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10 Markets to Watch in 2011

Inman News Special Report

An Exploration of Real Estate Markets that are on the Rise During Challenging Times.



INDUSTRY SPECIAL REPORT

March 16, 2011

10 Markets to Watch in 2011

Real Estate on the Rise

By Andrea V. Brambila

Inman News examined housing, economic and demographic data for metropolitan areas nationwide in compiling a list of 10 housing markets that are showing signs of strength and may outperform other housing markets in 2011 in several key metrics. Inman News also asked a host of real estate search and data companies to share research and methodology to identify high-performing real estate markets across the U.S.

Real estate markets in the Midwest and Northeast dominated a list of 10 fast-rising real estate markets nationwide identified in the Inman News analysis, as many markets in the Sun Belt states are still struggling through the housing downturn.

The Midwest and Northeast U.S. accounted for eight of 10 markets on the list: Bismarck and Fargo, N.D.; Des Moines, Iowa; Bloomington-Normal, Ill.; Elmira and Buffalo-Niagara Falls, N.Y.; Portland-South Portland-Biddeford, Maine; and Burlington-South Burlington, Vt.

The other two markets on the list: Kennewick-Richland-Pasco, Wash.; and the Washington, D.C., metro area.

This 43-page report includes a summary; data, reports and insight from real estate industry professionals for the 10 market areas; additional data and charts shared by several real estate search and data firms; and a detailed methodology.

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Summary

By Andrea V. Brambila

March 11, 2011

Inman News examined housing, economic and demographic data for metropolitan areas nationwide in compiling a list of 10 housing markets that are showing signs of strength and may outperform other housing markets in 2011 in several key metrics. Inman News also asked a host of real estate search and data companies to share research and methodology to identify high-performing real estate markets across the U.S.

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The Midwest and Northeast U.S. accounted for eight of 10 markets on the list: Bismarck and Fargo, N.D.; Des Moines, Iowa; Bloomington-Normal, Ill.; Elmira and Buffalo-Niagara Falls, N.Y.; Portland-South Portland-Biddeford, Maine; and Burlington-South Burlington, Vt.

The other two markets on the list: Kennewick-Richland-Pasco, Wash.; and the Washington, D.C., metro area.

Nationwide, unemployment is high, home prices are flat and trending lower since the expiration of the federal homebuyer tax credits, and overall sales fell last year compared to the prior year.

Stan Humphries, chief economist for Zillow, said it's unlikely that "substantial price appreciation" will occur "in any market nationwide in the near term." Rather, the company identified some "stabilizing" markets in [a chart provided for this report](#).

"Nationally, I don't think we'll see a bottom in home prices until later this year and once they hit bottom we're looking at a prolonged period of time where housing appreciation is below historical norms," Humphries said.

Nevertheless, Inman News identified some markets with significant price appreciation as well as a vibrant job market, a high level of home affordability, low foreclosure activity, and other indicators for a healthy housing market. Most have populations below 250,000. In addition, jobs in the health care industry and public sector, especially, buoyed employment in these areas.

To compile the list, Inman News considered markets with low unemployment rates, high median sales price growth, growth in the number of building permits issued, a rise in in-migration from other states, population growth, projected job growth, affordability, low foreclosure activity, median household income growth, fewer average days on market for for-sale properties, and growth in occupied housing units.

Among the findings in this report:

Of the states represented in this list of market areas, North Dakota, Vermont, Iowa and, to a certain extent, New York, also [shed fewer Realtors during the housing bust](#) compared to other states.

Two of the 10 markets on this list are state capitals and one is the nation's capital -- agents say government centers can lend job stability.

Six of 10 markets had median sales prices below the national median in the fourth quarter of 2010, and seven out of 10 had median prices lower than the national median price for the full year in 2010.

Where affordability rankings were available, the markets on the list had no less than 75 percent of homes affordable to those households earning the area's median income.

All had unemployment and foreclosure rates lower than the national average. None of the markets had unemployment rates higher than 8.2 percent.

Only two of the markets had populations above 1 million. Six of 10 had populations below 250,000.

Companies in the health care and medical industries were major employers in at least seven of the 10 markets.

Seven out of 10 markets had some military presence. The Fargo, Burlington, Portland and Des Moines metro areas are each home to an Air National Guard base. The North Dakota National Guard Headquarters are in Bismarck. There's an Air Reserve Station in the Buffalo market.

Not surprisingly, the Washington, D.C., metro area had the largest military footprint of the 10 markets: the Pentagon, Bolling Air Force Base, Fort McNair, Walter Reed Medical Center, Marine Barracks and Washington Navy Yard are within its limits.

The 10 markets are ranked according to population, sales volume, and median sales price appreciation. Population was weighted most heavily in the rankings, followed by sales volume in proportion to population and rate of price appreciation.

THE 10 MARKETS

1. [Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va.](#)
2. [Buffalo-Niagara Falls, N.Y.](#)
3. [Des Moines, Iowa](#)
4. [Portland-South Portland-Biddeford, Maine](#)
5. [Kennewick-Richland-Pasco, Wash.](#)
6. [Fargo, N.D.-Minn.](#)
7. [Burlington-South Burlington, Vt.](#)
8. [Bloomington-Normal, Ill.](#)
9. [Bismarck, N.D.](#)
10. [Elmira, N.Y.](#)

ADDITIONAL DATA and CHARTS

[2010 top 10 most searched real estate markets](#) (Realtor.com)

[Top 10 states with shortest days on site: for-sale properties](#) (Realtor.com)

[Top 10 fastest-moving markets on site in 2010](#) (Realtor.com)

[Top 10 MSAs: Fastest-rising median list prices in 2010](#) (Realtor.com)

[Inventory counts: MSAs with the fastest falling inventory counts in 2010](#) (Realtor.com)

[2010 fastest-rising median list prices](#) (Realtor.com)

[Markets with low price-to-income ratios](#) (Zillow.com)

[Markets with low delinquency rates: November 2010](#) (CoreLogic)

[Markets poised to outperform in 2011](#) (Altos Research)

[Sales volume per population, Q4 2010](#) (Onboard Informatics)

[Percent change in sales, Q3 2010-Q4 2010](#) (Onboard Informatics)

[Percent change in median price, Q3 2010-Q4 2010](#) (Onboard Informatics)

[Top 10 U.S. markets for buying and investing in 2011](#) (RealtyTrac)

[Top 10 cities to buy vs. rent](#) (Trulia)

[Top 10 cities to rent vs. buy](#) (Trulia)

[Fastest-moving for-sale markets, January 2011](#) (HotPads)

REPORT METHODOLOGY

[Altos Research](#)

[CoreLogic](#)

[HotPads](#)

[Onboard Informatics](#)

[Realtor.com](#)

[RealtyTrac](#)

[Trulia](#)

[Zillow](#)

1. Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va.

Total population (2009): 5,476,241
Median sales price (Q4 2010): \$331,100
Median sales price % change (Q4 '09-Q4 '10): 8.1%
Sales volume (# units sold in 2010): 97,860
Sales volume % change (2009-10): -3.5%
Unemployment rate (Dec. 2010): 5.7%
Foreclosure activity rate (2010): 1 in 49 units
Walk Score: 68

Washington, D.C., was one of only two markets to see year-over-year gains in the most recent [Standard & Poor's/Case-Shiller home-price index report](#), which tracks 20 U.S. metro areas nationally. While 11 of the 20 markets tracked posted new index lows in December, home prices in Washington, D.C., rose 4.1 percent year-over-year.

The area's median home price rose 8.1 percent from fourth-quarter 2009 to fourth-quarter 2010, according to the National Association of Realtors. Though the area's median home price is almost twice that of the nation's median, affordability is still fairly high -- 78.8 percent of homes in the area were affordable to families making the area's median income in fourth-quarter 2010, according to an index from the National Association of Home Builders and Wells Fargo.

Washington, D.C., is also a place where it is much less expensive to buy than rent, according to Trulia (see [rent vs. buy chart](#)).

Employment is the biggest factor in the strength of the housing market in the Washington, D.C., area, according to Rina Battiata Kunk, associate broker at [McEneaney Associates, Realtors](#).

The area's 5.7 percent unemployment was one of the lowest rates in the nation in December 2010, according to the U.S. Bureau of Labor Statistics, and income fell only slightly from 2008 to 2009.

Not surprisingly, the federal government is the area's biggest employer, and the capital also attracts legal and lobbying firms, and foreign companies that choose to base their U.S. offices in the capital.

"Federal government (jobs) make this area less prone to the ups and downs of other areas of the country," Kunk said.

Washington, D.C., also has a rising population and a higher-than-average rate of in-migration from other states. According to a [migration patterns study](#) by Atlas Van Lines, Washington, D.C., and North Dakota -- along with Texas, North Carolina, New Hampshire, Maryland, New Mexico, Alaska, Kentucky and Tennessee -- saw more inbound cross-state household relocations than outbound ones in all of 2010.

"Houses in my market ... are continuing to sell quickly and very close to list price. We have a shortage of houses and lots and lots of buyers who are waiting to find something to buy," Kunk said.



The market's delinquency rate fell to 6.8 percent November 2010 compared to the same month in 2009, when the rate stood at 7.6 percent. At the same time, distressed sales have remained fairly steady at about 30 percent of overall sales, according to CoreLogic. Foreclosure activity fell 22 percent in the area in 2010, according to RealtyTrac.

Photo courtesy of [zaimoku woodpile](#).

Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va.	Metro	U.S.
Unemployment rate (Dec. 2010)	5.7%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	2%	1.9%
% ch. median household income (2008-09)	-0.8%	-2.9%
Median sales price (Q4 '10)	\$331,100	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	8.1%	0.2%
% homes affordable at median income (Q4 '10)	78.8%	73.9%
% ch. single-family bldg. permits issued (2009-10)	4%	3%
Population (2009)	5,476,241	
% ch. population (2008-09)	2.2%	1%
% population lived in other state 1 yr. ago (2009)	4.4%	2.3%
% ch. occupied units (2008-09)	0.3%	0.6%
Foreclosure activity rate (2010)	1 in 49 units	1 in 45 units
% ch. foreclosure activity (2009-10)	-22%	1.7%
Avg. days on market (as of Feb. 13, 2011)	131	135

2. Buffalo-Niagara Falls, N.Y.

Total population (2009): 1,123,804
Median sales price (Q4 2010): \$126,500
Median sales price % change (Q4 '09-Q4 '10): 14.3%
Sales volume (# units sold year-to-date in Nov. 2010): 14,401
Sales volume % change (Nov. 2010 vs. Nov. 2009): -12.3%
Unemployment rate (Dec. 2010): 8.2%
Foreclosure activity rate (2010): 1 in 332 units
Walk Score: 51

The delinquency rate in the Buffalo-Niagara Falls metro area stayed essentially flat between November 2009 and November 2010, at a relatively low 4.1 percent. The area's foreclosure activity rate fell 43.5 percent in 2010, to one of the lowest rates in the country. One in 332 housing units received a foreclosure filing last year, compared with 1 in 45 units nationally.

RealtyTrac also included the Buffalo market in its top 10 list of markets for buying and investing, which took into account decreases in REO (bank-owned) inventory, as well as higher discounts for foreclosure properties compared to nonforeclosure properties ([see RealtyTrac chart](#)).

"(Lower REO inventory) is important because when you hear people talking about shadow inventory and inventory overhang having an effect on prices, that's an indicator that inventory is being whittled away," said Rick Sharga, senior vice president of RealtyTrac.

Higher foreclosure discounts indicate healthier markets because that means foreclosures are having less of an impact on the sales prices of nonforeclosure properties, according to RealtyTrac.

"When we first started tracking, Las Vegas had one of the lowest foreclosure discounts in the country. When you get beyond a certain percentage of sales that are foreclosure-related, it takes the whole market down with it," Sharga said.

The Buffalo market has one of the fastest-rising median list prices in the country, according to Realtor.com ([see Realtor.com chart](#)). Buffalo was also one of the few markets to see its median sales price rise from the year before in both 2009 and 2010, according to NAR's data. Even so, 85.8 percent of the market's homes were affordable to households earning the area's median income in the fourth quarter of 2010.

"The Buffalo market is incredibly brisk, incredibly strong -- especially in the urban areas. I am having houses sell over the asking price in one day and certainly in one week. I've just had one this past week sell a thousand (dollars) over the asking price in one day. I don't have enough inventory for the buyers who are out there at certain price points," said Susan Lenahan, an agent at [MJ Peterson Real Estate](#) in Buffalo.

"Buffalo is different than the rest of country. We have a very stable market. It didn't go up dramatically, (and) didn't go down dramatically."

The Buffalo metro area has its share of federal entities. The area is home to one of seven districts for the U.S. Army Corps of Engineers, a field office for the FBI, the Niagara Falls Air Reserve Station, a field office for the Department of Homeland Security, and the headquarters for the U.S. District Court for the Western District of



New York. Buffalo also hosts New York's largest state university and high-tech jobs in the medical industry, Lenahan said. Yahoo operates a data center on the outskirts of Buffalo, and Verizon is considering a data center in Niagara County.

"Those kinds of business opportunities were not typical in Buffalo before. It's no longer a Rust Belt town," Lenahan said.

Photo courtesy of [doughtone](#).

Buffalo-Niagara Falls, N.Y.	Metro	U.S.
Unemployment rate (Dec. 2010)	8.2%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	1.6%	1.9%
% ch. median household income (2008-09)	-4.4%	-2.9%
Median sales price (Q4 '10)	\$126,500	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	14.3%	0.2%
% homes affordable at median income (Q4 '10)	85.8%	73.9%
% ch. single-family bldg. permits issued (2009-10)	14%	3%
Population (2009)	1,123,804	
% ch. population (2008-09)	0%	1%
% population lived in other state 1 yr. ago (2009)	1.3%	2.3%
% ch. occupied units (2008-09)	-1.3%	0.6%
Foreclosure activity rate (2010)	1 in 332 units	1 in 45 units
% ch. foreclosure activity (2009-10)	-43.5%	1.7%
Avg. days on market (as of Feb. 13, 2011)	102	135

3. Des Moines, Iowa

Total population (2009): 562,993
Median sales price (Q4 2010): \$151,300
Median sales price % change (Q4 '09-Q4 '10): 5.5%
Sales volume (# units sold year-to-date in Nov. 2010): 8,916
Sales volume % change (Nov. 2010 vs. Nov. 2009): -31%
Unemployment rate (Dec. 2010): 6.1%
Foreclosure activity rate (2010): 1 in 79 units
Walk Score: 51

Unemployment in the Des Moines area is at 6.1 percent and projected job growth for the area through the third quarter of 2011 is the second highest of the markets chosen: 3.1 percent.

A high concentration of insurance, finance and technology jobs have fueled growth in the area, according to Brian Wentz, an agent at Burnett Realty in Clive, Iowa. Major employers include Principal Financial Group, Wells Fargo Home Mortgage, Nationwide Insurance, John Deere, Pioneer Hi-Bred International, Wellmark Blue Cross and Blue Shield, and Meredith Corp., which operates Better Homes and Gardens magazine.

"These positions typically pay well, and have attracted a bright mix of younger, up-and-coming employees -- many with newer families -- as well as many established employees who relocate here from other markets," Wentz said.

"Additionally, the state of Iowa is experiencing a population shift away from the more rural communities, toward larger communities with more opportunity for education and employment, with Des Moines seeing the biggest benefit," he added.

The Des Moines area saw its population rise 10.1 percent from 2005 to 2009, compared with 6.5 percent at the national level. Single-family building permits issued rose 22 percent between 2009 and 2010, compared with 3 percent nationally, according to NAHB. The area's median sales price rose 5.5 percent between fourth-quarter 2009 and fourth-quarter 2010.



A conservative approach to finances during the housing boom helped mitigate the effects of the downturn in the area, according to Tyler Osby, a certified mortgage planner at Fairway Independent Mortgage.

"Des Moines is a very 'steady Eddy' community," Osby said.

"Even though (we) had some folks buying homes with NINJA (no income, no job, no assets) loans, we still had people being very skeptical of buying because of our conservative culture and still slow appreciation rates.

"I think in other parts of the country buyers were putting homes under contract purely because it was a get-rich-quick solution. When you see home prices rising that quickly, it seems like you'd be passing up a great opportunity to not buy," he said.

"I personally think the biggest issue that other parts of the country are experiencing is the type of loans people were using to get financing. More specifically, the pick-a-payment option-ARM programs. I never did a pick-a-payment loan in Iowa, and I can't imagine many homeowners in Iowa did."

More foreclosures are likely to come on the market, "but I don't see (that) pushing home values much lower," he said. The market's delinquency rate remained essentially flat November 2010 compared to the same month in 2009, at 4.8 percent, according to CoreLogic.

Photo courtesy of [afiler](#).

Des Moines, Iowa	Metro	U.S.
Unemployment rate (Dec. 2010)	6.1%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	3.1%	1.9%
% ch. median household income (2008-09)	-2.2%	-2.9%
Median sales price (Q4 '10)	\$151,300	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	5.5%	0.2%
% homes affordable at median income (Q4 '10)	N/A	73.9%
% ch. single-family bldg. permits issued (2009-10)	22%	3%
Population (2009)	562,993	
% ch. population (2008-09)	1.6%	1%
% population lived in other state 1 yr. ago (2009)	1.9%	2.3%
% ch. occupied units (2008-09)	3.1%	0.6%
Foreclosure activity rate (2010)	1 in 79 units	1 in 45 units
% ch. foreclosure activity (2009-10)	12.15%	1.7%
Avg. days on market (as of Feb. 13, 2011)	113	135

4. Portland-South Portland-Biddeford, Maine

Total population (2009): 516,826
Median sales price (Q4 2010): \$223,000
Median sales price % change (Q4 '09-Q4 '10): 8.3%
Sales volume (# units sold in 2010): 4,607
Sales volume % change (2009-10): -0.5%
Unemployment rate (Dec. 2010): 5.9%
Foreclosure activity rate (2010): 1 in 150 units
Walk Score: 55

Low unemployment, a rising median sales price, high affordability, a jump in building permits, and better-than-average projected job growth added the Portland market to the list. The market's median sales price rose 8.3 percent between the fourth quarter of 2009 and the fourth quarter of 2010, to \$223,000, according to NAR. Unemployment was at 5.9 percent in December and projected job growth from the third quarter of 2010 to the third quarter of 2011 is 2.8 percent, higher than the nation as a whole (1.9 percent).

"The overall vibe in the area is quite strong. The overall residential market has stabilized," said [John Herrigel](#), a broker at Green Tree Realty in Portland.

"So many baby boomers wanting to retire here or at the very least have a seasonal property in the area is what is driving this market, although I am also seeing more families simply wanting to relocate here for the quality of life."

He added that short sales and foreclosures are definitely a part of the market, but the area's foreclosure rate has remained relatively low. The Portland market was also included in RealtyTrac's list of stronger markets -- 1 in 150 housing units in the Portland metro area received a foreclosure filing in 2010 compared with 1 in 45 units nationwide.

The area's major employers include L.L. Bean Inc., Maine Medical Center, UnumProvident Insurance, Hannaford Brothers supermarkets, Banknorth Group, Anthem Blue Cross Blue Shield and Fairchild Semiconductor. The area is also home to the Portsmouth Naval Shipyard and an Air National Guard base.

Photo courtesy of [fitstick](#).



