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## U.S. Home Price Index Annual Growth Reaches All-Time High

- National home prices increased 18% year over year in July.
- Appreciation for detached properties was nearly double that of attached properties.

### Overall HPI Growth

National home prices increased 18% year over year in July 2021, according to the latest [CoreLogic Home Price Index \(HPI®\) Report](#). The July 2021 HPI gain was up from the July 2020 gain of 5.3% and was the highest 12-month growth in the U.S. index since the series began in 1976. The increase in home prices was fueled by low mortgage rates, low for-sale supply and a rebounding economy. Projected increases in for-sale supply and moderation in demand as prices grow out of reach for some buyers could slow home price gains over the next 12 months.

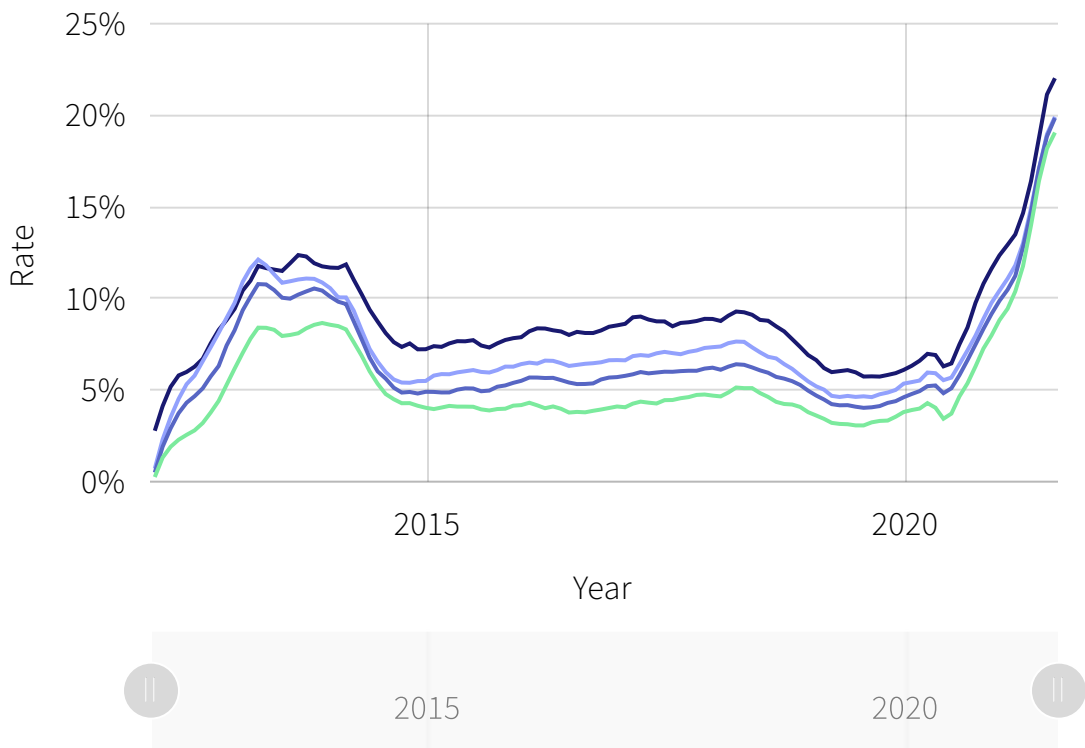
### HPI Growth by Price and Property Type Tiers

CoreLogic analyzes four individual home-price tiers that are calculated relative to the median national home sale price.<sup>[1]</sup> Home price growth accelerated for all four price tiers to the highest rates since the inception of the CoreLogic HPI in 1976. The lowest price tier increased 22.1% year over year in July 2021, compared with 20% for the low- to middle-price tier, 19.9% for the middle- to moderate-price tier, and 19.1% for the high-price tier. While appreciation was highest for lower-priced homes, the difference in appreciation rates for the four price tiers is converging, suggesting that supply is restricted at all prices levels.

CoreLogic also provides the HPI separately for detached — or freestanding — properties and attached -properties (such as condos or townhouses). Appreciation of detached properties (19.7%) was almost double that of attached properties (11.6%) in July as prospective buyers continue to seek more living space and lower density communities. The appreciation for detached properties was the highest in the history of the index, and appreciation for attached properties was the highest since 2006.

