



Economics Group

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Home Price Appreciation Accelerates in February

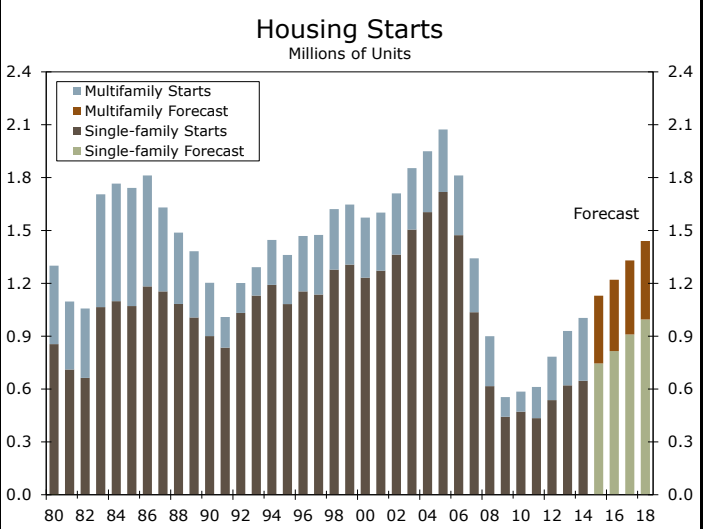
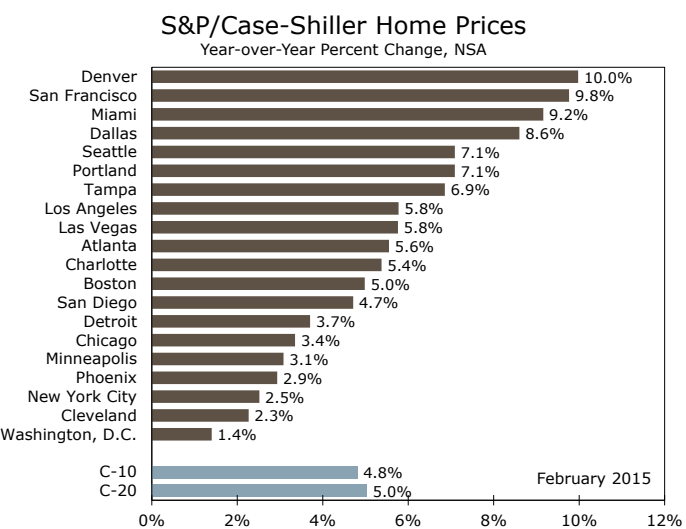
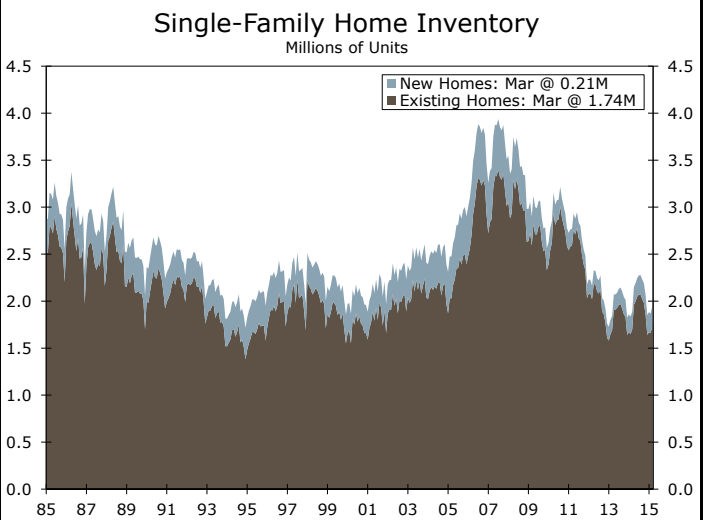
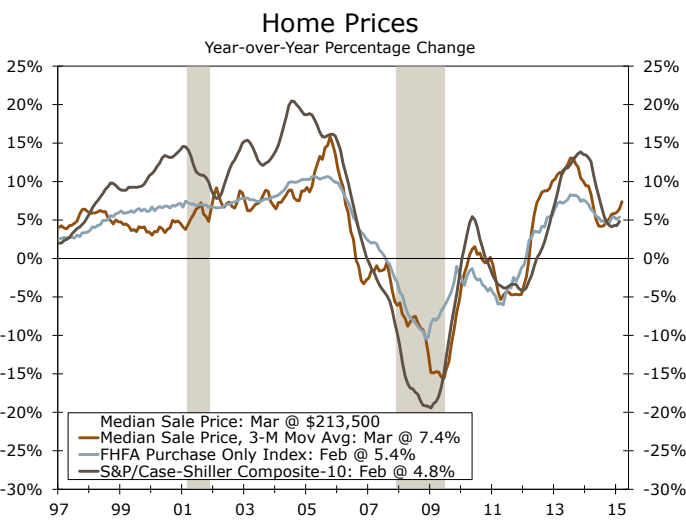
Home prices continued to post solid gains in February. Year-over-year growth appears to have stabilized around the five percent level. Tight inventories will likely continue to support home prices.

Home Price Appreciation Continues

- All three major home price indices posted solid gains in February. Year over year, the 20- and 10-city composite indices accelerated to 5.0 percent and 4.8 percent, respectively. The national index moderated to 4.2 percent year over year.
- Gains are broad-based across metro areas. Of the 20 cities in the index, 13 have risen at a 10 percent annual rate or better over the past three months.

Tight Inventories Support Prices

- Inventories are at historically low levels, which has supported prices amid modest growth in home sales. We are optimistic for the spring selling season. Coupled with low inventory levels, this may cause home price appreciation to pick up further.
- We also expect construction activity to increase. More supply coming on line for both new and existing homes should help alleviate some of the pressure on home prices later this year.



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

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