Portland-South Portland-Biddeford, Maine	Metro	U.S.
Unemployment rate (Dec. 2010)	5.9%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	2.8%	1.9%
% ch. median household income (2008-09)	-0.9%	-2.9%
Median sales price (Q4 '10)	\$223,000	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	8.3%	0.2%
% homes affordable at median income (Q4 '10)	76.1%	73.9%
% ch. single-family bldg. permits issued (2009-10)	14%	3%
Population (2009)	516,826	
% ch. population (2008-09)	0.5%	1%
% population lived in other state 1 yr. ago (2009)	2.4%	2.3%
% ch. occupied units (2008-09)	-1.6%	0.6%
Foreclosure activity rate (2010)	1 in 150 units	1 in 45 units
% ch. foreclosure activity (2009-10)	28.3%	1.7%
Avg. days on market (as of Feb. 13, 2011)	109	135

5. Kennewick-Richland-Pasco, Wash.

Total population (2009): 245,649
Median sales price (Q4 2010): \$183,000
Median sales price % change (Q4 '09-Q4 '10): 8.9%
Sales volume (# units sold in 2010): 3,277
Sales volume % change (2009-10): -2.3%
Unemployment rate (Dec. 2010): 7.8%
Foreclosure activity rate (2010): 1 in 161 units
Walk Score: 44

As with other markets on this list, housing appreciation in the Kennewick area remained modest while the rest of the country was experiencing a boom, said [Don Havre](#), broker at The Real Estate Firm in Kennewick.

"Therefore, we have not experienced a correction in the market similar to Las Vegas, Phoenix and Sacramento. We have few foreclosures as compared to the rest of the nation and infrequent short sales. Additionally, I don't think lenders were overly aggressive making loans to those marginally qualified," Havre said.

The metro area has fairly low unemployment compared to the national rate and was one of three markets on the list to see household income rise between 2008 and 2009. Population and in-migration from other states also rose during that time, each up 4.2 percent. Median sales price in the Kennewick market rose 8.9 percent from fourth-quarter 2009 to fourth-quarter 2010.

The market was one of the few to see its median price rise from the previous year in both 2009 and 2010. The Kennewick metro area also saw a huge year-over-year jump in building permits issued in 2010, up 64 percent compared to 2009. Havre credited these favorable indicators to the area's diverse economy.

"We are a transportation hub with rail, barge traffic and (a) freeway network. Our economy includes agriculture, with its growing grape/wine market, high-tech companies like Infinia, which manufactures generators powered by the sun's energy, Pacific Northwest Laboratory, and the Hanford Project. The latter two are funded by the federal government," Havre noted.

Photo courtesy of [theslowlane](#).



Kennewick-Richland-Pasco, Wash.	Metro	U.S.
Unemployment rate (Dec. 2010)	7.8%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	1.1%	1.9%
% ch. median household income (2008-09)	4.8%	-2.9%
Median sales price (Q4 '10)	\$183,000	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	8.9%	0.2%
% homes affordable at median income (Q4 '10)	N/A	73.9%
% ch. single-family bldg. permits issued (2009-10)	64%	3%
Population (2009)	245,649	
% ch. population (2008-09)	4.2%	1%
% population lived in other state 1 yr. ago (2009)	4.2%	2.3%
% ch. occupied units (2008-09)	1.6%	0.6%
Foreclosure activity rate (2010)	1 in 161 units	1 in 45 units
% ch. foreclosure activity (2009-10)	135.2%	1.7%
Avg. days on market (as of Feb. 13, 2011)	N/A	135

6. Fargo, N.D.-Minn.

Total population (2009): 199,989
Median sales price (Q4 2010): \$148,500
Median sales price % change (Q4 '09-Q4 '10): 6.2%
Sales volume (# units sold in 2010): 2,326
Sales volume % change (2009-10): -21.7%
Unemployment rate (Dec. 2010): 4.0%
Foreclosure activity rate (Jan. 2011): 1 in 7,423 units
Walk Score: 55

In the past two years, as unemployment has shot up to hover between 9 percent and 10 percent, North Dakota has consistently experienced substantially lower unemployment than almost every other state in the nation. In Fargo and Bismarck, unemployment stood at 4 percent and 3.9 percent, respectively, in December, compared with 9.1 percent nationally.

Unemployment rose in [nearly half](#) of U.S. metros in November and in 31 percent of metros in [December](#), according to the U.S. Bureau of Labor Statistics.

"Realistically, we're not going to see the housing market come back until we start seeing job (creation). Unemployment is driving the bulk of foreclosure activity and keeping people from entering the market. Until you see job creation come back and consumer confidence improve, the (market is unlikely to come back)," said RealtyTrac's Sharga.

North Dakota has benefited from an oil boom in the western part of the state that began around 2005 and has continued to grow since then. 2010 was a "year of record production" in the state, according to [Bloomberg](#). Even though Fargo and Bismarck are not in the "boom" part of the state, both areas have gained from it.

"The continuing oil boom in western North Dakota -- about 110 million barrels in 2010 -- not only results in many high-paying jobs in the West; (it) creates jobs for truckers and suppliers, etc., in our Fargo-Moorhead area," said Morris Pyle, a 40-year industry veteran and associate broker at RE/MAX Realty 1 in Fargo.

The Fargo market is home to several oil, agricultural, medical and technology companies, including the business software branch of Microsoft, that provide ready jobs for graduating students from the area's technical school and three colleges, Pyle added.

As in seven of the other chosen markets, the Fargo area experienced a drop in sales in 2010 compared to 2009. Pyle attributed the decline to the end of the homebuyer tax credit program and stricter lending standards for mortgages in rural areas as well as for self-employed workers, which generally constitute a significant chunk of buyers in the area. However, Pyle expects sales to improve this year.

"The small mortgage loan qualifying changes that appear to be happening, our positive job growth here, and hopefully a continuing ... housing affordability, I definitely believe will end with (2011) real estate sales numbers better than 2010," Pyle said.

Photo courtesy of [Chris Yunker](#).



Fargo, N.D.-Minn.	Metro	U.S.
Unemployment rate (Dec. 2010)	4%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	3%	1.9%
% ch. median household income (2008-09)	-2.3%	-2.9%
Median sales price (Q4 '10)	\$148,500	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	6.2%	0.2%
% homes affordable at median income (Q4 '10)	N/A	73.9%
% ch. single-family bldg. permits issued (2009-10)	-6%	3%
Population (2009)	199,989	
% ch. population (2008-09)	2.6%	1%
% population lived in other state 1 yr. ago (2009)	6.5%	2.3%
% ch. occupied units (2008-09)	0.1%	0.6%
Foreclosure activity rate (Jan. 2011)	1 in 7,423 units	1 in 497 units
% ch. foreclosure activity (2009-10)	N/A	1.7%
Avg. days on market (as of Feb. 13, 2011)	N/A	135

7. Burlington-South Burlington, Vt.

Total population (2009): 207,688
Median sales price (Q4 2010): \$270,600
Median sales price % change (Q4 '09-Q4 '10): 14.4%
Sales volume (# units sold in 2010): 1,223
Sales volume % change (2009-10): -2.7%
Unemployment rate (Dec. 2010): 4.5%
Foreclosure activity rate (2010): 1 in 991 units
Walk Score: 54

The median sales price in Burlington-South Burlington jumped 14.4 percent in the fourth quarter of 2010 compared to the same period a year before, to \$270,600.

"The homebuyer tax credit was a big help to spur sales in the first half of the year, and much of my 2009 and 2010 was with first-time homebuyers," said Pike Porter, managing broker at [Castle Porter Real Estate](#) in Burlington.

"It was interesting that many of these first-time homebuyers were not buying typical starter homes and condos (at) the \$180,000 to \$240,000 price point, but many were buying homes over \$300,000. I have not seen that before with first-time buyers. (Instead), you'd expect median home sales price to fall with a larger number of less expensive homes sold."

"Our rental market vacancy rate is very low for a number of reasons: older housing stock and tough permitting procedures, the local colleges, (a) popular place to live ... with the lake, hiking and skiing nearby. This, in turn, pushes our housing prices up well beyond what other parts of the state pay," Porter added.

The median sales price for residential listings in the state of Vermont in 2010 was \$202,000, according to the [Northern New England Real Estate Network](#) MLS. Average days on market for listings in Vermont as a whole were 161 last year, compared with 126 in the Burlington-South Burlington metro area, according to the MLS.

Burlington-South Burlington had the second-lowest foreclosure rate in the nation last year among 206 metro areas covered by RealtyTrac. The area also had the sixth-lowest unemployment rate in the nation in December, at 4.5 percent.

"Our banking laws are some of the most restrictive in the country, so lenders were less able to promote some of the riskier lending products that poisoned most of the country. Vermont also has restrictive development regulations designed to keep growth at slow and consistent levels," Porter said.

"We did not have large development in the (Burlington metro area), which softened the housing bust and its resulting unemployment."

The Burlington market's quality of life also makes it stand out. The area has won [numerous awards](#), including being named one of the ["Best Cities for the Next Decade"](#) in 2010 by Kiplinger.

"We have great scores on the quality of public education, the environment, cultural aspects and the arts, shopping and higher (education) with four colleges and one university in the Burlington metro region. Burlington has been earning third-party superlative awards for over 20 years consistently. This clearly helps when other areas of our country are in such a severe downturn," said [Christopher Hurd](#), an agent at Akin Associates in Burlington.



Major employers in the Burlington market include the University of Vermont, IBM, Fletcher Allen Health Care, Ben & Jerry's, Burton Snowboards, Seventh Generation, Bruegger's Bagels, General Electric Healthcare, and Pizzagalli Construction Co.

Photo courtesy of [tbplante](#).

Burlington-South Burlington, Vt.

	Metro	U.S.
Unemployment rate (Dec. 2010)	4.5%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	2%	1.9%
% ch. median household income (2008-09)	-3.8%	-2.9%
Median sales price (Q4 '10)	\$270,600	\$170,600
% ch. median sales price (Q4 '09-Q4 '10)	14.4%	0.2%
Share of homes affordable for people making a median income (Q2 2010)	75.3%	73.9%
% ch. single-family bldg. permits issued (2009-10)	28%	3%
Population (2009)	207,688	
% ch. population (2008-09)	-0.6%	1%
% population lived in other state 1 yr. ago (2009)	3.5%	2.3%
% ch. occupied units (2008-09)	-1%	0.6%
Foreclosure activity rate (2010)	1 in 991 units	1 in 45 units
% ch. foreclosure activity (2009-10)	100%*	1.7%
Avg. days on market (as of Feb. 13, 2011)	N/A	135

*Due to changes in data collection by RealtyTrac, this percentage change may be inflated.

