

Home Price Increases Continue in January According to the S&P/Case-Shiller Home Price Indices

NEW YORK, March 29, 2016 /PRNewswire/ -- S&P Dow Jones Indices today released the latest results for the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices. Data released today for January 2016 show that home prices continued their rise across the country over the last 12 months. More than 27 years of history for these data series is available, and can be accessed in full by going to www.homeprice.spdji.com. Additional content on the housing market can also be found on S&P Dow Jones Indices' housing blog: www.housingviews.com.

Year-over-Year

The S&P/Case-Shiller U.S. National Home Price Index, covering all nine U.S. census divisions, recorded a slightly higher year-over-year gain with a 5.4% annual increase in January 2016. The 10-City Composite is up slightly at 5.1% for the year. The 20-City Composite's year-over-year gain is 5.7%. After seasonal adjustment, the National, 10-City Composite, and 20-City Composite rose 0.5%, 0.7%, and 0.8%, respectively, from the prior month.

Portland, Seattle, and San Francisco reported the highest year-over-year gains among the 20 cities with another month of double digit annual price increases. Portland led the way with an 11.8% year-over-year price increase, followed by Seattle with 10.7%, and San Francisco with a 10.5% increase. Eleven cities reported greater price increases in the year ending January 2016 versus the year ending December 2015. Phoenix reported an annual gain of 6.1% in January 2016 versus 6.3% in December 2015, ending its streak of 12 consecutive months of increasing annual gains. The western part of the country saw the largest price gains in the past year; the northeast is the weakest region.

Month-over-Month

Before seasonal adjustment, the National Index, the 10-City Composite, and the 20-City Composite all remained unchanged in January. After seasonal adjustment, all three composites reported strong advances. Eleven of 20 cities reported increases in January before seasonal adjustment; after seasonal adjustment, all 20 cities increased for the month.

Analysis

"Home prices continue to climb at more than twice the rate of inflation," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "The low inventory of homes for sale -- currently about a five month supply -- means that would-be sellers seeking to trade-up are having a hard time finding a new, larger home. The recovery of the sale and construction of new homes has lagged the gains seen in existing home sales. This may be starting to change: starts of single family homes in February were the highest since November 2007. The single-family-home share of total housing starts was 70% in February, up from a low of 57% in June 2015, and approaching the 75%-80% range seen before the housing crisis.

"While low inventories and short supply are boosting prices, financing continues to be a concern for some potential purchasers, particularly young adults and first time home buyers. The issue is availability of credit for people with substantial student or credit card debt. While rising home prices are certainly a factor deterring home purchases, individual financial positions are more important than local housing market conditions. One hopeful sign is that the home ownership rate, at 63.7% in the 2015 fourth quarter, may be turning around. It is up slightly from 63.5% in the 2015 second quarter but far below the 2004 high of 69.1%."

The chart below depicts the annual returns of the U.S. National, the 10-City Composite and the 20-City Composite Home Price Indices. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.4% annual gain in January 2016. The 10-City and 20-City Composites reported year-over-year increases of 5.1% and 5.7%.

This chart shows the index levels for the U.S. National, 10-City and 20-City Composite Indices. As of January 2016, average home prices for the MSAs within the 10-City and 20-City Composites are back to their winter 2007 levels. Measured from their June/July 2006 peaks, the peak-to-current decline for both Composites is approximately 11-13%. Since the March 2012 lows, the 10-City and 20-City Composites have recovered 34.5% and 36.2%.

Table 1 below summarizes the results for January 2016. The S&P/Case-Shiller Home Price Indices are revised for the prior 24 months, based on the receipt of additional source data.

January 2016, January '16/December '15, December/November 1-Year

Metropolitan Area	Level	Change (%)	Change (%)	Change (%)
Atlanta	125.59	0.0%	-0.1%	5.7%
Boston	182.09	-0.4%	-0.2%	3.6%
Charlotte	135.36	-0.1%	0.3%	4.9%
Chicago	129.25	-0.4%	-0.5%	2.1%
Cleveland	108.77	0.1%	-0.1%	2.9%
Dallas	156.63	0.1%	0.2%	9.2%
Denver	174.71	0.2%	-0.1%	10.2%
Detroit	103.59	0.1%	0.2%	7.1%
Las Vegas	145.79	0.3%	0.4%	6.0%
Los Angeles	241.61	0.5%	0.3%	6.9%
Miami	206.79	0.4%	-0.3%	6.8%
Minneapolis	146.18	-0.5%	-0.4%	4.5%
New York	179.65	-0.3%	-0.3%	2.8%
Phoenix	156.86	-0.2%	0.5%	6.1%
Portland	190.93	0.4%	0.4%	11.8%
San Diego	218.77	0.4%	0.6%	6.9%
San Francisco	216.38	-0.7%	-0.2%	10.5%
Seattle	186.92	0.2%	0.3%	10.7%
Tampa	176.90	0.2%	0.9%	7.4%
Washington	209.67	-0.1%	-0.3%	2.2%
Composite-10	196.93	0.0%	-0.1%	5.1%
Composite-20	182.56	0.0%	0.0%	5.7%
U.S. National	175.42	0.0%	0.0%	5.4%

Source: S&P Dow Jones Indices and CoreLogic

Data through January 2016

Table 2 below shows a summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data. Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, S&P Dow Jones Indices publishes a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked.

Metropolitan Area	January '16/December '15 Change (%)		December/November Change (%)	
	NSA	SA	NSA	SA
Atlanta	0.0%	0.7%	-0.1%	0.8%
Boston	-0.4%	0.2%	-0.2%	0.4%
Charlotte	-0.1%	0.4%	0.3%	0.9%
Chicago	-0.4%	1.0%	-0.5%	0.9%
Cleveland	0.1%	0.7%	-0.1%	0.9%
Dallas	0.1%	0.7%	0.2%	0.9%
Denver	0.2%	0.8%	-0.1%	0.7%
Detroit	0.1%	1.4%	0.2%	1.3%
Las Vegas	0.3%	0.5%	0.4%	0.9%
Los Angeles	0.5%	1.0%	0.3%	1.0%
Miami	0.4%	0.5%	-0.3%	0.1%
Minneapolis	-0.5%	0.7%	-0.4%	0.7%
New York	-0.3%	0.3%	-0.3%	0.5%
Phoenix	-0.2%	0.4%	0.5%	0.9%
Portland	0.4%	1.5%	0.4%	1.4%
San Diego	0.4%	1.1%	0.6%	1.4%
San Francisco	-0.7%	0.5%	-0.2%	0.8%
Seattle	0.2%	1.5%	0.3%	1.5%
Tampa	0.2%	0.9%	0.9%	1.3%
Washington	-0.1%	0.9%	-0.3%	0.3%
Composite-10	0.0%	0.7%	-0.1%	0.7%
Composite-20	0.0%	0.8%	0.0%	0.8%
U.S. National	0.0%	0.5%	0.0%	0.7%

Source: S&P Dow Jones Indices and CoreLogic

Data through January 2016

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

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