

Home Price Monitor

August 2012

National Association of REALTORS®

Research Division

Cutting Through the Noise: Various Home Price Measure

Next release: Sept 26, 2012

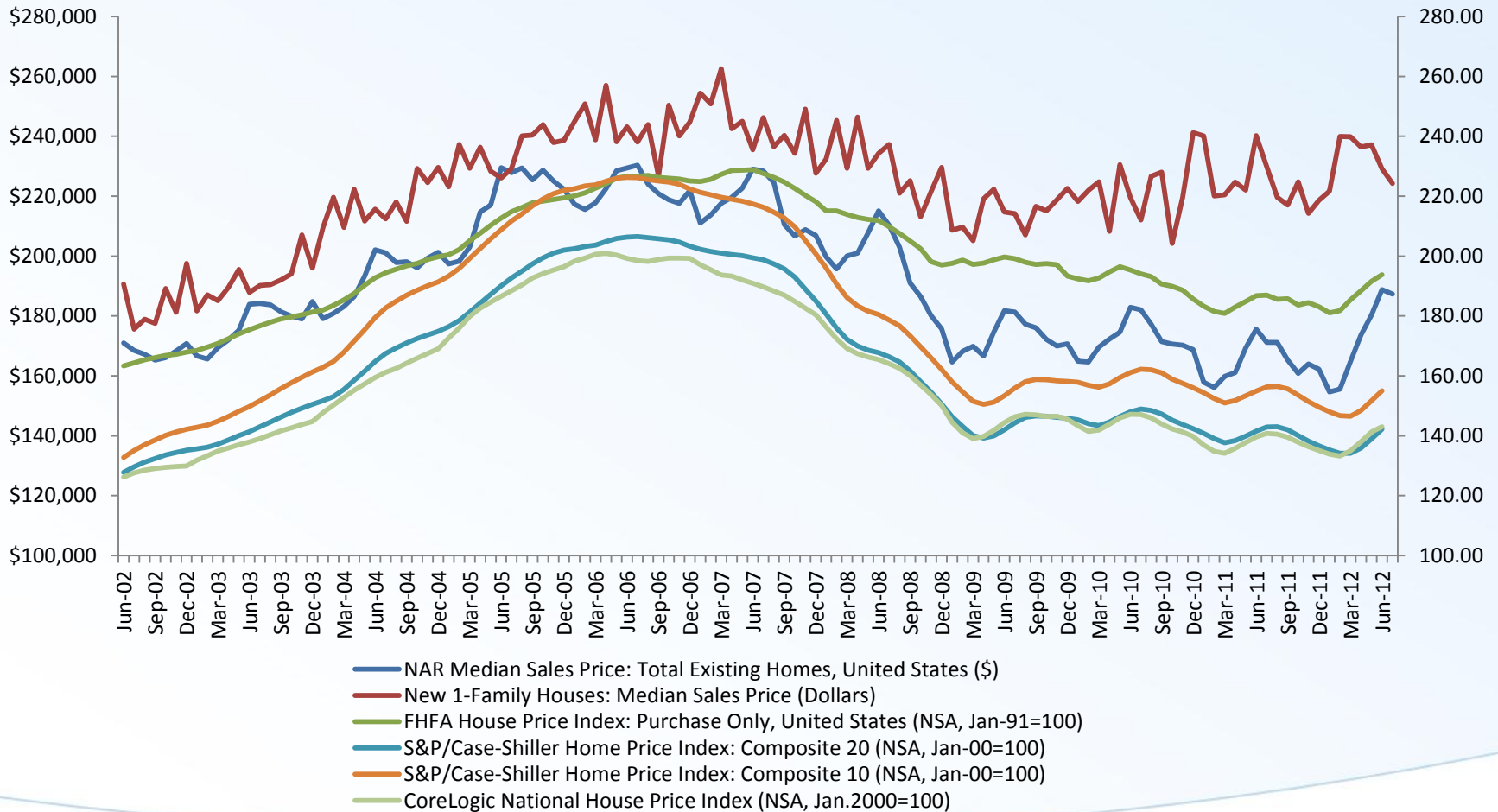
Highlights

- Case Shiller data showed the first annual increase in June while other data series show a continued 4 to 5 months of annual increases.
- NAR data for July show the typical end of summer slowdown as prices dipped somewhat from June.
- New home prices continue to fluctuate greatly due to low levels of construction and purchase activity; presently new home prices show some weakness.
- [Distressed sales](#), which hold back existing home prices, comprised only 25 percent of sales in a recent survey of Realtors—down from 40 percent in early 2011 to the lowest level since the data began to be collected. While there are still notable numbers of distressed sales due to increasing overall sales, this reduction of distressed sales share is a positive sign for prices.

Outlook

