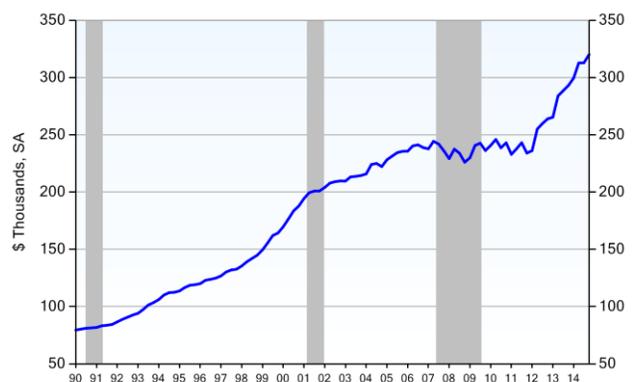
Source: Census Bureau, Auction.com Research

**Denver Existing-Home Sales**



Source: NAR, Auction.com Research

**Denver Median Existing-Home Price**



Source: NAR, Auction.com Research

**SAN ANTONIO, TEXAS**

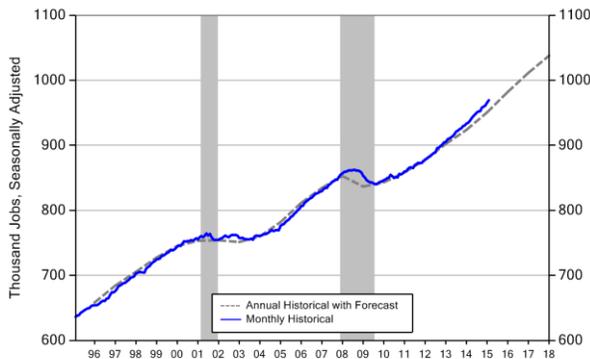
**Sector**  
Economy

San Antonio had a great 2014 and has started 2015 off with a boom, adding more than 8,000 jobs over the past two months. After more than three years of uninterrupted employment gains, San Antonio payrolls are at new highs some 3.8% above their year-ago level. San Antonio's outsized professional business services sector has been hot recently, posting 6.8% annual growth in February. The government sector, on the other hand, with its heavy military presence cooled in 2014; payrolls are up a modest 1.1% from one year ago after seeing on and off gains over the past twelve months. Meanwhile, San Antonio's unemployment rate is extremely healthy, measuring around 4% in early 2015, half its 2011 peak rate and considerably lower than the national average. With its economy diversified across several different industry sectors, we are not expecting San Antonio to feel any major downdraft from low oil. Demographics have also been propelling San Antonio forward; metro population grew 2% in 2014, on par with its historical average and the fastest rate of expansion in three years.

Single-Family

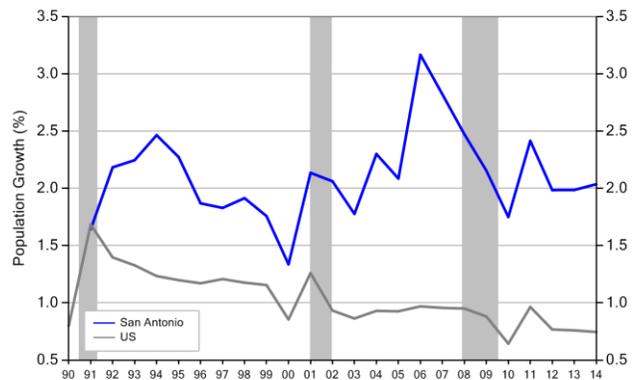
San Antonio's housing market continues to rank among the strongest in the country. The local economy is posting solid fundamentals, providing a foundation for sustained demand. Population growth has accelerated, currently adding residents at rate nearly triple the US average. This momentum, along with an exceptionally affordable housing market, has given rise to gradually increasing sales that are up 5.5% over the past twelve months, breaking out of the range at which sales had been sitting for the past year. Home prices are currently at their all-time peak, and have appreciated a solid 4.3% over the past year. With strong key fundamentals, San Antonio's housing market should remain healthy through 2015.

