Home Price Forecast For Knoxville

TENNESSEE (SEP 2024)

Home Price Forecast Forecast For Knoxville

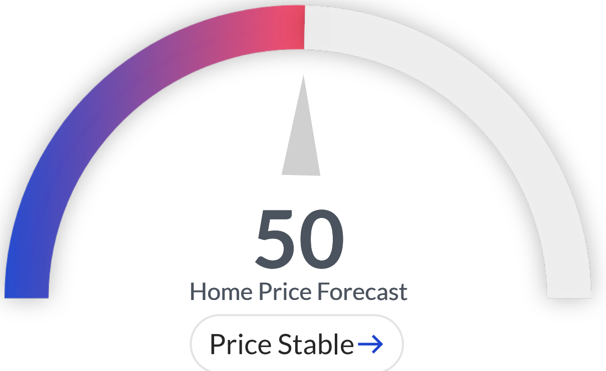
Tennessee (Sep 2024)

Current Home Value: $348,441

Home Price Score: 50

12 Months Forecast: Price Stable

The Reventure App Home Price Momentum score attempts to forecast the future direction of home prices in a metro by evaluating five key metrics that have been found to influence home prices in the future: Recent Appreciation, Inventory Levels, Seller Price Cuts, Days on the Market and Mortgage Rates.



60 Recent Appreciation

56 Days on Market

36 Mortgage Rates

56 Inventory

39 Price Cuts

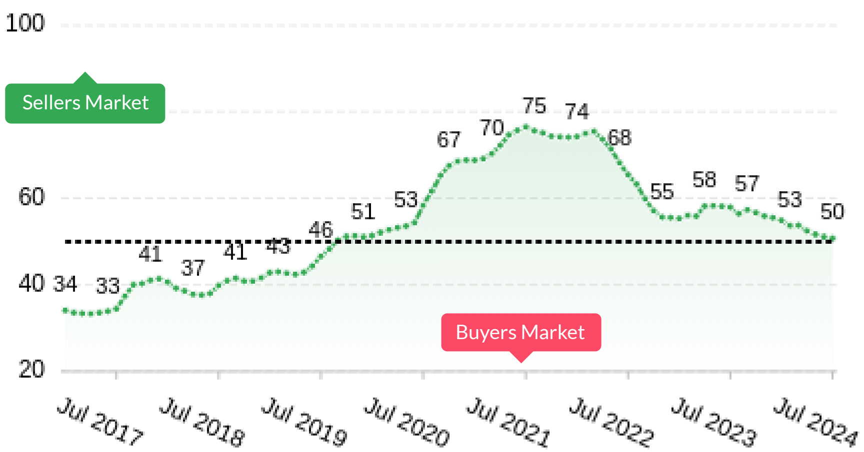
The Reventure Home Price Momentum score for Knoxville, located in Tennessee, is 50 / 100. This score is average and indicates that home prices in the surrounding neighborhood are more likely to remain stable over the next 12 months.

The reason home prices in Knoxville are forecast to remain stable is because 3 of the 5 indicators used in the Reventure App Home Price Momentum score indicate an appreciating market in 2024. While 2 of the 5 indicators indicated a declining market.

Specifically, the housing market indicators in Knoxville break down as follows:

- Recent Appreciation has been positive (7.3% YoY), indicating that local buyers and sellers have been experiencing rising prices for the last year.
- Days on the Market of 43 days is 21.4% below the long-term norms, indicating a tight market with minimal pressure on sellers to reduce the price.
- Mortgage Rates are in restrictive territory, at around 6.84% in the most recent month, putting downward pressure on buyer demand.
- Inventory levels are above the long-term norms (11.0% higher), indicating stable supply in the local market
- Price Cuts are above the long-term norms (13.9% higher), indicating that sellers are feeling less desperate than normal.

Historical Home Price Forecast forecast in Knoxville



As a result, Reventure App expects home prices in Knoxville to remain stable in 2024 based on these factors. Read further to understand each component of the Reventure App Home Price Momentum Score and how it relates to the area you are looking to buy.

To be clear: this forecast is not a guarantee of the future direction of home prices and could be prone to significant error. Moreover, the forecast is most useful in projecting home price movements in the shorter term (6-12 months) and is less useful for forecasting long-term appreciation.

Recent Appreciation Forecast For Knoxville

Tennessee (Sep 2024)

Recent trends in home price appreciation can often influence where prices head in the future, with both increasing and decreasing prices having a tendency to become self-reinforcing. As a result, recent appreciation figures are a key factor in understanding the likelihood of prices increasing or decreasing into the future.

