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 January 2013, the Homes.com Local Price Index showed single family properties advancing in 93 out of 100 markets on a monthly basis. This is down only slightly from 95 markets in the previous month; however, the 7 markets that showed decreases this month are very nominal, with the largest decreasing by -0.6 index points. Year over year gains were even more broad-based with 98 markets advancing in January; this is up from 95 markets in December.

California produced the two markets with the largest monthly increases in index value. The Oxnard-Thousand Oaks-Ventura, CA market led the way with a 2.51 point increase followed by Los Angeles-Long Beach-Santa Ana, CA, which was up 2.34 points. On an annual basis Honolulu, HI again had the largest increase gaining 22.01 points compared to the same month last year. This was followed by Phoenix-Mesa-Glendale, AZ, which was up 19.61 points. The two worst performing markets on a monthly basis were Jackson, MS and Providence-New Bedford-Fall River, RI-MA, where index values fell 0.60 and 0.52 points, respectively. Year over year Buffalo-Niagara Falls, NY had the largest decrease, down 0.36 points, followed by New Haven-Milford, CT which was 0.23 points lower.

It is possible seasonality influenced the month-to-month transition from December to January, whereas the significant movement year-over-year is more reflective of the increased price performance.

Top Single Family Markets			
Highest Month To Month Change		Highest Year Over Year Change	
Metro Area	MTM	Metro Area	YOY
Oxnard - Thousand Oaks - Ventura, CA	2.51	Honolulu, HI	22.01
Los Angeles - Long Beach - Santa Ana, CA	2.34	Phoenix - Mesa - Glendale, AZ	19.61
Bakersfield - Delano, CA	2.31	Salt Lake City, UT	17.26
San Francisco - Oakland - Fremont, CA	2.24	Boise City - Nampa, ID	16.55
Virginia Beach - Norfolk - Newport News, VA - NC	2.17	Provo - Orem, UT	16.52
Riverside - San Bernardino - Ontario, CA	2.16	San Francisco - Oakland - Fremont, CA	16.49
Sacramento - Arden - Arcade - Roseville, CA	2.00	Ogden - Clearfield, UT	16.44
Portland - Vancouver - Hillsboro, OR - WA	1.95	Los Angeles - Long Beach - Santa Ana, CA	15.68
Stockton, CA	1.94	Albuquerque, NM	15.33
Cape Coral - Fort Myers, FL	1.94	San Diego - Carlsbad - San Marcos, CA	13.92

Source: Homes.com Local Market Indices, Data through January 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.

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	2.17	Northeast	Providence - New Bedford - Fall River, RI-MA	- 0.52
West	Oxnard - Thousand Oaks - Ventura, CA	2.51	West	Boise City - Nampa, ID	1.19
Midwest	Des Moines - West Des Moines, IA	1.38	Midwest	Kansas City, MO - KS	0.17
South	Cape Coral - Fort Myers, FL	1.94	South	Jackson, MS	- 0.6

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

In January 2013 the Western Region of the U.S was home to 8 of the 10 fastest growing markets in the country including Oxnard-Thousand Oaks-Ventura, CA, which led the nation in index growth (+2.51). By contrast, 6 out 10 of the worst performing markets were located in the Northeast. The four remaining under-performing markets were located in the Southern Region, which includes Jackson, MS, the worst performing market overall in January (-0.60).

