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Housing Market Heat Shifts Away From Popular Pandemic Metros

Overheated pandemic housing markets are now cooling fast

NEW YORK - August 4, 2025 - A once hot pandemic-era housing market has cooled off since 2023, and shifted away from the Sun Belt favorably towards Rust Belt and Northeastern metros, according to Bankrate's 2025 Housing Heat Index. The study ranked both the top 212 metropolitan statistical areas (MSA) and the top 50 MSAs by population based on the greatest 1-year home appreciation, 1-year job growth, 1-year population growth, the lowest number of active residential listings per thousand people, median days on the market, and unemployment rate. Click here for more information:

https://www.bankrate.com/real-estate/housing-heat-index/

In 2025, the Northeast and the Rust Belt hold many of the overall hottest housing markets, with Connecticut claiming two of the top five spots. The only Sun Belt metro to land in the top five is Charleston-North Charleston, SC, while four of the five coldest housing markets are all located in Florida.

5 Hottest Housing Markets (Overall)	5 Coldest Housing Markets (Overall)
1. New Haven-Milford, CT	212. Cape Coral-Fort Myers, FL
2. Rockford, IL	211. Punta Gorda, FL
3. Norwich-New London, CT	210. North Port-Sarasota-Bradenton, FL
4. Charleston-North Charleston, SC	209. Shreveport-Bossier City, LA
5. York-Hanover, PA	208. Naples-Marco Island, FL

The overall hottest housing market is New Haven-Milford, Connecticut, which ranked highly in home appreciation (1), active listings per 1,000 residents (15) and median days on market (39), but ranked poorly in job growth (187), employment (91), and population growth (126). Notably, home prices have appreciated by at least 9% over the past year in all of the top five hottest markets except Charleston-North Charleston, SC.

On the other hand, Cape Coral-Fort Myers, Florida took the bottom spot as the overall coldest housing market in Bankrate's ranking. Cape Coral-Fort Myers ranked poorly in year-over-year appreciation (212), active listings per 1,000 residents (210), and median days on market (210). Additionally, Cape Coral-Fort Myers ranked poorly in job growth (194) and employment (107). After Cape Coral-Fort Myers, FL in the bottom five coldest housing markets is Punta Gorda, FL, North Port-Sarasota-Bradenton, FL, Shreveport-Bossier City, LA, and Naples-Marco Island, FL.

"We're seeing a major reversal in some of the pandemic-era housing market trends," said Bankrate Analyst Alex Gailey. "The rise of remote work during the pandemic allowed many Americans to relocate to different parts of the country, with many moving to sunny, warm metros with more affordable housing and relatively low taxes. However, the flow of people moving to those places has slowed down since the end of the pandemic and the issuing of return-to-office orders."

Of the top 20 hottest housing markets, 11 are located in either the Northeast or the Rust Belt. On the other hand, some markets that became the most overheated during the pandemic are cooling fast, such as Cape Coral-Fort Myers, FL (3 in 2023 vs. 212 in 2025), North Port-Sarasota-Bradenton, FL (4 in 2023 vs. 210 in 2025), and Punta Gorda, FL (8 in 2023 vs. 211 in 2025).

Bankrate's study also ranked the hottest and coldest housing markets in the top 50 metros by population (with their position in the overall ranking in parentheses). In both rankings, the hottest housing markets (overall and by population) are located in Connecticut:

5 Hottest Housing Markets (Top 50 by Population)	5 Coldest Housing Markets (Top 50 by Population)
1. Hartford-East Hartford-Middletown, CT (11 overall)	50. New Orleans-Metairie, LA (206 overall)
2. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD (21 overall)	49. Memphis, TN-MS-AR (202 overall)
3. Columbus, OH (23 overall)	48. San Francisco-Oakland-Berkeley, CA (200 overall)
4. New York-Newark-Jersey City, NY-NJ-PA (30 overall)	47. Denver-Aurora-Lakewood, CO (187 overall)
5. Detroit-Warren-Dearborn, MI (33 overall)	46. Tampa-St. Petersburg-Clearwater, FL (189 overall)

Out of the top 50 largest metros, Hartford-East Hartford-Middletown, CT is the hottest housing market, ranking highly in home appreciation (1), active listings per 1,000 residents (2) and median days on market (5). On the other hand, New Orleans-Metairie, LA is the coldest housing market out of the top 50 largest metros, ranking poorly in home appreciation (48), active listings per 1,000 residents (41) and median days on market (48).

"Hot housing markets are seeing relatively high interest from buyers, but even the hottest markets are having to accommodate for lower buyer demand," Gailey added. "In colder markets, buyers have more bargaining power and options than they did just a year ago and should take advantage of it as long as they can afford to buy right now. Sellers in cooling housing markets may have to make concessions and reduce prices, but buyer demand may ramp back up if mortgage rates start to fall."

Methodology:
To create the Housing Heat Index, Bankrate analyzed 212 metro areas, examining appreciation of home values, employment levels, job growth, population trends, homes listed for sale and typical selling times. The index effectively shows where sellers—and buyers—have the most bargaining power across the country.

The Bankrate Housing Heat Index was compiled using data from a variety of sources, including the Federal Housing Finance Agency (FHFA), Realtor.com, the U.S. Bureau of Labor Statistics and the U.S. Census. Here is a breakdown of each metric in the index (weightings in parentheses):

- 1-year home appreciation (40%): The change in FHFA Metropolitan Area House Price Indexes (All Transactions Index, Q1 2025). Note: For those areas divided into Metropolitan Statistical Area Divisions (MSADs), an average of the contained MSADs has been taken for the larger MSA. For example, the MSA Chicago-Naperville-Elgin, IL-IN-WI's 1-year appreciation is the average of that of Chicago-Naperville-Evanston, IL (MSAD), Elgin, IL (MSAD), Gary, IN (MSAD), and Lake County-Kenosha County, IL-WI (MSAD).

- 1-year job growth (15%): Over-the-year change in total nonfarm employment for metropolitan areas, not seasonally adjusted. Via the U.S. Bureau of Labor Statistics, March 2024-2025

- 1-year population growth (15%): Annual Estimates of the resident population for metropolitan statistical areas in the United States and Puerto Rico: 2023 to 2024. Via the U.S. Census.

- Active residential listings per thousand people (12.5%): The product of 1,000 and the count of active listings within the metropolitan area during the specified month divided by the population of the metropolitan area. The active listing count tracks the number of for-sale properties on the market, excluding pending listings where a pending status is available. This is a snapshot measure of how many active listings can be expected on any given day of the specified month. Via Realtor.com, May 2025.

- Listings' median days on market (12.5%): The median number of days property listings spend on the market within the metropolitan area during the specified month. Time spent on the market is defined as the time between the initial listing of a property and either its closing date or the date it is taken off the market. Via Realtor.com, May 2025.

- Unemployment rate (5%): Unemployment rates for metropolitan areas, not seasonally adjusted. Via U.S. Bureau of Labor Statistics, April 2025.

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