

# The MarketPulse

Volume 3, Issue 5

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Data as of March 2014

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## Housing Statistics (March 2014)

HPI® YOY Chg. . . . .	11.1%
HPI YOY Chg XD . . . . .	9.5%
NegEq Share (Q4 2013) . . . .	13.3%
Shadow Inventory (01/2014) . . .	1.7m
Distressed Discount. . . . .	42.7%
New Sales (ths, ann.) . . . . .	490
Existing Sales (ths, ann.) . . . .	3,943
Average Sales Price . . . . .	\$245,267
HPI Peak-to-Current (PTC) . . .	-16.0%
Foreclosure Stock (PTC) . . .	-53.8%

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## Cash Is All the Rage - A Closer Look at Condos Purchased with Cash

Over 80 Percent Cash Share of Condos in Florida and Nevada

By Tom Vitlo

**O**n the CoreLogic Insights Blog, we often highlight cash sales share data, but what we haven't focused on yet is the cash share for the condominiums\* subgroup. Figure 1 shows the share of condos purchased using cash in the largest 25 states by total sales.

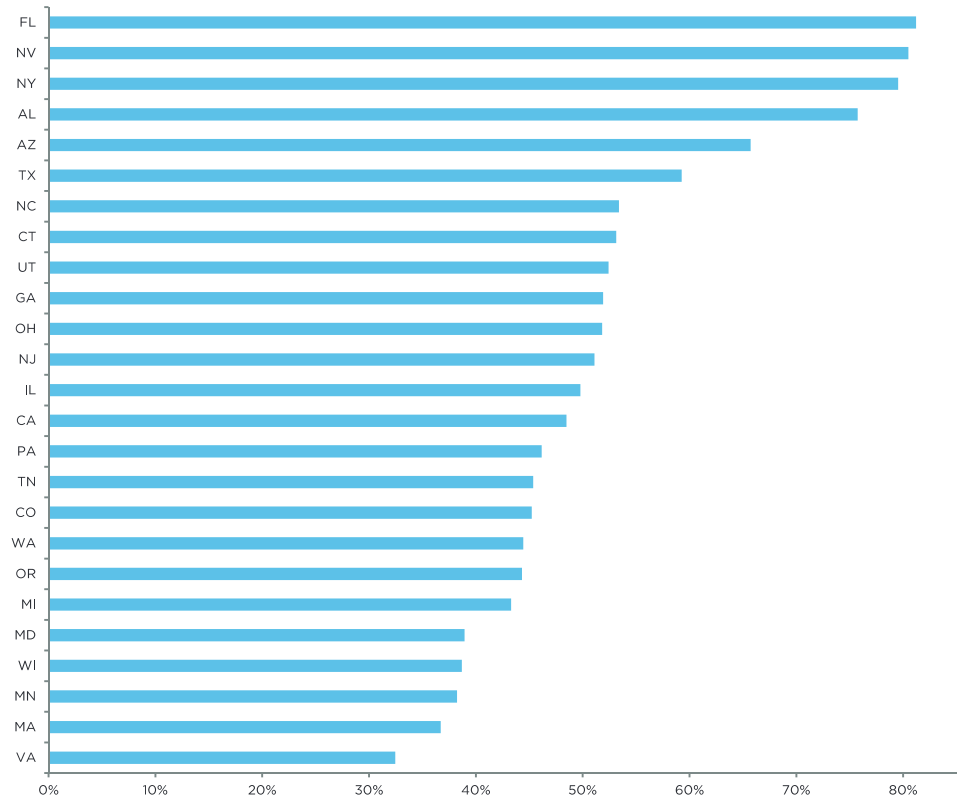
As of January 2014, Florida and Nevada had the highest cash sales share for condos across the country with shares of 81.2 percent and 80.5 percent respectively. These high rates could be because of

several factors, including investors buying up properties and the overall shrinking of the mortgage market. Following the leaders were New York (79.5 percent), Alabama (75.7 percent) and Arizona (65.7 percent). These five states accounted for just over half of all condo cash transactions across the country, with Florida representing 36.7 percent of the total alone. This is more than three times the share in California, which accounted for 10.3 percent of the total condo cash transactions across the United States.

*Continued on page 6*

FIGURE 1. CONDOMINIUMS BEING BOUGHT UP WITH CASH

Cash Share of Total Condo Sales



Source: CoreLogic January 2014

# The Rise of Housing Obsolescence and Shadow Demand

## Inventory of Existing Homes For Sale May Be Increasingly Non-Desirable

By Mark Fleming

**T**he U.S. Census Bureau and the National Association of Realtors (NAR) recently issued new<sup>1</sup> and existing<sup>2</sup> home sale estimates for March 2014, which showed new home sales were down 13.3 percent and existing home sales were down 7.5 percent, both from a year ago. The Mortgage Bankers Association released a weekly application survey<sup>3</sup> in late April, which also showed a decline in purchase applications of 18 percent year over year. Most market prognosticators were hopeful that heading into the spring buying season, housing would continue to show strength. So why does it seem that the market is slowing relative to this same time last year?

NAR Chief Economist Lawrence Yun was recently quoted in an interview<sup>4</sup> with Forbes Magazine expressing his concern about the historical underperformance of sales activity and points to one particular problem:

“There really should be stronger levels of home sales given our population growth,” he said. “In contrast, price growth is rising faster than historical norms because of inventory shortages.”

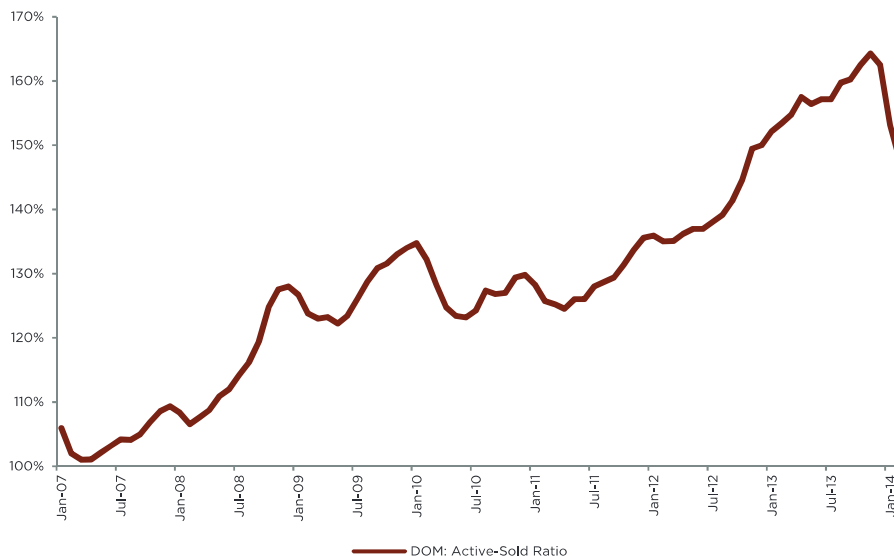
The lack of inventory is a key issue in this recovery cycle. There are only 2 million existing homes for sale, which is similar to the level of inventory in the early aughts. There are even fewer homes for sale that do not suffer from

housing obsolescence—properties that are no longer desirable because their characteristics do not match what buyers are looking for in a home. For example, homes that are located in once, but no longer, popular locations, or homes that are lacking the local amenities sought by today’s buyers. Many of these now obsolete homes are in the inventory as a result of the housing and financial crisis. Therefore, the inventory of homes for sale that buyers actually want to purchase is even less than what’s on the market now, and many people who are looking (and qualified) to buy a home are holding off because they can’t find the right one. Just as shadow inventory is the stock of properties in delinquency or foreclosure that are not yet for sale, these buyers waiting in the wings are the new “shadow demand.”

