

Local Markets Continue to Gain According To the Homes.com Local Price Index

Indications: Trends Shown by the Top 100 Regional Markets

For home pricing data ending December 2012, the [Homes.com Local Price Index](#) showed 95 out of 100 markets for single family properties advancing on a monthly basis. This represents steady improvement compared to November and October which saw increases in 87 out of 100 and 47 out of 100 markets respectively. Furthermore, losses were nominal for the five markets that posted monthly declines in December with the greatest being -0.5 index points. The number of advancing markets was the same on an annual basis at 95 out of 100. This compares to 87 out of 100 advancers in the previous month – identical to the monthly performance.

As far as performance across markets was concerned, for single family product in December, Jackson, MS posted the largest monthly gain at 2.97. This was followed by Birmingham-Hoover, AL at 2.4. Year over year Honolulu, HI had the largest increase at 21.2 followed by Phoenix-Mesa-Glendale, AZ at 16.6. At the other end of the spectrum, Allentown-Bethlehem-Easton, PA-NJ fared the worst on a monthly basis at -0.5 and New Haven-Milford, CT posted the largest year over year decline in December at -1.76.

Top Single Family Markets			
Highest Month To Month Change		Highest Year Over Year Change	
Metro Area	MTM	Metro Area	YOY
Jackson, MS	2.97	Honolulu, HI	21.24
Birmingham - Hoover, AL	2.39	Phoenix - Mesa - Glendale, AZ	16.57
Honolulu, HI	2.14	Salt Lake City, UT	14.63
Memphis, TN-MS-AR	2.10	Boise City - Nampa, ID	14.15
Nashville - Davidson - Murfreesboro - Franklin, TN	1.99	Provo - Orem, UT	14.04
Knoxville, TN	1.96	Ogden - Clearfield, UT	13.90
Los Angeles - Long Beach - Santa Ana, CA	1.89	San Francisco - Oakland - Fremont, CA	13.90
New Haven - Milford, CT	1.75	Los Angeles - Long Beach - Santa Ana, CA	12.82
Chattanooga, TN-GA	1.71	Albuquerque, NM	12.47
Albuquerque, NM	1.69	San Jose - Sunnyvale - Santa Clara, CA	11.20

Source: Homes.com Local Market Indices, Data through December 2012

The Homes.com Local Market Index activity was also analyzed based on region of the United States. The [top 100 markets are classified in the regions as follows](#): Northeast, Midwest, South, and West. The table below shows the best and worst performing CBSAs according to monthly index change by region for single family product.

Single Family Markets					
Best Performing Month To Month			Worst Performing Month To Month		
Region	Metro Area	MTM	Region	Metro Area	MTM
Northeast	New Haven - Milford, CT	1.75	Northeast	Allentown - Bethlehem - Easton, PA-NJ	-0.05
West	Honolulu, HI	2.14	West	Portland - Vancouver - Hillsboro, OR-WA	0.69
Midwest	Louisville/Jefferson County, KY-IN	1.66	Midwest	Dayton, OH	0.22
South	Jackson, MS	2.97	South	Charleston - North Charleston - Summerville, SC	0.00

Source: Homes.com Local Market Indices, Data through December 2012

The Southern Region of the U.S. was home to six of the ten fastest gaining markets in December; four were located in Tennessee. By contrast, it was also home to six of the ten worst performing markets with three located in South Carolina. All markets gained in the Western Region in December, including four of the top ten markets in the U.S. As a whole, the Northeast Region fared the worst. Its gains were lackluster and it was home to four out of the 10 lowest performing markets including Allentown-Bethlehem-Easton, PA-NJ, which had the worst monthly performance in the U.S. at -0.5.

National Overview

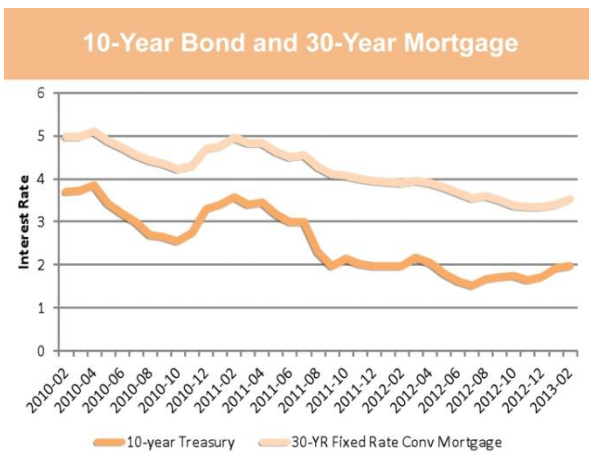
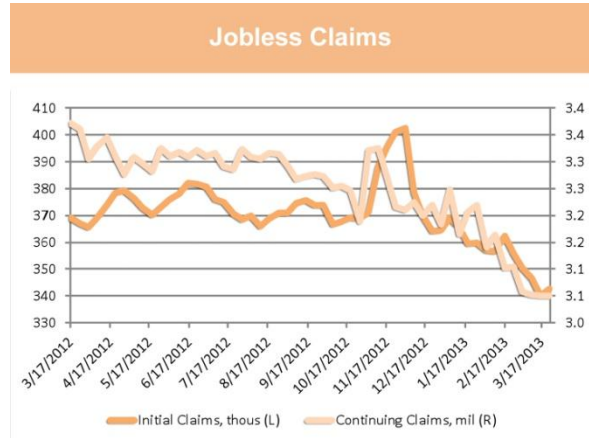
Housing continues to lead the national recovery with sales of existing homes 0.8% higher in February, which equates to an annual rate of almost 5 million units – the fastest since the homebuyer tax credits of 2009. Inventories finally ticked up in February for the first time since last spring but remain 19% lower compared to last year. Median pricing for existing homes is up 11.6% which is reflective of the tight supply. Demand fundamentals continue to improve only modestly – new home sales actually fell 4.6% from January to February – which confirms it is reduced inventories and lower levels of distress sales that are driving prices higher.



