



## Contact Information Below

**Media Alert: March 18, 2010**

### **January Home Price Index Shows Narrowing Annual Decline According to Newly Released First American CoreLogic Data**

#### **Home Prices Nearly Level With a Year Ago**

National home prices, including distressed sales, declined by 0.7 percent in January 2010 compared to January 2009, according to First American CoreLogic and its LoanPerformance Home Price Index (HPI). This was a significant improvement over December's year-over-year price decline of 3.4 percent.\* Excluding distressed sales, year-over-year prices declined in January by 0.4 percent; while in December the non-distressed HPI fell by 3.3 percent year-over-year. Compared to a year ago, the month-to-month rate of decline is lessening – in January 2009, the HPI showed the largest one month decline in its more than 30-year history. On a month-over-month basis, the national average home price index decline accelerated, falling by 1.9 percent in January 2010 compared to 0.8 percent in December 2009, indicating the housing market still remains weak.

#### **Forecast Shows Continued Short-term Declines**

The HPI Forecast indicates that house price declines will continue into the spring before beginning to stabilize and then recover modestly in the remainder of the year.

- Nationally, the single-family combined index is expected to decline another 3.7 percent before bottoming in April.
- The markets with the largest future price declines are in Michigan, Oregon, Nevada, Maryland and Arizona, with predicted declines in the 3.5-4.5 percent range.
- Markets that are expected to exhibit appreciation in the coming months are located in Alabama, South Dakota and Kansas, with predicted appreciation in the 0.5-1.5 percent range.
- Sales of distressed properties continue to skew both actual and predicted price declines downwards. Including distressed sales, national house prices are projected to decline another 3.7 percent. Excluding distressed sales, the forecast predicts national house prices would only decline another 0.9 percent before bottoming.



- House prices are expected to increase over the next year by 4.5 percent. Excluding distressed sales, over the next year house prices are expected to increase by 5.6 percent. Two major unknowns that are not explicitly taken into account by the forecast are how the “shadow inventory” of homes may come on to the market later in the year, and the expiration (or possible extension) of the federal homebuyer tax credit in April which has stimulated sales activity and the clearing of inventory.

### **Highlights as of January 2010**

- Including distressed transactions, the peak-to-current change in the national HPI (from April 2006 to January 2010) is -29.4 percent. Excluding distressed properties, the peak-to-current change in the HPI is -20.9 percent.
- When distressed sales were included, Nevada (-16.9 percent) remained the top-ranked state for annual price depreciation in January, followed by Idaho (-12.9 percent), Florida (-9.3 percent), Oregon (-8.9 percent) and Arizona (-8.9 percent). All of these states showed month-over-month decreases in their HPI between December and January.
- Excluding distressed sales, the worst five states for year-over-year price declines changes slightly. Nevada (-15.1 percent) still holds the top spot, followed by Idaho (-9.4 percent), Florida (-8.5 percent), Arizona (-8.2 percent) and Wyoming (-6.8 percent).
- 65 of the top 100 CBSAs were declining on a year-over-year basis in January when using the single-family combined index. Las Vegas, NV had the dubious distinction of being the top decliner with a 17.5 percent year-over-year decline in January.

“The cumulative loss in home prices of 28 percent is more severe than the next worst housing recession of 24 percent cumulative decline which began in Louisiana in the mid-1980s,” said Mark Fleming, chief economist for First American CoreLogic. “It took Louisiana five years to recover from the bottom, we expect this recovery to take at least as long.”



