



Economics Group

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Home Prices Slide Further In August

The S&P Case Shiller Home Price Index slid 0.28 percent in August and prices fell in 19 of the 20 markets tracked by the report. The decline reflects a payback from the tax-credit induced gains earlier this year.

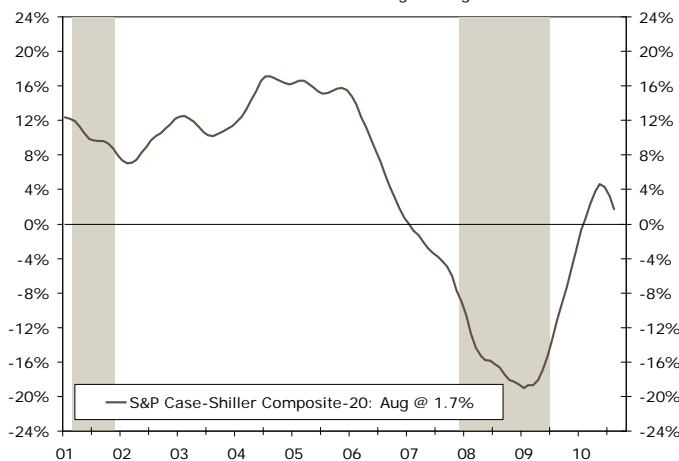
Home Prices Decline As Foreclosure Sales Increase

- The S&P/Case-Shiller Home Price Index slid 0.28 percent in August, marking its second consecutive drop. The 20-City Composite has fallen at a 1.13 percent annual rate over the past three months following modest gains in prices earlier this year.
- With many first time buyers pulled forward into the first half of the year, foreclosures and short sales are now accounting for a larger share of overall sales, which is dragging prices lower.

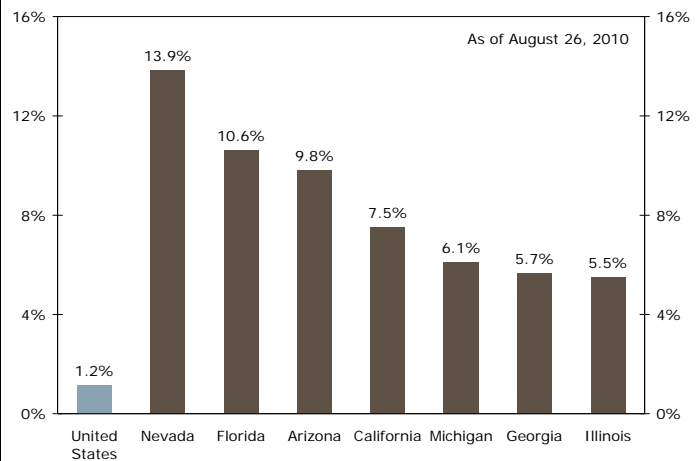
Prices Are Falling Most In Foreclosure Heavy Markets

- Nineteen of the 20 cities tracked posted price declines in August, with Phoenix, Denver, and Cleveland posting the largest drops.
- Recent price declines have been greatest in foreclosure-laden markets, many of which have also seen the largest peak-to-trough declines. A slowdown in foreclosure sales may temporarily interrupt the slide but ultimately price discovery is essential in order for a sustainable recovery to take hold.

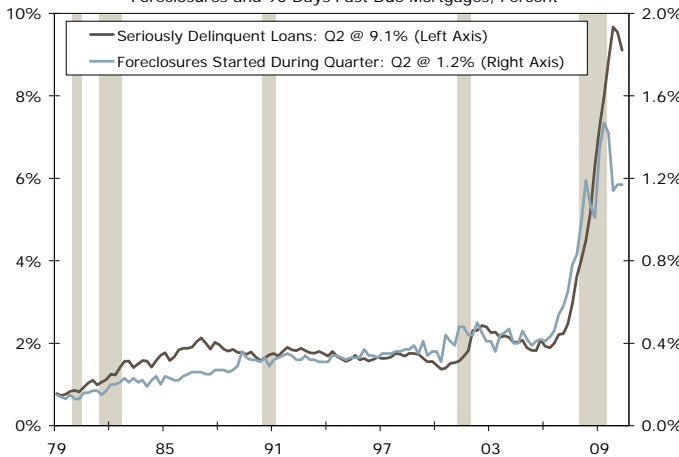
S&P Case-Shiller Composite-20 Home Price Index
 Year-over-Year Percentage Change



Mortgages in Foreclosure - By State
 Percent of Mortgages Outstanding

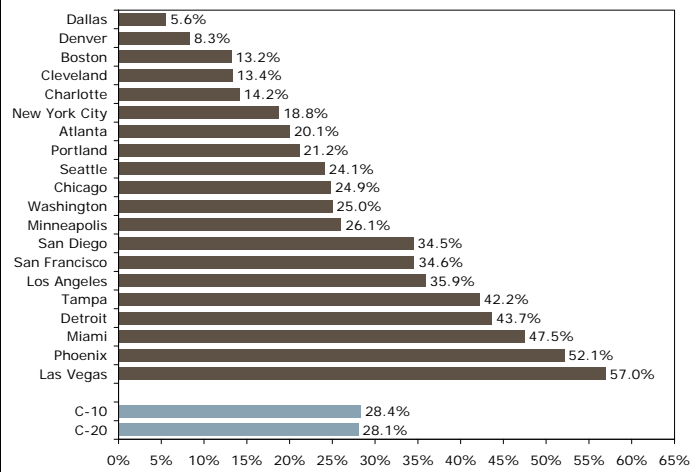


MBA Seriously Delinquent Mortgage Rates
 Foreclosures and 90 Days Past Due Mortgages, Percent



S&P Case-Shiller Home Prices

Percent Decline from Local Market Peak



Source: S&P Corporation, Mortgage Bankers Association, and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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