How do we know that housing obsolescence is on the rise? In Figure 1, the ratio of the average days on market (DOM) for all homes in the active inventory to the average DOM for sold homes is shown over time. The higher the ratio, the longer the DOM for all homes relative to the DOM for sold homes, which indicates that a portion of the inventory is languishing, unsold. In fact, homes that sell are on the market for only about two-thirds the amount of time as the overall inventory average. In 2007, there was barely any difference between the DOM for sold

FIGURE 1. HOME LISTINGS NOT FINDING SUITABLE BUYERS

Increasingly More Listed Homes Suffer From Obsolescence



Source: CoreLogic February 2014

Continued on page 6

### Footnotes

<sup>1</sup> <http://www.census.gov/construction/nrs/>

<sup>2</sup> <http://www.realtor.org/news-releases/2014/04/existing-home-sales-remain-soft-in-march>

<sup>3</sup> <http://www.mbaa.org/NewsandMedia/PressCenter/88065.htm>

<sup>4</sup> <http://www.forbes.com/sites/erincarlyle/2014/04/22/existing-home-sales-fall-slightly-in-march-to-lowest-level-since-july-2012/>

## A New Source of Shadow Inventory

Rising Rates May be Driving a Substantial Increase in the Shadow Inventory

By Mark Fleming

CoreLogic has examined the rise of housing obsolescence and shadow demand as one of the possible reasons for weak housing demand. Home sales aren't increasing because even though there are buyers ready to own a home, they can't find anything they want to purchase. In addition to that increasing "shadow demand," there could be another reason for the low number of homes for sale and weak purchase activity: a new component of the shadow inventory.

CoreLogic estimates that 1.7 million homes were in the shadow inventory as of January 2014, which is almost half of the 3 million homes that were in the shadows when the inventory peaked in January 2010. CoreLogic has traditionally defined shadow inventory as the number of homes with mortgages that are 90 or more days delinquent and that are expected move into foreclosure to ultimately become real-estate owned (REO) properties in the for-sale inventory, even though they are not yet listed on multiple listing services.

However, that traditional view of shadow inventory doesn't tell the whole story anymore. Because of what's happening in the market now, the definition should be expanded to include non-distressed existing homeowners who have no incentive to sell because the prevailing mortgage rate is higher than their current mortgage rate. Figure 1 shows the active-loan-count share by mortgage-rate bucket. More than a third of all active mortgages currently have a mortgage rate below 4 percent, and another 15 percent are just below

FIGURE 1. ACTIVE LOAN COUNT SHARE



Source: CoreLogic

or slightly above the current market rate of 4.3 percent. Essentially, about half of all active mortgaged homes have below-market-rate mortgages. There are approximately 50 million mortgaged homes in the United States, and conventional wisdom is that homeowners typically sell once every seven years. Therefore, very simply, there are an estimated 3.57 million likely sellers who may be discouraged from listing their homes for sale because the cost of financing the next home they buy will be higher.

Adding these rate-disenfranchised sellers to the traditional shadow inventory results in a new estimate of 5.27 million homes as of January 2014. For the sake of comparison, a year ago, when the current interest rate was less than 4 percent, the share below-market rate was smaller at approximately 28 percent. At that point, only 2 million likely sellers

were discouraged from selling, and the expanded shadow inventory would have been 4.2 million homes, as opposed to the estimated 2.2 million homes included under the traditional definition.

If you're looking for more inventory and home sales, look no further than to the existing homeowners hanging back in the shadows. The shadow inventory now likely includes a large number of homeowners who would sell their homes and subsequently buy a new one, but they are less likely to participate because they have a below-market mortgage rate. This group of potential, inactive buyers could keep growing as mortgage rates continue to edge upward, putting yet another damper on the recovering housing market. The shadow inventory looked to be improving, but rising rates may actually be driving a substantial increase instead.

End.

## New Home Prices Are Not Rising As Fast As You Think

Increase in Size and Quality of New Homes Skews Prices Higher

By Sam Khater

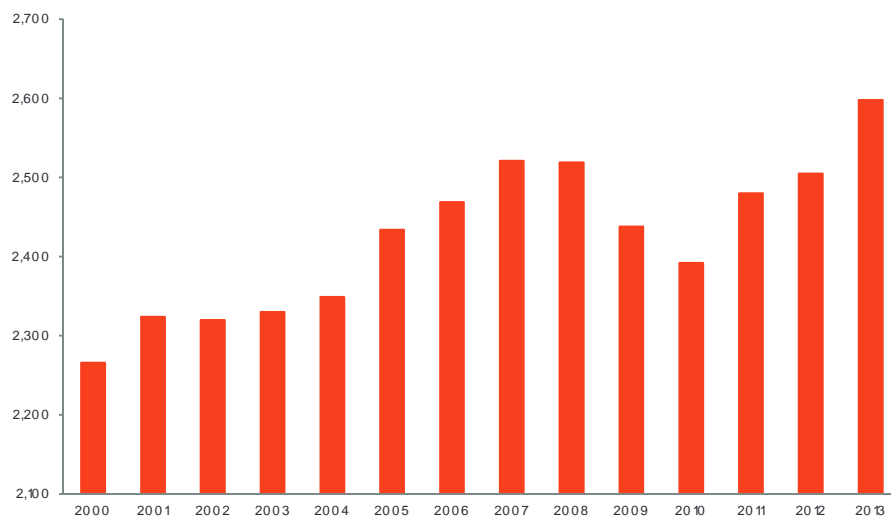
**B**etween 2010 and 2013, new home prices increased 18 percent. This strong price appreciation partly reflects the very tight supply of new homes, but it also reflects the changing nature of homes being built. In 2010, the size of the typical new home sold was 2,392 square feet, but that rose to 2,598 square feet by 2013, a 9-percent increase (Figure 1). New homes not only became bigger, but they came with additional features such as more bedrooms, bathrooms, fireplaces and other amenities. Given that the new homes being sold today are larger than ones sold just a few years ago, one can easily see why new home prices have surged. Adjusting for those differences in quality reveals quite a different story.

The Bureau of the Census' constant-quality new home price index reveals that prices have only increased 9 percent since 2010, compared to 18 percent on a non-quality adjusted basis. These differences are even larger at smaller geographies. For example, in the Midwest, the constant-quality price index increased 7 percent between 2010 and 2013, compared to 26 percent for the non-constant-quality index, a 19-percentage point difference and the largest of any region.

Adjusting for the changing quality of new homes reveals that new home prices have not increased as much as the headline data suggests. Adjusting the price of new homes for quality reveals lower price increases, but doesn't diminish the primary driver of appreciation: the lack of inventory, particularly for new, affordable homes. We may be building higher quality housing for tomorrow, but it could be at the expense of access to homeownership. *End.*

FIGURE 1. NEW HOME SALES SURGE IN SIZE

Average Square Feet of New Home Single-Unit Sales



Source: Census 2013

## In the News

### [CNBC.com, May 14](#)

Drop in rates spurs mortgage reñnances

"In many cases there is more demand out there than we are actually observing in terms of sales activity, not because necessarily they can't get access to credit..."

### [HousingWire, May 14](#)

Home prices grew 11.3% in 4Q2013

"Limited construction of new homes and low inventories of existing homes for sale contributed to the jump in prices," said David Stiff, principal economist for CoreLogic Case-Shiller...

### [Digital Journal, May 13](#)

Cash Sales Still Make Up Large Portion Of Homes Sold

As home sales data gets announced it's important for prospective customers to know how much the market is split between financing and cash transactions...

### [The Street, May 12](#)

Prices Keep Climbing, and More Homes Are Bought Cash Upfront

CoreLogic reports that home prices have seen 25 straight months of year-to-year increases...

