

## U.S. ECONOMY

# Home Prices Are Rising Everywhere in the U.S.

The pandemic has boosted housing-market activity in a way not seen in recent history



Record-low mortgage-interest rates and a longstanding shortage of homes for sale have driven the housing market in 2020.

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Home prices rose in every corner of the U.S. during the third quarter, as the pandemic boosted activity in a way not seen in recent history.

The median price for existing homes in each of the 181 metro areas tracked by the National Association of Realtors was higher in the third quarter from a year earlier, the association said Thursday.

This broad-based rally for single-family homes marked the first time since 1980 that every metro area tracked by NAR posted an annual price increase in the same quarter, NAR said.

Back then, the association tracked 19 metro areas.

“Americans are viewing their home as something more than what it was before,” as they spend more time at home due to the pandemic, said Lawrence Yun, NAR’s chief economist. “Right now there is a greater interest for larger-size homes, and naturally they are more expensive.”

Record-low mortgage-interest rates have also motivated shoppers to enter the market. And a longstanding shortage of homes for sale has worsened, increasing competition among buyers and sparking bidding wars. Existing-home sales have surged in recent months and reached a seasonally adjusted 14-year high in September.

Prices in most markets weren’t simply edging higher but were up significantly from a year ago. In nearly two-thirds of the metro areas tracked by NAR, prices posted double-digit gains. The biggest gainers were Bridgeport, Conn., where the median price rose 27.3%, and Crestview, Fla., up 27.1%.

Nationwide, the median single-family home price rose 12% from a year earlier to \$313,500, NAR said.

“The housing market is, ironically, benefiting from the coronavirus,” said Ralph DeFranco, global chief economist at Arch Capital Services Inc. “We’re seeing just red-hot demand for both bigger homes but also second homes, and also millennials moving into homeownership from rental.”

Low mortgage rates have offset some of the effect of rising home prices for buyers. For the week ended Thursday, the average rate on a 30-year fixed rate mortgage was 2.84%, up from 2.78% last week but down from 3.75% a year earlier, said Freddie Mac.

But mortgage rates are unlikely to fall further from here, as positive news about a coronavirus vaccine is making investors more confident, Mr. Yun said.

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