Source: U.S. Census Bureau & National Association of Realtors

The labor market continues to improve despite an uptick in new claims for the week ending March 23. This is only the third increase this year and filings remain low, which bodes well for the nonfarm payroll numbers when they are released later this month.

Source: U.S. Department of Labor

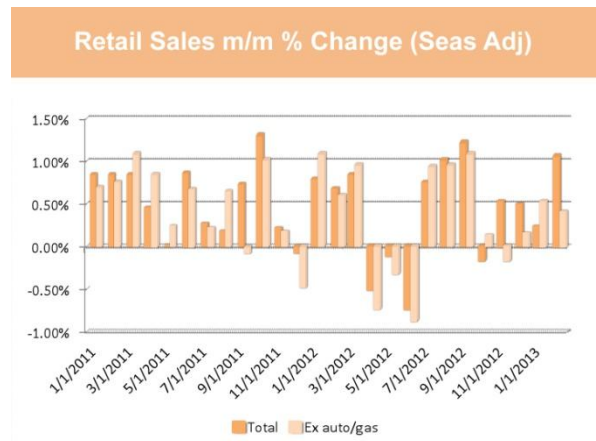


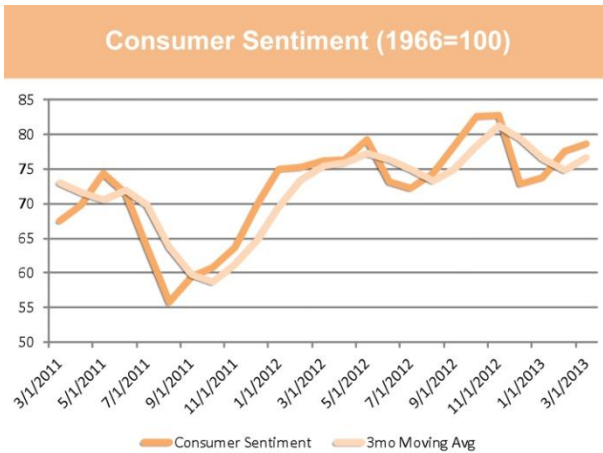
On Wednesday, March 20 the Federal Open Market Committee announced their decision to keep the Fed Funds rate unchanged and continue its \$85 billion per month stimulus program. The move was expected and as a result interest rates will stay historically low with the 10-year Treasury bond currently below 2% and 30-year fixed rate mortgages at 3.53%.

Source: Federal Reserve

Retail sales stunned to the upside in February rising over 1% which equates to a nearly 15% annual pace. We suggested earlier in the year that payroll tax hikes would be problematic to spending but this data suggests consumers have taken them in stride. High gasoline prices were a source of the gain and auto sales rose sharply. Excluding these two items sales still increased a healthy 0.4%.

Source: U.S. Census Bureau



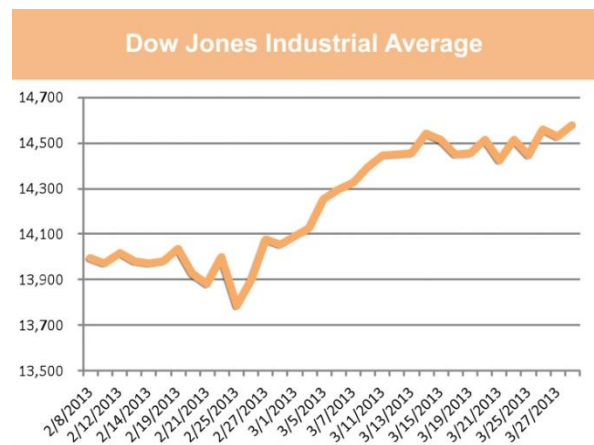


Consumer sentiment bounced back in February rising 1.3% over January, or one full point to 78.6. The increase was unexpected as those polled predicted readings anywhere from 70 to 75. Coupled with strong spending data, it appears consumers have overcome concerns about sequestration and have found relief in high stock prices and the housing recovery. Furthermore, gains in the job market have improved incomes giving consumers another reason to feel more confident.

Source: University of Michigan

Financial markets largely shrugged off the collapse of the banking system in Cyprus and the ensuing drama over its rescue package. In fact, the Dow Jones Industrial average reached all time highs during the week ending March 30.

Source: St. Louis Fed



About the Homes.com Local Price Index

The [Homes.com Local Price Index](#) report tracks repeat sales of properties for both single family and multi-unit/condominium sales in separate indices for the top 100 Local Markets as determined by the U.S Census Bureau [Core Based Statistical Areas](#) (CBSAs).

Request More Information

For more information or to receive a copy of the Indices for all 100 markets, contact us at: LocalMarketReports@homes.com or The Zimmerman Agency 850-668-2222.

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