Research Notes

State Employment, Population, and Housing Growth
Jason Gortari, Economist II

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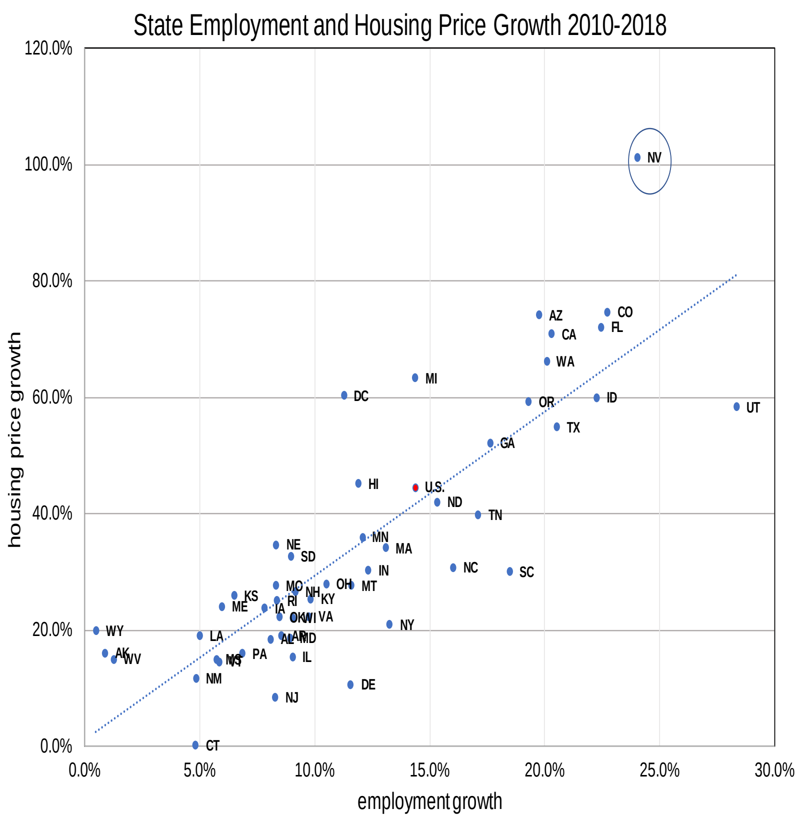
Increased Population and Employment Influences Higher Housing Price



- Using employment data from the Current Employment Statistics (CES) program and housing price data from the Freddie Mac Housing Price Index (FMHPI), which provides a measure of typical price inflation for houses within the United States, we provide an analysis of the correlation between housing price inflation and employment growth in all 50 states including the District of Colombia (D.C). With annual population estimates from the American Community Survey (ACS), sponsored by the U.S. Census Bureau, and housing price data from the FMHPI we also examine the correlation between population growth and housing price growth in all 50 states and the D.C. Data for home owner vacancy is provided by the Current Population Survey/Housing Vacancy Survey and is sponsored by the U.S. Census Bureau.

- From the midst of the Great Recession through nine years of a growing economy (2010-2018) housing prices in the United States have been increasing at a rapid pace, at about five percent on an annual basis. Over this time period, States with the fastest population and employment growth, along with a decreased homeowner vacancy, have seen the greatest appreciation in housing prices.

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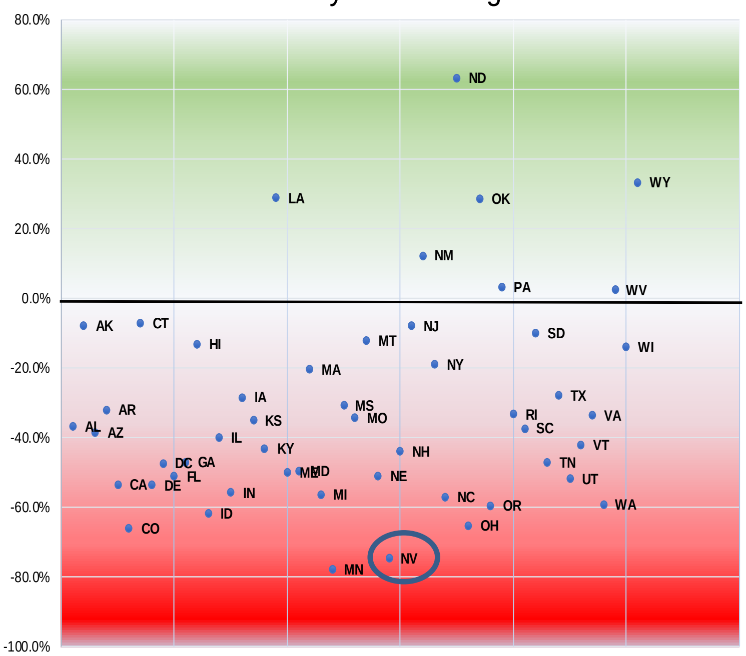
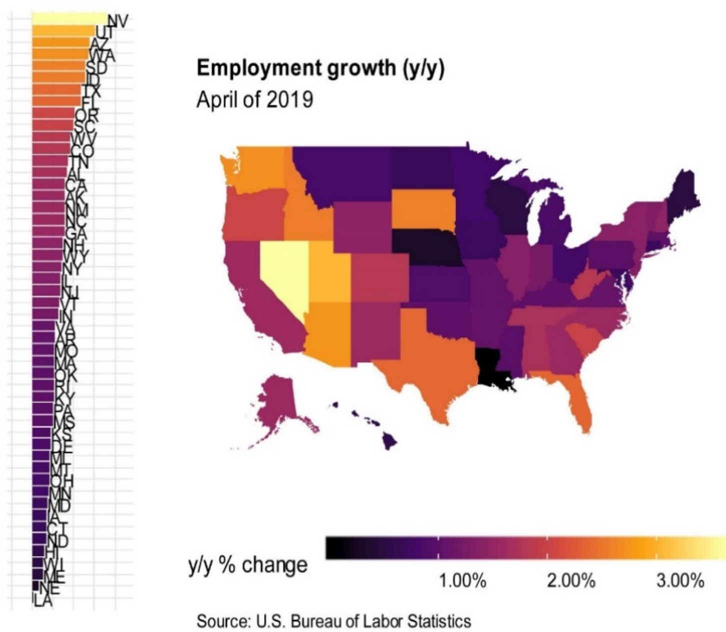
- Nevada (101 percent), Colorado (75 percent), and Arizona (74 percent) saw the greatest appreciation in housing prices in the nation. Six of the top ten States with the greatest appreciation in housing prices were also in the top ten of either fastest growing in population or employment. (Idaho: 10th, 5th; Washington: 9th, 8th; Florida: 4th, 4th; Arizona: 8th, 9th; Colorado: 5th, 3rd; Nevada: 7th, 2nd) For a map of current year over year employment growth rates see U.S. map below.

Homeowner Vacancy Rate Change 2010 - 2018





- The homeowner vacancy rate is the proportion of the homeowner housing inventory which is vacant/for sale. Many states that saw the greatest appreciation in housing prices also realized the greatest decrease in their homeowner vacancy rate from 2010-2018. States that realized an increase in their homeowner vacancy rate had housings prices appreciate at rates below the national average over this period.

- Although these factors aren't the sole contributors to appreciating housing markets, there is reason to believe that employment and population growth is contributing to housing price gains in markets, especially in states where housing supply is not keeping up with housing demand, as reflected in homeowner vacancy rates.