



Economics Group

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The S&P Case-Shiller HPI Moderates in August

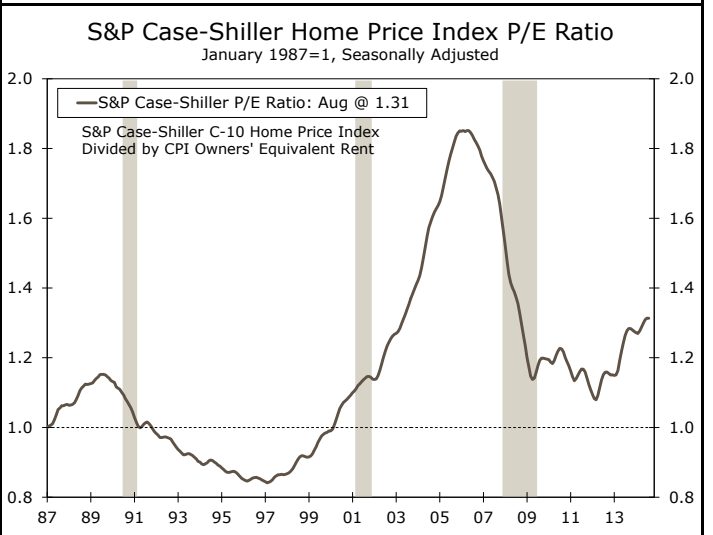
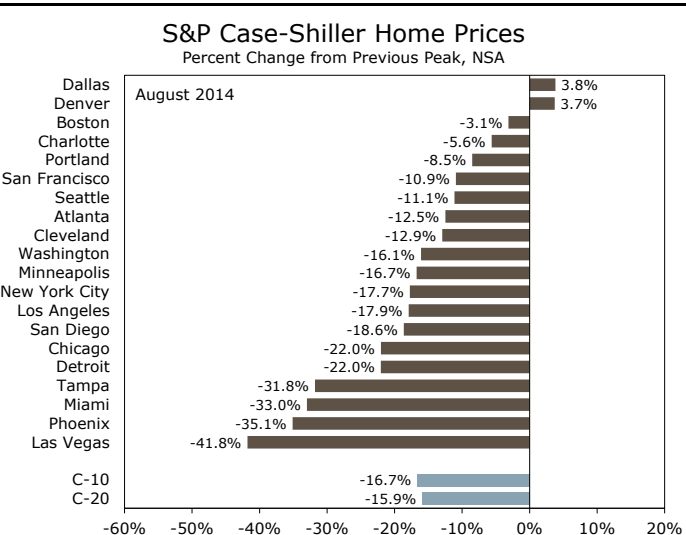
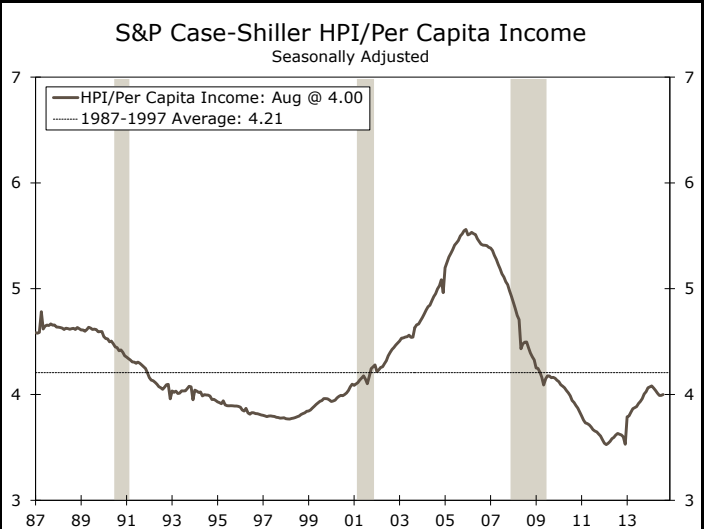
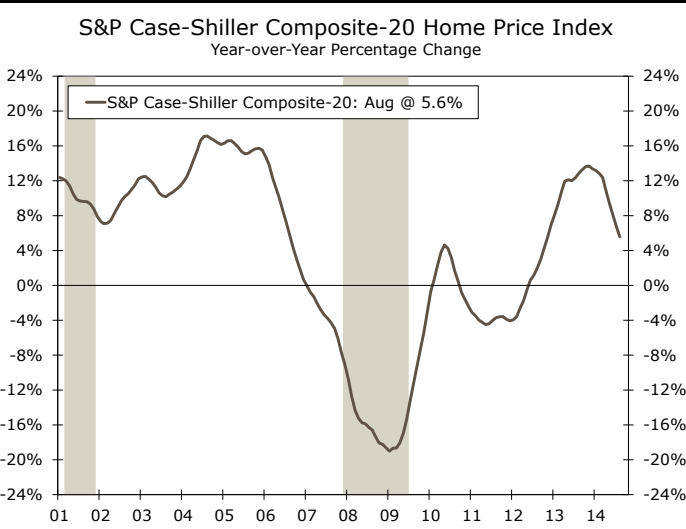
The S&P Case-Shiller 20-City Home Price Index (HPI) moderated in August. Slowing year-over-year increases were seen across most metros and the broader national index as well.

Home Price Gains Continue to Slow

- Home price appreciation continued to slow in August. The S&P/Case-Shiller national HPI increased 5.1 percent from a year ago. The 20-city composite index slowed to a 5.6 percent year-over-year pace, down from a 6.7 percent pace in July.
- All cities reported slower annual gains except for Cleveland. The metros that suffered the greatest losses are now growing the fastest, with Miami and Las Vegas showing the best growth.

Slower HPI Growth Helps Affordability

- The rolling over of home price indices should help housing affordability. The index, relative to per capita income, provides a good proxy for housing affordability. This measure is now only slightly below the 1987-1997 average.
- The slower price increases should help allay fears of house prices losing touch with fundamentals. The moderation in home price gains should curb the recent rebound in the price-to-rent ratio.



Source: S&P, U.S. Department of Labor and Wells Fargo Securities, LLC

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