8. Bloomington-Normal, Ill.

Total population (2009): 167,699
Median sales price (Q4 2010): \$167,700
Median sales price % change (Q4 '09-Q4 '10): 14.3%
Sales volume (# units sold in 2010): 2,052
Sales volume % change (2009-10): -9.7%
Unemployment rate (Dec. 2010): 6.7%
Foreclosure activity rate (2010): 1 in 1,194 units
Walk Score: 51

The median sales price in the Bloomington-Normal metro area rose 14.3 percent between fourth-quarter 2009 and fourth-quarter 2010, to \$167,700. During that time, median price rose every quarter except the third quarter of 2010, when it remained essentially flat from the previous quarter.

Bloomington-Normal's population grew 14.2 percent from 2005-09, according to the U.S. Census Bureau. By contrast, the nation's population grew 6.5 percent during the same period.

"Our population continues to increase because of our location between major metro areas within 45 minutes of Bloomington-Normal," said J.P. Finley, a Re/Max Choice agent in Bloomington. Those areas include Peoria, Champaign and Decatur. The state capital, Springfield, is just over an hour away.

Bloomington-Normal's major employers include State Farm Insurance, Illinois State University, Country Financial, Advocate BroMenn Medical Center, Mitsubishi Motor Manufacturing, Nestle USA and the local school district.

"The unemployment rate ... is extremely low due to the fact that we have more degree-earning citizens per capita in our local economy. This economy, while having employers such as Mitsubishi, is not solely based in durable goods, but rather in a service-based marketplace. The median family income is \$75,550 whereas the state average is about \$59,300," Finley said.

The number of units sold fell about 10 percent between 2009 and 2010, though sales volume in dollars fell only 4 percent, creating an "even-keeled" market, Finley said.

"Buyers are watching national trends and they are somewhat skittish about believing in the solid foundation of our own market. It is a stark reminder to all that real estate is local and cannot be judged by what is happening on the coasts or other more erratic markets," he said.

Photo courtesy of [roger4336](#).



Bloomington-Normal, Ill.	Metro	U.S.
Unemployment rate (Dec. 2010)	6.7%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	1.5%	1.9%
% ch. median household income (2008-09)	-3.6%	-2.9%
Median sales price (Q4 '10)	\$167,700	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	14.3%	0.2%
% homes affordable at median income (Q4 '10)	N/A	73.9%
% ch. single-family bldg. permits issued (2009-10)	2%	3%
Population (2009)	167,699	
% ch. population (2008-09)	1.5%	1%
% population lived in other state 1 yr. ago (2009)	1.8%	2.3%
% ch. occupied units (2008-09)	1.9%	0.6%
Foreclosure activity rate (Jan. 2011)	1 in 1,194 units	1 in 497 units
% ch. foreclosure activity (2009-10)	N/A	1.7%
Avg. days on market (as of Feb. 13, 2011)	N/A	135

9. Bismarck, N.D.

Total population (2009): 106,286
Median sales price (Q4 2010): \$168,500
Median sales price % change (Q4 '09-Q4 '10): 4.2%
Sales volume (# units sold in 2010): 1,461
Sales volume % change (2009-10): 4%
Unemployment rate (Dec. 2010): 3.9%
Foreclosure activity rate (Jan. 2011): 1 in 16,082 units
Walk Score: 48

In addition to enjoying one of the country's lowest unemployment rates, at 3.9 percent, Bismarck received the highest job-growth projection from Moody's Analytics of the 10 markets.

The economic analysis and forecasting company predicted 3.3 percent job growth in Bismarck between the third quarter of 2010 and the third quarter of 2011, compared with 1.9 percent nationally. Six of the 10 markets overall had higher job-growth projections than the national average.

"While many local real estate markets around the country have suffered the effects of the national economy, (the) Bismarck-Mandan (metro area) and all of North Dakota have seemed to rise above it all," said Nancy Deichert, executive director for the Bismarck Mandan Board of Realtors.

"In the years that other real estate markets were seeing 20, 30 and 40 percent average sales price increases, the Bismarck-Mandan market stayed a steady course. We did see some particularly good years, but not at the rates other markets did. This has probably helped to keep our market steady and stable."

Area home sales tracked by the Realtor association were up 4 percent from 2009 to 2010, to 1,461 units, and the median sales price also rose 4 percent in 2010, to \$167,735, Deichert said. As of mid-February this year, listings in Bismarck spent an average 77 days on market, compared with 135 days nationwide.

"An economy based on agriculture and energy are steady forces, coupled with Bismarck-Mandan being home to two major medical centers serving western North Dakota and, of course, with the state capital here, Bismarck-Mandan is the hub for state government," Deichert said.

In Bismarck, median household income also rose 4 percent from 2008 to 2009, the latest figures available from the U.S. Census Bureau. That's compared with a 2.9 percent decline in median income nationwide.

That's important to note because even in areas with low unemployment, potential buyers could be seeing declines in income, said Sam Khater, senior economist at CoreLogic.

"There is a lot of underemployment and quite a bit of the job growth that's happening is in the lower wage levels. What little job growth we're having is at the expense of incomes, especially when you adjust for government (jobs)," Khater said.

Photo courtesy of [sirrobot](#).



Bismarck, N.D.	Metro	U.S.
Unemployment rate (Dec. 2010)	3.9%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	3.3%	1.9%
% ch. median household income (2008-09)	4%	-2.9%
Median sales price (Q4 '10)	\$163,600	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	4.2%	0.2%
% homes affordable at median income (Q4 '10)	N/A	73.9%
% ch. single-family bldg. permits issued (2009-10)	31%	3%
Population (2009)	106,286	
% ch. population (2008-09)	1.3%	1%
% population lived in other state 1 yr. ago (2009)	2.8%	2.3%
% ch. occupied units (2008-09)	3.7%	0.6%
Foreclosure activity rate (Jan. 2011)*	1 in 16,082 units	1 in 497 units
% ch. foreclosure activity (2009-10)	N/A	1.7%
Avg. days on market (as of Feb. 13, 2011)	77	135

*Metro area is composed of Burleigh and Morton counties. Only Morton County foreclosure rate available.

10. Elmira, N.Y.

Total population (2009): 88,331
Median sales price (Q4 2010): \$101,100
Median sales price % change (Q4 '09-Q4 '10): 16.5%
Sales volume (# units sold in 2010): 627
Sales volume % change (2009-10): 7.7%
Unemployment rate (Dec. 2010): 8%
Foreclosure activity rate (Jan. 2011): 1 in 13,983 units
Walk Score: 57

The Elmira market saw the biggest jump in price appreciation between fourth-quarter 2009 and fourth-quarter 2010 of 152 metro areas tracked by the National Association of Realtors: up 16.5 percent, to \$101,100. In spite of the climb, the vast majority of homes, 87.5 percent, remain affordable to those who make the area's median income.

According to the U.S. Census Bureau, Elmira's median household income rose 5.1 percent between 2008 and 2009 -- the biggest rise among the 10 markets. The number of homes sold in the area increased 7.7 percent in 2010, while most markets saw their sales decrease.

Elmira is reaping rewards from gas exploration just across the state border in Pennsylvania, said Matthew Lynough, an agent at [Keller Williams Realty Southern Tier and Finger Lakes](#).

"The local businesses are benefiting from the large presence of the gas industry. Hospitality and restaurants, along with retailers, are noticing increased sales. Small manufacturers are also receiving contracts for production equipment to assist in drilling," Lynough said.

"There is also a strong aviation presence here with (aviation manufacturers) Sikorsky and Schwitzer located in our airport corporate park and Lockheed-Martin just 30 miles away."

What the data can't predict

An important indicator that data gatherers have a hard time pinning down is consumer confidence and behavior, CoreLogic's Khater said. Consumer behavior is a major factor in strategic default, he said.

"Are they confident about living in their home? (Strategic default) is a choice. It might not feel like a choice, but that's how it's defined: You can afford to keep paying but you can choose not to. Unless you're actually talking to each and every person, you can't determine how many strategic defaulters there are out there," Khater said.

Photo courtesy [doughtone](#).



Elmira, N.Y.	Metro	U.S.
Unemployment rate (Dec. 2010)	8%	9.1%
1-yr. forecasted job growth (Q3 '10-Q3 '11)	1.1%	1.9%
% ch. median household income (2008-09)	5.1%	-2.9%
Median sales price (Q4 '10)	\$101,100	\$170,600
% ch. median sales price (Q4 '10 vs. Q4 '09)	16.5%	0.2%
% homes affordable at median income (Q3 '10)*	87.5%	73.9%
% ch. single-family bldg. permits issued (2009-10)	-8%	3%
Population (2009)	88,331	
% ch. population (2008-09)	0.6%	1%
% population lived in other state 1 yr. ago (2009)	3.3%	2.3%
% ch. occupied units (2008-09)	3.9%	0.6%
Foreclosure activity rate (Jan. 2011)	1 in 13,983 units	1 in 497 units
% ch. foreclosure activity (2009-10)	N/A	1.7%
Avg. days on market (as of Feb. 13, 2011)	N/A	135

Additional data, charts

The following is a list of additional data and charts provided by online real estate search, research and data companies:

[2010 top 10 most searched real estate markets](#) (Realtor.com)

[Top 10 states with shortest days on site: for-sale properties](#) (Realtor.com)

[Top 10 fastest-moving markets on site in 2010](#) (Realtor.com)

[Top 10 MSAs: Fastest-rising median list prices in 2010](#) (Realtor.com)

[Inventory counts: MSAs with the fastest falling inventory counts in 2010](#) (Realtor.com)

[2010 fastest-rising median list prices](#) (Realtor.com)

[Markets with low price-to-income ratios](#) (Zillow.com)

[Markets with low delinquency rates: November 2010](#) (CoreLogic)

[Markets poised to outperform in 2011](#) (Altos Research)

[Sales volume per population, Q4 2010](#) (Onboard Informatics)

[Percent change in sales, Q3 2010-Q4 2010](#) (Onboard Informatics)

[Percent change in median price, Q3 2010-Q4 2010](#) (Onboard Informatics)

[Top 10 U.S. markets for buying and investing in 2011](#) (RealtyTrac)

[Top 10 cities to buy vs. rent](#) (Trulia)

[Top 10 cities to rent vs. buy](#) (Trulia)

[Fastest-moving for-sale markets, January 2011](#) (HotPads)

2010 Top 10 Most Searched Real Estate Markets

1. Las Vegas
2. Los Angeles
3. Orlando
4. San Antonio
5. Miami
6. Phoenix
7. San Diego
8. Austin
9. Tampa
10. Chicago

Source: Realtor.com.