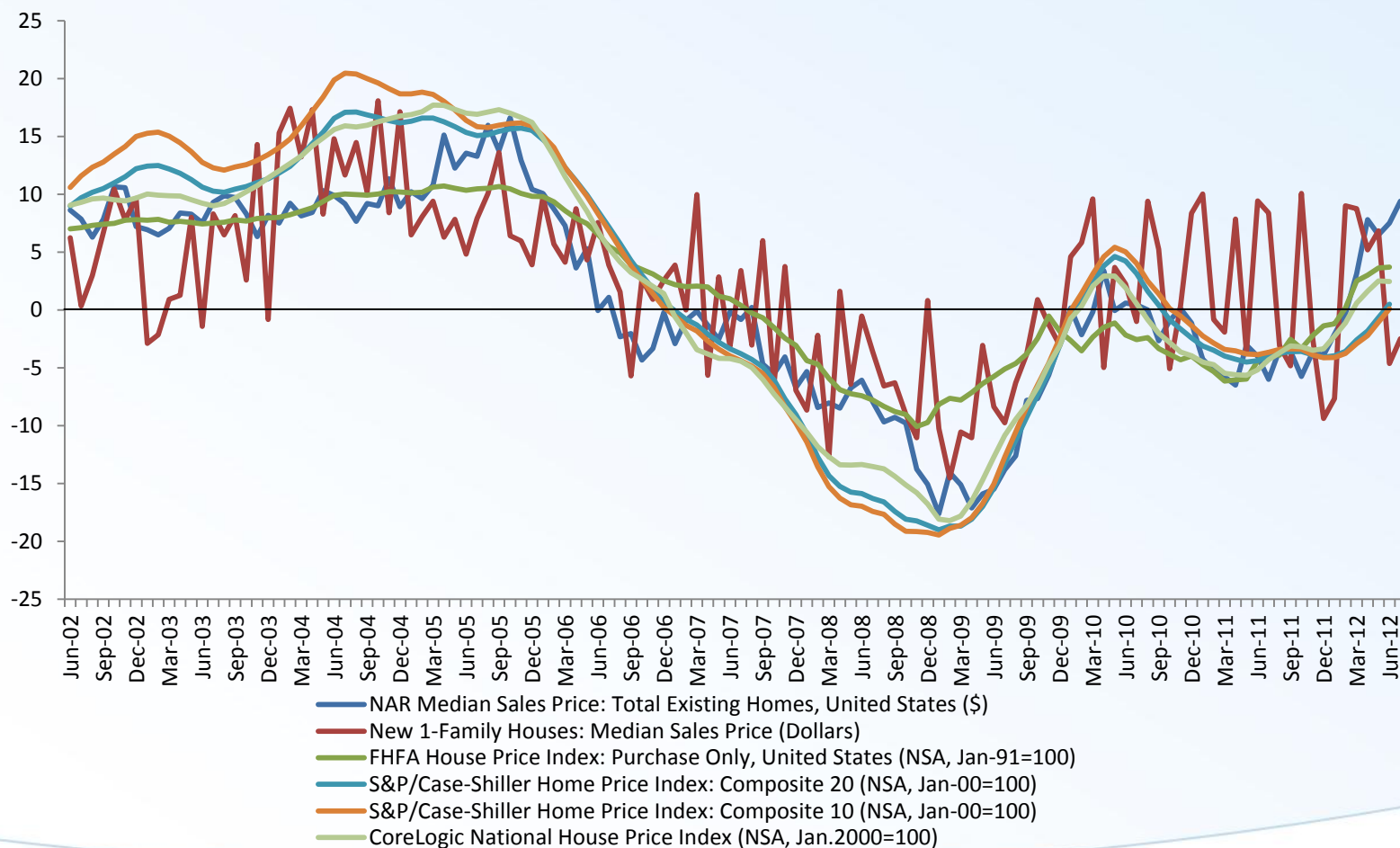
- From a broad perspective, many of the same stabilizing trends continue to drive the outlook, though low inventories have taken the lead role in recent months. Low inventories and strong buyer demand seen in [strong foot traffic](#) helped boost prices in recent months. If supply slows more than demand going into the seasonally slower fall months, tighter conditions could continue to push prices up.
- Very limited new construction means that buyers initially searching for a new home may find more selection among existing homes despite tight inventory. Housing permits and construction are higher, but are still at low levels, so new supply is not expected to add downward price pressure anytime soon.
- Affordability remains high, and [rising apartment rents](#) may make a home purchase the more affordable option for some households in spite of the oft-cited [generational shift away from housing](#). This would add to the positive trend for sales and prices.