**January HPI for the Country's Largest Core Based Statistical Areas (CBSAs):**

CBSA	January 2010 12 Month HPI Change by CBSA		12 month Forecast (January 2010 - January 2011)	
	Single Family Combined	Single Family Combined Excluding Distressed	Single Family Combined	Single Family Combined Excluding Distressed
Boston-Quincy, MA	4.65%	0.78%	3.52%	4.78%
Washington-Arlington-Alexandria, DC-VA-MD-WV	3.83%	4.27%	1.84%	3.41%
Houston-Sugar Land-Baytown, TX	2.94%	0.74%	1.36%	3.15%
Dallas-Plano-Irving, TX	2.78%	1.38%	-0.12%	2.11%
Los Angeles-Long Beach-Glendale, CA	-0.32%	1.40%	1.82%	4.18%
Atlanta-Sandy Springs-Marietta, GA	-0.57%	-2.75%	-0.45%	-1.66%
Philadelphia, PA	-4.04%	-4.66%	0.07%	2.03%
New York-White Plains-Wayne, NY-NJ	-6.27%	-4.94%	0.01%	2.07%
Miami-Miami Beach-Kendall, FL	-7.41%	-5.49%	2.31%	1.87%
Chicago-Joliet-Naperville, IL	-8.28%	-6.64%	2.29%	5.16%

Source: First American CoreLogic, LoanPerformance HPI, Single-Family Combined (Detached and Attached) as of January, 2010.



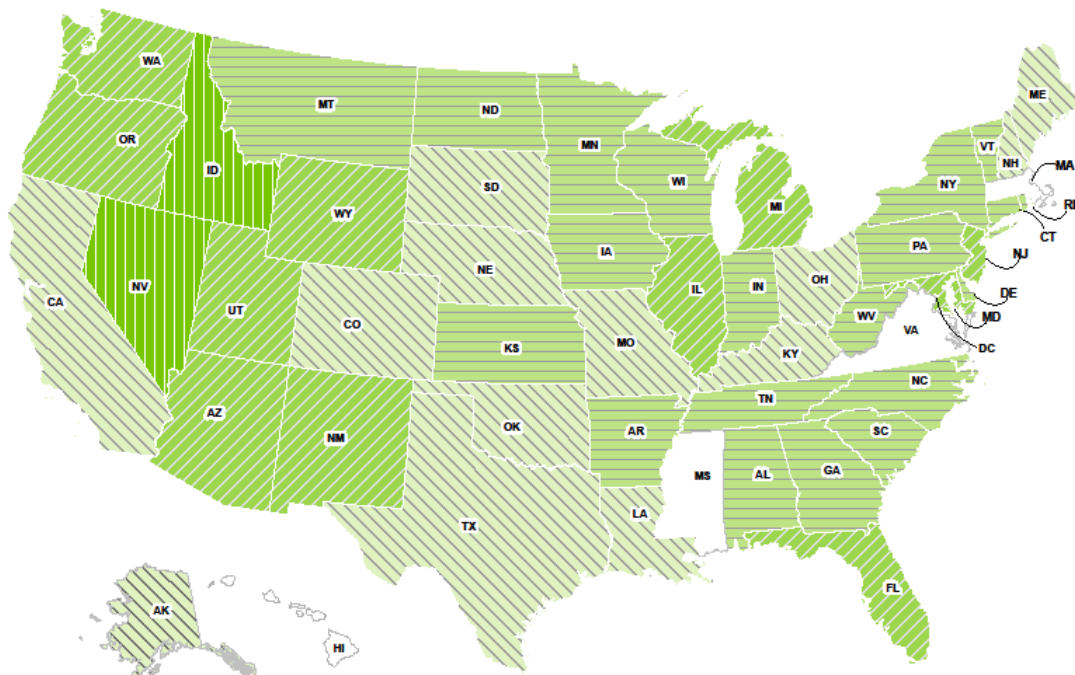
January HPI State and National Ranking:

State	January 2010 12 Month HPI Change by State		12 month Forecast (January 2010 - January 2011)	
	Single Family Combined	Single Family Combined Excluding Distressed	Single Family Combined	Single Family Combined Excluding Distressed
<b>National</b>	<b>-0.7%</b>	<b>-0.4%</b>	<b>4.5%</b>	<b>5.6%</b>
Nevada	-16.9%	-15.1%	-0.7%	-2.4%
Idaho	-12.9%	-9.8%	2.1%	2.2%
Florida	-9.3%	-8.5%	2.2%	1.5%
Oregon	-8.9%	-6.2%	-3.9%	2.0%
Arizona	-8.9%	-8.2%	-3.4%	2.0%
Illinois	-7.8%	-6.3%	2.4%	5.2%
Maryland	-7.7%	-4.7%	2.2%	1.3%
Utah	-7.1%	-6.7%	0.5%	4.0%
Wyoming	-6.7%	-6.8%	-1.1%	-1.3%
Washington	-6.2%	-4.9%	-1.3%	0.4%
Michigan	-5.8%	-6.7%	-5.2%	-6.0%
New Mexico	-5.4%	-1.7%	-3.4%	2.1%
New Jersey	-5.2%	-4.4%	0.0%	2.0%
Alabama	-4.8%	-2.5%	1.0%	1.7%
Pennsylvania	-4.5%	-3.8%	-0.3%	0.4%
Wisconsin	-4.4%	-3.2%	3.9%	1.9%
Connecticut	-4.4%	-3.3%	2.0%	1.5%
Indiana	-4.0%	-2.1%	1.1%	0.7%
New York	-3.6%	-1.9%	1.1%	2.4%
Montana	-3.5%	-0.7%	-0.2%	2.7%
Kansas	-3.0%	-3.7%	1.4%	1.1%
West Virginia	-2.8%	-2.4%	0.8%	2.4%
Tennessee	-2.6%	-1.3%	1.2%	2.5%
North Carolina	-2.3%	-2.4%	-0.7%	1.1%
South Carolina	-2.1%	-1.2%	1.7%	2.5%
Minnesota	-2.0%	-2.9%	1.1%	0.1%
Vermont	-2.0%	0.1%	4.1%	2.5%
Georgia	-1.6%	-3.6%	1.0%	-0.5%
Delaware	-1.2%	-1.9%	2.3%	3.2%
Rhode Island	-0.9%	-3.8%	1.7%	5.4%
Iowa	-0.4%	0.8%	2.9%	2.8%
Arkansas	-0.4%	-0.2%	3.8%	1.4%
North Dakota	-0.2%	4.8%	3.9%	2.8%
Louisiana	0.0%	3.1%	2.5%	4.8%
Missouri	0.1%	-0.5%	1.6%	1.3%
Alaska	0.2%	0.6%	3.1%	1.7%
South Dakota	0.3%	1.2%	2.9%	3.3%
Nebraska	0.3%	-0.9%	2.0%	1.7%
Oklahoma	0.4%	-0.7%	2.1%	1.7%
Texas	1.3%	0.4%	0.1%	2.3%
Kentucky	1.6%	2.2%	3.2%	3.2%
California	1.6%	3.4%	1.8%	3.8%
New Hampshire	1.7%	-0.8%	1.5%	3.5%
Ohio	1.9%	0.3%	-0.7%	1.3%
Colorado	1.9%	1.2%	1.7%	2.5%



District of Columbia	2.0%	4.9%	2.6%	3.2%
Maine	2.1%	-5.4%	3.0%	2.4%
Virginia	4.4%	2.5%	1.2%	2.9%
Mississippi	5.0%	-0.8%	2.9%	3.6%
Massachusetts	5.5%	3.2%	3.3%	3.5%
Hawaii	7.4%	9.3%	2.9%	4.6%

Source: First American CoreLogic, LoanPerformance HPI, Single-Family Combined (Detached and Attached) as of January 2010.

