

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

Indications: Trends Shown by the Top 100 Regional Markets

For home pricing data through March 2013, the Homes.com Local Market Index showed monthly increases in 96 out of 100 markets, a significant improvement from the 75 out of 100 that gained in February. The four markets that posted declines were very nominal and located exclusively in New York and Pennsylvania. Measured year over year, 91 out of 100 markets posted pricing increases in March compared to 98 in February. While weakness over this timeframe was centered in the Northeast, it also included markets in Tennessee and Mississippi.

The Honolulu, HI market again posted the largest monthly increase in March, climbing 2.40 index points from February. This compares to a gain of 1.81 in the previous month. The second-fastest-growing market in March was Virginia Beach-Norfolk-Newport News, VA-NC with a gain of 2.23 points. On a year-to-year basis, Honolulu, HI had the largest gain at 22.55 index points; the next closest market was Phoenix-Mesa-Glendale, AZ with a gain of 18.18. These two markets also had the largest year-to-year gain last month. The worst-performing markets measured month-to-month were Scranton-Wilkes-Barre, PA and Buffalo-Niagara Falls, NY with declines of -0.45 and -0.43, respectively. Year to year, Jackson, MS fell the furthest at -1.35 followed by Memphis, TN-MS-AR at -1.21.

 Top Single Family Markets			
Highest Month-To-Month Change		Highest Year-Over-Year Change	
Metro Area	MTM	Metro Area	YOY
Honolulu, HI	2.40	Honolulu, HI	22.55
Virginia Beach - Norfolk - Newport News, VA - NC	2.23	Phoenix - Mesa - Glendale, AZ	18.18
Baltimore-Towson, MD	2.14	Los Angeles - Long Beach - Santa Ana, CA	18.09
Los Angeles - Long Beach - Santa Ana, CA	2.06	San Francisco - Oakland - Fremont, CA	17.94
Raleigh - Cary, NC	1.93	Salt Lake City, UT	16.96
Greensboro - High Point, NC	1.92	Ogden - Clearfield, UT	16.21
Richmond, VA	1.87	Provo - Orem, UT	16.19
Tampa - St. Petersburg - Clearwater, FL	1.86	Boise City - Nampa, ID	16.07
Lakeland - Winter Haven, FL	1.86	Albuquerque, NM	15.89
San Francisco - Oakland - Fremont, CA	1.76	San Diego - Carlsbad - San Marcos, CA	14.67

Source: Homes.com Local Market Indices, Data through March 2013

The Homes.com Local Market Index activity was also analyzed by 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.

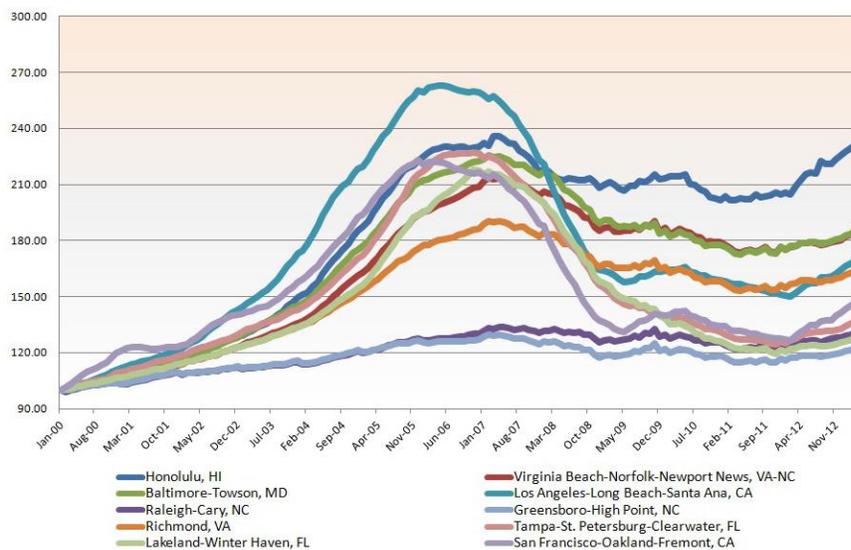
Homes.com Local Market Index Best & Worst Single Family Markets					
Best Performing Month To Month			Worst Performing Month To Month		
Region	Metro Area	MTM	Region	Metro Area	MTM
Northeast	Virginia Beach - Norfolk - Newport News, VA - NC	2.23	Northeast	Scranton - Wilkes - Barre, PA	- 0.45
West	Honolulu, HI	2.4	West	Stockton, CA	0.73
Midwest	Minneapolis - St. Paul - Bloomington, MN - WI	1.2	Midwest	Pittsburgh, PA	0.03
South	Raleigh - Cary, NC	1.93	South	McAllen - Edinburg - Mission, TX	0.22

Source: Homes.com Local Market Indices, Data through March 2013

Last month, all of the top 10 increasing markets month to month and year to year belonged to the Western region of the U.S. For the month of March, the distribution was more equitable, with the top performing markets evenly spread across all markets except the Midwest. The South had four out of 10, and the West and Northeast each had three out of 10. By contrast, a majority of the worst performing markets were concentrated in the Northeast. Seven out of 10 were located there including Scranton-Wilkes-Barre, PA and Buffalo-Niagara Falls, NY – the two markets with the steepest declines in the country. The South had two out of 10 of the worst performers while the Midwest had only one.