**San Antonio Employment Level**



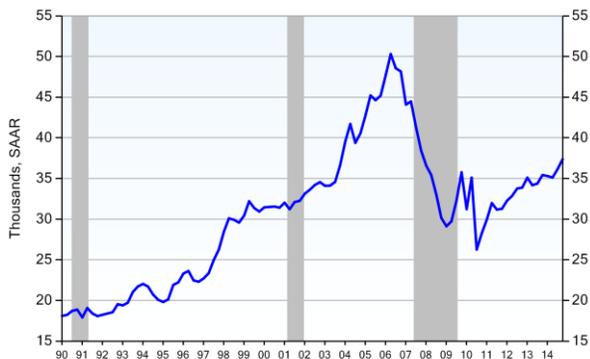
Source: BLS, Auction.com Research

**San Antonio Population Growth**



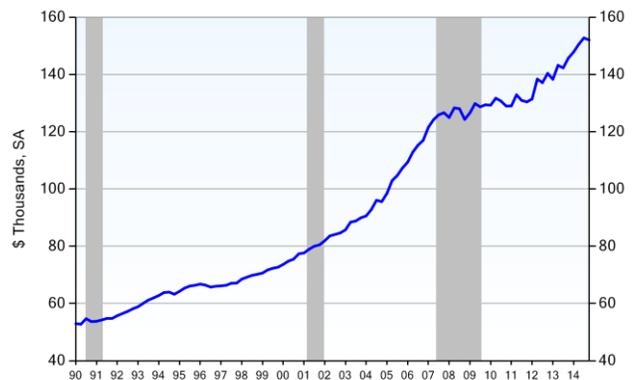
Source: Census Bureau, Auction.com Research

**San Antonio Existing-Home Sales**



Source: NAR, Auction.com Research

**San Antonio Existing-Home Prices**



Source: NAR, Auction.com Research

**NASHVILLE, TENNESSEE**

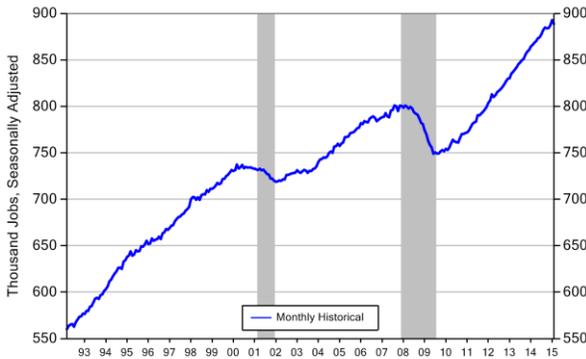
**Sector**  
Economy

Nashville's economy is booming, as local employment has expanded in twelve of the past 14 months amid strong demographic expansion. Nashville payrolls have risen 2.7% over the past year and are currently at new highs, as nearly 900,000 workers are employed in the metro area. The expansion is broad-based; Nashville's outsized professional business services sector has grown 3.1% over the past twelve months while the metro's other large sector, education and health care has seen healthy growth of 2.8% over the same time period. Nashville's tourism industry has been skyrocketing since 2012, and leisure and hospitality employment has jumped to new highs some 4.1% above its year-ago level. Further aiding growth, Nashville has seen accelerating population growth in each of the past four years; metro population grew 1.9% in 2014, the best growth rate since 2008.