Home Prices



Sources: NAR, Case-Shiller, CoreLogic, FHFA, Census, HAVER

Home Price Data – Year over Year Change



Sources: NAR, Case-Shiller, CoreLogic, FHFA, Census, HAVER

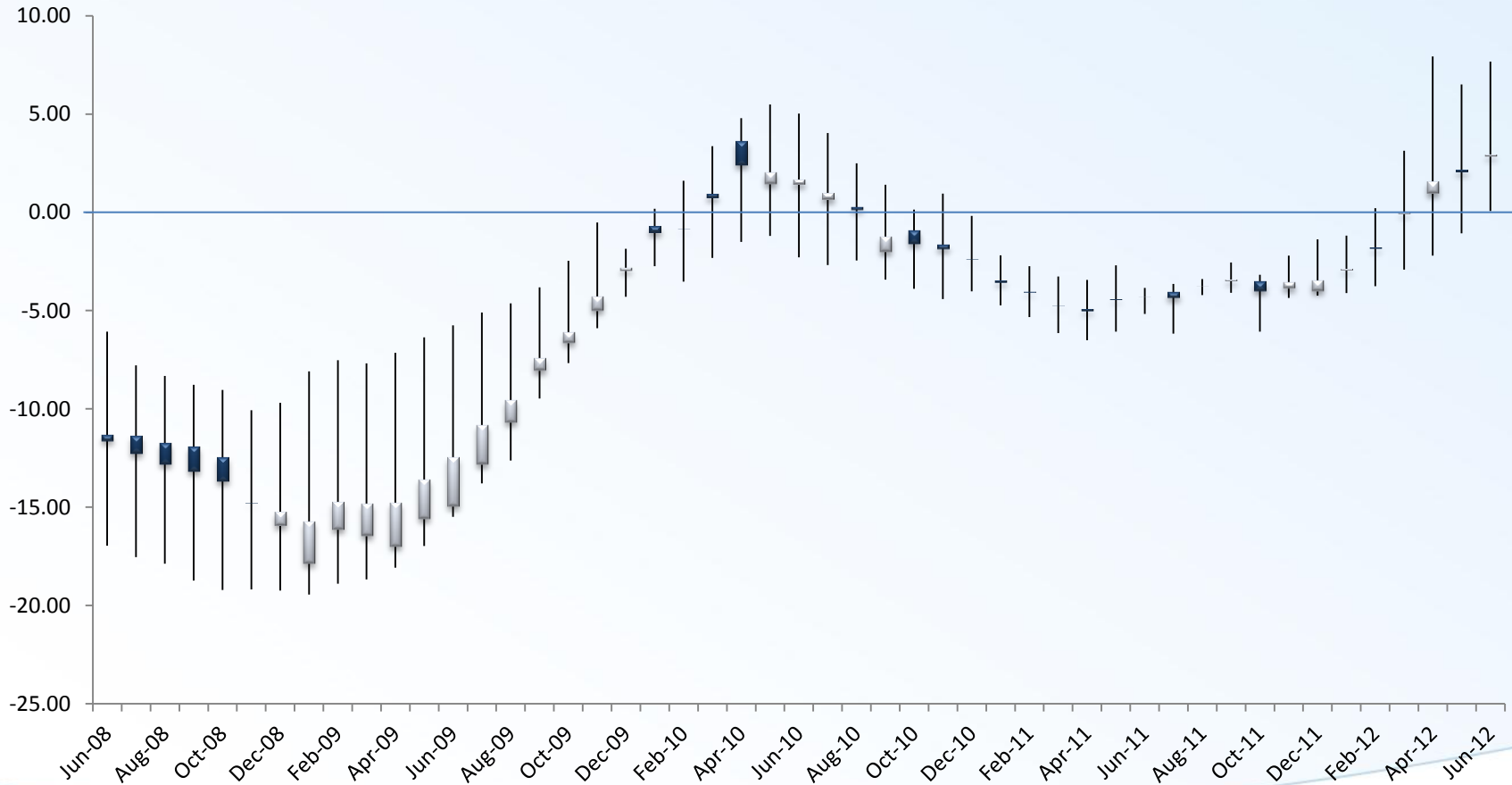
Home Price Changes

Data Series	Jun-12 Monthly Change*	Jun-12 Annual Change*	Jul-12 Monthly Change*	Jul-12 Annual Change*	Next Release Date
NAR Median Sales Price: Total Existing Homes	4.7%	7.5%	-0.8%	9.4%	19-Sep
NAR Median Sales Price: Existing 1-Family Homes	5.2%	7.7%	-0.8%	9.6%	19-Sep
FHFA House Price Index: Purchase Only	1.2%	3.7%	--	--	25-Sep
S&P/Case-Shiller HPI: Composite 20	2.3%	0.5%	--	--	25-Sep
S&P/Case-Shiller HPI: Composite 10	2.2%	0.1%	--	--	25-Sep
CoreLogic National HPI	1.3%	2.5%	--	--	Mid-Sep
CoreLogic National HPI - Distressed Excluded	2.0%	3.2%	--	--	Mid-Sep
New 1-Family Houses: Median Sales Price	-3.4%	-4.6%	-2.1%	-2.5%	26-Sep

*All data are not seasonally adjusted. Monthly changes should typically be computed only for Seasonally Adjusted (SA) data. Because these change rates are often covered in the media regardless of their suitability for analysis, they are presented here but should be used with caution. Annual (yr-over-yr) changes computed for Not Seasonally Adjusted (NSA) data give a measure that is not affected by seasonal fluctuations.