Homes.com Local Market Index

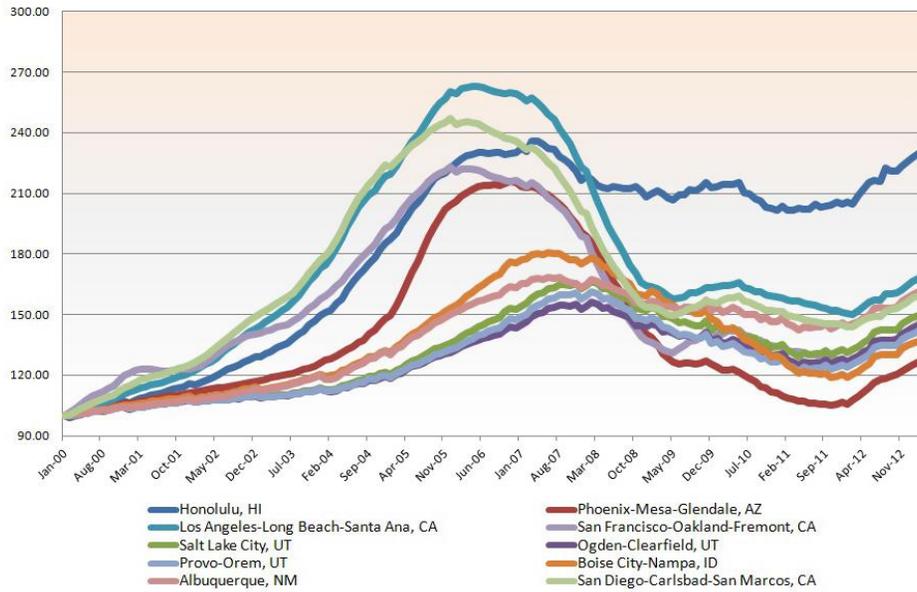
Top 10 Single-Family Markets with the Highest Month-to-Month Increase



Source: Homes.com Local Market Indices, Data through March 2013



Top 10 Single-Family Markets with the Highest Year-over-Year Increase



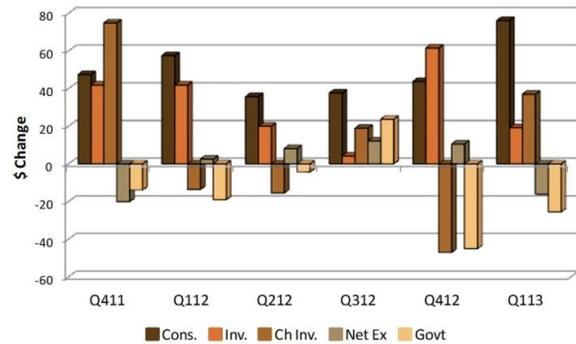
Source: Homes.com Local Market Indices, Data through March 2013

National Overview

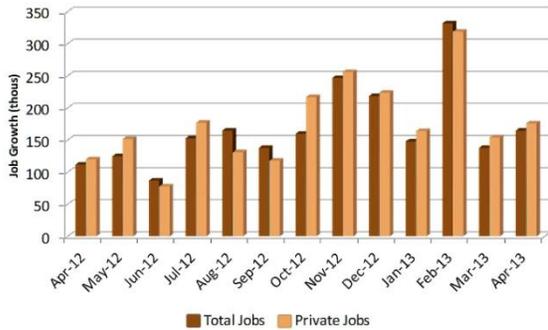
The national economic picture has brightened somewhat over the past few weeks. GDP grew faster than expected in 2013Q1, with consumption leading the way reaching almost \$80-billion. The gains came despite slowdowns in government spending due to sequestration and slower net exports due to weak global demand.