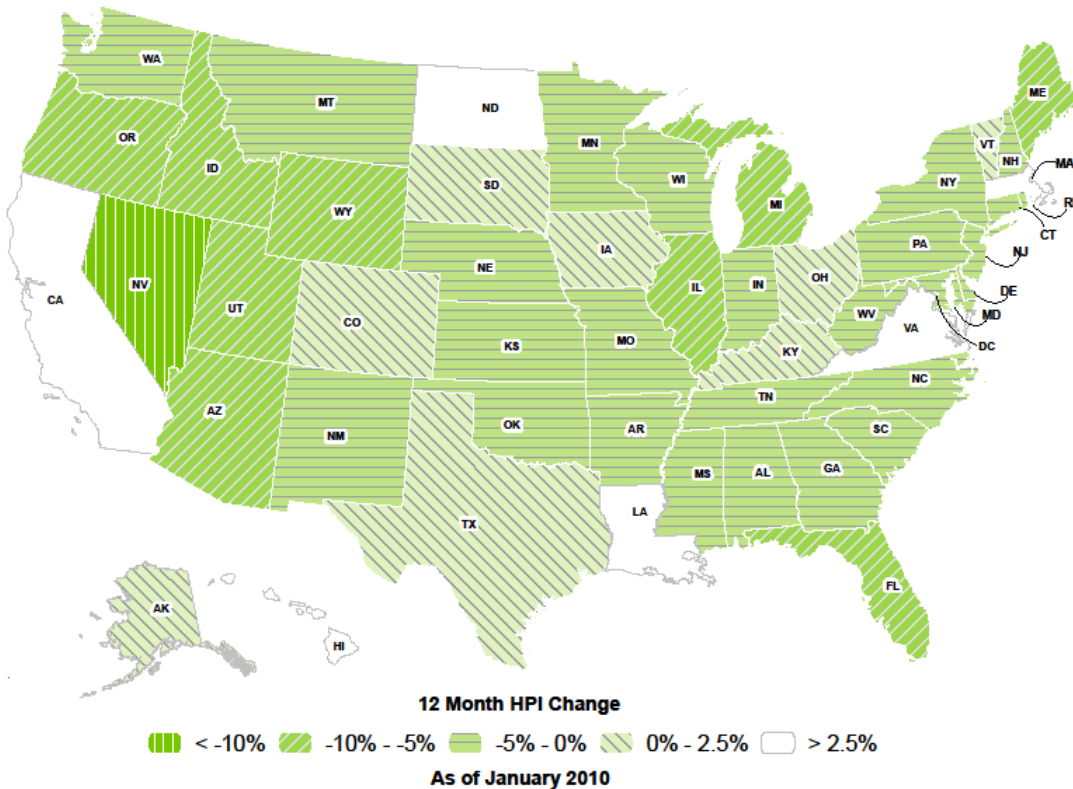


**12 Month HPI Change**

< -10%
  -10% - -5%
  -5% - 0%
  0% - 2.5%
  > 2.5%

**As of January 2010**

Source: First American CoreLogic, LoanPerformance HPI, 12 month change by state; single family combined series.



Source: First American CoreLogic, LoanPerformance HPI, 12 month change by state; single family combined excluding distressed series.

\*December's decline was revised downward from -3.7 percent to -3.4 percent to reflect updated public record data. Revisions with public record data are standard, and to ensure accuracy, First American CoreLogic incorporates the newly released public data to provide updated results.

### Methodology:

The First American CoreLogic LoanPerformance HPI incorporates more than 30 years worth of repeat sales transactions, representing more than 55 million observations sourced from First American CoreLogic's industry-leading property information and its LoanPerformance securities and servicing databases. The LoanPerformance HPI provides a multi-tier market evaluation based on price, time between sales, property type, loan type (conforming vs. nonconforming), and distressed sales. The LoanPerformance HPI is a repeat-sales index that tracks increases and decreases in sales prices for the same homes over time, which provides a more accurate "constant-quality" view of pricing trends than basing analysis on all home sales. The LoanPerformance HPI provides the most comprehensive set of monthly home price indices and median sales prices available covering 6,070 ZIP codes (58 percent of total U.S. population), 519 Core Based Statistical Areas (CBSA, 85 percent of total U.S. population) and 898 counties (81 percent of total U.S. population) located in all 50 states and the District of Columbia.



*First American*  
**CORELOGIC**

Full-month January 2010 state-level and top CBSA-level data can be found at  
[www.loanperformance.com/products/hpi.aspx](http://www.loanperformance.com/products/hpi.aspx).

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