### [Bloomberg News, May 8](#)

U.S. Mortgage Rates for 30-Year Loans Decline to a Six-Month Low  
Federal Reserve Chair Janet Yellen said yesterday that the economy still needs stimulus five years after the recession ended as housing demand slows. Rising property prices...

### [Orange County Register, May 6](#)

Southern California regions post nation's largest gains in house prices  
The Inland Empire led the nation's biggest metro areas in house-price gains in March, followed closely by gains in Los Angeles and Orange counties, according to CoreLogic's Home Price Index...

# March 2014 Home Prices Increased 11.1 Percent Year Over Year

## Low-Priced Tier Homes Continue to Outperform the Rest

By Thomas Vitlo

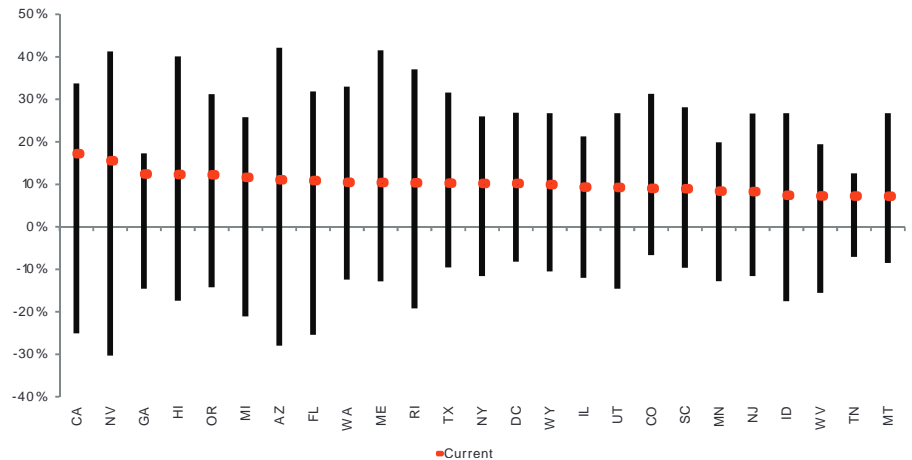
CoreLogic reported that March 2014 national home prices increased by 11.1 percent year over year, and increased by 1.4 percent month over month from February. This marks the 25<sup>th</sup> consecutive month of year-over-year increases in the CoreLogic Home Price Index (HPI). Excluding distressed sales, home prices increased 9.5 percent from March 2013 and increased 0.9 percent from the prior month. Including distressed sales, prices were still 16.0 percent below peak levels, and excluding distressed sales, prices were down 11.6 percent from the peak.

Including distressed sales, year-over-year home prices were up in the District of Columbia and every state except Arkansas (-0.3 percent). California led the country with a 17.2 percent price increase from March 2013, followed closely by Nevada with a 15.5 percent increase. Excluding distressed sales, no state showed a year-over-year home price decrease. In terms of monthly changes, 42 states and the District of Columbia showed increases, with Mississippi (+3.2 percent) and Alaska (+2.3 percent) showing the largest increases and West Virginia (-1.8 percent) and Alabama (-1.0 percent) showing the largest decreases.

Colorado, the District of Columbia, North Dakota, South Dakota, Texas and Wyoming all reached new highs in home prices, and Louisiana is approaching peak index levels as well. Conversely, despite rapid appreciation, Nevada remained at 39.9 percent below its peak in 2006, followed by Florida (-36.3 percent). Figure 1 shows the current,

FIGURE 1. YOY HPI GROWTH FOR 25 HIGHEST APPRECIATING STATES

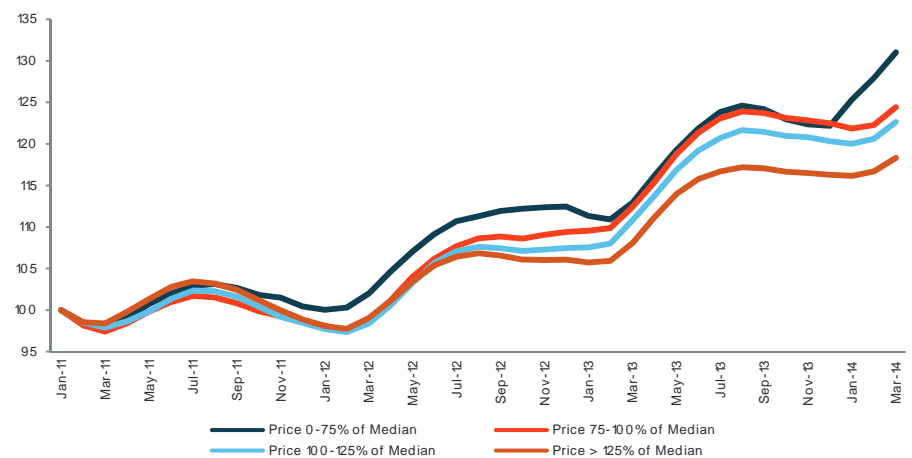
Minimum, Maximum, Current Since January 1976



Source: CoreLogic March 2014

FIGURE 2. HPI BY PRICE SEGMENT

Indexed to January 2011



Source: CoreLogic

maximum and minimum year-over-year growth rates for the 25 states with the highest year-over-year appreciation. The figure illustrates that some of the states growing the fastest also fell the farthest in the housing crisis.

In addition to the overall price indices, CoreLogic tracks four individual price tiers. The price tiers tracked by the CoreLogic HPI are calculated relative

to the mean national home price and include homes that are priced 75 percent or less below the mean (low price), between 75 and 100 percent of the mean (low-to-middle price), between 100 and 125 percent of the mean (middle-to-moderate price) and greater than 125 percent of the mean (high price).

Figure 2 shows the levels of the four price tiers indexed to January 2011. The

*Continued on page 6*



March 2014 Home Prices Increased *continued from page 5*

two lower-priced tiers have recovered the most from their trough levels (both hit in March 2011), with the low-to-middle tier recovering 27.7 percent from the trough and the low-price tier recovering 33.7 percent from the trough. As of March 2014, the low-priced tier increased 16 percent

year-over-year, with 7.2 percent of that gain happening just in 2014. The two higher-price tiers both bottomed out in February 2012, with the middle-to-moderate price tier recovering 26 percent from the trough and the high-price tier recovering 21.1 percent from the trough. The high-price tier fell

the least, at 27.6 percent peak-to-trough, and is currently 12.9 percent below its peak. The low-to-middle price tier fared the worst in the housing crisis, falling 37.3 percent peak-to-trough, and is currently 19.9 percent below peak levels.

*End.*

Cash is All the Rage *continued from page 1*

On the lower end, of the largest 25 states by total sales transactions, Virginia had the lowest cash sales share of condos at 32.4 percent, followed by Massachusetts (36.7 percent), Minnesota (38.2 percent), Wisconsin (38.7 percent) and Maryland (38.9 percent). These five states accounted for 4.8 percent of all condo cash transactions across the country.

The high cash sales share trend in Nevada and Florida can be broken into three distinct categories during the

period of time from January 2000 to January 2014. The pre-recession period, when credit was readily available to purchase condos; the recession, when credit standards tightened and the market contracted, making it more difficult to finance a condo; and post-recession, when investors began to play an increasing role in propping up the shares while the mortgage market continued to shrink.

From 2000 through 2007, Nevada and Florida had an average condo

cash share of 22.9 percent and 35.4 percent respectively. During the recession, shares spiked and Nevada, post-recession, has since averaged 85 percent while Florida has averaged 81 percent. The effect of the recession has pushed condo cash shares much higher than pre-recession levels over the past five years, and it doesn't look like that is changing in the short term.

\* This analysis is on the condominiums; however co-ops are also included in this distinction.

*End.*

The Rise of Housing Obsolescence *continued from page 2*

homes versus the entire active inventory.

