# VeroFORECAST™

## U.S. REAL ESTATE OUTLOOK:
# The Strongest & Weakest Markets
# 2019
December 1, 2018 to December 1, 2019

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## A Slowdown Predicted for Most Markets

### VeroFORECAST PROJECTIONS

# +3.9%

Home Price Appreciation for the
Top 100 MSAs Over the Next 12 Months

Average appreciation down from 4.5% last quarter

### Top 10

Four western states – ID, WA, TX and CO – hold all Top 10 MSA spots. All of the Top 10 and Bottom 10 are now dominated by small to modest sized cities. The average population of these 20 cities is 260,000.

### Bottom 10

All are forecast to depreciate for the first time in more than a year.

| Metro Areas Covered | Counties Covered | Zip Codes Covered |
|:---:|:---:|:---:|
| **359** | **1,004** | **13,870** |

26th consecutive Quarter with an average annual forecast greater than 0%.

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## TOP 10 MARKETS

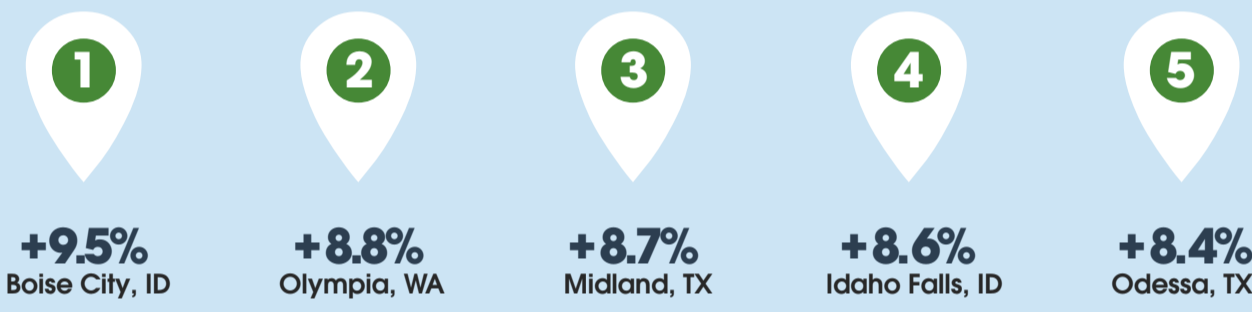### VeroFORECAST Projections

# +7.5% TO +9.5%

Home Price Appreciation Over 12 Months
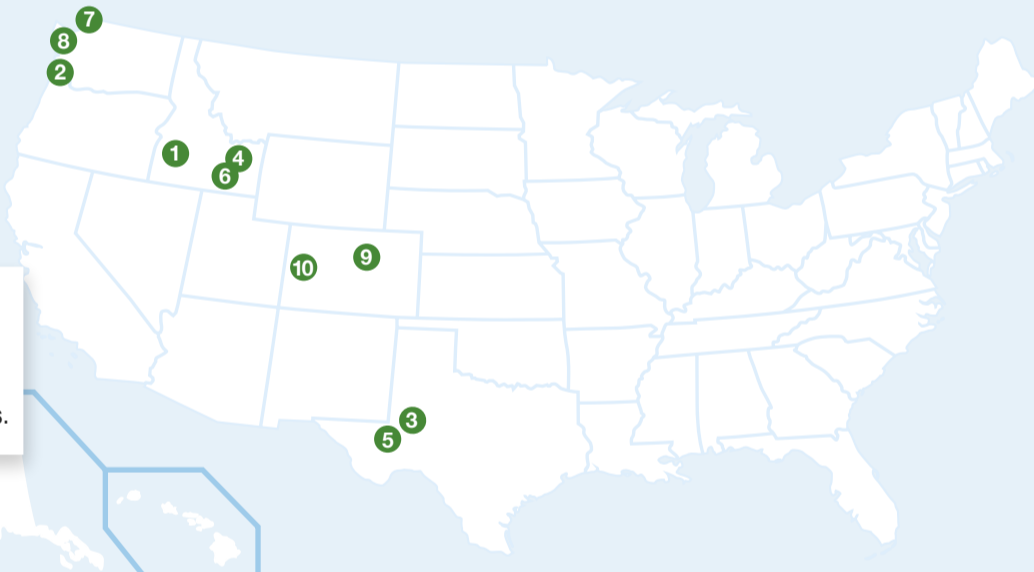
### DEFINITE SLOW DOWN

The average forecast appreciation for the Top 10 is expected to be about 8.3%, which is down from 10.3% from just a quarter ago. Previous hot spots like Denver, Las Vegas, Reno, and Dallas all are forecast to soften significantly.

**DRIVERS**
- Population Growth
- Low Unemployment
- Low Inventory

### TOP 5 MARKETS: FORECAST APPRECIATION OVER NEXT 12 MONTHS

| 1 | 2 | 3 | 4 | 5 |
|:---:|:---:|:---:|:---:|:---:|
| **+9.5%** | **+8.8%** | **+8.7%** | **+8.6%** | **+8.4%** |
| Boise City, ID | Olympia, WA | Midland, TX | Idaho Falls, ID | Odessa, TX |



**TREND**
Small to mid-sized markets on average forecast to perform best in next 12 months.

### Top 10 Markets

| | | | | | |
|---|---|---|---|---|---|
| 1. | Boise City–Nampa, ID | + 9.5% | 6. | Pocatello, ID | + 8.2% |
| 2. | Olympia, WA | + 8.8% | 7. | Bellingham, WA | + 8.2% |
| 3. | Midland, TX | + 8.7% | 8. | Mt. Vernon–Anacortes, WA | + 7.8% |
| 4. | Idaho Falls, ID | + 8.6% | 9. | Boulder, CO | + 7.7% |
| 5. | Odessa, TX | + 8.4% | 10. | Grand Junction, CO | + 7.5% |