## Figure 1: Home Prices Accelerate at All Price Levels

Year-Over-Year Change in HPI by Price Tier



Source: CoreLogic HPI July 2021

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Low Price

22.1%

Low-to-Middle Price

20%

Middle-to-Moderate Price

19.9%

High Price

19.1%

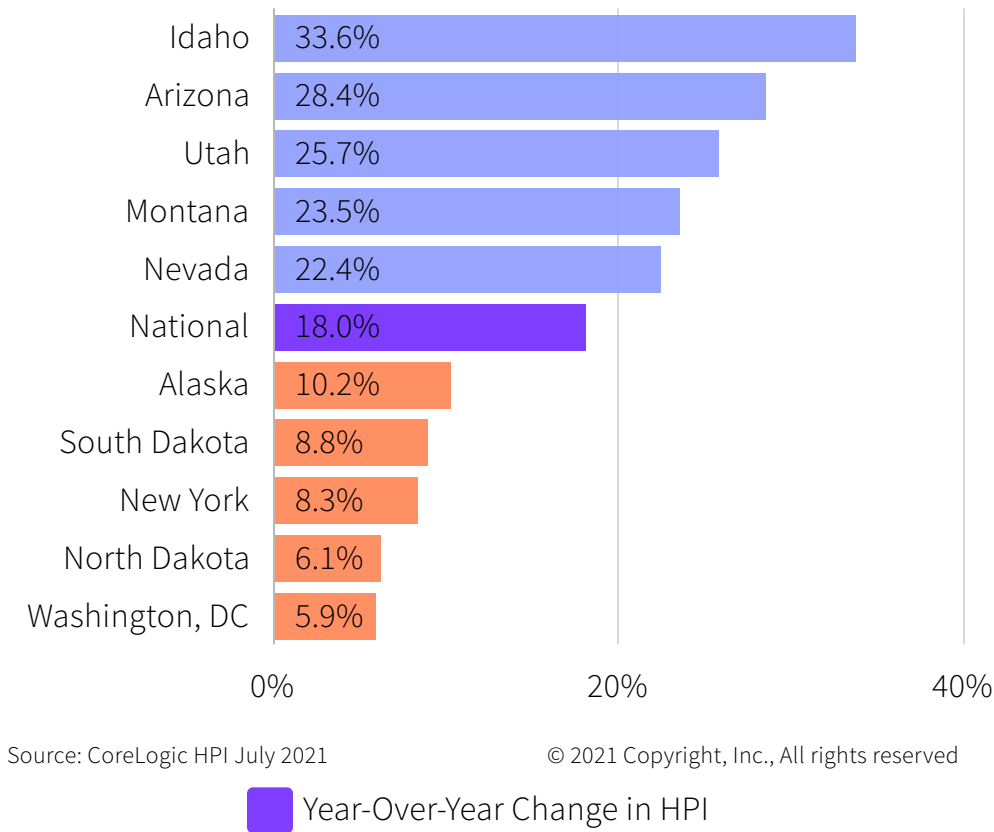
### State-Level Results

Figure 2 shows the year-over-year HPI growth in July 2021 for the 5 highest- and lowest-appreciating states. While all states showed annual increases in HPI in July, appreciation was strongest in the West. Idaho appreciated 33.6% year over year in July followed by Arizona with 28.4%. At the low end, Washington, D.C., saw home prices increase 5.9%, and home prices in North Dakota increased 6.1%.

The surge in home price appreciation was felt across the country, with all states showing higher appreciation in July 2021 than in July 2020. Idaho had the biggest acceleration in home price growth from July 2020 to July 2021. An influx of buyers in search of relatively less expensive housing drove prices 22.4 percentage points higher over the year in Idaho.

## Figure 2: Appreciation Was Strongest in the West

States With the Highest and Lowest Year-Over-Year Change in HPI for July 2021



With mortgage rates remaining near record lows, the ongoing challenges of persistent demand and constricted supply continue to put upward pressure on home prices, and home price gains reached the highest annual growth since the inception of the CoreLogic HPI in July. This price gain has far exceeded income growth and eroded affordability. In the coming months, this will temper demand and lead to a slowing in price growth.

For more information on home price insights and trends, [check out our latest HPI Report](#).

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[1] The four price tiers are based on the median sale price and are as follows: homes priced at 75% or less of the median (low price), homes priced between 75% and 100% of the median (low-to-middle price), homes priced between 100% and 125% of the median (middle-to-moderate price) and homes priced greater than 125% of the median (high price).

Home Price

Home Price Index

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