Out of necessity, the housing and financial crisis has led to new measurements that previously weren't regularly monitored. It required us to start measuring negative equity,

to develop the concept of shadow inventory, and now, to pay attention to the obsolescence of the active inventory of homes for sale. If we think that 2 million homes on the market is low, increasing housing obsolescence

makes the actual viable inventory even less. Maybe the reason that home sales aren't increasing is because buyers can't find anything they want to buy. More viable homes for sale are needed to draw this demand out of the shadows.

*End.*

NATIONAL SUMMARY MARCH 2014

	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	2011	2012	2013
Total Sales*	5,178	5,769	5,605	5,796	5,723	4,878	4,885	4,442	4,582	3,709	3,932	5,170	4,046	4,603	4,921
— New Sales*	394	431	427	443	463	421	428	416	470	339	367	490	302	359	409
— Existing Sales*	3,764	4,315	4,246	4,412	4,362	3,676	3,656	3,227	3,359	2,713	2,923	3,943	2,638	3,175	3,616
— REO Sales*	602	585	522	522	517	464	488	528	487	457	450	513	762	650	536
— Short Sales*	383	403	375	384	349	288	282	240	238	177	167	197	304	378	327
Distressed Sales Share	19.0%	17.1%	16.0%	15.6%	15.1%	15.4%	15.8%	17.3%	15.8%	17.1%	15.7%	13.7%	26.3%	22.3%	17.5%
HPI MoM	2.6%	2.5%	1.8%	1.2%	0.7%	0.1%	-0.3%	-0.1%	-0.2%	0.3%	0.7%	1.4%	-0.2%	0.7%	0.9%
HPI YoY	11.3%	11.5%	11.3%	11.3%	11.4%	11.6%	11.7%	11.4%	11.0%	11.3%	11.8%	11.1%	-3.9%	3.9%	11.1%
HPI MoM Excluding Distressed	2.0%	2.0%	1.3%	0.9%	0.5%	0.0%	-0.2%	0.0%	-0.1%	0.8%	1.0%	0.9%	-0.3%	0.5%	0.8%
HPI YoY Excluding Distressed	9.6%	9.8%	9.5%	9.5%	9.6%	9.8%	9.9%	9.6%	9.4%	9.8%	10.3%	9.5%	-3.8%	1.7%	9.3%
90 Days + DQ Pct	5.8%	5.6%	5.6%	5.5%	5.3%	5.2%	5.2%	5.1%	5.1%	5.0%	4.8%	4.7%	7.4%	6.8%	5.6%
Foreclosure Pct	2.7%	2.6%	2.5%	2.4%	2.4%	2.3%	2.2%	2.2%	2.1%	2.0%	1.9%	1.8%	3.5%	3.3%	2.5%
REO Pct	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.6%	0.4%	0.4%
Pre-foreclosure Filings**	100	93	83	79	82	79	82	69	65	73	73	81	1,523	1,465	1,021
Completed Foreclosures**	56	52	53	56	56	66	51	41	40	45	45	48	932	824	633
Negative Equity Share	18.4%	16.6%	14.9%	14.3%	13.8%	13.3%	N/A	N/A	13.3%	N/A	N/A	N/A	24.9%	22.7%	16.6%
Negative Equity**	8,944	8,071	7,225	6,983	6,740	6,505	N/A	N/A	6,520	N/A	N/A	N/A	11,820	10,937	8,105
Months' Supply Distressed Homes	5.39	4.69	4.76	4.52	4.41	5.11	5.00	5.44	5.20	6.31	5.78	4.31	9.37	7.60	5.59

\*Thousands of Units, Annualized \*\*Thousands of Units

LARGEST 25 CBSA SUMMARY MARCH 2014

	Total Sales 12-month sum	Total Sales YOY 12-month sum	Distressed Sales Share (sales 12-month sum)	Distressed Sales Share (sales 12-month sum) A Year Ago	SFC HPI YoY	SFCXD HPI YoY	HPI Percent Change from Peak	90 Days + DQ Pct	Stock of 90+ Delinquencies YoY Chg	Percent Change Stock of Foreclosures from Peak	Negative Equity Share**	Months' Supply Distressed Homes (total sales 12-month avg.)
New York-Jersey City-White Plains, NY-NJ	107,430	15.1%	9.0%	10.2%	10.2%	10.4%	-7.2%	7.9%	-18.1%	-25.2%	8.6%	11.2
Los Angeles-Long Beach-Glendale, CA	87,243	-4.3%	14.8%	30.8%	17.1%	13.4%	-16.0%	2.8%	-42.1%	-80.8%	9.4%	4.3
Chicago-Naperville-Arlington Heights, IL	98,313	17.1%	28.6%	35.7%	11.3%	11.5%	-27.8%	7.1%	-26.6%	-57.9%	21.4%	9.3
Atlanta-Sandy Springs-Roswell, GA	102,794	22.4%	24.0%	34.1%	14.1%	10.5%	-14.2%	4.9%	-27.6%	-70.2%	19.9%	5.3
Washington-Arlington-Alexandria, DC-VA-MD-WV	74,372	8.1%	12.6%	19.3%	7.4%	6.7%	-15.8%	4.1%	-20.8%	-48.3%	15.0%	5.4
Houston-The Woodlands-Sugar Land, TX	130,525	11.5%	10.3%	16.9%	13.7%	11.7%	0.0%	3.4%	-15.3%	-61.1%	3.8%	2.5
Phoenix-Mesa-Scottsdale, AZ	101,525	-5.4%	13.9%	27.2%	11.0%	9.7%	-30.9%	2.2%	-43.6%	-91.4%	22.1%	1.8
Riverside-San Bernardino-Ontario, CA	72,436	-2.5%	20.7%	39.5%	20.9%	17.7%	-33.4%	3.8%	-41.3%	-84.6%	19.2%	3.9
Minneapolis-St. Paul-Bloomington, MN-WI	60,816	20.6%	14.6%	20.1%	9.0%	9.9%	-17.8%	2.6%	-28.2%	-78.3%	10.2%	2.9
Dallas-Plano-Irving, TX	91,297	6.9%	11.9%	18.0%	11.0%	9.5%	0.0%	3.5%	-14.7%	-56.5%	4.7%	3.0
Seattle-Bellevue-Everett, WA	47,706	13.3%	13.3%	20.3%	12.1%	10.9%	-12.6%	3.6%	-37.1%	-44.5%	7.5%	4.3
Denver-Aurora-Lakewood, CO	64,692	15.4%	10.2%	20.0%	9.7%	7.3%	0.0%	2.0%	-30.1%	-74.7%	8.1%	1.7
Baltimore-Columbia-Towson, MD	38,287	12.5%	16.7%	17.8%	4.6%	4.8%	-19.5%	6.8%	-13.5%	-38.9%	13.2%	10
San Diego-Carlsbad, CA	43,098	-1.6%	13.7%	30.4%	15.7%	12.2%	-17.0%	2.1%	-45.9%	-84.9%	11.5%	2.5
Anaheim-Santa Ana-Irvine, CA	33,757	-5.2%	8.8%	25.3%	14.2%	12.2%	-14.9%	1.6%	-51.9%	-84.9%	5.2%	2.3
Nassau County-Suffolk County, NY	29,448	20.5%	6.3%	6.9%	9.0%	9.0%	-18.3%	9.6%	-13.5%	-19.2%	8.7%	16.6
St. Louis, MO-IL	50,873	2.6%	21.5%	27.2%	7.9%	4.5%	-16.6%	3.6%	-15.4%	-59.4%	11.6%	3.7
Oakland-Hayward-Berkeley, CA	35,911	-4.8%	12.7%	32.8%	20.4%	14.9%	-17.7%	2.0%	-47.7%	-86.5%	13.4%	2.8
Tampa-St. Petersburg-Clearwater, FL	71,058	10.9%	25.2%	28.9%	7.8%	8.1%	-37.0%	11.2%	-27.7%	-52.8%	30.4%	7.9
Warren-Troy-Farmington Hills, MI	47,253	2.5%	23.3%	32.6%	13.5%	10.7%	-21.8%	2.9%	-30.1%	-82.6%	18.4%	2.9
Portland-Vancouver-Hillsboro, OR-WA	40,398	16.6%	11.1%	21.6%	12.4%	9.6%	-10.7%	3.7%	-26.0%	-39.4%	6.8%	4.2
Charlotte-Concord-Gastonia, NC-SC	43,604	25.6%	13.2%	17.9%	8.0%	7.3%	0.0%	4.3%	-25.5%	-66.7%	8.7%	4.5
Sacramento-Roseville-Arden-Arcade, CA	38,601	-3.6%	18.7%	39.8%	16.8%	13.6%	-30.6%	2.6%	-43.1%	-83.9%	15.3%	2.9
Orlando-Kissimmee-Sanford, FL	52,795	6.6%	26.4%	35.7%	12.5%	10.8%	-38.5%	10.2%	-33.2%	-61.0%	31.5%	7.7
Newark, NJ-PA	N/A	N/A	N/A	N/A	6.9%	5.5%	-24.7%	9.8%	-18.8%	-24.9%	14.6%	N/A