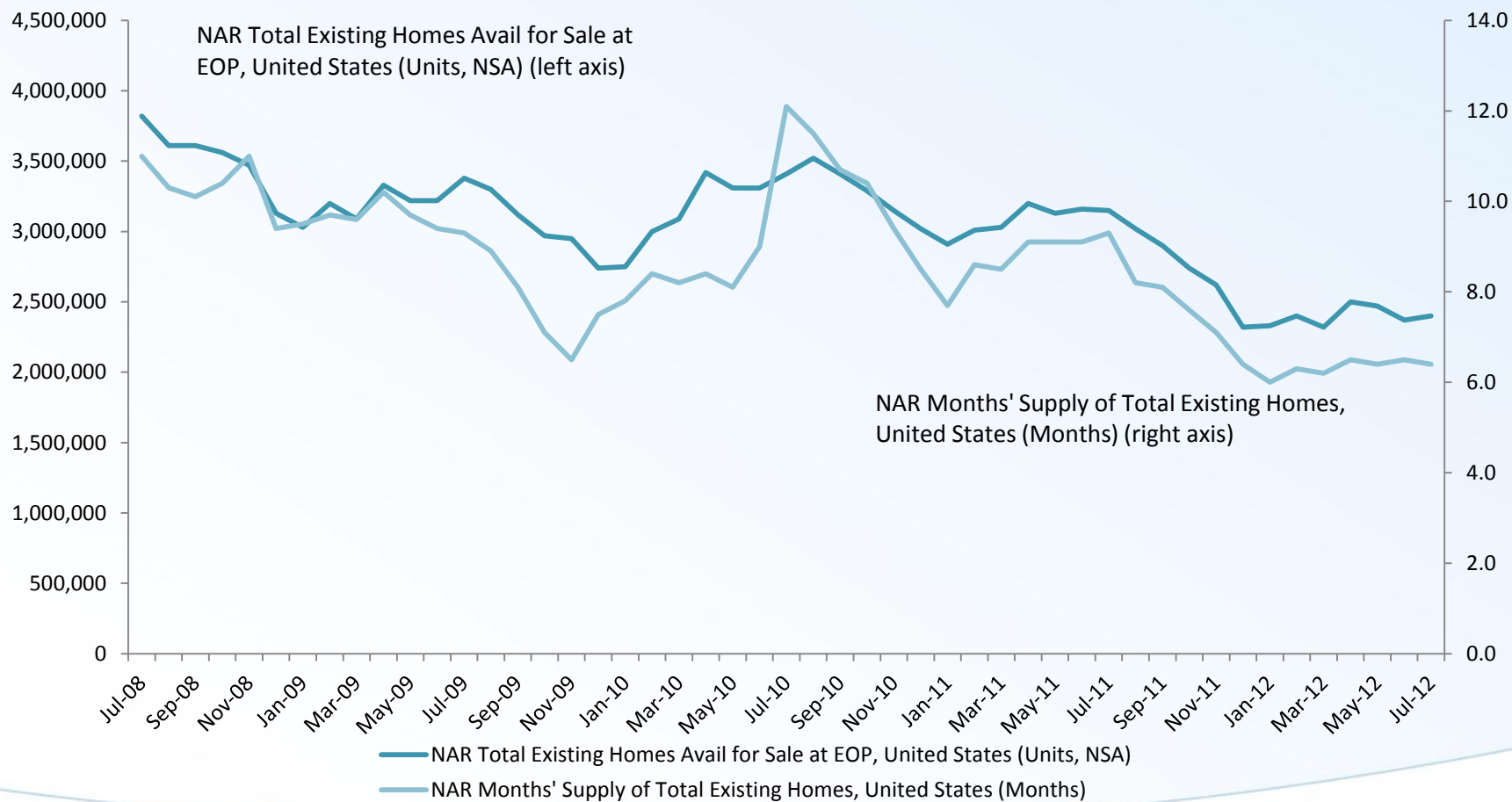
Spread of Existing Home Price Changes

Year over Year



Sources: NAR, Case-Shiller, CoreLogic, FHFA, HAVER

Supply and Demand Factors – Inventory



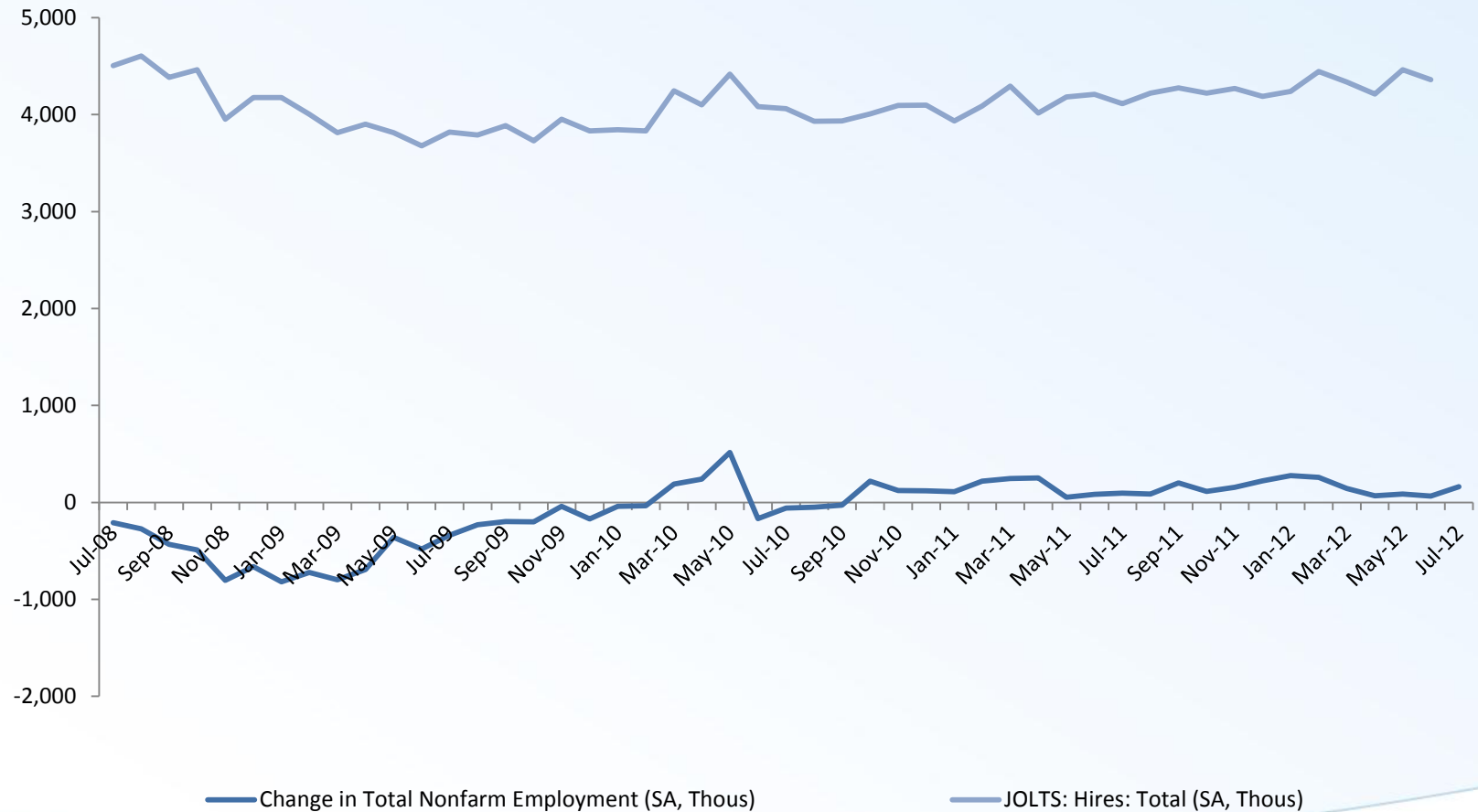
Sources: NAR

Supply – New Housing Starts and Permits



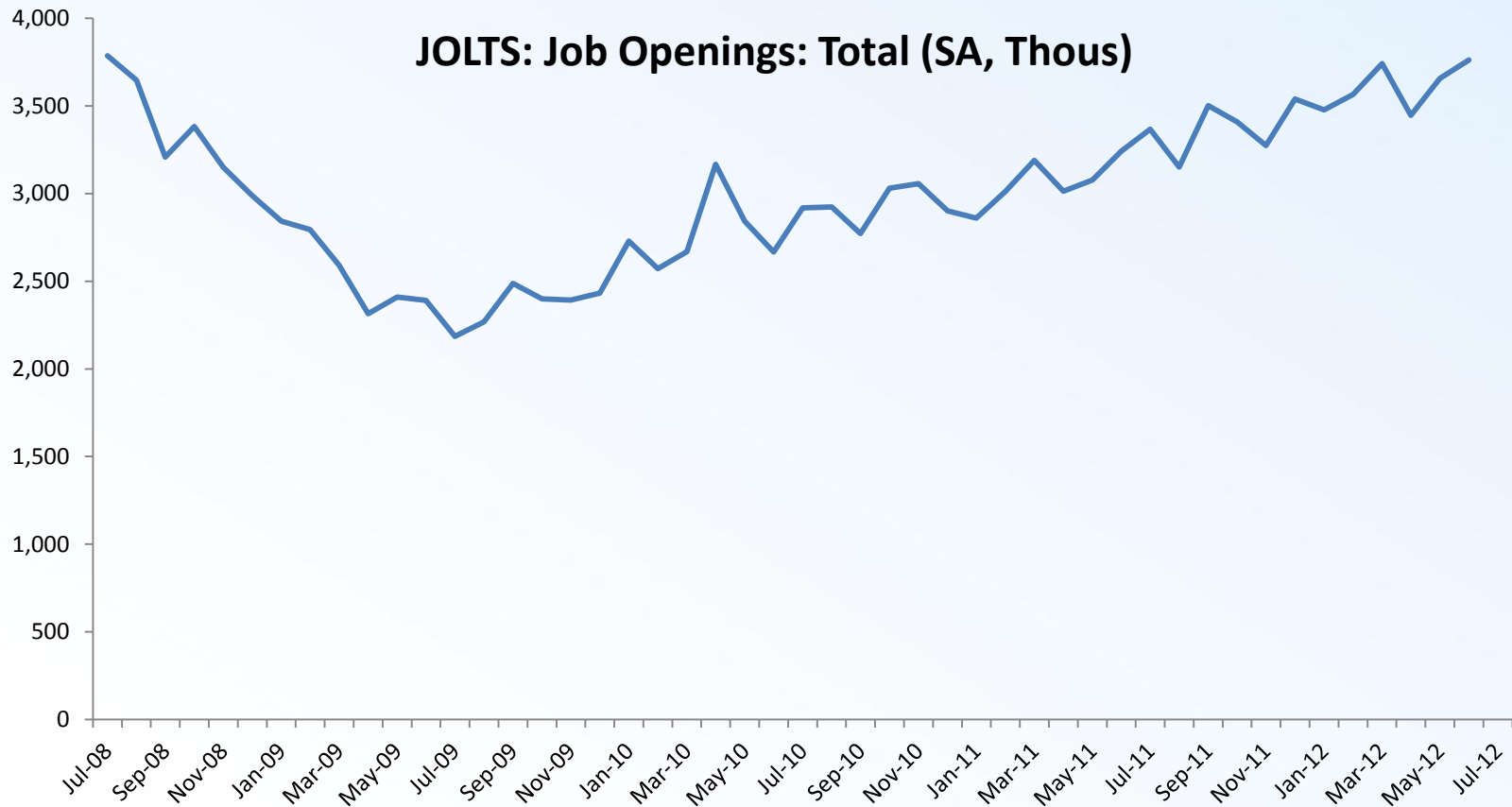
Sources: Census

Underlying Demand – Job Growth and Hires