[View methodology.](#)

Monthly Data

Rank	Jan	Feb	Mar	Apr	May	Jun
1	Las Vegas	Las Vegas	Las Vegas	Las Vegas	Las Vegas	Las Vegas
2	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles	Los Angeles
3	Orlando	Orlando	San Antonio	San Antonio	Orlando	San Antonio
4	San Antonio	San Antonio	Orlando	Orlando	San Antonio	Orlando
5	Phoenix	Phoenix	Phoenix	Phoenix	Miami	Miami
6	Miami	Miami	Miami	Paradise Valley	Phoenix	San Diego
7	San Diego	San Diego	Chicago	Miami	San Diego	Phoenix
8	Tampa	Tampa	San Diego	San Diego	Austin	Austin
9	Chicago	Chicago	Tampa	Chicago	Chicago	Fort Worth
10	Fort Worth	Fort Worth	Fort Worth	Fort Worth	Beverly Hills	Chicago

Rank	Jul	Aug	Sep	Oct	Nov	Dec
1	Los Angeles	Las Vegas	Las Vegas	Las Vegas	Los Angeles	Las Vegas
2	Las Vegas	Los Angeles	Los Angeles	Los Angeles	Las Vegas	Los Angeles
3	Miami	Orlando	Orlando	Miami	Orlando	Orlando
4	San Antonio	Miami	San Antonio	Austin	San Antonio	Phoenix
5	Orlando	San Antonio	Miami	Beverly Hills	Miami	San Antonio
6	Phoenix	Austin	Phoenix	Orlando	Phoenix	Miami
7	Atlanta	Phoenix	Beverly Hills	San Antonio	Atlanta	Tampa
8	San Diego	San Diego	San Diego	Phoenix	Tampa	Atlanta
9	Austin	Chicago	Chicago	Chicago	Chicago	San Diego
10	Chicago	Tampa	Henderson	Henderson	Austin	Austin

Source: Realtor.com.

[View methodology.](#)

Top 10 states with shortest days on site (for-sale properties)

State	Avg. days on site (Jan. '10-Dec. '10)
Alaska	148.5
Oklahoma	153.8
North Dakota	158.2
California	161.7
Nebraska	166.3
Texas	173.8
Washington	185.7
South Dakota	187.2
Kansas	187.9
Rhode Island	189.2

Source: Realtor.com.

[View methodology.](#)

Top 10 fastest-moving markets on Realtor.com in 2010 (based on avg. # of days listings were displayed for sale on the site)

MSA	Avg. days on site
Oakland, Calif.	76
Shreveport-Bossier City, La.	91
Merced, Calif.	92
Fargo-Moorhead, N.D.-Minn.	94
Anchorage, Alaska	96
Lincoln, Neb.	96
Stockton-Lodi, Calif.	98
Tulsa, Okla.	101
Bakersfield, Calif.	103
Modesto, Calif.	103
Rochester, N.Y.	103

Source: Realtor.com.

[View methodology.](#)

Top 10 MSAs: Fastest-rising median list prices in 2010

Rank	MSA	Median list price	Compound growth rate (%)
1	Fort Myers-Cape Coral, Fla.	\$184,500	2.2%
2	South Bend, Ind.	\$111,700	2.1%
3	Savannah, Ga.	\$238,000	2.0%
4	Shreveport-Bossier City, La.	\$160,700	1.7%
5	Buffalo-Niagara Falls, N.Y.	\$139,000	1.7%
6	Trenton, N.J.	\$268,000	1.6%
7	Columbia, Mo.	\$169,500	1.5%
8	Washington, D.C.-Md.-Va.-W.V. (D.C.)	\$369,000	1.3%
9	Fort Wayne, Ind.	\$107,900	1.3%
10	Washington, D.C.-Md.-Va.-W.V. (Va.)	\$343,900	1.2%

Source: Realtor.com.

[View methodology.](#)

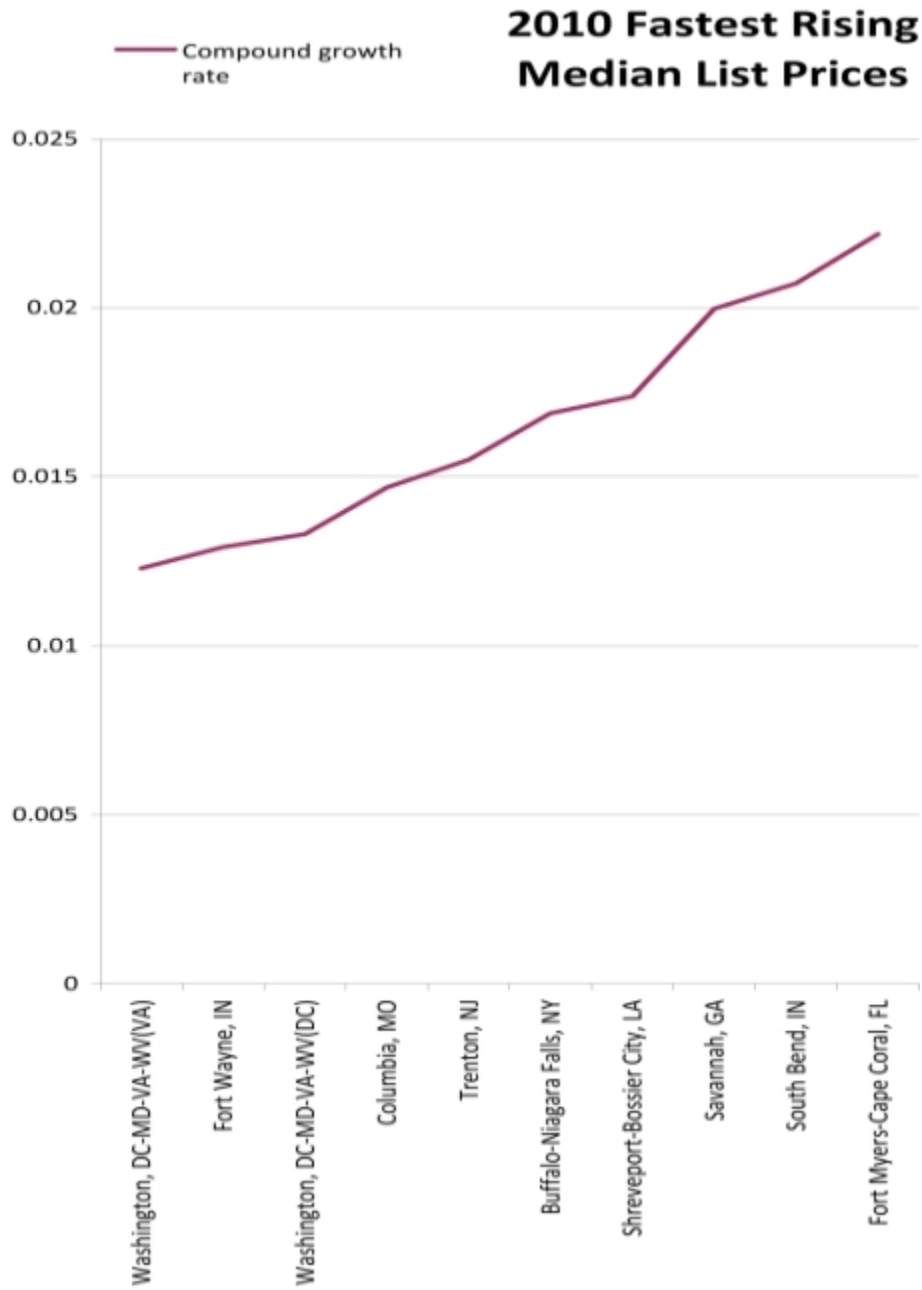
Inventory counts: MSAs with the fastest-falling inventory counts (2010)

MSA	1/1/2010	12/1/2010	CAGR*
Queen Creek, Ariz.	657	312	-6.6%
Maricopa, Ariz.	312	160	-5.9%
Casa Grande, Ariz.	180	96	-5.6%
Apache Junction, Ariz.	329	176	-5.6%
Pooler, Ga.	369	213	-4.9%
Beverly Hills, Calif.	469	273	-4.8%
La Canada Flintridge, Calif.	156	94	-4.5%
Pacific Palisades, Calif.	233	141	-4.5%
West Hollywood, Calif.	228	140	-4.4%
Springfield, Ga.	104	65	-4.2%

*compound annual growth rate

Source: Realtor.com.

[View methodology.](#)



Source: Realtor.com.