NOTE: \* Data may be light in some jurisdictions. \*\* Negative Equity Data through Q4 2013

STATE SUMMARY MARCH 2014

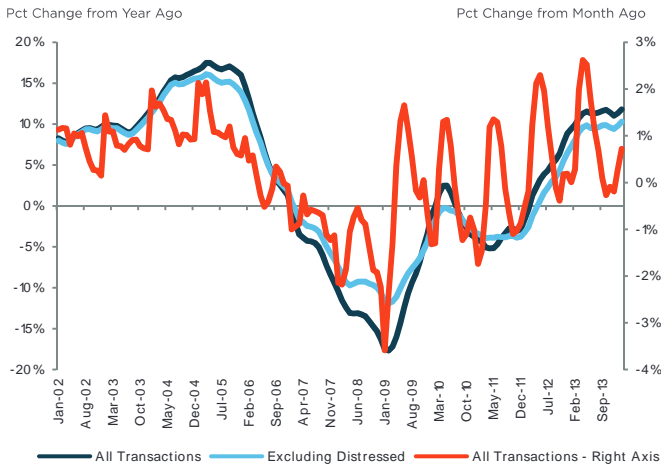
State	Total Sales 12-month sum	Total Sales YOY 12-month sum	Distressed Sales Share (sales 12-month sum)	Distressed Sales Share (sales 12-month sum) A Year Ago	SFC HPI YoY	SFCXD HPI YoY	HPI Percent Change from Peak	90 Days + DQ Pct	Stock of 90+ Delinquencies YoY Chg	Percent Change Stock of Foreclosures from Peak	Negative Equity Share**	Months' Supply Distressed Homes (total sales 12-month avg.)
Alabama	61,915	19.2%	17.4%	17.4%	5.2%	5.0%	-16.3%	4.9%	-8.1%	-47.0%	9.6%	5.0
Alaska	12,914	6.2%	11.1%	10.5%	2.9%	4.2%	-1.3%	1.6%	-18.8%	-59.8%	4.2%	1.2
Arizona	145,039	-1.2%	15.1%	27.5%	11.1%	10.0%	-30.3%	2.4%	-39.2%	-88.6%	21.5%	2.0
Arkansas	40,589	-9.0%	13.0%	7.7%	-0.3%	3.2%	-4.4%	5.1%	-12.2%	-50.8%	10.0%	4.1
California	476,777	-2.9%	15.7%	33.1%	17.2%	13.2%	-18.8%	2.5%	-43.2%	-82.9%	12.6%	3.2
Colorado	123,907	11.8%	12.1%	20.6%	9.0%	7.0%	0.0%	2.1%	-26.3%	-70.2%	9.0%	1.8
Connecticut	41,916	10.4%	17.5%	19.4%	4.5%	6.6%	-22.9%	6.2%	-19.8%	-40.7%	11.7%	7.9
Delaware	12,818	9.4%	13.6%	17.9%	4.6%	6.7%	-18.5%	5.9%	-13.8%	-34.8%	11.1%	8.3
District of Columbia	8,881	14.6%	4.2%	7.2%	10.2%	9.1%	0.0%	4.8%	-11.8%	-32.3%	6.5%	6.1
Florida	509,350	11.2%	24.3%	28.9%	10.9%	10.9%	-36.3%	10.3%	-32.1%	-60.7%	28.1%	6.5
Georgia	162,652	18.7%	22.7%	29.7%	12.4%	9.2%	-14.5%	4.8%	-23.6%	-66.7%	18.0%	4.8
Hawaii	16,886	-1.7%	9.3%	13.4%	12.3%	10.6%	-4.0%	4.9%	-19.4%	-32.9%	5.9%	5.7
Idaho	40,357	8.4%	12.6%	18.5%	7.4%	5.7%	-20.3%	3.2%	-24.5%	-59.3%	10.7%	2.1
Illinois	171,264	9.5%	25.9%	29.4%	9.3%	8.9%	-26.5%	6.1%	-25.7%	-57.0%	18.7%	7.5
Indiana	128,362	5.3%	16.3%	19.6%	3.8%	6.2%	-9.1%	4.7%	-19.0%	-57.2%	6.2%	3.6
Iowa	54,787	14.5%	8.8%	8.8%	2.7%	4.2%	-2.0%	3.1%	-16.6%	-53.6%	7.7%	2.3
Kansas	39,204	6.8%	15.6%	15.7%	4.0%	4.7%	-8.3%	3.5%	-11.3%	-51.5%	7.2%	3.2
Kentucky	52,628	-4.0%	16.2%	14.0%	0.8%	4.1%	-8.0%	4.3%	-12.8%	-50.0%	7.8%	4.2
Louisiana	59,057	5.2%	12.5%	13.6%	4.2%	4.5%	-0.3%	5.1%	-7.7%	-51.3%	13.5%	4.5
Maine	17,095	24.0%	10.4%	9.7%	10.4%	10.6%	-6.4%	6.2%	-18.2%	-35.5%	4.6%	5.9
Maryland	81,277	10.4%	18.3%	21.3%	6.3%	6.3%	-23.4%	6.7%	-15.8%	-42.6%	16.2%	9.6
Massachusetts	92,244	6.4%	4.8%	9.7%	7.0%	10.0%	-13.2%	4.5%	-18.2%	-51.3%	10.9%	4.7
Michigan	176,935	-0.9%	29.7%	35.5%	11.6%	8.6%	-26.2%	3.6%	-23.4%	-78.2%	18.0%	3.1
Minnesota	79,710	3.6%	13.5%	16.9%	8.4%	9.3%	-16.6%	2.6%	-24.1%	-76.3%	9.9%	3.2
Mississippi	N/A	N/A	N/A	N/A	5.6%	6.9%	-9.4%	6.0%	-12.8%	-62.6%	17.3%	N/A
Missouri	96,510	-1.5%	19.2%	24.2%	6.8%	5.0%	-15.5%	3.3%	-14.7%	-62.5%	10.9%	3.1
Montana	17,744	6.6%	11.1%	13.6%	7.2%	5.5%	-2.2%	1.8%	-23.4%	-65.9%	4.2%	1.5
Nebraska	36,274	4.1%	7.3%	8.5%	3.2%	1.9%	-1.4%	2.2%	-12.5%	-62.2%	7.3%	1.5
Nevada	70,992	-0.2%	25.2%	40.3%	15.5%	11.8%	-39.9%	6.8%	-36.1%	-74.7%	30.4%	4.8
New Hampshire	20,902	9.4%	17.3%	23.6%	4.7%	5.2%	-18.4%	3.2%	-23.0%	-62.0%	14.9%	3.2
New Jersey	107,124	19.1%	13.1%	14.5%	8.3%	8.1%	-23.3%	9.9%	-18.7%	-24.1%	14.3%	12.5
New Mexico	29,563	4.7%	16.5%	16.4%	2.5%	2.6%	-20.0%	4.7%	-14.7%	-39.9%	10.6%	4.6
New York	172,871	12.3%	6.2%	6.2%	10.2%	10.6%	-1.8%	7.7%	-12.1%	-18.4%	6.3%	9.5
North Carolina	156,649	16.5%	12.9%	15.2%	7.1%	7.4%	-5.2%	3.9%	-18.6%	-60.7%	9.1%	4.1
North Dakota	14,574	-4.7%	3.0%	3.3%	6.5%	6.3%	0.0%	1.1%	-14.0%	-46.1%	4.2%	0.5
Ohio	172,609	6.6%	20.6%	23.8%	6.7%	5.1%	-14.8%	5.1%	-20.0%	-56.0%	19.0%	4.8
Oklahoma	79,318	5.8%	10.6%	9.8%	1.9%	3.8%	-1.6%	4.4%	-14.6%	-42.5%	6.4%	2.4
Oregon	67,520	13.2%	10.8%	22.0%	12.2%	9.8%	-12.4%	4.2%	-19.2%	-36.8%	8.4%	4.4
Pennsylvania	162,561	9.6%	12.5%	12.5%	3.5%	5.0%	-10.3%	5.4%	-9.1%	-33.7%	7.4%	5.6
Rhode Island	13,140	6.7%	17.9%	22.1%	10.3%	9.1%	-28.1%	6.1%	-19.5%	-50.5%	18.3%	6.7
South Carolina	83,220	9.9%	17.3%	21.4%	9.0%	9.6%	-7.6%	4.6%	-18.2%	-55.4%	9.3%	4.1
South Dakota	N/A	N/A	N/A	N/A	3.1%	3.1%	0.0%	2.0%	-14.2%	-55.3%	N/A	N/A
Tennessee	128,483	8.7%	17.1%	20.3%	7.2%	7.2%	-4.4%	4.4%	-17.3%	-67.9%	10.2%	2.9
Texas	512,048	7.8%	10.7%	15.5%	10.3%	8.9%	0.0%	3.4%	-11.9%	-55.7%	3.9%	2.2
Utah	62,428	6.9%	11.3%	17.0%	9.2%	9.5%	-13.7%	2.8%	-30.4%	-72.5%	8.4%	2.2
Vermont	N/A	N/A	N/A	N/A	3.7%	6.0%	-4.4%	3.6%	-16.0%	-35.3%	N/A	N/A
Virginia	117,088	4.6%	15.3%	19.1%	5.5%	6.3%	-15.3%	2.8%	-18.0%	-59.2%	12.4%	3.7
Washington	116,007	16.8%	15.3%	19.7%	10.5%	10.0%	-15.0%	4.2%	-30.1%	-35.9%	9.8%	4.8
West Virginia	N/A	N/A	N/A	N/A	7.3%	4.7%	-26.0%	3.1%	-3.7%	-52.6%	7.7%	N/A
Wisconsin	90,331	8.3%	12.6%	15.7%	0.9%	4.1%	-16.4%	2.9%	-22.2%	-65.6%	13.5%	2.9
Wyoming	8,817	4.4%	9.7%	11.9%	9.9%	6.3%	0.0%	1.9%	-1.3%	-60.1%	5.7%	1.8