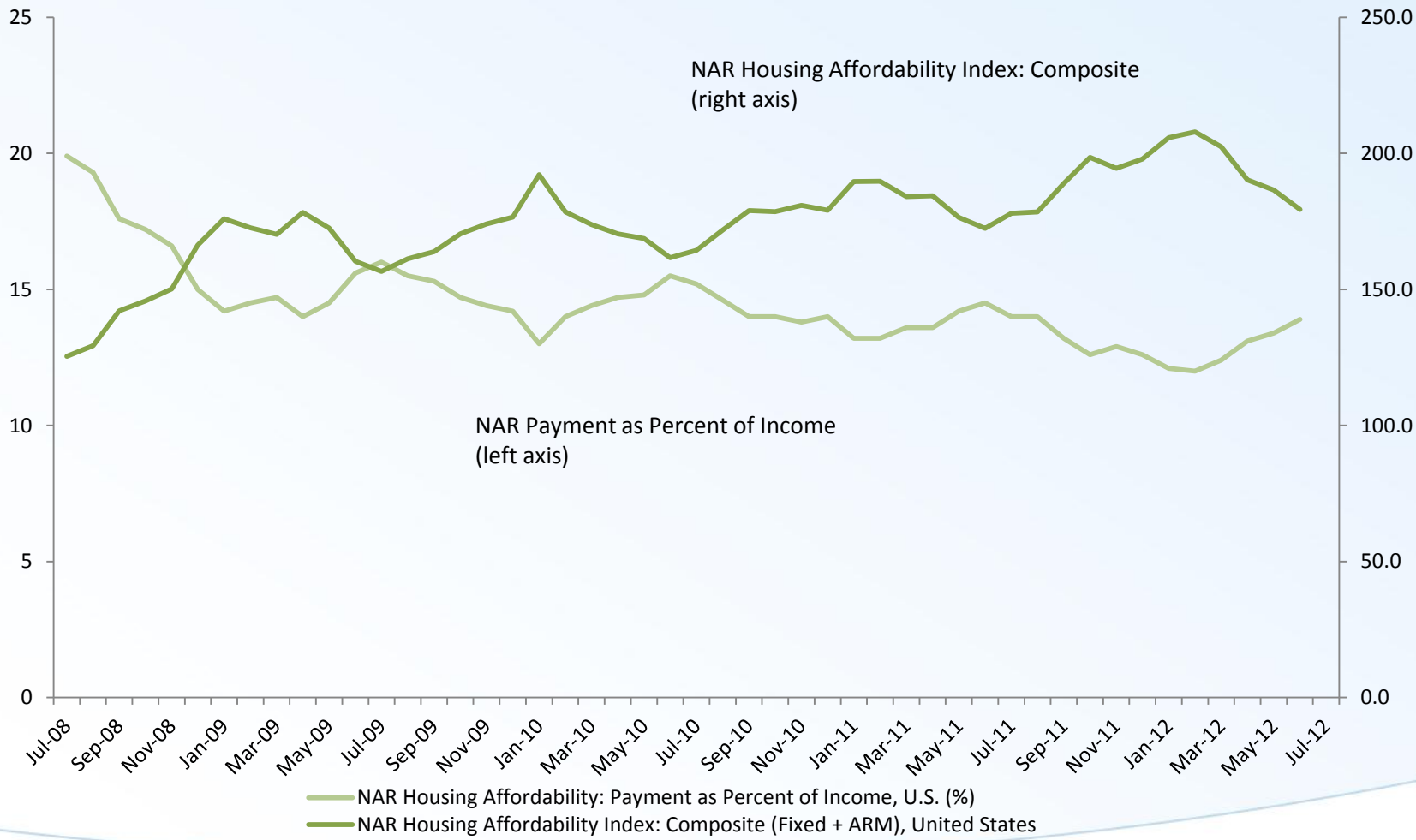
Sources: BLS

Potential Job Growth – Openings



Sources: BLS

Housing Affordability



Sources: NAR



About the Price Data Series

Data Series	Strengths/Weaknesses of Data Series
NAR Median Sales Price: Total Existing Homes	Most timely Data, broad geographic coverage, sourced from MLS and Realtor® board data, data in dollars, total existing includes condos and coops
NAR Median Sales Price: Existing 1-Family Homes	
FHFA House Price Index: Purchase Only	Weighted Repeat Sales (WRS) Index, sourced from Fannie/Freddie purchase & refinance mortgages (excludes FHA, VA, Jumbo, Subprime)
S&P/Case-Shiller HPI: Composite 20	WRS Index, sourced from County recorder data, weighted by property value; quarterly national index (not shown), monthly 10 and 20-city metro indexes and composites are 3 month moving averages
S&P/Case-Shiller HPI: Composite 10	
CoreLogic National HPI	Weighted Repeat Sales Index, sourced from database of loan servicing and County recorder data
CoreLogic National HPI - Distressed Excluded	
New 1-Family Houses: Median Sales Price	Based on home builder interviews in the Survey of Construction

Sources: NAR, Case-Shiller, CoreLogic, FHFA, Census, HAVER