Source: Bureau of Economic Analysis

Change in Real GDP (bill\$) SAAR



Job Growth (thous)



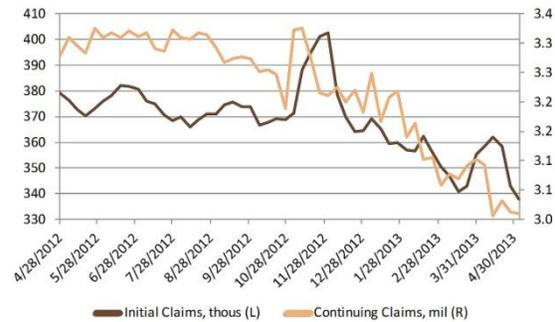
April's job gains came in far higher than expected, increasing by 165,000, and just as important, the gains for February and March were revised up significantly to 332,000 and 138,000, —respectively—up by more than 100,000 in total. The private sector added 176,000 jobs in April. Also, earnings were up 0.2% which, coupled with falling fuel costs, supports higher spending. Although the unemployment rate ticked down to 7.5%, more importantly, the labor participation rate held at 63.3%.

Source: Bureau of Labor Statistics

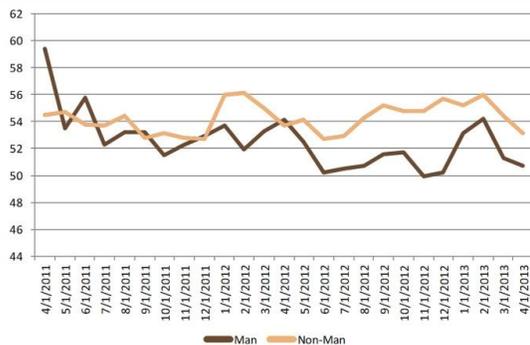
As expected, along with the positive reports new unemployment claims moved lower. In March, new claims reached their lowest level since late 2007. Readings below the 350,000 mark represent pre-recession levels and signal robust job growth to come.

Source: U.S. Department of Labor

Jobless Claims (4 week moving average)



ISM Indices (.50=Expansion)



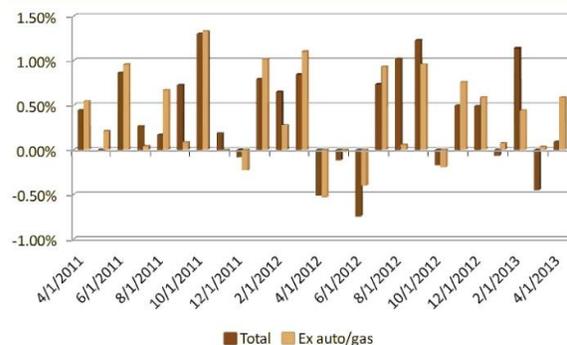
In contrast to the strength displayed in other indicators throughout April, both ISM indices posted declines. They remain above the critical 50 level, which indicates expansion, but the magnitude of the dip is disconcerting. Some of the slowdown can be explained by reductions in defense spending as a result of sequestration. In addition, suppliers built up inventories in anticipation of increases in home building pulling some activity forward.

Source: Institute for Supply Management

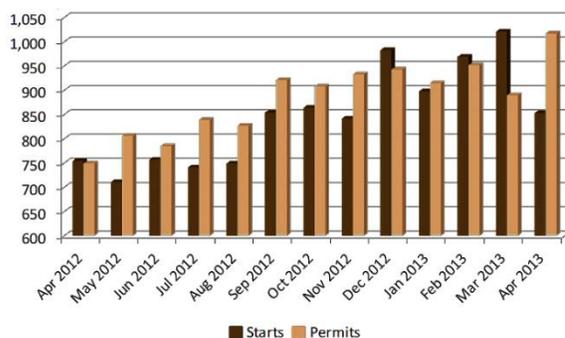
Although retail sales advanced only slightly in April at 0.1%, the improvement was unexpected following a 0.5% decline in March, and calmed fears that a slowdown in spending would stifle the recovery taking shape in the broader economy. A combination of lower gas costs and higher stock prices appeared to embolden consumer purchases. Retail sales gains have been volatile so far this year with the payroll tax increase depressing sales and the lower prices of late boosting sales. The near term prospects are mixed. The Sequester will dampen government sales and lower their workers' salaries. So, job growth will be the main driver of retail sales and for the economy more generally.

Source: U.S. Census Bureau

Retail sales m/m % Change (Seas Adj)



Housing Starts and Permits (thous) SAAR



Following a banner month in March, housing starts slumped 16.5% in April, falling more than expected to an annual rate of 853,000. Multifamily homes were down a staggering 38% and single family was 2.1% lower. Building permits—a signal of future activity—surged 14.2% in April, offsetting some of the bad news from starts. There were an eye-popping 1.02-million permits pulled, which is the highest amount since June 2008.

Source: U.S. Census Bureau

About the Homes.com Local Market Index

The [Homes.com Local Market 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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