NOTE: \* Data may be light in some jurisdictions.  
 \*\* Negative Equity Data through Q4 2013



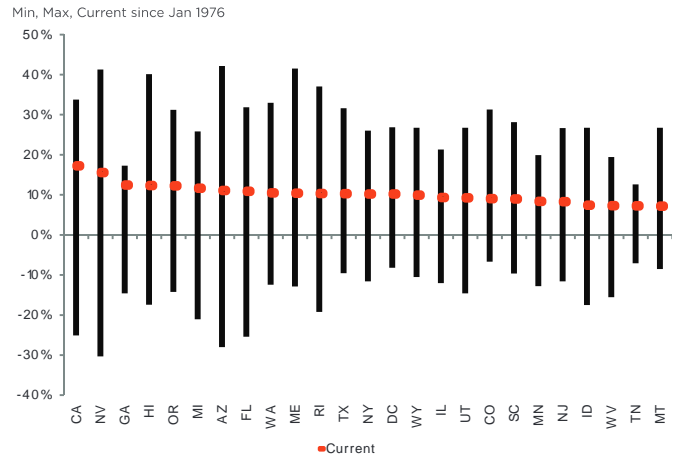
# Home Prices

## HOME PRICE INDEX



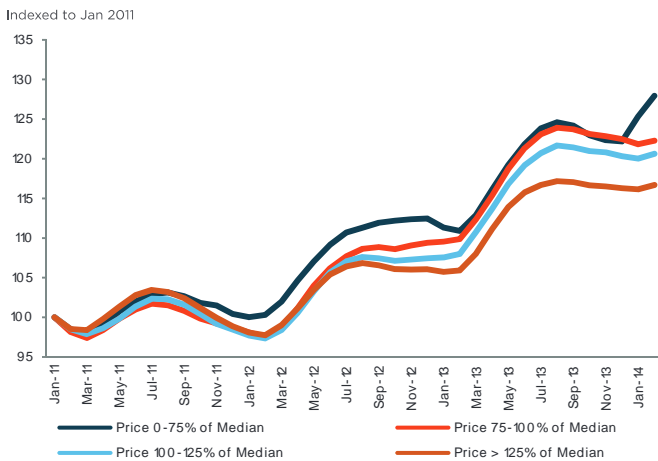
Source: CoreLogic March 2014

## Y% Y HPI GROWTH FOR 25 HIGHEST-RATE STATES



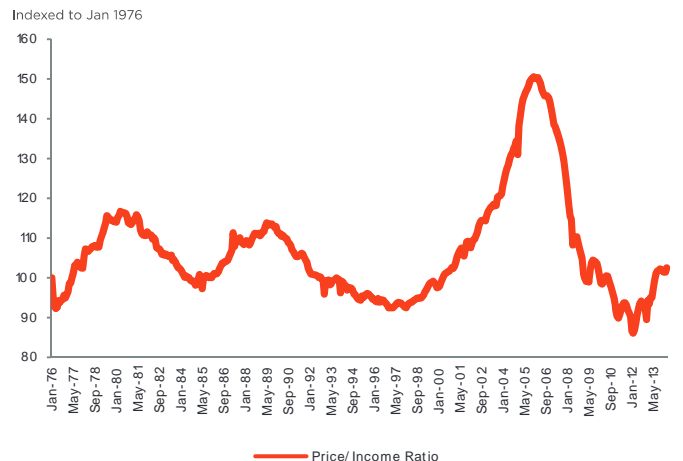
Source: CoreLogic March 2014

## HPI BY PRICE SEGMENT



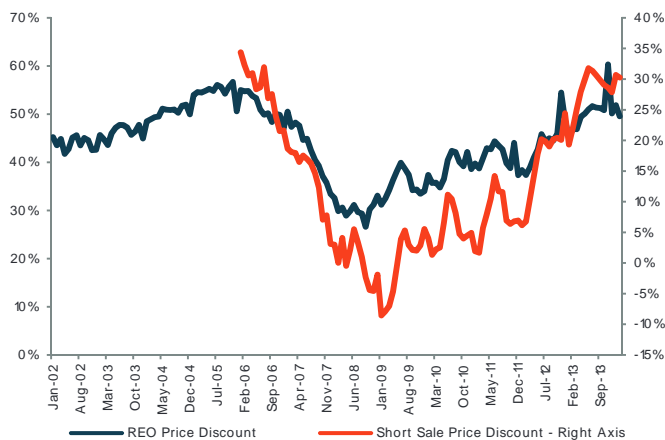
Source: CoreLogic March 2014

## PRICE-TO-INCOME RATIO



Source: CoreLogic, BEA March 2014

## DISTRESSED SALES DISCOUNT

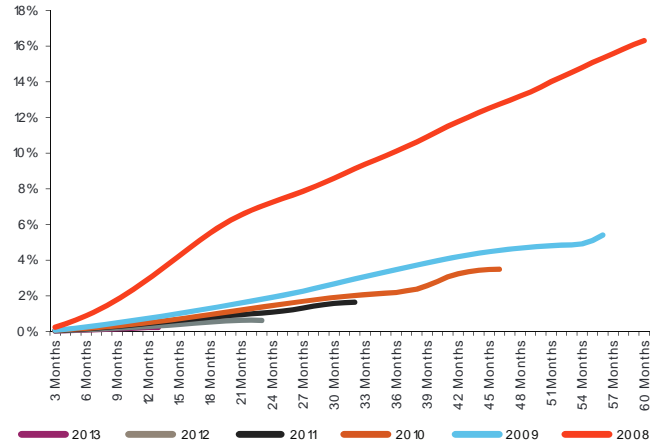


Source: CoreLogic March 2014