Recovery Measure of Peak to Trough Declines from the Great Recession

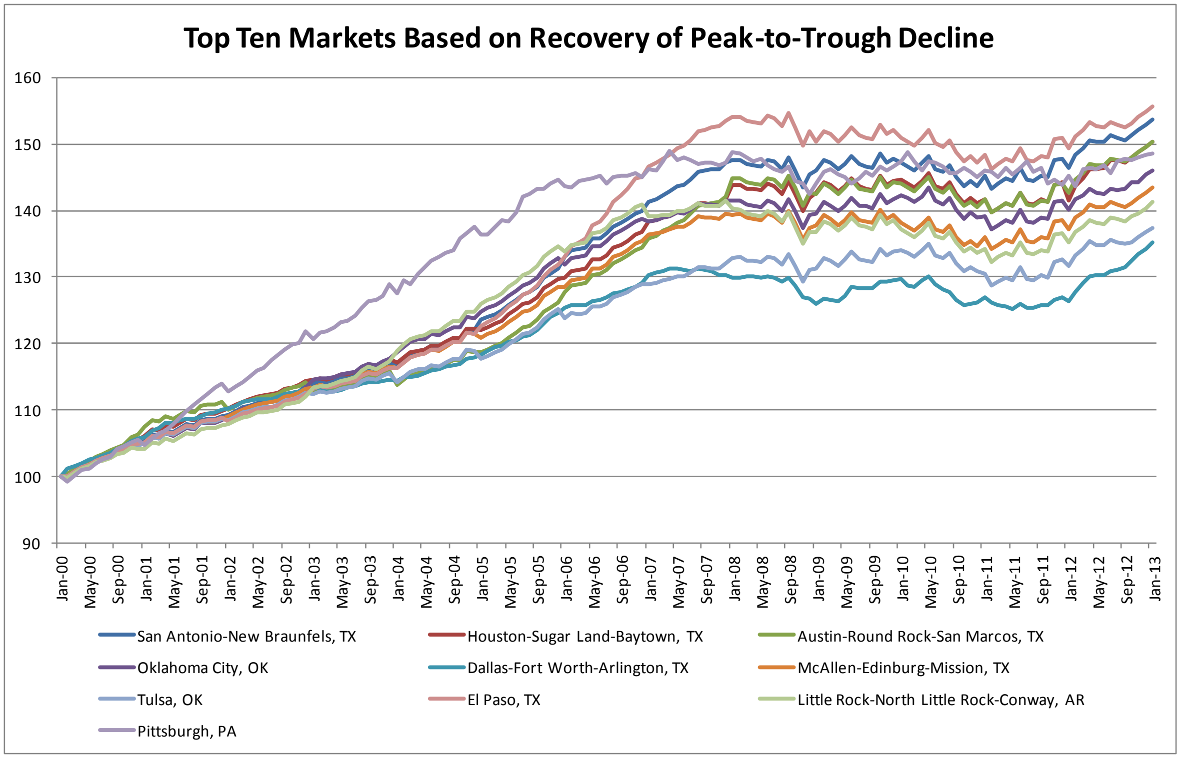
A useful way to understand how the housing recovery process is unfolding across the country is to measure how far each market has recovered from its peak-to-trough decline in index value. An analysis such as this is logical because a similar boom-bust scenario played out across virtually every market in the country during the 2000s, and today they are in some stage of recovery. The analysis or Recovery Measure uses data back to 2000 but focuses on the period from 2005 forward when identifying peaks and troughs to isolate the impacts of the Great Recession, which was a recently marked global economic decline that also correlated with the bursting of the U.S. housing bubble. The following table shows the Top 10 and Bottom 10 markets for January 2013 based on their Recovery Measure. A value of 100% or higher for a market means that the area has fully recovered any price decline as a result of the recession.

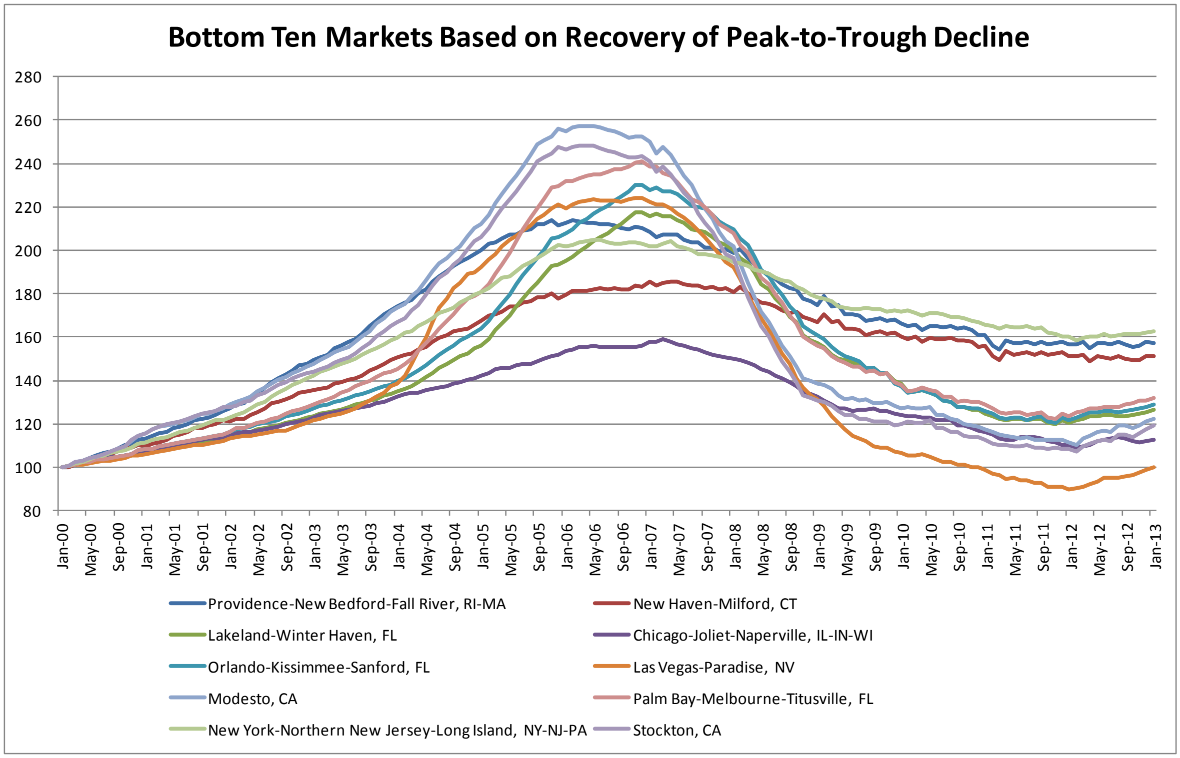
Recovery Measure - Top and Bottom Markets