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## BOTTOM 10 MARKETS

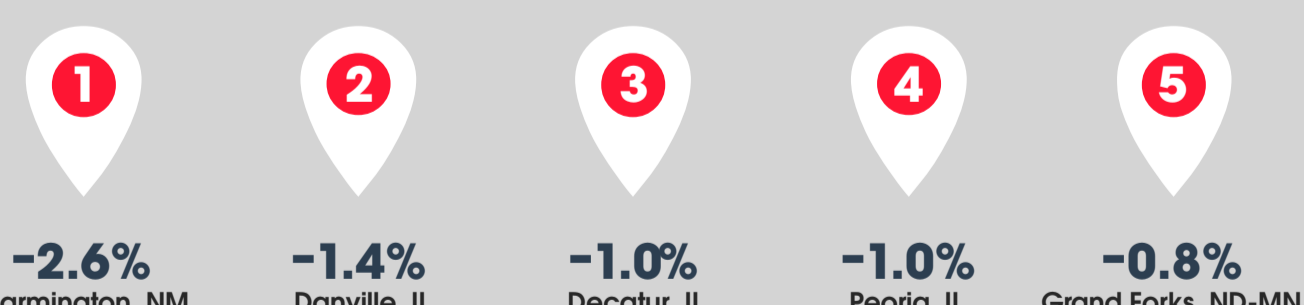### VeroFORECAST Projections

# −2.6% TO −0.4%

Home Price Depreciation Over 12 Months

### IN SLOW GROWTH METROS, HOUSING SUPPLY IS PROJECTED TO REMAIN HIGH
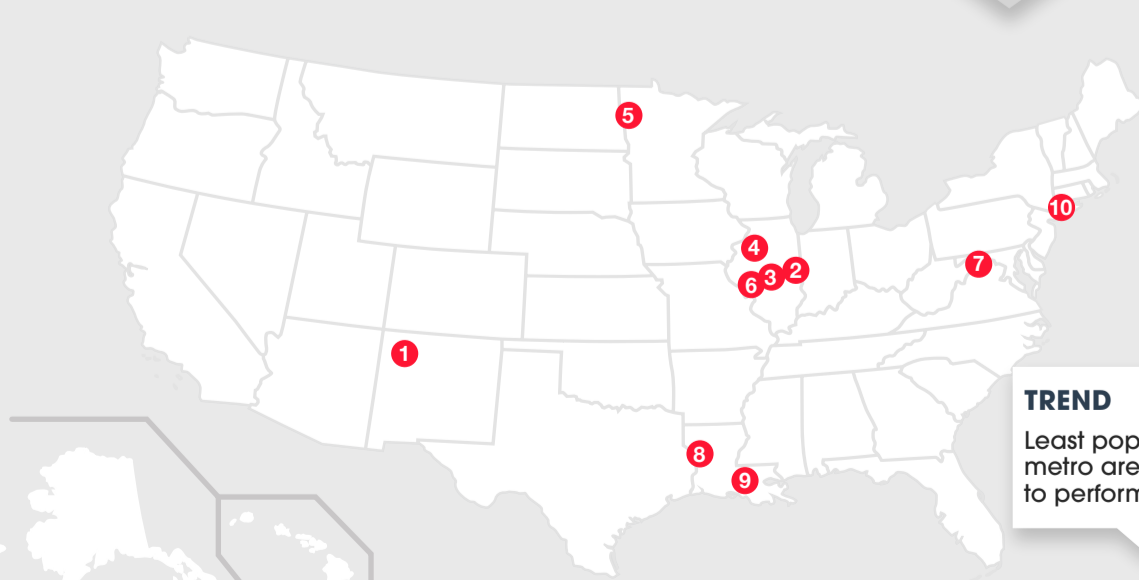
The Eastern Region of the U.S. remains weaker, with key factors of long-term flat or declining population and higher unemployment. Illinois is forecast to do very poorly, with three of its MSAs in VeroFORECAST's Bottom 10.

**DRIVERS**
- Flat/Declining Population
- Higher Unemployment
- High Inventory

### WEAKEST 5 MARKETS: FORECAST DEPRECIATION OVER NEXT 12 MONTHS

| 1 | 2 | 3 | 4 | 5 |
|:---:|:---:|:---:|:---:|:---:|
| **−2.6%** | **−1.4%** | **−1.0%** | **−1.0%** | **−0.8%** |
| Farmington, NM | Danville, IL | Decatur, IL | Peoria, IL | Grand Forks, ND-MN |



**TREND**
Least populated metro areas forecast to perform worst.

### Bottom 10 Markets

| | | | | | |
|---|---|---|---|---|---|
| 1. | Farmington, NM | − 2.6% | 6. | Springfield, IL | − 0.6% |
| 2. | Danville, IL | − 1.4% | 7. | Cumberland, MD-WV | − 0.5% |
| 3. | Decatur, IL | − 1.0% | 8. | Shreveport–Bossier City, LA | − 0.5% |
| 4. | Peoria, IL | − 1.0% | 9. | Lafayette, LA | − 0.4% |
| 5. | Grand Forks, ND-MN | − 0.8% | 10. | Bridgeport–Stamford–Norwalk, CT | − 0.4% |

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