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Owners.com Reveals Best and Worst Markets for Home Buyers to Get a Deal

Chicago, IL tops list of affordable major real estate markets while buyers will spend big on the West Coast

ATLANTA, GA -- (Marketwired) -- 12/12/17 -- Owners.com, an innovative technology enabled real estate brokerage, today released its inaugural [2017 Market Recap](#) data study revealing the top 10 buyer and overheated metropolitan statistical areas (MSAs). For buyers seeking less competition and more affordable homes sold below the listing price, Chicago-Naperville-Elgin, IL-IN-WI came out on top, followed by Virginia Beach-Norfolk-Newport News, VA-NC and Philadelphia-Camden-Wilmington, PA-NJ-DE-MD. To identify the most overheated markets, Owners.com looked at MSAs where buyers could expect to spend more than one-third of their income on their mortgage. The data showed that Kahului-Wailuku-Lahaina, HI; Grants Pass, OR and San Jose-Sunnyvale-Santa Clara, CA were the most overheated markets, where homes typically sold faster and for twice as much money than the national average.

Owners.com focused on U.S. metropolitan statistical areas (MSAs) with more than one million people. The study analyzed a variety of factors within the qualifying MSAs, including home sale price, difference between the listing and sale price, average number of days on market and average listed inventory count.

"With reduced inventory and appreciating home prices an issue in much of the country, real estate market conditions are challenging," said Phil Karp, Senior Manager of Brokerage Services at Owners.com. "Many markets have become overheated, but there are still markets where smart buyers can find more affordable homes. Savvy buyers will realize greater savings if they leverage modern brokerages like Owners.com that provide local expert real estate agents who help them make data-driven purchase decisions."

Top 10 Home Buyer Markets

The study uncovered that within the top 10 buyer markets, home buyers can generally expect to find more affordable options with less competition:

- 1 The top 10 buyer markets showed an average sales price of \$297,794, which was \$35,330 below the national average. Homes sold for an average of \$16,375 below the listing price.
- 1 Prices for both buyers and renters remained affordable in these areas as the average monthly rent increased from year to year by \$24, only \$4 more than the national average.
- 1 Average loan-to-value is -10% lower than the national average of -6.04%, indicating that properties in these MSAs may have been heading toward foreclosure or short sale, increasing the opportunity to get a good deal.
- 1 With less buyer competition, homes in these markets took an average of two weeks longer to sell than the national average.

	MSA	Average Sales Price for Single-Family Homes	Average Difference between Sale and Listing Price	Average Number of Days Listing Is on Market	Average Loan to Value Rank	Average Listed Inventory	Average Change in Rent (from Previous Years)
1	Chicago-Naperville-Elgin, IL-IN-WI	\$302,898	-\$16,015	108	-10.07%	9,683	+\$38
2	Virginia Beach-Norfolk-Newport News, VA-NC	\$255,737	-\$11,959	104	-15.01%	2,703	+\$11
3	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	\$272,112	-\$13,973	115	-9.17%	5,952	+\$11
4	Jacksonville, FL	\$255,144	-\$15,229	102	-12.84%	2,085	+\$13
5	Hartford-West Hartford-East Hartford, CT	\$277,086	-\$12,105	116	-13.35%	559	+\$7

6	New York-Newark-Jersey City, NY-NJ-PA	\$459,566	-\$26,568	142	-5.84%	10,728	+\$38
7	Miami-Fort Lauderdale-West Palm, FL	\$377,700	-\$26,998	115	-6.49%	9,961	+\$41
8	San Antonio-New Braunfels, TX	\$242,243	-\$11,794	93	-9.93%	1,742	+\$28
9	Birmingham-Hoover, AL	\$202,029	-\$13,058	107	-10.42%	935	+\$20
10	Houston-The Woodlands-Sugar Land, TX	\$333,424	-\$15,982	98	-7.83%	1,523	+\$31

Top 10 Overheated Markets

[Owners.com](#) also identified what it considers the most overheated markets, where residents are spending more than 33 percent of their household income toward their mortgage payment, and found that:

- | In the top 10 overheated markets, homes sold for \$777,665, over twice as much as the average U.S. home price.
- | Homes sold faster (by three days) in these markets than the nation's average.
- | Listing prices were inflated and were on average \$14,114 less than the sale price.
- | Residents in these markets spent twice as much income toward their mortgage payment as the national average. (National average is 20.8 percent; overheated markets average is 39.1 percent).

	<i>MSA</i>	<i>Average Sales Price for Single-Family Homes</i>	<i>Average Difference between Sale and Listing Price</i>	<i>Average Number of Days Listing Is on Market</i>	<i>Percentage of Household Income Used toward Mortgage Payment</i>
1	Kahului-Wailuku-Lahaina, HI	\$814,251	-\$35,015	140	41.3%
2	Grants Pass, OR	\$289,328	-\$14,524	122	33.8%
3	San Jose-Sunnyvale-Santa Clara, CA	\$1,219,717	+\$26,539	47	44.1%
4	San Francisco-Oakland-Hayward, CA	\$943,649	+\$27,793	62	38.4%
5	Santa Rosa, CA	\$658,253	-\$11,997	79	36.3%
6	San Luis Obispo-Paso Robles-Arroyo Grande, CA	\$615,394	-\$28,646	102	36.4%
7	Urban Honolulu, HI	\$864,762	-\$17,481	93	42.7%
8	Santa Maria-Santa Barbara, CA	\$766,101	-\$28,390	100	34.8%
9	Los Angeles-Long Beach-Anaheim, CA	\$801,163	-\$19,457	87	44.4%
10	Napa, CA	\$804,032	-\$29,960	96	38.8%

Methodology

[Owners.com](#) identified all MSAs with over one million people and retrieved data from October 31, 2016 through October 31, 2017. [Owners.com](#) used five metrics to identify and rank the top 10 buyer markets and three metrics for the top 10 overheated markets. These metrics were weighted and summed into a score. The national and market data were sourced from public property data, and aggregated data were sourced from First American and [Census Data](#). The weights for each metric were as follows:

The score for the top 10 home buyer markets was comprised of these metrics:

- | Average price difference between sold and listing prices: 30 percent
- | Negative LTV: 25 percent
- | Total inventory left on market: 20 percent
- | Days on market: 15 percent
- | Monthly rental cost change from previous year: 10 percent

The score for the top 10 overheated markets was comprised of these metrics:

- | Percentage of household income used toward mortgage payment: 50 percent
- | Days on market: 30 percent
- | Average price difference between sold and listing prices: 20 percent

About [Owners.com](#)[®]

[Owners.com](#) is a tech-enabled real estate brokerage that handles all key aspects of the home buying and selling experience on one platform. It provides a superior experience and savings through right-sized commission structures, smart digital tools and personalized service from local agents. It's this formula that can save consumers thousands at closing. For more information or to contact a local [Owners.com](#) real estate agent, visit [Owners.com](#) or follow them on [facebook.com/ownerscom](#) and [twitter.com/ownersdotcom](#).

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