[View methodology.](#)

Markets with low price-to-income ratios

MSA	Population	ZHVI*	Yr. over yr.	Current price/Income
Toledo, Ohio	667,360	\$89,601	-6.3%	2.0
Pittsburgh, Pa.	2,404,190	\$107,134	0.2%	2.3
Pensacola, Fla.	462,147	\$119,729	-7%	2.3
Utica, N.Y.	299,124	\$99,109	0%	2.3
Phoenix, Ariz.	4,163,757	\$130,837	-11.5%	2.4
Jacksonville, Fla.	1,359,173	\$131,871	-10.8%	2.4
Atlanta, Ga.	5,322,915	\$132,860	-12.9%	2.4
Rochester, N.Y.	1,054,376	\$119,084	-2%	2.4
Columbia, S.C.	719,810	\$125,049	0.9%	2.6
Lincoln, Neb.	291,904	\$132,099	-3%	2.6
Winston-Salem, N.C.	464,838	\$127,761	-1.6%	2.8
Greensboro, N.C.	691,871	\$128,024	-1.6%	2.9
Raleigh, N.C.	1,023,620	\$175,979	-6.6%	2.9
Worcester, Mass.	806,147	\$203,774	-6.7%	3.1
Vallejo, Calif.	426,952	\$210,966	-0.1%	3.1
Hartford, Conn.	1,203,355	\$216,858	-2.3%	3.2
Naples, Fla.	337,239	\$209,400	-3.1%	3.5
Durham, N.C.	477,119	\$172,183	-1.2%	3.5
Poughkeepsie, N.Y.	684,296	\$237,911	-3.6%	3.5
Prescott, Ariz.	218,514	\$183,876	-8.1%	4.2

*Zillow Home Value Index

Source: Zillow.com.

[View methodology.](#)

Markets with low delinquency rates: November 2010

Metro area	Share of loans 90+ days delinquent
Austin-Round Rock-San Marcos, Texas	3.5%
Omaha-Council Bluffs, Neb.-Iowa	3.6%
Buffalo-Niagara Falls, N.Y.	4.1%
Cambridge-Newton-Framingham, Mass.	4.1%
San Francisco-San Mateo-Redwood City, Calif.	4.1%
Rochester, N.Y.	4.2%
Raleigh-Cary, N.C.	4.3%
Colorado Springs, Colo.	4.5%
Oklahoma City, Okla.	4.6%
Honolulu	4.7%

Source: CoreLogic.

[View methodology.](#)

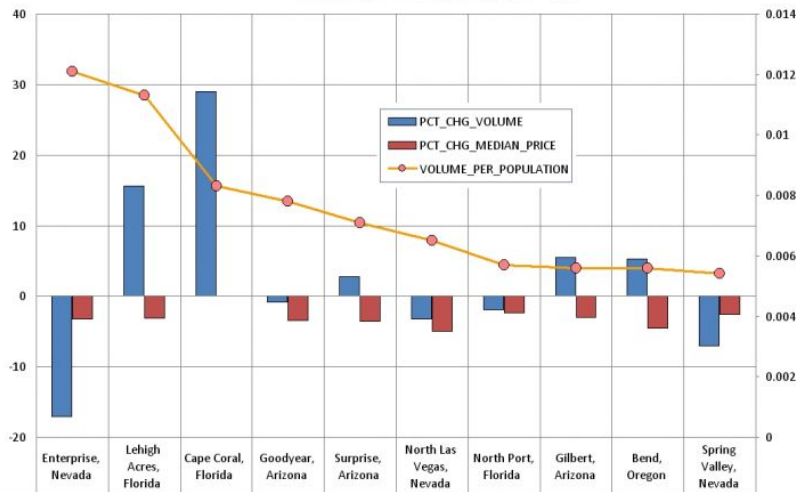
Markets Poised to Outperform in 2011

MSA	Yr.-yr. ch. in inventory	Yr.-yr. ch. in price of new listings	Asking price	% price decreased
Honolulu	23.5%	4%	\$746,884	23.7%
Aspen, Colo.	-4.8%	3%	\$1,585,853	29.3%
Charleston, S.C.	28.6%	22%	\$359,051	30.2%
Maui, Hawaii	6.9%	8%	\$841,792	30.4%
Ann Arbor, Mich.	-3.6%	7%	\$216,642	36.5%
Pittsburgh	10.6%	8%	\$157,163	38.5%
San Jose, Calif.	42.5%	1%	\$666,623	39.0%
New Orleans	-5.5%	4%	\$201,667	33.5%
Manhattan	20.7%	-1%	\$5,218,014	26.3%
Louisville, Ky.	6.0%	2%	\$183,601	34.3%

Source: Altos Research.

[View methodology.](#)

Volume Per Population - Q4



PCT_CHG_VOLUME	-17.05	15.66	28.99	-0.87	2.79	-3.25	-1.9	5.46	5.26	-7.09
PCT_CHG_MEDIAN_PRICE	-3.23	-3.17	0	-3.48	-3.55	-5	-2.38	-3.06	-4.59	-2.55
VOLUME_PER_POPULATION	0.0121	0.0113	0.0083	0.0078	0.0071	0.0065	0.0057	0.0056	0.0056	0.0054

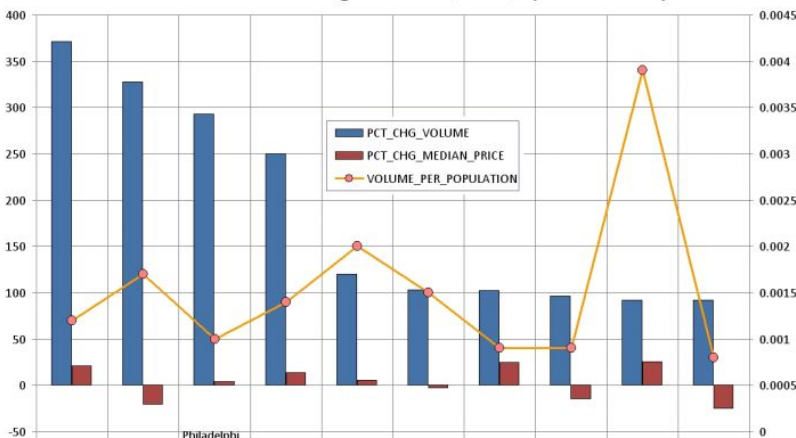
[View larger image.](#)

Data is for markets with 50,000-plus population.

Source: Onboard Informatics.

[View methodology.](#)

Percent Change - Sales Q3 v. Q4 (min 25 sales)



PCT_CHG_VOLUME	370.97	327.27	292.75	250	120	103.03	102.09	96.67	92.19	91.53
PCT_CHG_MEDIAN_PRICE	21	-20.18	3.71	13.62	5.06	-2.67	24.3	-14.29	25.63	-25.17
VOLUME_PER_POPULATION	0.0012	0.0017	0.001	0.0014	0.002	0.0015	0.0009	0.0009	0.0039	0.0008

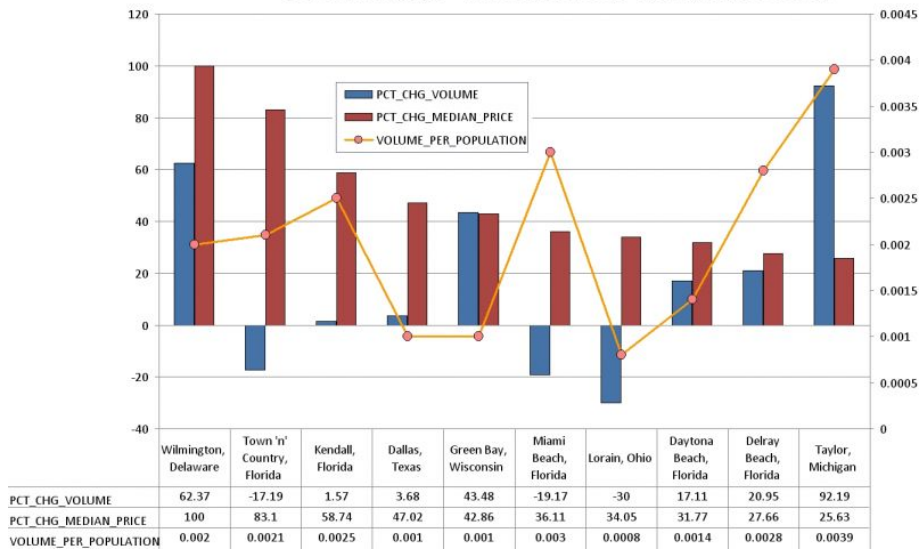
[View larger image.](#)

Data is for markets with 50,000-plus population, minimum 25 sales.

Source: Onboard Informatics.

[View methodology.](#)

Percent Change - Median Price Q3 v. Q4 (min 25 sales)



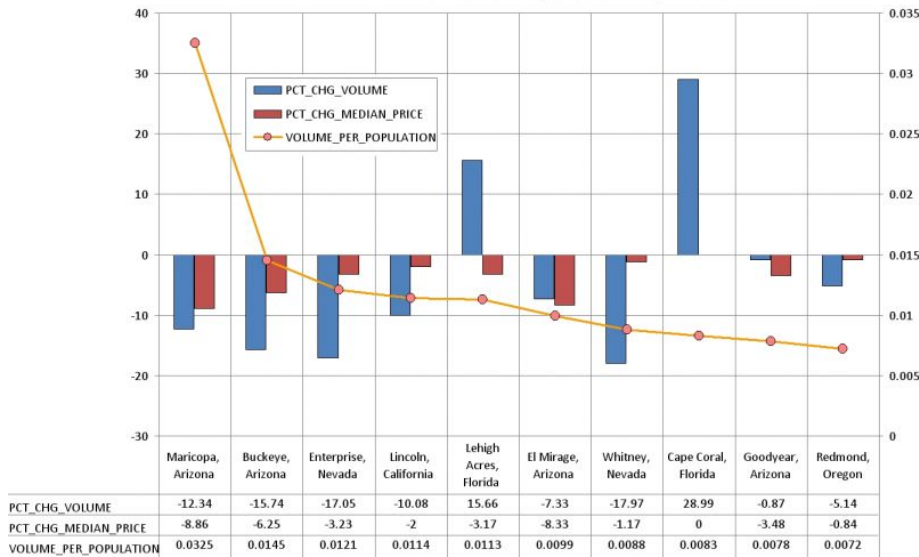
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Data is for markets with 50,000-plus population, minimum 25 sales.

Source: Onboard Informatics.

[View methodology.](#)

Volume Per Population - Q4 2010



[View larger image.](#)

Data is for markets with 10,000-plus population.

