



Missouri Economy Indicators

Housing Value Trends

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Due to supply and demand factors, housing has become increasingly more expensive; U.S. and Missouri home values have seen double-digit annual growth rates since 2020. The COVID-19 pandemic intensified growth in housing values, but U.S. demographic trends, low mortgage rates and home listings scarcity planted the seeds for home value increases several years back.

Gains in Home Values Accelerate in Missouri

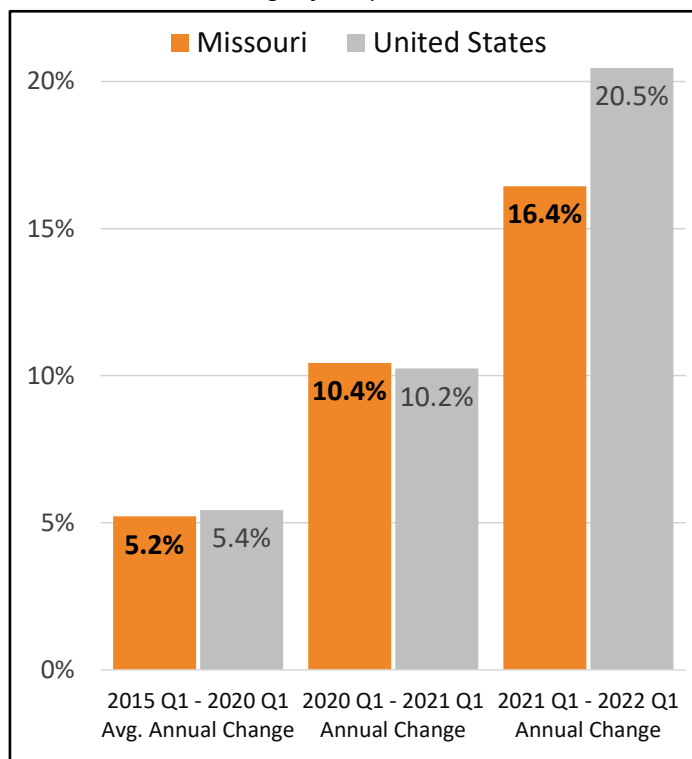
The value of a typical Missouri single-family home in first-quarter 2022 averaged \$219,360, according to Zillow.com. For the U.S., the value averaged \$332,816.

Annual average home values grew by over 5% for Missouri and the U.S. in the five years before 2020, but price growth accelerated to more than 10% between first-quarter 2020 to first-quarter 2021. By the first-quarter of 2022, year-over-year home value growth exceeded 16% for Missouri and 20% for the U.S.

This growth in home values coincides with rising demand from first-time home buyers, who have a median age of 33 — right in the middle of the millennials, the nation’s largest generation. This trend coupled with fewer active Missouri home listings — less than 8,000 on average per month in first-quarter 2022 compared to more than 26,000 in 2017 — has accelerated price growth.

Annual Percent Change in Missouri and U.S. Single-Family Housing Values

First-quarter 2015-19 five-year average and last two years ending in first-quarter 2022



Source: MU Extension graphic using 2015-22 Zillow single-family home data.

Missouri Housing is More Affordable than Housing in Most States

Over the past few years millennials shopping for homes and banks financing mortgages at low rates collectively pushed up prices for housing, which increasingly have been in short supply. The COVID-19 pandemic created additional pressure as existing homeowners remodeled residences to accommodate remote work and, therefore, increased competition for construction labor. Construction worker and supply shortages also hinder current housing developments.

Despite this trend, Missouri single-family homes are still relatively affordable compared with homes in most states. In first-quarter 2022, Missouri’s typical home value — \$219,000 — ranked as the 39th lowest among all U.S. states. It was also less than values in three surrounding states: Tennessee (\$275,000), Illinois (\$256,000) and Nebraska (\$231,000). Between first-quarter 2021 and first-quarter 2022, year-over-year home value growth of 16% ranked Missouri 28th among all states. Utah, Florida and Arizona had the highest annual home value growth rates at nearly 30%.

Housing Value Increases Vary across Missouri

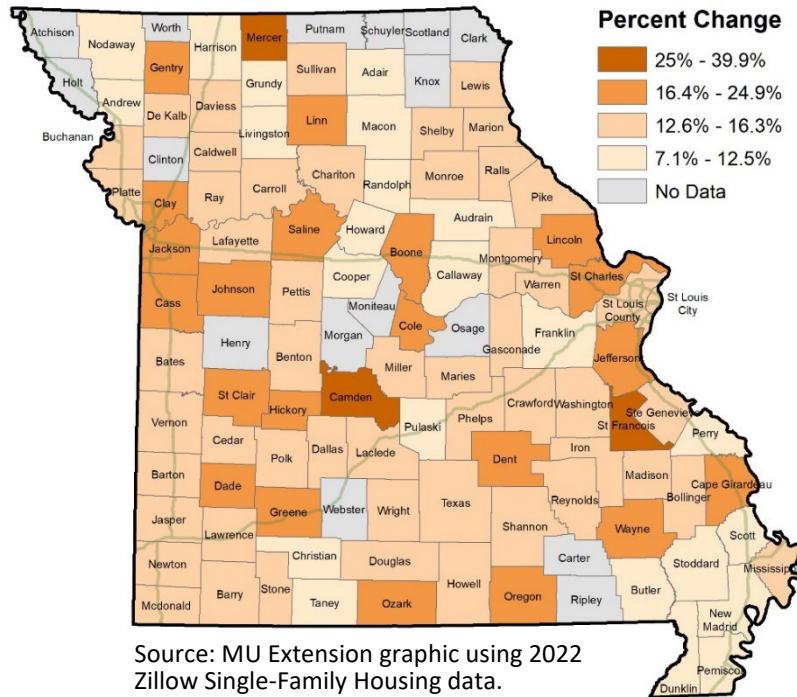
As expected, Missouri home values are highest in metropolitan counties and retirement or vacation areas around the Lake of the Ozarks and Branson. Camden and St. Charles counties had the highest home values of \$369,000 and \$330,000, respectively, in first-quarter 2022.

From first-quarter 2021 to first-quarter 2022, year-over-year home value growth varied widely across the state. Camden County saw the largest increase at 39.9%. Many counties in metropolitan areas also saw above-average growth. Some less populated counties (e.g., Mercer) had large gains in home values as well. However, due to lower home prices in small rural counties, these gains may still be relatively modest.

Rising mortgage rates could slow home-price growth during the remainder of 2022. However, continued housing demand from millennials and a shortage of available homes for purchase could place upward pressure on housing prices for years to come.

Percent Change in Typical Housing Values

Year-over-year change from first-quarter 2021 to 2022



Additional Resources and Notes

- This analysis used a three-month county housing average of [Zillow Home Value Index](#) (ZHVI) data for first-quarter 2015-22. For a given county, the ZHVI value represents a seasonally adjusted, middle-of-the-market value for single-family housing that is smoothed to reduce short-term variability. Data for some counties were not available. All sources of county monthly home data face quality issues (e.g., volatility, low volume), especially in sparsely populated areas. For these reasons, using several months of data helps to better understand local housing trends.
- The National Association of Realtors produced [2021 national statistics](#) for home buyers and sellers. [Active listings data](#) are available from Realtor.com.

All briefs in the economy indicators series and future updates will be at tinyurl.com/ExceedEconomyIndicators

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