In the Knoxville, recent appreciation trends have been stable, with the typical value of a home slightly appreciating by 7.3% over the last year through July 2024. In that span, the typical value of a home has Risen from $324,624 to $348,441.

The Recent Appreciation score for Knoxville is 60 /100. The lower the score, the more likely that home prices will drop, while the higher the score, the more likely they will increase.

60/100
Recent Appreciation

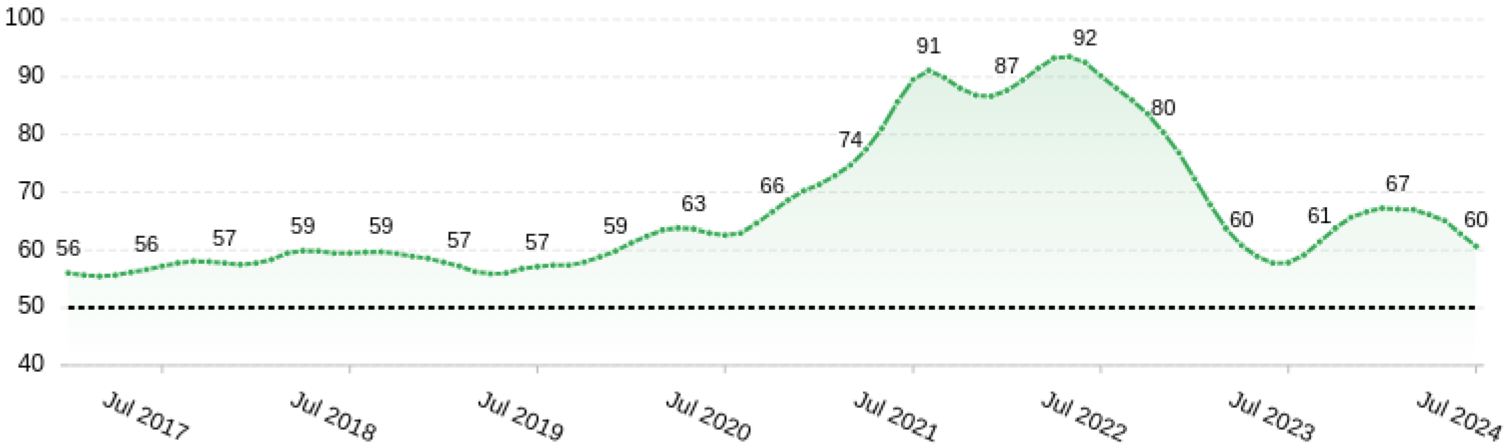
Recent Appreciation Data

Home Value: $348,441

Home Value (YoY): 7.3%

Forecast: As a result of these recent appreciations, home prices could continue to rise over the next 6-12 months due to upward momentum in the market.

Historical Recent Appreciation forecast in Knoxville, TN Metro Area



Days On Market Forecast For Knoxville

Tennessee (Sep 2024)

Days on Market measures the length of time a typical listing sits on the market before it is either sold or de-listed. Historically, there is a strong correlation between shifts in Days on the Market ("DOM") and home price growth, with big increases in DOM often resulting in declining prices. And large drops in DOM resulting in increasing prices.

In the case of Knoxville, homes are typically sitting on the market for 43 days before they are sold or de-listed. This length of time is above normal, which indicates a buyer's market in terms of how long homes are sitting

The Days on Market score for Knoxville is 56 /100. The lower the score, the more likely that home prices will drop, while the higher the score, the more likely they will increase.

