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House Prices Declining but Still Up 7.7% Year-to-Year

But U.S. metros aren't all the same. Of the top 10 states for price declines, 8 of 10 are in the West, as Miami, Tampa and Atlanta show the biggest price jumps.

NEW CASTLE, Ind. – Home values in some states began to fall at the end of last year and may continue to drop, according to the latest data from the S&P CoreLogic Case-Shiller U.S. National Home Prices NSA Index, the leading measure of U.S. home prices. Nationally, prices decreased 0.6% from June to November 2022.

But despite a growing trend of falling prices the last few months, house prices are still up 7.7% year over year.

Insurify has rounded up the top 10 states with the fastest-falling home prices. To identify these states, Insurify's data scientists analyzed Zillow's seasonally adjusted housing data to see where median home values have fallen the most over the second half of 2022.

Overall, home prices in the Western United States fell in the latter half of 2022. Nevada led the charge, followed by Arizona, California, and Utah. Of the 10 states featured on our list, eight are in the West. Home prices in Nevada fell the most, with a 4.8% decline in prices between June and November 2022. Home prices in Massachusetts fell the least, with just a 0.1% drop in prices in the latter half of last year.

While housing prices in the West are falling the fastest, markets in the South and Southeast continue to be strong, with Miami, Tampa, and Atlanta showing the biggest jumps in prices.

The Federal Reserve announced a quarter-point increase in February 2023 and signaled further rate increases over the course of the year. Increases in interest rates typically lead to falling home prices, so you can expect home prices to drop even further as the year progresses.

What does this mean?

Prospective homebuyers can expect cheaper prices, but as the Fed continues to implement interest rate hikes, they can also expect higher mortgage rates and higher home insurance rates. Still, it all comes

down to specifics – you might be able to afford the higher mortgage and insurance rates if you find a good deal on a house.

But a good deal might be hard to find, according to Jorge DosSantos, branch manager at a Total Mortgage in the New England area.

“Rate increases kicked a lot of buyers out of qualifying, and some sellers are simply waiting because they don’t want to give up the 3% rate they have currently to go into a 6% rate,” DosSantos said. “But on the other hand, we have some markets still increasing because of inventory! Not enough houses on the market creates bidding wars.”

All that to say, higher inflation rates, higher interest rates, and higher home insurance rates ahead in 2023 may prove to be hurdles for prospective homebuyers, even with falling home prices.

States where home prices are falling the fastest

To identify the top states where home prices are falling the fastest, Insurify’s data scientists analyzed Zillow’s seasonally adjusted housing data to see where median home values have fallen the most over the second half of 2022.

10. Massachusetts

- Typical home price in November 2022: \$536,487
- Value decline between June and November: -0.1%
- Difference between the average Massachusetts home and national average: +50%
- Difference in insurance costs between 2021 and 2022: +2%
- The average cost of a home in Massachusetts was 50% higher than the national average in November. But prices are starting to come down and have decreased 0.1% since June 2022.

While still very much above the average cost of a house in the U.S., if you’re looking to buy in New England, Massachusetts is the only state in the region with falling prices. Housing costs in Connecticut, Rhode Island, Maine, New Hampshire, and Vermont continue to climb. Rates are also slightly going up in similar-sized states, such as Virginia, Tennessee, and Indiana.

9. Washington

- Typical home price in November 2022: \$608,350
- Value decline between June and November: -1.5%
- Difference between the average Washington home and national average: +70%
- Difference in insurance costs between 2021 and 2022: +17%
- While housing prices in Washington have come down 1.5% since June 2022, they’re still 70% higher than the national average home price of \$357,544.

Washington isn’t the only state in the Pacific Northwest with falling housing prices; the cost of homes in Oregon is dropping, too. But housing prices in states with similar population sizes to Washington – such

as New Jersey, Tennessee, and Virginia – are still on the rise. Home insurance costs in Washington are on the rise too, with a whopping 17% jump in insurance rates between 2021 and 2022.

8. Oregon

- Typical home price in November 2022: \$511,447
- Decline in value between June and November 2022: -1.6%
- Difference between the average Oregon home and national average: +43%
- Difference in insurance costs between 2021 and 2022: +11%
- In November 2022, the average price of a house in Oregon was 1.6% less than in June of that year. While 43% higher than the national average, houses in Oregon are more affordable than its Pacific Northwest neighbor, Washington.

States with similar-sized populations to Oregon, like Connecticut, Kentucky, and Louisiana, are still experiencing rising rates.

If you're house-hunting in Oregon, keep in mind that while house prices have come down, insurance prices rose 11% in just one year. In 2021, the average cost of insurance was \$85 per month, but increased to \$94 in 2022.