Top 10 Metro Area	Recovery	Bottom 10 Metro Area	Recovery
San Antonio - New Braunfels, TX	199%	Providence - New Bedford - Fall River, RI - MA	5%
Houston - Sugar Land - Baytown, TX	192%	New Haven - Milford, CT	6%
Austin - Round Rock - San Marcos, TX	189%	Lakeland - Winter Haven, FL	7%
Oklahoma City, OK	167%	Chicago - Joliet - Naperville, IL - IN - WI	7%
Dallas-Fort Worth-Arlington, TX	163%	Orlando - Kissimmee - Sanford, FL	7%
McAllen-Edinburg-Mission, TX	156%	Las Vegas - Paradise, NV	8%
Tulsa, OK	156%	Modesto, CA	8%
El Paso, TX	112%	Palm Bay - Melbourne - Titusville, FL	8%
Little Rock - North Little Rock - Conway, AR	97%	New York - Northern New Jersey - Long Island, NY - NJ - PA	8%
Pittsburgh, PA	92%	Stockton, CA	9%

Source: Homes.com Local Market Indices, Data through January 2013
**Recovery Measure defined as % retracement of peak-to-trough decline attributable to the Great Recession*

The following graphs show the top 10 and bottom 10 markets based on recovery of peak to trough.





Source: Homes.com Local Market Indices, Data through January 2013
** Recovery Measure defined as % retracement of peak-to-trough decline attributable to the Great Recession*

The following table shows the number of markets by region that fall within various Recovery Measure percentage ranges.

Recovery Measure by Region

Recovery	Midwest	Northeast	South	West	Total
0 - 25%	12	16	11	16	55
25% - 50%	4	5	9	2	20
50% - 75%	3	1	3	3	10
75% - 100%	2	--	2	3	7
100% - 125%	--	--	1	--	1
150% - 175%	--	--	3	--	3
175% - 200%	--	--	3	--	3
Total	**21**	**22**	**33**	**24**	**100**

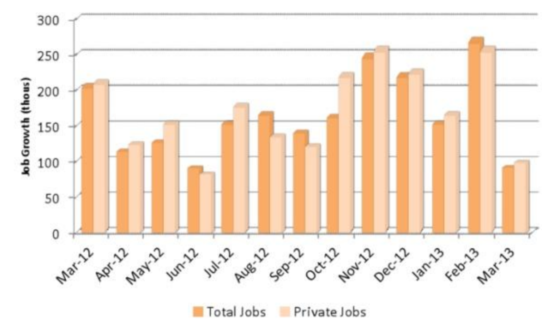
Source: Homes.com Local Market Indices, Data through January 2013
** Recovery Measure defined as % retracement of peak-to-trough decline attributable to the Great Recession*

National Overview

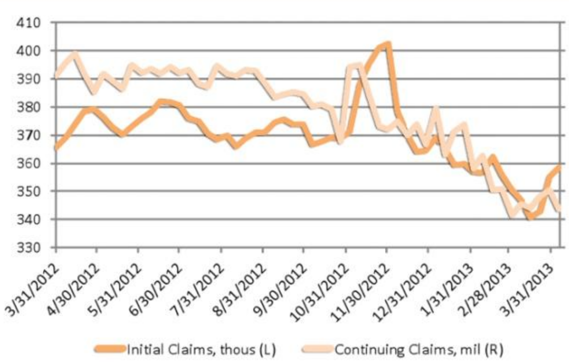
After appearing to gain momentum earlier in the year, growth has slowed. Nonfarm payrolls increased only 88,000 in March signaling that the pace of growth was slower prior to the drag from sequestration which will continue to build towards midyear. As a consolation, it is likely that some of the weakness in the March jobs report is attributable to abnormally cold and snowy weather in much of the country, dampening clothing and restaurant sales which created drag on seasonal hiring.