Single-Family

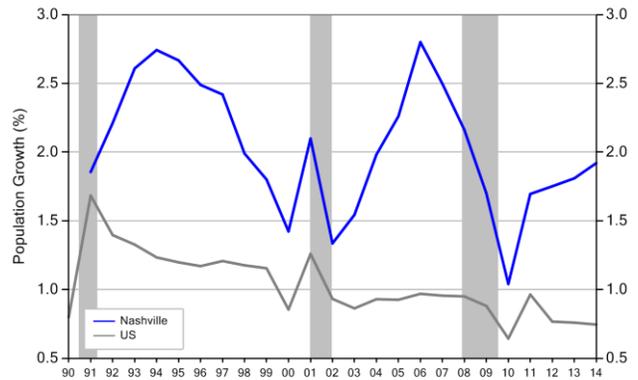
Nashville's housing market is maintaining its strong performance, spurred by a local economy that continues to surge. Population growth is gaining momentum, accelerating over the past four years, and growing at a rate more than double the national average in 2014. Consequently, home sales are rising, up 4% from a year ago. The increased demand has caused home prices to increase in 10 of the past 11 quarters, with prices measuring just above \$200,000 in the fourth quarter, a 6.2% year-over-year increase. Despite increased permitting activity, Nashville's strong economic landscape will propel demand, and ultimately home prices, over the next few years.

**Nashville Employment Level**



Source: BLS, Auction.com Research

**Nashville Population Growth**



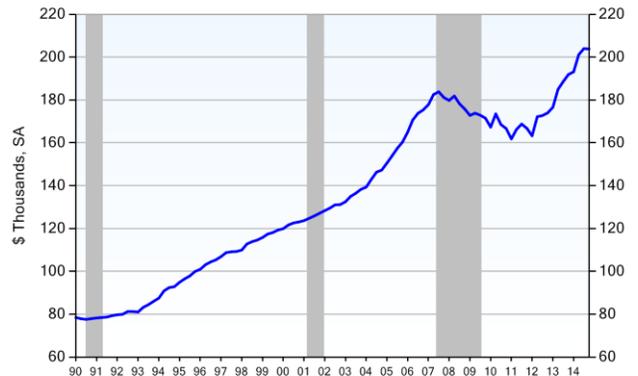
Source: Census Bureau, Auction.com Research

**Nashville Existing-Home Sales**



Source: NAR, Auction.com Research

**Nashville Median Existing-Home Prices**



Source: NAR, Auction.com Research

**FORT LAUDERDALE, FLORIDA**

**Sector**

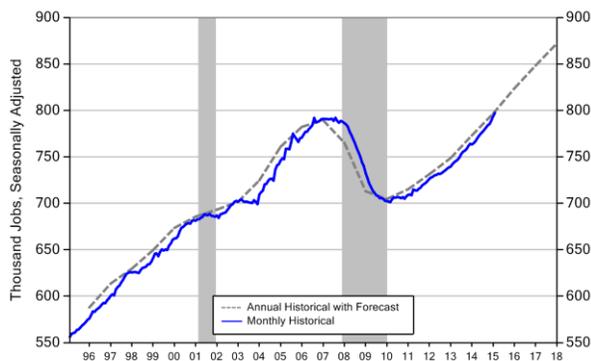
Economy

Fort Lauderdale is finally out of the housing bust swamp; as all 100,000 jobs lost during the recent recession have been recouped. Fort Lauderdale has seen employment expand by 4.2% over the past year, among the fastest growth rates of large US metros. The largest parts of Fort Lauderdale's economy are driving growth, with retail trade and professional business services employment jumping 3.6% and 5.3% respectively over the past year. Similarly, Fort Lauderdale's ever-important hospitality sector is in expansion mode, with payrolls rising 4.6% over the past twelve months. Local demographics remain strong and stable, as Fort Lauderdale's population grew 1.3% in 2014. This is a major turnaround from the depths of the housing bust when the area's population briefly declined. The area's renewed strong demographics bode well for the area's revitalized housing market.