56/100
Days on Market

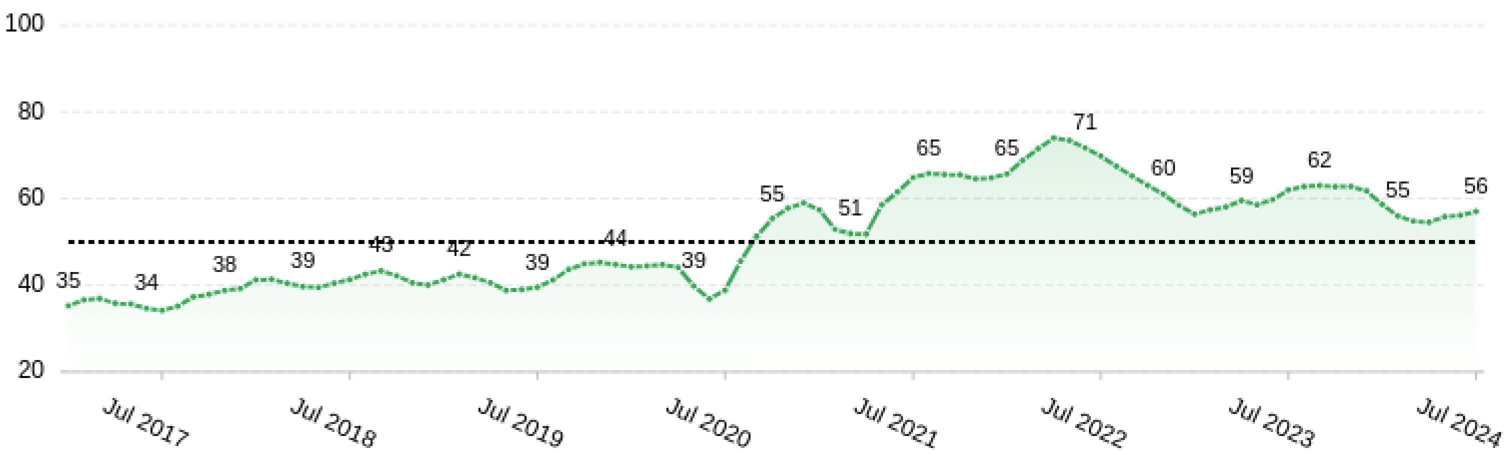
Days on Market Data

Days on Market: 43

Days on Market (YoY): -4.5%

Forecast: A above 4.5% difference from normal level of Days on the Market is one factor that suggests home prices will go down in this area going forward

Historical Days on Market forecast in Knoxville, TN Metro Area



Mortgage Rates Forecast For Knoxville

Tennessee (Sep 2024)

The overall trend in Mortgage Rates has important implications for the future direction of home prices. Most notable, if mortgage rates are trending above the long-term norms, that restricts activity in the housing market and makes it more likely that sellers will need to reduce prices.

However, if mortgage rates are below the long-term norm, and are going down year-over-year, that indicates an easing of financial conditions and makes it more likely that prices remain stable or increase.

The current 30-year fixed mortgage rate in July 2024 was 6.84%, which is significantly above the five-year average mortgage rate of 4.76%. This suggests that there will be subdued homebuyer demand and makes it more likely that prices could drop.

The current Mortgage Rate Score for Knoxville is 36 / 100. The lower the score, the more likely that home prices will drop, while the higher the score, the more likely they will increase.

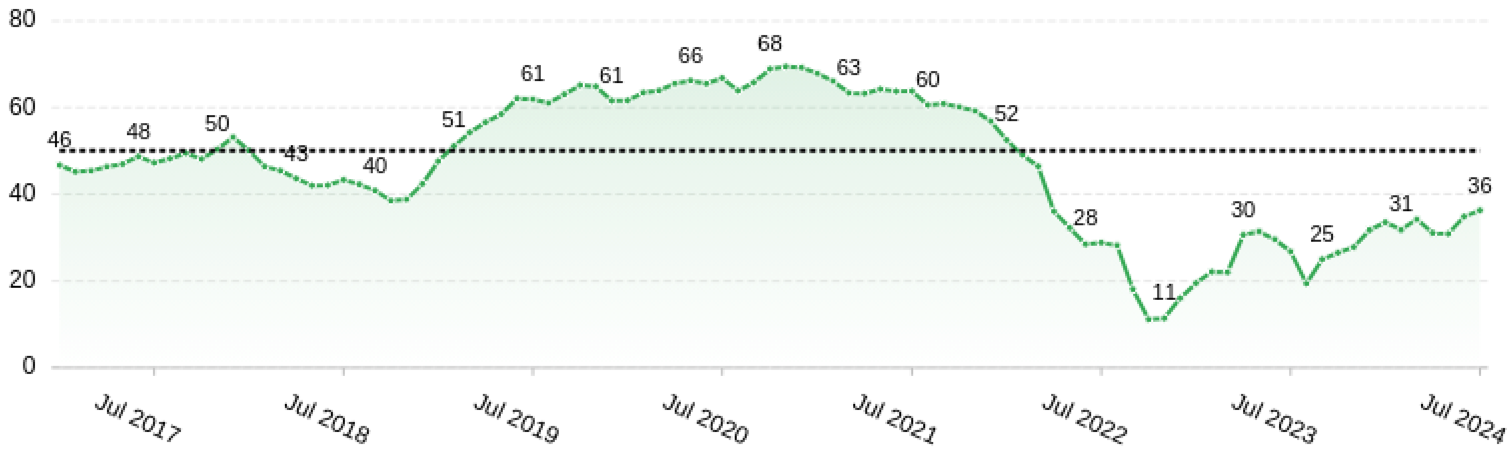
36/100
Mortgage Rates

Mortgage Rates Data

Mortgage Rate: 6.84

Forecast: Moreover, The 6.84% mortgage rate in December 2023 is similar to the rate in the same month last year of 6.84%. This short-term analysis of mortgage rate spreads also suggests that there will be normal homebuyer demand and makes it more likely that prices could remain stable.