# Mortgage Performance

## CONFORMING PRIME SERIOUS DELINQUENCY RATE

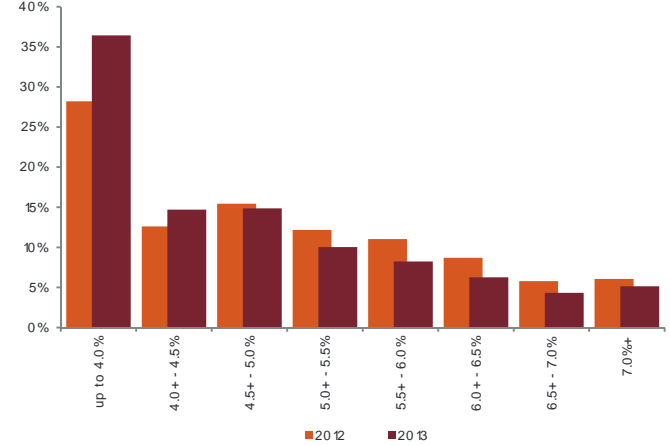
By Origination Year



Source: CoreLogic February 2014

## NATIONAL ACTIVE LOAN COUNT SHARE

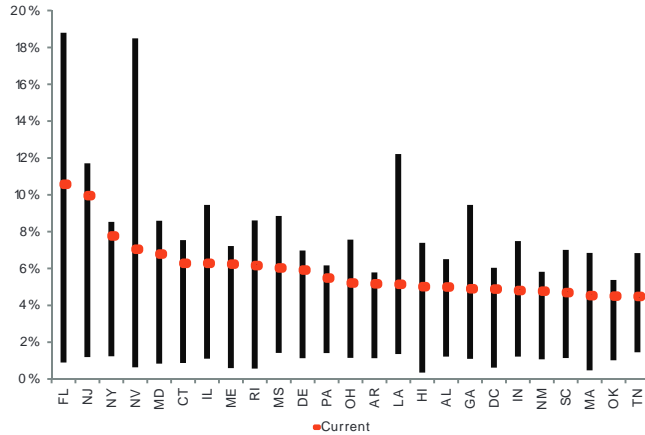
By Current Interest Rate



Source: CoreLogic February 2014

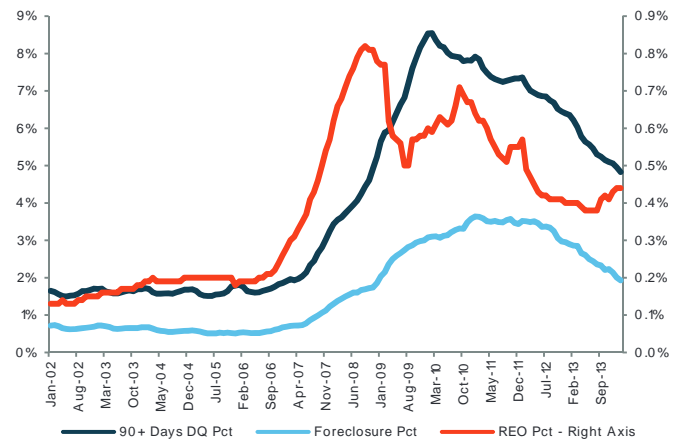
## SERIOUS DELINQUENCIES FOR 25 HIGHEST-RATE STATES

Min, Max, Current since Jan 2000



Source: CoreLogic March 2014

## OVERALL MORTGAGE PERFORMANCE

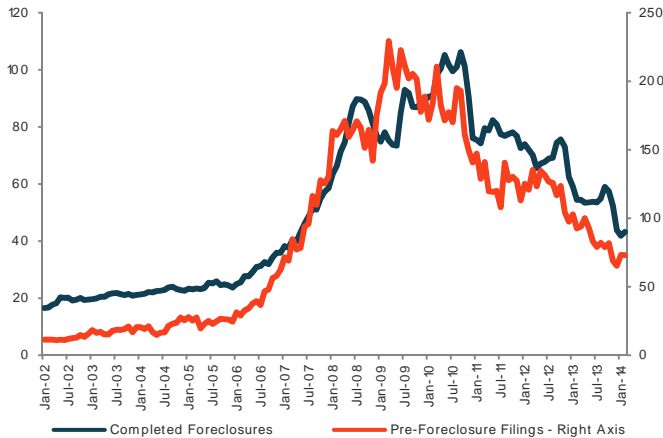


Source: CoreLogic, BEA March 2014

## PRE-FORECLOSURE FILINGS AND COMPLETED FORECLOSURES

In Thousands (3mma)

