CoreLogic Case-Shiller Home Price Indexes Affirm 2012 a Big Year for Home Price Increases, More to Come in 2013-2017

CoreLogic®

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May 16, 2013, Irvine, Calif. –

- Home prices projected to increase 3.9 percent annually over next five years, following a 7.3 percent rise in 2012
- Cities at epicenter of housing bubble/crash clocking highest rate of appreciation, largely driven by investor demand
- New housing bubble unlikely as market dynamic shifts on both supply and demand sides

CoreLogic® (NYSE: CLGX), a leading residential property information, analytics and services provider, today released an analysis of home price trends in more than 380 U.S. markets based on the CoreLogic Case-Shiller Indexes®. The indexes are owned and generated by CoreLogic, supplemented with data from the Federal Housing Finance Agency (FHFA).

The CoreLogic Case-Shiller Indexes estimate that home prices increased by 7.3 percent in 2012, the strongest rate of appreciation in nearly seven years. The analysis also projected that the trend of rising home prices will continue in 2013 and beyond. In the five-year period from the fourth quarter of 2012 to the fourth quarter of 2017, home prices are expected to rise at an annualized rate of 3.9 percent.

“Home prices were up in seven out of every 10 metro areas in 2012. By comparison, in 2011 prices appreciated in fewer than one-in-five markets,” said Dr. David Stiff, chief economist for CoreLogic Case-Shiller. “We expect strong buying activity this spring will lead to stabilization of home prices in most lagging markets, resulting in rising home prices in nearly every metro area by the end of 2013.”

The largest year-over-year price gains were recorded in many of the metro areas that were at the epicenter of the housing bubble/crash, including Phoenix (+24 percent), Miami (+14 percent) and Las Vegas (+13 percent). In addition, price declines moderated in metro areas with lagging recoveries, such as Long Island, N.Y. (-4 percent), Virginia Beach, Va., (-2 percent) and Philadelphia (-1 percent).

While the data point to continuing price appreciation, the overall national rate of home price increases in 2013 is projected to decelerate from 2012 levels. The CoreLogic Case-Shiller Indexes project a 2.5 percent home price increase in 2013, as the market dynamic shifts again in bubble/crash metro areas. While homes in these markets are still significantly undervalued, the strong investor demand for foreclosed properties, record levels of housing affordability and other demand factors that have driven recent double-digit price gains are unlikely to persist throughout the year. In addition, as prices rebound, more existing homes will be listed for sale, particularly those of homeowners who had negative equity prior to the recent price jump. Price appreciation will also be limited by the increase in supply as more new homes are built.

Dr. Stiff tamped down concerns of another housing bubble. “Even if double-digit price appreciation were to continue in the former bubble metro areas, there is no reason to believe that new home price bubbles are forming. That’s because single-family homes in these markets are still very affordable, even after last year’s large price gains. Consider Phoenix, where home prices rose 27 percent since the market hit bottom in 2011, making it the strongest residential real estate market in the U.S. Yet, home prices there are still 45 percent below their 2006 peak,” Stiff continued.

Dr. Stiff observed that demand in Phoenix is being driven primarily by investors. As prices rise, the profitability of investment properties will erode, dragging down investor demand.

“Phoenix and other strongly rebounding markets will likely be buffeted by some volatility in home prices going forward,” concluded Dr. Stiff. “As all-cash purchases and investor demand wane, it is not clear if demand from first-time and trade-up buyers will immediately fill the void, as mortgage lending standards are still very strict and many consumers remain risk-averse. If non-investor demand ramps up too slowly, then recent double-digit price appreciation could decelerate suddenly or even turn negative for a few months.”

The CoreLogic Case-Shiller Indexes, which include data covering thousands of ZIP codes, counties, metro areas and state markets, are owned and generated by CoreLogic. The historical and forecast home price trend information in this report is calculated from the proprietary CoreLogic Case-Shiller Indexes, supplemented with data from the FHFA. The historical home price trends highlighted in this release are for the 12-month period that ended December 31, 2012. One-year forecasts are for the 12 months ending on December 31, 2013. The CoreLogic Case-Shiller home price forecasts are produced by CoreLogic and Moody’s Analytics®.

To download a copy of the CoreLogic Case-Shiller Index, please visit: CoreLogic Case-Shiller Indexes

Selected U.S. markets (other metro areas available upon request):

Metro Area	***Population*** *(2011)*	***Change in Home Prices*** *(2009:Q4 to 2012:Q4)*	***Change in Home Prices*** *(2011:Q4 to 2012:Q4)*	***Forecast Change in Home Prices*** *(2012:Q4 to 2013:Q4)*
United States	*311,591,917*	*-0.6%*	*7.3%*	*2.5%*
Atlanta	*5,359,205*	*-11.6%*	*10.0%*	*0.7%*

