



## Yuba-Sutter home prices among fastest growing in the nation

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*By Harold Kruger/Appeal-Democrat*

Yuba-Sutter home prices appreciated nearly 30 percent in the last year, one of the highest rates in the country, according to a federal agency.

The Yuba City Metropolitan Statistical Area ranked 13th out of the 265 metros surveyed by the Office of Federal Housing Enterprise Oversight.

The agency's home price index is a weighted repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties.

The information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975

From June 2004 to June 2005, Yuba-Sutter house prices increased 29.09 percent.

Homes in Naples-Marco Island, Fla., showed the largest appreciation at 35.6 percent, according to the federal statistics.

Of the top 20 metro areas, seven were in California.

Bakersfield, Merced, Stockton, Visalia-Porterville and Modesto showed larger increases in the value of single-family homes than Yuba-Sutter.

Fresno was slightly behind the Yuba-Sutter rate.

In the last five years, home values have increased about 132 percent in Yuba-Sutter, the federal agency said.

Average U.S. home prices increased 13.43 percent from the second quarter of 2004 through the second quarter of 2005. Appreciation for the most recent quarter was 3.20 percent, or an annualized rate of 12.8 percent.

"There is no evidence here of prices topping out," said agency Chief Economist Patrick Lawler. "On the contrary, house price inflation continues to accelerate, as some areas that have experienced relatively slow appreciation are picking up steam."

House prices grew considerably faster over the past year than did prices of non-housing goods and services reflected in the Consumer Price Index. House prices rose 13.4 percent, while prices of other goods and services rose only 3.1 percent.

The Pacific Census Division continues to exhibit the fastest appreciation while the slowest growing area continues to be the West South Central division, which includes Texas, Oklahoma, Arkansas, and Louisiana. Arizona and Nevada continue to exhibit striking appreciation rates, the federal agency said.

"The continued price increases are a result of many factors including low mortgage interest rates and the apparent impact of speculative investing," said Lawler.

"The robust appreciation rates are striking both in terms of their magnitude and in their geographic scope. However, they are likely unsustainable given the underlying inflation rate, income growth and other factors."

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