

Hawaii's Maui County, San Diego and San Francisco Ranked as Most Overvalued Housing Markets to Buy a Home

U.S. News Housing Market Index ranking compares housing costs versus local per-capita income

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– An updated [report](#) published by U.S. News & World Report and authored by U.S. News Senior

Real Estate Economist and [MetrolIntelligence](#) Principal [Patrick S. Duffy](#) has again ranked the Kahului-Wailuku-Lahaina Metropolitan Statistical Area (MSA) in Hawaii - also known as Maui County – as the most overvalued housing market in which to buy a home. The rankings compare the costs to buy or rent a home versus the local median per-capita income. First-place Kahului was followed four other MSAs in California in which new homebuyers could expect to pay from 66% to 70% of per-capita incomes versus 39% nationally.

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Patrick S. Duffy, U.S. News Senior Real Estate Economist

At the same time, a ranking of the most overvalued markets in which to rent a home was also led by the Kahului MSA and followed by California's Riverside-San Bernardino-Ontario (also known as the Inland Empire), Urban Honolulu, San Diego and New York. In these markets, renters could expect to pay 45% or more of per-capita incomes to their landlords versus 34% nationally.

"A longtime chronic housing shortage fueled by an influx of short-term rental investors, second-home buyers and wealthy retirees had been displacing residents to the extent that (Hawaii) Gov. Josh Green has continued to make affordable housing a critical priority," writes Duffy. "Even though this housing challenge was in place for years prior to his inauguration in December 2022, his mission is simple: to stop the exodus and displacement of Native Hawaiian and local-born residents who can no longer afford to live in their homeland."

Some key takeaways from the analysis include the following:

- The most overvalued markets to purchase a home tend to be located in California, but also include popular vacation home markets in Hawaii, tech-centered Seattle, Washington, and pandemic-era "Zoomtowns" including Greeley, Colorado, and Boise, Idaho.

- The most overvalued markets to rent a home mostly include markets in Hawaii, California, New York, Florida and South Carolina.
- You'll pay more to buy a median-priced home versus renting in several California MSAs as well as in Hawaii, Washington, Colorado and Utah.

The rankings were compiled using the Housing Market Index for November 2023, an interactive data set which aggregates a large variety of public and private data points categorized by their impacts on housing demand, supply and financing. Index values range on a scale of 1-100 with 100 being the hottest. Three new markets were added to the index since last year: Albuquerque, New Mexico, and two MSAs in Hawaii including Kahului-Wailuku-Lahaina and Urban Honolulu.

For the California MSAs on the most overvalued list versus local per-capita incomes, the state continues to under-build enough housing matched to job growth, "thereby forcing residents to commute from more affordable suburbs far from employment centers, live with unrelated roommates or, increasingly, to leave the state altogether."

Also, on the most overvalued list are "Zoom towns" popular with remote workers including multiple markets in Colorado, Idaho and Utah. Although many CEOs are attempting to corral employees back into the office on a full-time basis, hybrid schedules with two or three days in the office tend to be more popular with workers. Whoever wins this battle of wills is likely to determine the long-term success of these Zoom towns.

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, initially focusing on economics and other trends related to the housing market as well as analyzing their Housing Market Index. In late 2023, Duffy was promoted to U.S. News Senior Real Estate Economist to expand his portfolio to include multifamily housing as well as other commercial real estate sectors. For more information on MetroIntelligence, visit <https://www.linkedin.com/in/metroidelligence/>

About the U.S. News Housing Market Index:

The U.S. News Housing Market Index is an interactive tool that synthesizes housing market perspectives and predictions for the top 50+ U.S. markets. In addition, the U.S. News Housing Media Analysis tool interprets the sentiment from over 500 U.S. housing news articles per 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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