Austin, Texas	*1,783,519*	*3.7%*	*3.5%*	*1.2%*
Baltimore	*2,729,110*	*-7.0%*	*3.4%*	*3.4%*
Birmingham, Ala.	*1,132,264*	*-5.5%*	*-1.3%*	*1.6%*
Camden, N.J.	*1,251,921*	*-10.9%*	*2.9%*	*-0.5%*
Chicago	*7,922,566*	*-11.7%*	*2.4%*	*1.6%*
Columbus, Ohio	*1,858,464*	*-0.5%*	*4.4%*	*-0.6%*
Detroit	*1,802,096*	*30.0%*	*16.7%*	*-0.2%*
Fort Lauderdale, Fla.	*1,780,172*	*3.0%*	*9.6%*	*-3.9%*
Fort Worth, Texas	*2,180,758*	*-0.8%*	*1.3%*	*1.7%*
Hartford, Conn.	*1,213,255*	*-7.8%*	*0.2%*	*4.5%*
Houston	*6,086,538*	*12.4%*	*12.8%*	*-0.5%*
Indianapolis, Ind.	*1,778,568*	*-1.1%*	*0.3%*	*-0.2%*
Jacksonville, Fla.	*1,360,251*	*-10.2%*	*3.5%*	*-0.8%*
Kansas City, Mo.	*2,052,676*	*-4.4%*	*-1.3%*	*-0.7%*
Las Vegas	*1,969,975*	*-1.2%*	*13.4%*	*1.7%*
Louisville, Ky.	*1,294,849*	*-0.7%*	*0.6%*	*0.7%*

Miami	*2,554,766*	*7.2%*	*13.5%*	*-4.4%*
Milwaukee, Wis.	*1,562,216*	*-8.5%*	*-0.2%*	*0.4%*
Nashville, Tenn.	*1,617,142*	*2.2%*	*6.9%*	*-1.7%*
Nassau-Suffolk (Long Island), N.Y.	*2,843,252*	*-5.1%*	*-4.3%*	*1.6%*
New Orleans, La.	*1,191,089*	*0.4%*	*1.7%*	*2.5%*
Orlando, Fla.	*2,171,360*	*-1.1%*	*9.5%*	*-2.9%*
Philadelphia	*4,030,926*	*-8.2%*	*-1.3%*	*2.7%*
Phoenix	*4,263,236*	*12.0%*	*23.8%*	*-1.5%*
Raleigh, N.C.	*1,163,515*	*-4.1%*	*-0.2%*	*-0.6%*
Richmond, Va.	*1,269,380*	*-9.5%*	*-1.5%*	*1.6%*
Riverside, Calif.	*4,304,997*	*7.0%*	*10.0%*	*-6.3%*
Sacramento, Calif.	*2,176,235*	*0.1%*	*13.4%*	*-3.7%*
Salt Lake City	*1,145,905*	*-2.6%*	*3.7%*	*5.7%*
San Antonio	*2,194,927*	*2.5%*	*3.0%*	*1.8%*
San Francisco	*1,795,066*	*5.6%*	*13.0%*	*6.3%*
San Jose, Calif.	*1,865,450*	*14.4%*	*17.0%*	*2.1%*

St. Louis, Mo.	*2,842,155*	*-5.4%*	*6.7%*	*-1.3%*
Tampa, Fla.	*2,824,724*	*-3.3%*	*7.1%*	*3.9%*
Tucson, Ariz.	*989,569*	*-9.8%*	*12.5%*	*6.1%*
Virginia Beach, Va.	*1,679,894*	*-9.0%*	*-2.0%*	*1.4%*
Warren, Mich.	*2,483,736*	*9.9%*	*10.4%*	*1.6%*
W. Palm Beach, Fla.	*1,335,187*	*-1.5%*	*9.8%*	*-3.4%*

Methodology

The CoreLogic Case-Shiller Indexes use the repeat sales method for index calculation, analyzing data on single-family properties that have two or more recorded sales transactions. Changes in housing types and sizes, or changes in the physical characteristics, of houses are specifically excluded from the calculations to avoid incorrectly affecting the index value. The principal variable used for index calculation is the price change between two arms-length sales of the same single-family home. Sales pairs with approved data are aggregated with all other sales pairs found in a particular Census division, state, metro area, county, or ZIP code market to independently calculate each Case-Shiller index. The national index is a composite of the Case-Shiller Census division indexes. Different weights are assigned to different changes in home prices, based on their statistical distribution in that geographic region. The weighting schemes include price anomalies, high turnover frequency, time interval adjustments and initial home value. Case-Shiller Indexes include data covering thousands of ZIP codes, counties, metro areas and state markets.

About CoreLogic

CoreLogic (NYSE: CLGX) is a leading property information, analytics and services provider in the United States and Australia. The Company's combined data from public, contributory, and proprietary sources includes over 3.3 billion records spanning more than 40 years, providing detailed coverage of property, mortgages and other encumbrances, consumer credit, tenancy, location, hazard risk and related performance information. The markets CoreLogic serves include real estate and mortgage finance, insurance, capital markets, transportation and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. Headquartered in Irvine, Calif., CoreLogic operates in seven countries. For more information, please visit www.corelogic.com.