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By Elyse Umlauf-Garneau

## Cities Aren't Dead. Urban Home Prices Grow Faster than Those in Suburban, Rural Areas

During the pandemic, it was hard to miss the headlines about people fleeing cities for greener spots — suburban and rural areas that offered more space — and predictions about the steep decline of urban areas.

But according to a recent Redfin survey, "Home Prices in Cities Rise 16%, Surpassing Suburban and Rural Price Growth for the First Time Since Pre-Pandemic," cities aren't in a death spiral.

It notes that though suburban and rural homes remain hot, there's renewed interest in urban areas and that Covid-19 vaccines "deliver hope for a return to an urban lifestyle."

Since the start of February, Redfin found that price per square foot nationwide has been growing fastest in urban areas, noting that it's the first time that has happened since before the pandemic.

For example, the median price per square foot of homes in urban areas rose 17.9% in the four weeks ending February 21. In comparison, the price per square foot for suburban neighborhoods rose 15.9% and 15.5% for rural neighborhoods during that same period.

The fact that price per square foot is growing fastest in urban areas illustrates that buyers still place a premium on cities, notes Redfin.

It also found that prices are rising faster for urban single-family homes nationwide than single-family homes overall.

For instance, year over year, the price per square foot for single-family homes inside cities nationwide jumped 16 percent. Single-family properties located in metro areas — which include urban, suburban, and rural areas — rose 14%.

Also, affordable cities like Baltimore, Detroit, and Cleveland are contributing to national urban price growth.

Here are the top 10 metro areas with the highest price growth in urban areas for four weeks ending February 21, 2021.

| Metro Area | Median sale price (urban areas) | Median sale price YoY (urban areas) |
|---|---|---|
| **Baltimore, Md.** | $180,938 | 37.8% |
| **Detroit** | $78,990 | 37.7% |
| **Cleveland** | $103,875 | 33.4% |
| **West Palm Beach, Fla.** | $336,479 | 31.1% |
| **Columbus** | $170,340 | 23.4% |
| **Newark** | $351,742 | 22.8% |
| **Sacramento** | $419,958 | 22.8% |
| **Pittsburgh** | $153,275 | 22.3% |
| **Austin** | $452,532 | 21.5% |
| **Indianapolis** | $141,854 | 19.9% |

That said, some cities haven't seen similar jumps. Prices in New York, for example, jumped only 2.2%, and in Washington D.C. by just 5.5%. And home prices in urban parts of San Francisco actually declined by 1.4%.

Find more from the Redfin study at https://bit.ly/2Q9Nr99.

## Prep Your Vacation Property for Your Months Away

If you're a snowbird heading home from a warm spot, Kiplinger https://bit.ly/3laQ6uu has some advice about preparing your seasonal property for the months it will be empty.

Here are four basics:

1. **Have a caretaker.** Find someone to pop in to check on your house or condo every couple of weeks.
2. **Keep your property is safe.** Install an alarm system monitored by actual humans so someone can call the fire department when there's an emergency.
3. **Track water.** Use free apps like Dropcountr to keep an eye on your property's water usage while you're away. A spike in water consumption is a sure sign of a burst pipe.

4. **Foil burglars.** Make your house a tough target for burglars. Don't leave a car parked outside in the same spot for months, have your mail forwarded, and install motion detector lights.

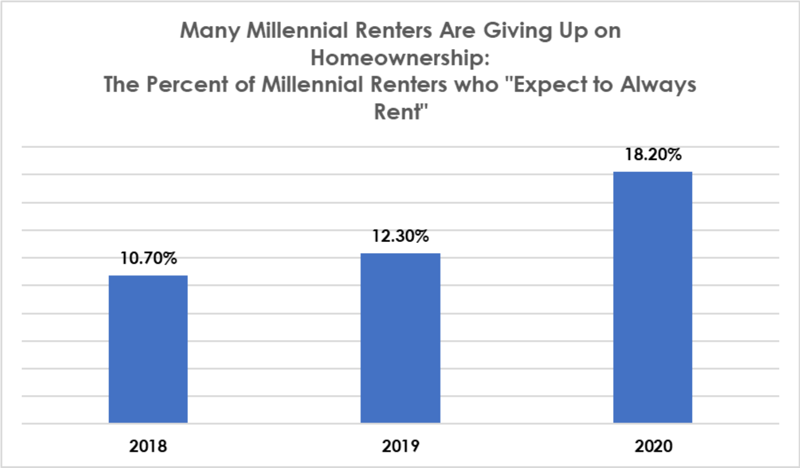
## Millennials' homebuying challenges

The housing industry keeps a close eye on Millennials' buying habits, given that many are in or entering their prime buying years.

Apartment List looked at how the group – aged 24 to 39—is faring when it comes to homeownership in its Renter Survey (https://bit.ly/3bPDbuZ).

It found that the generation has taken longer than other generations to become homeowners. For example, At age 30, 42 percent of millennials own homes. In comparison, 48 percent of gen Xers and 51 percent of boomers owned homes when they were the same age.

The COVID-19 pandemic likely will further slow this group of prospective buyers in becoming homeowners. For one, both the rise in unemployment and home prices during 2020 have created an affordability roadblock. Though interest rates are low, many millennials can't afford a down payment, and 18 percent see themselves as lifelong renters.




And though 80 percent of millennials who rent plan to buy a home in the future, most in the group have low savings rates, with 63% having saved nothing for a down payment.

There are other reasons for the generation to bow out of homeownership for the moment. Some want to buy when they've settled down in a single place, and others are waiting for marriage or a long-time partner before committing to homeownership. Others aren't sure about their housing preferences, and Redfin notes that the possibility of remote work has a significant impact on where this group may want to invest in real estate.

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