

SAN FRANCISCO AND DETROIT RANKED MOST OVERVALUED AND UNDERVALUED HOUSING MARKETS BASED ON U.S. NEWS & WORLD REPORT INDEX

Housing Market Index ranking links median home prices to local incomes

WASHINGTON, D.C., UNITED STATES, February 9, 2023 /EINPresswire.com/ -- A new report published by U.S. News & World Report and produced by contributor MetroIntelligence has



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Patrick S. Duffy, Real Estate Economist

ranked the San Francisco-Oakland-Hayward Metropolitan Statistical Area (MSA) as the most [overvalued housing market](#) to buy a home in the United States. In a separate report, Michigan’s Detroit-Warren-Dearborn MSA was ranked as the most [undervalued housing market](#) based on local incomes, median home prices and mortgage rates.

As of November 2022, the ratio of monthly mortgage payments to per-capita incomes of nearly 67% in the San Francisco MSA was 82% higher than the U.S. average of just below 37%. Other housing markets in California were not far behind San Francisco, with price-to-income ratios

well over 50% in MSAs including Los Angeles-Long Beach-Anaheim (64.2%), San Diego-Carlsbad (63.7%), Riverside-San Bernardino-Ontario (61.6%) and San Jose-Sunnyvale-Santa Clara (56.7%). In Detroit, the price-to-income ratio of 17.4% was less than half of the U.S. average, with other Midwest MSAs including Cleveland-Elyria, Ohio (18.9%) and St. Louis, Missouri-Illinois (21.7%) offering some of the country’s most affordable housing options.

“Given the extent to which households in the coastal regions of the Golden State are cost-burdened when it comes to buying a home, it certainly helps to explain why potential homebuyers are moving to more affordable areas,” said [Patrick S. Duffy](#), the principal real estate economist for MetroIntelligence who authored the reports. “Meanwhile, more affordable markets in the Midwest such as Detroit may become even more popular for first-time buyers and income property investors in the months ahead.”

Based on the same analysis, potential homebuyers looking to save the most money versus

renting should look first to Detroit, where they would save 10.3% each month, followed by the greater Philadelphia area (6.4%) and Cleveland (6.3%). At the other end of the spectrum, homebuyers would pay 38.0% more than renting in San Francisco, followed by the San Jose (30.1%) and the Seattle-Tacoma, Washington (20.0%) MSAs.

About MetroIntelligence:

MetroIntelligence is an economics consulting firm focused on land use, and also provides public relations and corporate communications services to clients working in homebuilding, real estate development, finance and sales. Company founder and real estate economist Patrick S. Duffy began contributing to U.S. News & World Report in 2022, focusing on economics and other trends related to the housing market as well as analyzing their newly unveiled Housing Market Index. For more information on MetroIntelligence, visit <https://www.metrointel.com>.

About the U.S. News Housing Market Index:

The U.S. News Housing Market Index leverages IBM Watson® Natural Language Understanding – and the recently acquired Housing Tides Index from EnergyLogic – to help enable U.S. News to interpret and synthesize large volumes of housing data for easy viewing. The computing power supporting this platform allows users to find tailored data results for different regions and time periods, allowing them to make informed decisions about housing. The index also includes a tool providing forecasts on building permits for the top 50+ U.S. markets, while a robust sentiment analysis feature interprets 500 media pieces related to housing each month. For more information on the U.S. News Housing Market Interface, visit <https://realestate.usnews.com/housing-market-index/interface>.

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