In Thousands

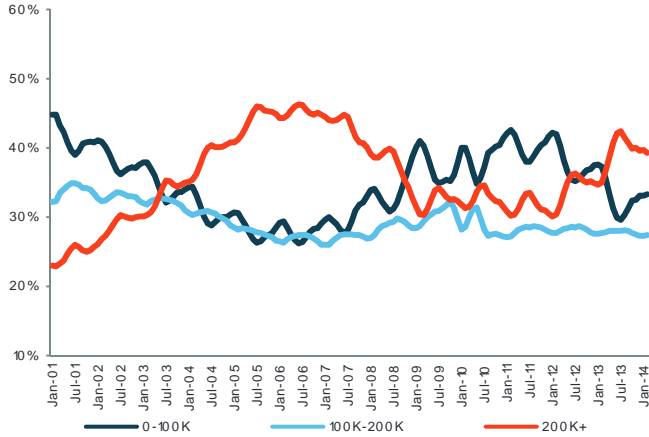


Source: CoreLogic March 2014

# Home Sales

## HOME SALES SHARE BY PRICE TIER

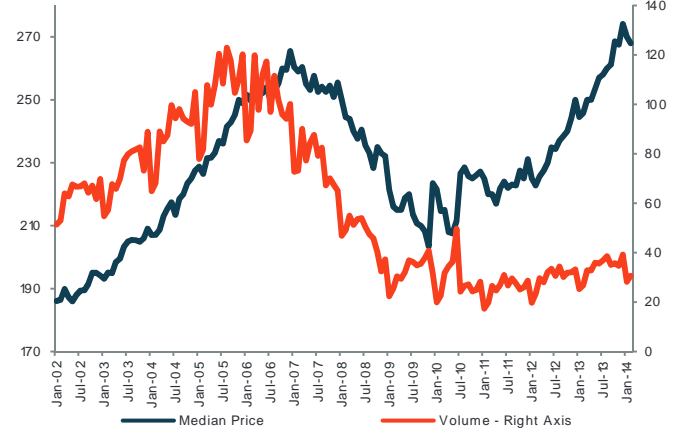
As a Percentage of Total Sales



Source: CoreLogic March 2014

## NEW HOME SALES TRENDS

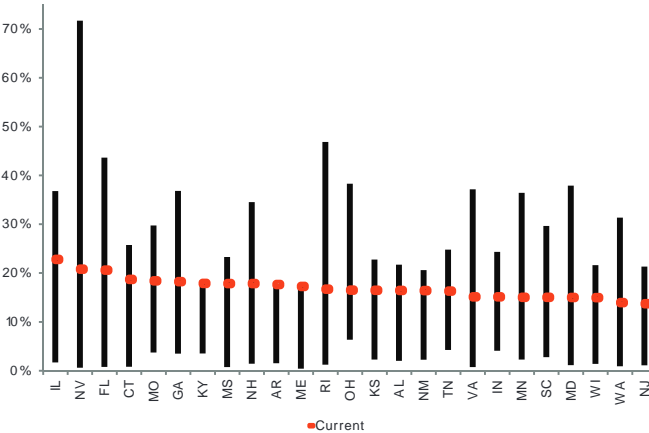
In Thousands



Source: CoreLogic March 2014

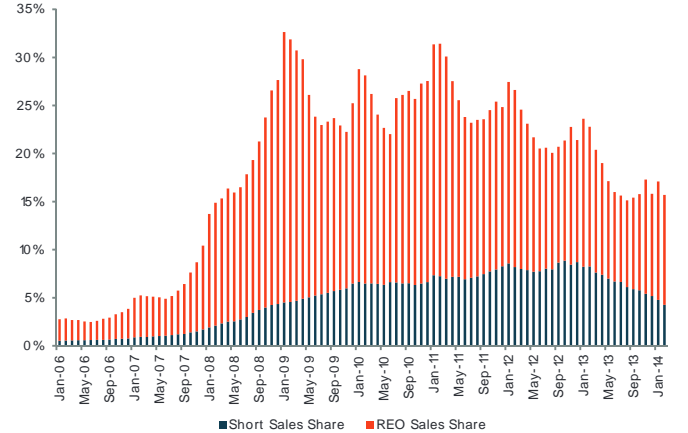
## DISTRESSED SALE SHARE FOR 25 HIGHEST-RATE STATES

Min, Max, Current



Source: CoreLogic March 2014

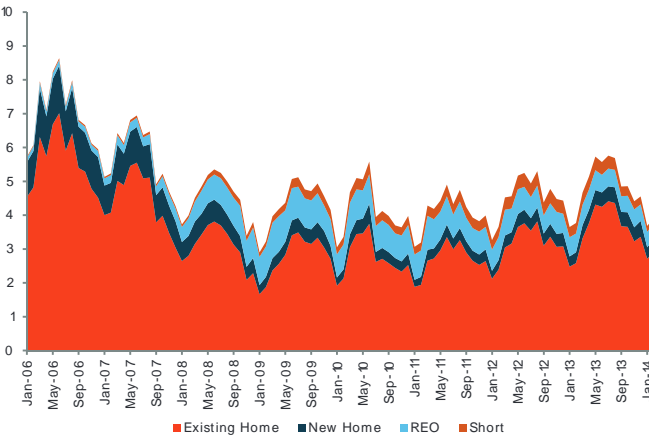
## DISTRESSED SALES AS PERCENTAGE OF TOTAL SALES



Source: CoreLogic, BEA March 2014

## SALES BY SALE TYPE

Annualized In Millions



Source: CoreLogic March 2014

## VARIABLE DESCRIPTIONS

Variable	Definition
Total Sales	The total number of all home-sale transactions during the month.
Total Sales 12-Month sum	The total number of all home-sale transactions for the last 12 months.
Total Sales YoY Change 12-Month sum	Percentage increase or decrease in current 12 months of total sales over the prior 12 months of total sales
New Home Sales	The total number of newly constructed residential housing units sold during the month.
New Home Sales Median Price	The median price for newly constructed residential housing units during the month.
Existing Home Sales	The number of previously constructed homes that were sold to an unaffiliated third party. DOES NOT INCLUDE REO AND SHORT SALES.
REO Sales	Number of bank owned properties that were sold to an unaffiliated third party.
REO Sales Share	The number of REO Sales in a given month divided by total sales.
REO Price Discount	The average price of a REO divided by the average price of an existing-home sale.
REO Pct	The count of loans in REO as a percentage of the overall count of loans for the reporting period.
Short Sales	The number of short sales. A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan.
Short Sales Share	The number of Short Sales in a given month divided by total sales.
Short Sale Price Discount	The average price of a Short Sale divided by the average price of an existing-home sale.
Short Sale Pct	The count of loans in Short Sale as a percentage of the overall count of loans for the month.
Distressed Sales Share	The percentage of the total sales that were a distressed sale (REO or short sale).
Distressed Sales Share (sales 12-Month sum)	The sum of the REO Sales 12-month sum and the Short Sales 12-month sum divided by the total sales 12-month sum.
HPI MoM	Percent increase or decrease in HPI single family combined series over a month ago.
HPI YoY	Percent increase or decrease in HPI single family combined series over a year ago.
HPI MoM Excluding Distressed	Percent increase or decrease in HPI single family combined excluding distressed series over a month ago.
HPI YoY Excluding Distressed	Percent increase or decrease in HPI single family combined excluding distressed series over a year ago.
HPI Percent Change from Peak	Percent increase or decrease in HPI single family combined series from the respective peak value in the index.
90 Days + DQ Pct	The percentage of the overall loan count that are 90 or more days delinquent as of the reporting period. This percentage includes loans that are in foreclosure or REO.
Stock of 90+ Delinquencies YoY Chg	Percent change year-over-year of the number of 90+ day delinquencies in the current month.
Foreclosure Pct	The percentage of the overall loan count that is currently in foreclosure as of the reporting period.
Percent Change Stock of Foreclosures from Peak	Percent increase or decrease in the number of foreclosures from the respective peak number of foreclosures.
Pre-foreclosure Filings	The number of mortgages where the lender has initiated foreclosure proceedings and it has been made known through public notice (NOD).
Completed Foreclosures	A completed foreclosure occurs when a property is auctioned and results in either the purchase of the home at auction or the property is taken by the lender as part of their Real Estate Owned (REO) inventory.
Negative Equity Share	The percentage of mortgages in negative equity. The denominator for the negative equity percent is based on the number of mortgages from the public record.
Negative Equity	The number of mortgages in negative equity. Negative equity is calculated as the difference between the current value of the property and the origination value of the mortgage. If the mortgage debt is greater than the current value, the property is considered to be in a negative equity position. We estimate current UPB value, not origination value.
Months' Supply of Distressed Homes (total sales 12-Month avg)	The months it would take to sell off all homes currently in distress of 90 days delinquency or greater based on the current sales pace.
Price/Income Ratio	CoreLogic HPI™ divided by Nominal Personal Income provided by the Bureau of Economic Analysis and indexed to January 1976.
Conforming Prime Serious Delinquency Rate	The rate serious delinquency mortgages which are within the legislated purchase limits of Fannie Mae and Freddie Mac. The conforming limits are legislated by the Federal Housing Finance Agency (FHFA).
Jumbo Prime Serious Delinquency Rate	The rate serious delinquency mortgages which are larger than the legislated purchase limits of Fannie Mae and Freddie Mac. The conforming limits are legislated by the Federal Housing Finance Agency (FHFA).

## Source: CoreLogic

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