



Economics Group

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Home Price Appreciation Stabilizing

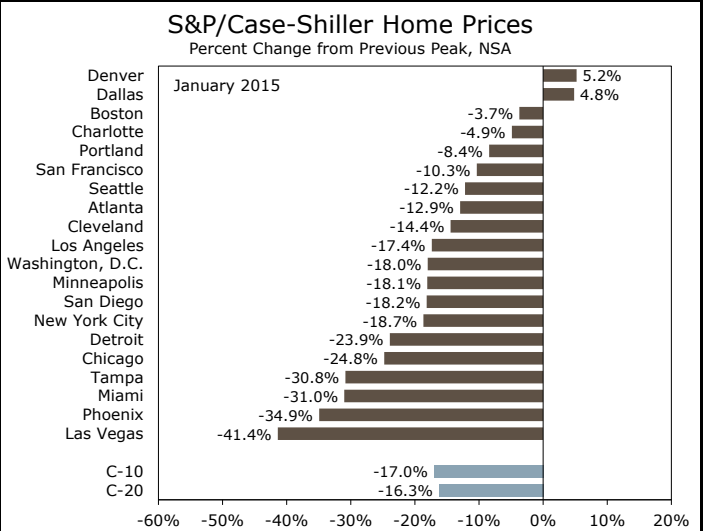
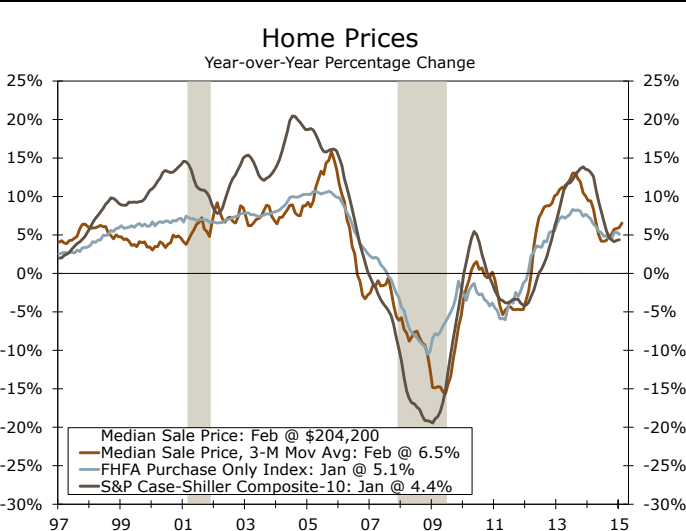
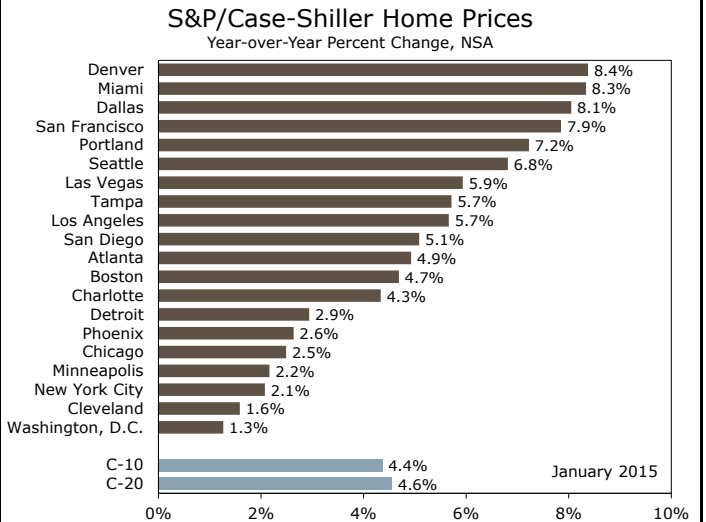
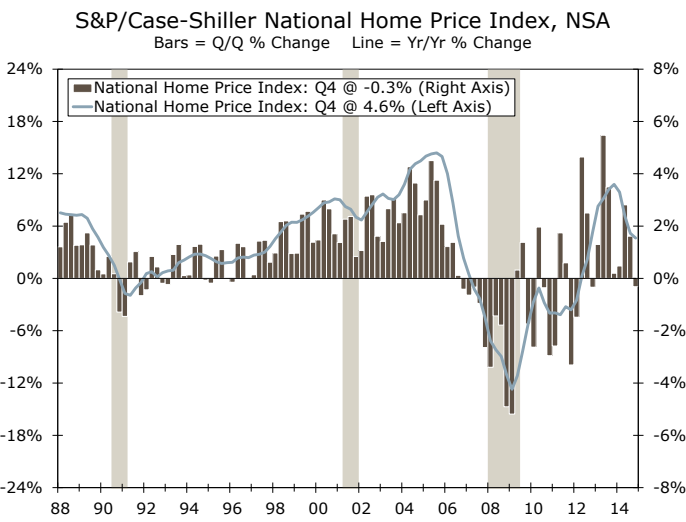
The S&P/Case-Shiller Home Price Indices posted solid gains in January. The slide in year-over-year home price appreciation appears to have halted. Gains have been strongest in markets with large tech sectors.

More Moderation Expected

- The 20-city and 10-city composite indices both increased 0.9 percent in January and are up roughly 4.5 percent year over year. The national index posted a 0.6 percent rise on the month, but also increased 4.5 percent year over year.
- Most measures of home prices are stabilizing around 5 percent year-over-year growth after decelerating for some time. Tight inventories and rising development costs will support prices.

Technology Markets Approaching All-Time Highs

- Year-over-year gains have been broad based. Weakness has been mostly isolated to the Northeast and Midwest. Cleveland and Washington, D.C. both posted sub-two percent growth.
- Only two of the twenty housing markets in the report have surpassed their prerecession peak. Many of the markets with large technology sectors, however, are rapidly approaching prerecession levels.



Source: S&P, FHFA, National Association of Realtors and Wells Fargo Securities, LLC

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