7. Colorado

- Typical home price in November 2022: \$572,691
- Decline in value between June and November 2022: -1.7%
- Difference between the average Colorado home and national average: +60%
- Difference in insurance costs between 2021 and 2022: +39%
- Home prices in Colorado have come down 1.7% from June 2022 to November 2022. But keep in mind the average cost of a home in Colorado is still over 60% higher than the U.S. average.

Home costs have also fallen in Utah, Colorado's neighbor to the west. But similar-sized states, such as Maryland, Minnesota, Wisconsin, are still seeing increases.

For Colorado house hunters, it's worth noting that the cost of insurance in Colorado went up a staggering 39% from 2021 to 2022. So if you're thinking about buying a house soon, you can expect to pay about \$325 a month for insurance.

6. District of Columbia

- Typical home price in November 2022: \$675,448
- Decline in value between June and November 2022: -2.1%
- Difference between the average D.C. home and national average: +89%
- Difference in insurance costs between 2021 and 2022: +31%

- Prices dropped 2.1% from June 2022 to November 2022 in the nation's capital But they still cost close to 90% more than the national average.

It's worth noting that if you want to buy in the D.C. area you may be able to find a more affordable house in Maryland or Virginia. While rates are still rising, the average cost of a house in Maryland is \$406,314. You can expect to pay even less in Virginia, at an average of just \$383,765.

Insurance prices in D.C. had a significant jump of 31% from 2021 to 2022. So, if you're house hunting in the District of Columbia, be sure you budget about \$131 a month for insurance.

5. Idaho

- Typical home price in November 2022: \$462,487
- Decline in value between June and November 2022: -2.5%
- Difference between the average Idaho home and national average: +29%
- Difference in insurance costs between 2021 and 2022: +7%
- The average Idaho home price decreased 2.5% between June and November 2022. While prices have come down, they're still almost 30% above the national average price of \$357,544. Still, Idaho has the third-lowest home costs of the states featured on this list.

Similar-sized states by population, such as Hawaii, Nebraska, and West Virginia, are still seeing prices increase. Interestingly, Oregon, Nevada, and Utah, which all border Idaho, are also seeing decreases in home values.

Insurance has gone up 7% in Idaho from 2021 to 2022. You can expect to pay about \$107 a month for coverage.

4. Utah

- Typical home price in November 2022: \$554,955
- Decline in value between June and November 2022: -3.1%
- Difference between the average Utah home and national average: +55%
- Difference in insurance costs between 2021 and 2022: +7%
- The average home price in Utah decreased 3.1% from November to June 2022. Even so, the average cost of a house in Utah is 55% higher than the national average.

Surrounding states, like Arizona, Colorado, Idaho, and Nevada are also experiencing falling rates. So, if you're interested in buying out West, now might be a good time.

Insurance rates in Utah have gone up 7% from 2021 to 2022, with rates averaging \$116 a month.

3. California

- Typical home price in November 2022: \$762,245
- Decline in value between June and November 2022: -3.7%

- Difference between the average California home and national average: +113%
- Difference in insurance costs between 2021 and 2022: +5%
- California was one of the most expensive states to buy in as of November 2022. But, while a house in California will cost you 113% more than the national average, prices have fallen 3.7% in the Golden State since June 2022.

Housing prices in surrounding Western states, including Oregon, Nevada, and Arizona, are also coming down. However, prices are still on the rise in states with similar-sized populations, such as Florida, Texas, and New York.

Insurance costs in California have jumped a modest 5% from \$166 in 2021 to \$175 per month in 2022.

2. Arizona

- Typical home price in November 2022: \$423,437
- Decline in value between June and November 2022: -4.2%
- Difference between the average Arizona home and national average: +18%
- Difference in insurance costs between 2021 and 2022: +18%
- If you're looking to buy out West, prices dropped in Arizona 4.2% from June to November 2022. The average Arizona home costs about 18% more than the national average.

But Arizona isn't the only Western state to see house prices drop. Other states in the region with falling home prices include California, Nevada, Oregon, Washington, and Utah.

Insurance costs in Arizona are up, however. You can expect to pay 18% more, with rates rising from an average of \$97 a month to \$114 year over year.

1. Nevada

- Typical home price in November 2022: \$438,170
- Decline in value between June and November 2022: -4.8%
- Difference between the average Nevada home and national average: +22%
- Difference in insurance costs between 2021 and 2022: +24%
- Nevada home prices saw the biggest decrease between June and November 2022, falling 4.8%. The average cost of a house in Nevada is 22% higher than the national average.

Prices are also falling in other parts of the West – including Arizona, California, Oregon, Washington, and Utah. But rates in comparably sized states, such as Mississippi and Kansas are still on the rise.

In Nevada, however, you can expect to pay \$109 a month for insurance. This marks a 24% jump in rates between 2021 and 2022.