Historical Mortgage Rates forecast in Knoxville, TN Metro Area



Inventory Forecast For Knoxville

Tennessee (Sep 2024)

The trend in inventory levels across a housing market reveals significant information about the potential future of prices. Specifically - if inventory (aka, the number of homes for sale) is trending above the long-term norms, that could be the signal of declining prices into the future due to oversupply. However, if inventory is trending below long-term norms, that could indicate rising future prices due to tight supply.

In the Knoxville, inventory levels are significantly above the long-term norms. With the numbers of homes for sale in July 2024 registering 11.0% higher than the seven year average. Specifically - there are 2,295 homes for sale in Knoxville today compared the long-term average of 2,066.

The Inventory score for Knoxville is 56 /100. The lower the score, the more likely that home prices will drop, while the higher the score, the more likely they will increase.

56/100
Inventory

Inventory Data

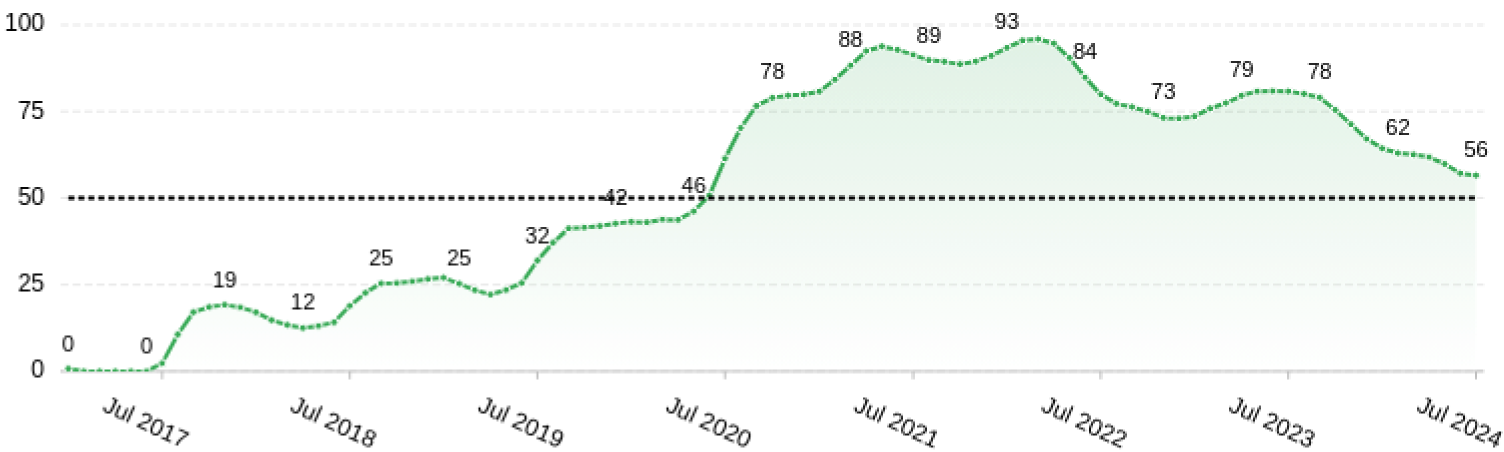
For Sale Inventory: 2,295

Inventory surplus/deficit: 11.0%

For Sale Inventory (YoY): 65.8%

Forecast: This inventory surplus indicates oversupply in the market, which is favorable to homebuyers.

Historical Inventory forecast in Knoxville, TN Metro Area



Price Cuts Forecast For Knoxville

Tennessee (Sep 2024)

The behavior of sellers provides useful information about the future direction of home prices in a Housing Market. For instance, if a higher percentage of sellers are reducing the price, that indicates selling pressure and potentially declining prices. Meanwhile, if very few sellers are cutting the price, that indicates a tight market where values could continue to increase.

In the Knoxville, the number of sellers who cut the price in the month of July 2024 represented 30.7% of total listings for the month. This level of price cuts is significantly above the long-term norms, with an average of 16.8% of sellers typically cutting the price in the same month going back historically.

The Price Cut score for Knoxville is 39 /100. The lower the score, the more likely that home prices will drop, while the higher the score, the more likely they will increase.

39/100
Price Cuts

Price Cuts Data

Price Cut %: 30.7%

Forecast: This higher level of price cuts indicates that sellers in Knoxville are feeling pressure to sell, making it more likely that prices will below,-3 in the future.

Historical Price Cuts forecast in Knoxville, TN Metro Area