Source: Bureau of Labor Statistics

Job Growth (thous)



Jobless Claims (4 week moving average)



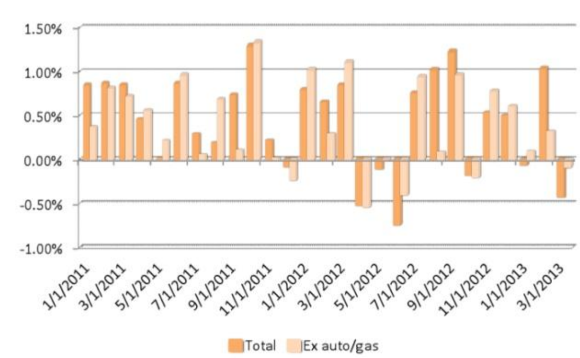
A rise in jobless claims correctly signaled the slowdown in hiring in March. The increase appears to be leveling out but warrants monitoring over the next several weeks to confirm if indeed the weakness was weather related or if it is a harbinger of something worse to come.

Source: U.S. Department of Labor

Retail sales moved lower in March falling at a 4.7% annual rate. To provide perspective, sales grew at a rate of 2.3% in 2013 Q3 and 3.3% in 2012 Q4. Falling gasoline prices were responsible for some of the slowdown, but core sales (excluding autos and gas) also declined in March at a 1.2% rate.

Source: U.S. Census Bureau

Retail Sales m/m % Change (Seas Adj)



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Homes.com Local Market Index

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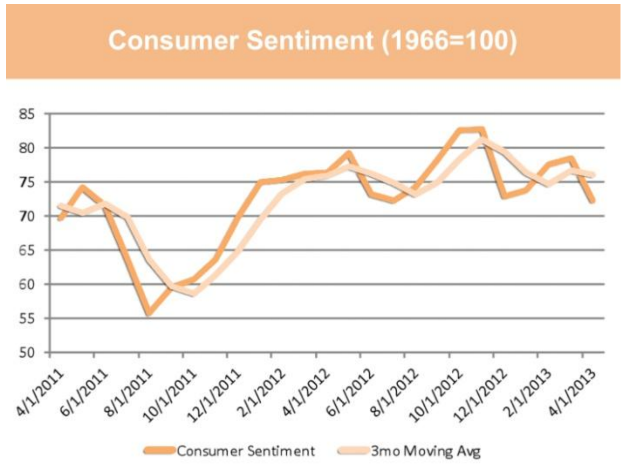
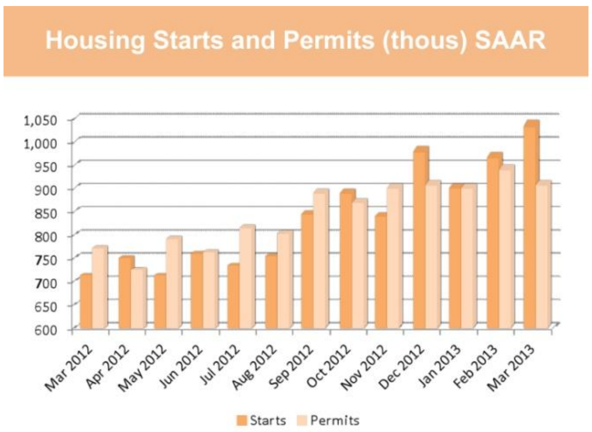
Consumer sentiment has been marked by massive swings in recent months, with April's reading hitting a nine month low. The volatility reflects uncertainty among consumers regarding the economy and their personal situations. While consumers are benefiting from rising stock, home values and falling gas prices, they face high unemployment, growing fiscal drag, and political brinksmanship in Washington.

Source: University of Michigan





Housing remains a bright spot amongst the uncertainty. The rebound in housing markets pushed starts up in March to over 1-million units for the first time since mid-2008. Starts are 47% higher compared to the same month a year ago. It is important to note the March gain was driven entirely by the multifamily sector as single family starts actually declined 4.8%. Despite the gain in starts, permits fell 3.9% in March suggesting some moderation in the rebound.

Source: U.S. Census Bureau

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

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