Source: Onboard Informatics.

[View methodology.](#)

Percent Change - Sales Q3 v. Q4 (min 25 sales)



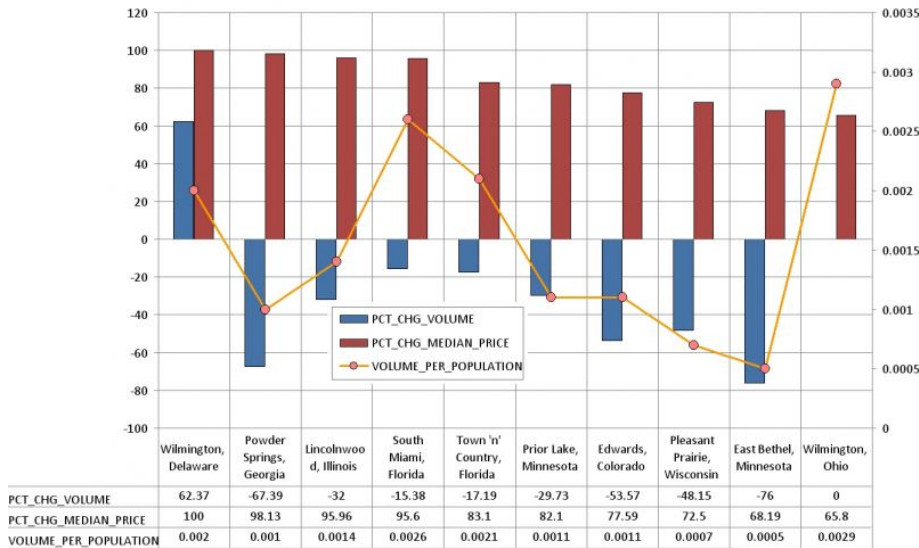
[View larger image.](#)

Data is for markets with 10,000-plus population, minimum 25 sales.

Source: Onboard Informatics.

[View methodology.](#)

Percent Change - Median Price Q3 v. Q4 (min 25 sales)



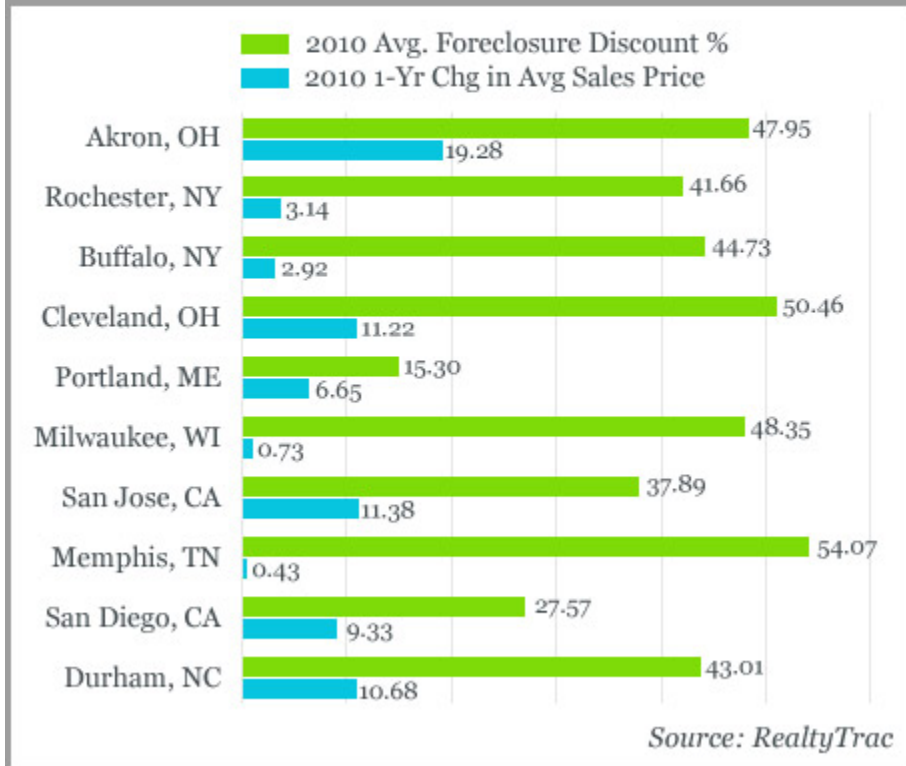
[View larger image.](#)

Data is for markets with 10,000-plus population, minimum 25 sales.

Source: Onboard Informatics.

[View methodology.](#)

Top 10 U.S. Markets for Buying & Investing in 2011



[View methodology.](#)

Top 10 cities to buy vs. rent

Rank	City	State	Price to rent ratio
1.	Miami	Fla.	6
2.	Las Vegas	Nev.	6
3.	Arlington	Texas	7
4.	Mesa	Ariz.	8
5.	Phoenix	Ariz.	8
6.	Jacksonville	Fla.	8
7.	Sacramento	Calif.	10
8.	San Antonio	Texas	11
9.	Fresno	Calif.	11
10.	El Paso	Texas	11

Source: Trulia

[View methodology.](#)

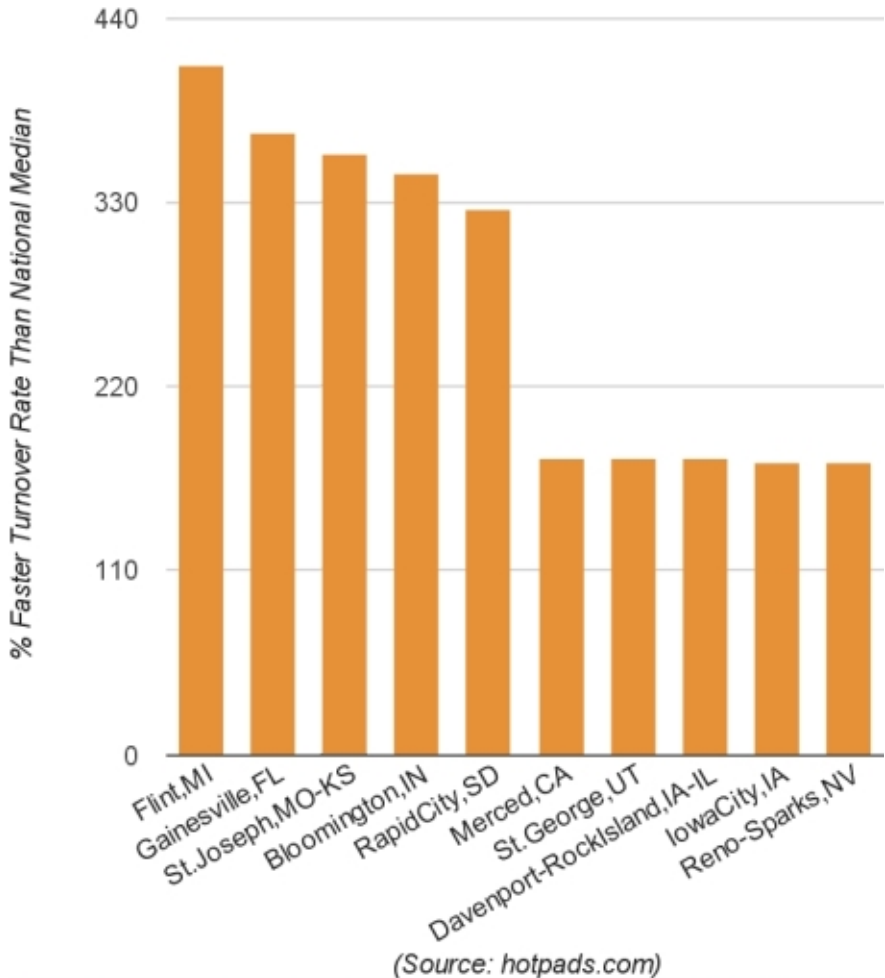
Top 10 cities to rent vs. buy

Rank	City	State	Price to rent ratio
1.	New York	N.Y.	31
2.	Seattle	Wash.	24
3.	Kansas City	Mo.	21
4.	San Francisco	Calif.	21
5.	Memphis	Tenn.	20
6.	Los Angeles	Calif.	20
7.	Fort Worth	Texas	19
8.	Oakland	Calif.	18
9.	Portland	Ore.	18
10.	Albuquerque	N.M.	18

Source: Trulia

[View methodology.](#)

Fastest Moving For-Sale Markets, January 2011



[View methodology.](#)

Methodology

The sources for these statistics in the Inman News analysis of 10 markets are: the U.S. Bureau of Labor Statistics, Moody's Analytics, U.S. Census Bureau, National Association of Realtors, National Association of Home Builders, RealtyTrac and Altos Research. Other companies provided additional data and charts that are published as a part of the overall report but were not considered in the top 10 rankings.

Where available, median sales price appreciation, unemployment rate, affordability and foreclosure activity rate were given the most weight in determining which markets made it to the list.

If a market performed worse compared to national figures for any one of these factors, that market was not included on the list.

That requirement eliminated the vast majority of markets considered. No metropolitan area without an available figure for median sales price appreciation, as listed by the National Association of Realtors, was included on the list. Also, no market with a median sales price that declined more than once on a quarterly basis from the first quarter of 2010 through the last quarter of 2010 was included.

For the remaining markets, other factors (where available) were also considered and compared to national figures: job growth projections, median household income growth, population growth, in-migration growth, building permit growth, occupied-housing-unit growth, average days on market, and foreclosure activity growth.

All markets on the list exceeded the national average in at least some statistical areas that were considered in the rankings, if not all. Markets were compared to each other in terms of overall jobs market (taking into account unemployment rate, job growth projections, median household income growth), overall population health (population growth, in-migration growth, occupied-housing-unit growth), overall foreclosure activity (foreclosure rate and growth), potential for new construction (building permit growth), and turnover rate (average days on market).

There were no firm population limits for the markets chosen -- however, the markets were all large enough that the bulk of these criteria were available for comparison.