Single-Family

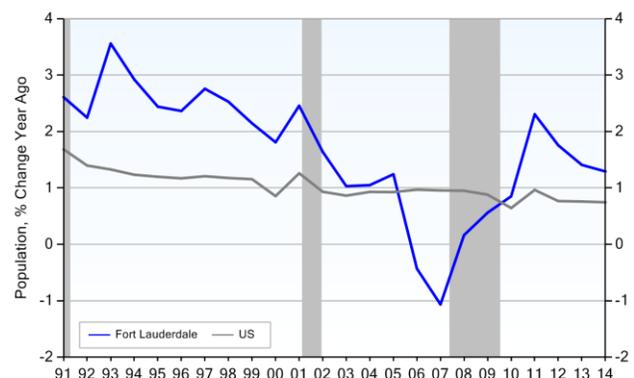
Fort Lauderdale's housing market is seeing a swift resurgence, after experiencing a hurricane force disaster during the recession. Sales have regained their footing, currently at a seasonally adjusted annual rate double the recessionary low set in 2008. All of these gains have prompted significant home price appreciation, with median prices up a substantial 7.8% over the past 12 months and settling just over \$240,000. Although home prices still have a ways to go before they reach their pre-recession peak, the current level represents a healthier and more affordable range for this market. Given the low permitting activity and improved local economy, Fort Lauderdale single-family demand should continue to bounce back over the coming years, driving prices up further.

**Fort Lauderdale Employment Level**



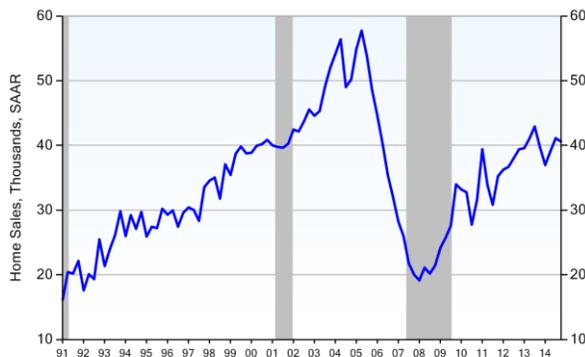
Source: BLS, Auction.com Research

**Fort Lauderdale Population Growth**



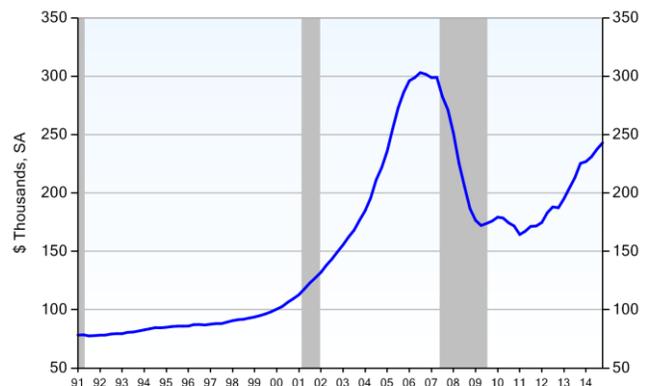
Source: Census Bureau, Auction.com Research

**Fort Lauderdale Existing-Home Sales**



Source: NAR, Auction.com Research

**Fort Lauderdale Median Existing-Home Prices**



Source: NAR, Auction.com Research

**DALLAS, TEXAS**

**Sector**

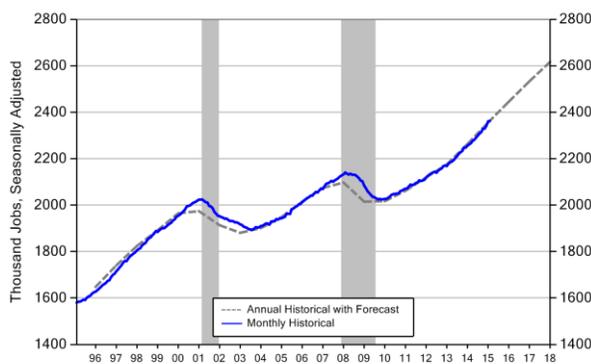
Economy

Despite plummeting oil prices, Dallas' economy remains as strong as ever. While Dallas is not as energy-exposed as other areas in Texas, we do anticipate some degree of slowdown this year as low oil prices trickle their way through Texas' economy. Still, Dallas has shown no sign of slowing in early 2015, as the metro has added more than 20,000 jobs in the past two months alone. Following consistently strong gains over the past year, total employment has increased 4.5%, among the fastest growth rates in the country. The large financial activities sector has been propelling Dallas' economy, with sector payrolls growing 4% over the past year to new all-time highs. Even more impressive, Dallas' professional and business services sector posted impressive gains to the tune of 6.4% over the past twelve months. Dallas' strong demographics and fairly diversified economy will hopefully serve to mitigate any fallout from the drop in oil prices.

Single-Family

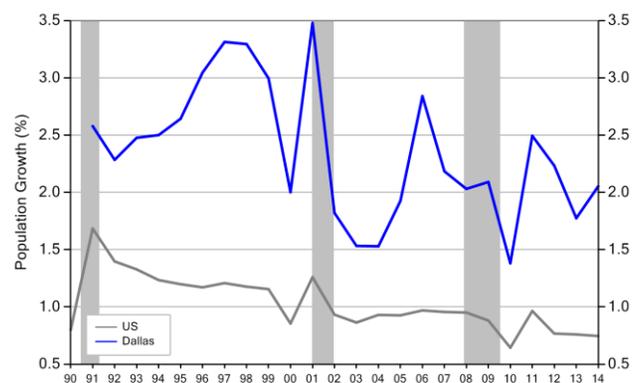
Dallas' housing market is surging forward, despite the recent fall in oil prices. Sales have been heating up and are currently at their highest level in seven years. Home prices have been rising consistently since early 2012, increasing an extraordinary 26.4% during that time period, with 7.3% growth over the past year. While we expect somewhat of a slowdown from the current white hot conditions due to low oil, Dallas' local economy is diversified enough to hedge against any serious repercussions. Boasting favorable affordability and steady demand, home price appreciation should prevail over the next few years, but at a more modest pace.

**Dallas Employment Level**



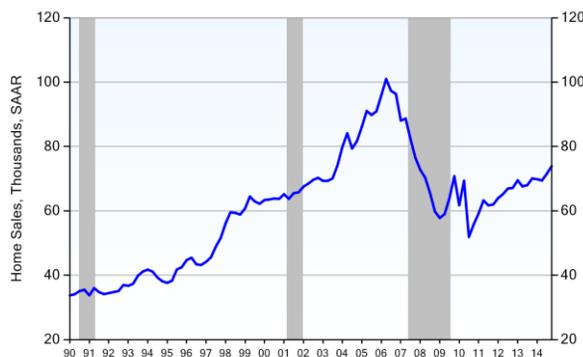
Source: BLS, Auction.com Research

**Dallas Population Growth**



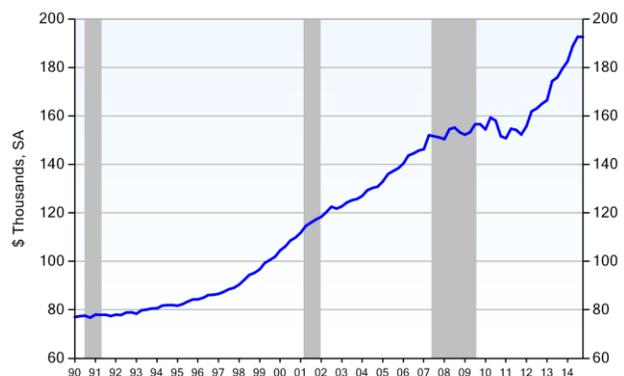
Source: Census Bureau, Auction.com Research

**Dallas Existing-Home Sales**



Source: NAR, Auction.com Research

**Dallas Median Existing-Home Prices**



Source: NAR, Auction.com Research

## NOTES

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