In ranking these markets from No. 1 to No. 10, the factors given the most weight were population, sales volume and median sales price appreciation. Population was weighted most heavily, followed by sales volume in proportion to population, and rate of price appreciation. Walkability scores were not a factor in ranking.

Methodology for at-a-glance data summary boxes: Population data is from the U.S. Census Bureau. Median sales price data comes from the National Association of Realtors. Unemployment rates are from the Bureau of Labor Statistics. Foreclosure activity rates come from RealtyTrac, walkability scores come from Walk Score; and sales volume figures for the Buffalo and Des Moines metro areas come from CoreLogic while the rest come from local Realtor associations and MLSs: Bismarck Mandan Board of Realtors, Fargo-Moorhead Board of Realtors MLS, Elmira-Corning Regional Board of Realtors MLS, Tri-City Association of Realtors, Northern New England Real Estate Network, Inc. (NNEREN), Bloomington-Normal Association of Realtors, Metropolitan Regional Information Systems, Inc. (MRIS) and Maine Real Estate Information System, Inc. (MREIS).

Walk Score figures are an average for the largest cities in these metro areas. A score below 50 indicates a car-dependent city. A score between 50-69 indicates a somewhat walkable city.

The Bismarck metro area is composed of Burleigh and Morton counties, but only the Morton County foreclosure rate was available.

Methodology for additional charts

Editor's note: The information below is supplied by the listed companies to describe their respective methodologies in compiling data to describe real estate markets that are on the rise.

[Altos Research](#)
[CoreLogic](#)
[HotPads](#)
[Onboard Informatics](#)
[Realtor.com](#)
[RealtyTrac](#)
[Trulia](#)
[Zillow](#)

Altos Research: Analysis was based mostly on Altos Research real-time market analytics. The company did not apply any sort of format forecasting model to these markets. While Altos Research considered unemployment and other structural factors, the company did not incorporate hard numbers into this analysis.

Key indicators from its analytics platform that weighed the most in this analysis include year-over-year inventory, the current state of price reductions (how many active sellers are feeling the need to reduce their prices), and the year-over-year prices of new listings entering the market in recent weeks. "Days on market" was a factor; however, this value can be misleading in some cases, as buyers and sellers in each market have different expectations as to what is considered "high" or "low" days on market. What seems like a long time on market in one market may be normal.

The markets provided are not provided in any particular order, but are 10 markets that based on current market conditions are poised to do well in 2011. Of course, real estate is local. While this analysis was completed on a metro-level, there are going to be varying results for local communities and ZIP codes based on property type within each metro.

Altos Research would consider these markets as poised to outperform most other markets across the U.S.

The company's analysis focused on 200 metropolitan statistical areas (MSAs) where it monitors the market weekly. There may be other markets areas outside of this list that may do better.

Finally, this information is not to be construed as investment advice. Altos Research is not an investment adviser nor is the company licensed to act as such.

Markets List:

Diving into our data and analytics as of this week, the results came back quite interesting. Several markets would be considered "specialty" or "luxury" markets. This is consistent with what we're seeing on a larger, macroeconomic scale. Companies like Tiffany's & Co and Williams Sonoma had big fourth-quarter results.

Consumer confidence was higher, and unemployment among college-educated people is much lower than the national average. The stock market in general is doing well, so those people in this segment of the market are also doing better than in years past.

Additionally, recent years saw the sale of second properties just after the crash. And while there may be less volume, those that are buying homes in these markets might find less selection and therefore are willing, and able, to pay a bit more if the demand is true.

Maui: A small market but one showing early price strength in 2011.

Honolulu: Prices fell off a bit last year after holding steady for a couple of years. Inventory has crept up, but new listing prices are improving in January as compared to fourth-quarter 2010.

Aspen, Colo.: Year-over-year inventory is lower and new list prices are moving higher.

Charleston, S.C.: Inventory is higher than peaks in '08, '09 and '10, but the price of homes coming into the market is moving higher in recent months.

Pittsburgh: This has consistently performed over recent years. Never a bubble market and never a crash market.

Ann Arbor, Mich.: College towns are typically good places to be. Showing stability right now.

Louisville, Ky.: Inventory is down and asking prices have been pretty stable over the last couple of years.

New Orleans: Inventory is way down in the short term. As we've seen in other markets in recent years, supply constraints provides pricing stability.

San Jose, Calif.: Silicon Valley is full-steam ahead, with such notable employers in the region as Google, Facebook, Twitter, Zynga and Groupon. Companies are hiring engineer and marketing talent, which makes for good fundamentals in the housing market. While San Jose has its share of subprime, there are plenty of areas with stable markets, like Palo Alto, Los Altos and Mountain View.

Manhattan (condo market): Wall Street had a good year ...

CoreLogic: The share of mortgages delinquent by 90 days or more includes loans that are in foreclosure or for properties that became real estate owned (REOs). We have approximately 85 percent loan coverage. The delinquency data covers both prime and subprime loans for all first-lien performance. The delinquency rate chart is sorted to show the markets with the lowest share of mortgage loans in delinquency for 90 or more days in November 2010. Each market on the list has a volume of at least 100,000 loans.

HotPads: The list represents the top 10 cities experiencing the fastest home sales turnover during Jan. 1-25, 2011. To compile the list, metro areas with a population of at least 100,000 and at least 500 listings on HotPads were considered. The ranking takes into account number of days listings were active on HotPads and number of listings in that time period. Turnover rate includes any reason a listing was taken down, including being sold, canceled, etc. The list is sorted by shortest median number of days listings from each city were available on HotPads. On HotPads, the median time on market for homes for sale is 108 days.

Onboard Informatics: In the charts provided, Onboard focused on three metrics:

1. Highest volume per population;
2. Fastest-rising prices (fourth-quarter 2010 vs. third-quarter 2010), using the percent change in price ("PCT_CHANGE_PRICE") metric;
3. Fastest rising volume (fourth-quarter 2010 vs. third-quarter 2010), using the percent change in sales volume ("PCT_CHANGE_VOLUME") metric.

In each chart provided, all three metrics are charted. However, each chart uses a different metric to base its top 10 cities on. The percent-change metrics use the left-hand axis, and the volume per population values use the right-hand axis. There is one chart per metric, which show the top 10 cities in each category.

The No. 1 market is on the left; the No. 10 market is on the right. The percent-change values are bars and the volume per population is a line.

The data comes from public record, including information from county assessors' offices. Onboard then used its internal aggregation methods on that data to help generate results.

There are separate sets of charts to represent those markets with at least 50,000 population and those markets with at least 10,000 population.

Realtor.com (operated by Move Inc.):

Days on Move Inc. Network: the average number of days between the date properties were listed on the Move Network and the end of the date the listing went off-market.

Median Active Listing Price: The listing price for half the listings active at any time during the measured time is higher than this value.

Active Listings Count: The number of properties that were active any time during the measured time period and which remained on the market past the first day of the measure time period.

Compound Annual Growth Rate (CAGR): We have adopted the familiar CAGR idea slightly -- generalizing the usual usage for annual growth. Here it is used to smooth out seasonal fluctuations and allows the creation of a single summary rate across the time period for which we have data but at the conventional time delta.

Realtor.com, operated by Move Inc., is supplied with data from 933-plus multiple listing services throughout the U.S. Seventy-five percent of all listings displayed on the Move Network are updated every 15 minutes, with the remainder updated every one hour to 24 hours.

RealtyTrac: Starting with a universe of the nation's 100 largest metropolitan statistical areas based on population, the RealtyTrac top 10 list was calculated by filtering out the top 25 metro areas in each of the 10 categories listed below and then tabulating which metro areas showed up most frequently in those top-25 lists.

If multiple metro areas showed up the same number of times in the top-25 lists, the first tiebreaker was which showed up the most in the top-10 lists for those same categories, and the second tiebreaker was which had the highest two-year change in average home sales price.

The company tracks all indicators listed here except for unemployment data. RealtyTrac took the metro unemployment numbers directly from the Bureau of Labor Statistics website.

Data that factored into the rankings:

1. Lowest 2010 foreclosure activity rates;
2. Biggest 2009-10 decreases in foreclosure activity;
3. Biggest 2008-10 decreases in REO inventory;
4. Lowest unemployment rates in November 2010;
5. Biggest year-over-year decreases in unemployment rates for November 2010;
6. Biggest 2009-10 decreases in percentage of total sales that were foreclosures;
7. Biggest 2009-10 increases in foreclosure sales average prices;
8. Biggest average discounts on foreclosure sales in 2010;
9. Lowest average sales prices in 2010 (for all sales, including foreclosure and nonforeclosure);
10. Biggest 2009-10 increases in average sales prices (for all sales).

Trulia: The company calculates an index that suggests the [best places to buy vs. rent a home](#). The company calculates its price-to-rent ratio "using the average list price compared with average rent on two-bedroom apartments, condos and townhomes listed on Trulia.com (the [data presented](#) is based on listings as of Jan. 10, 2011). To create the list, Trulia (analyzes) the largest 50 cities in America, by population."

In calculating total costs of homeownership, Trulia considers "mortgage principal and interest, property taxes, hazard insurance, closing costs at time of purchase, and ongoing (homeowners association) dues and private mortgage insurance, where applicable. Total costs of homeownership include an offset for the tax advantages of homeownership, including mortgage interest, property tax and closing-cost deductions."

Zillow: To determine this list, Zillow looked at current vs. historical price-to-income ratio and a blend of home-value changes on a month-over-month, quarter-over-quarter and year-over-year basis. Markets identified here are at or below their 15-year historical averages (1985 to 2000) for price-to-income ratios compared to 2010. The

second element, with equal weight, was momentum of home values in an area. Zillow looked for a reduction in the amount that the market was declining or saw the most appreciation in those areas.

Most were still showing negative month-over-month trends, but these markets are showing the least amount of month-over-month depreciation in home values. Zillow did not limit the metro areas on this list by population, but did exclude areas with unemployment higher than 13 percent. Home values and prices are based on the Zillow Home Value Index. Income figures come from the Bureau of Labor Statistics.



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