

Real-Time Housing Market Update

June, 2011

The headlines are reporting a double-dip for Q1, but the May numbers are showing signs of strength in the market (as did March and April numbers we reported months ago). Prices are rising in all the composite markets except New York and Las Vegas, which experienced only moderate declines.

The new Altos Mid-Cities Composite™ is also showing signs of strength in markets across the country. This composite examines an alternate set of smaller MSAs across the country to counter the volatility seen in larger, mostly coastal cities in the Case-Shiller home price index. For details on the Mid-Cities Composite, contact analytics@altosresearch.com.

It's the "Catfish Recovery." Catfish spend their time moving slowly at the bottom of lakes and rivers bobbing up and down from place to place without a clear direction. Plan for prices over the long term to hit a bottom, rise a bit, sink back down, rise again—a pattern we expect with the housing market for several years. The housing recovery will take a long time and it is going to happen slowly.

Historical housing trends tell us to expect a period of long-term volatility with no significant upward trend in prices.

The seasonal price bump for the spring is still evident in the active market statistics. Indices like the S&P/Case-Shiller will report what we're seeing now in real-time when they publish their numbers in the late summer and early fall.

The Altos Research 20-City Composite trends are displayed in the chart below.



Figure 1: Median List Price of Single Family Homes (black line) is still trending upward, reflecting strength in the spring market. Inventory is also trending upward, indicating sellers entering the market to take advantage of the increased buyer activity. The increase in prices is predictable for the spring market.

Key takeaways from the 26 markets reported:

- The Altos national composite median price was \$444,273 in May, up from \$440,194 in April.
- Good news continues for Detroit with strong price improvements this month, continuing the trend.
- The rate of inventory increases slowed in May compared to the earlier spring numbers, although seven of the markets are still showing double-digit inventory increases on the 90-day average. Boston leads the way with a whopping 29.01% inventory increase.
- Two cities in the San Francisco Bay Area saw the biggest price increases in May. San Francisco with a 3.33% price increase and San Jose with a 3.14% price increase. No surprise here - the Bay Area historically experiences high price volatility.
- New York and Las Vegas are the only cities reporting price decreases with the one-month and three-month numbers.
- The 7-day and 90-day averages are still both trending upwards for median prices and inventory. The 7-day trends are always the first indication of a shifting market and should be watched closely.

Trends: April Home Prices

The housing market in May showed an increase in median prices across the board. The big winners were San Francisco (3.33%), Washington DC (3.27%), and San Jose (3.14%).

Only two of the twenty-six markets reported decreases in prices, and they were modest decreases. New York reported a 2.85% price decrease and Las Vegas reported a 0.76% price decrease. Interestingly, New York and Las Vegas are also the only two cities in the composite showing a decrease in prices with the 90-day averages as well.

Altos Research Price Composite

MSA	March '11	April '11	May '11	% Change From Last Month	% Change Over Three Months
National Composite	\$432,307	\$440,194	\$444,273	0.93%	2.93%
Atlanta	\$182,276	\$184,390	\$187,491	1.68%	2.86%
Austin	\$268,542	\$274,754	\$280,445	2.07%	4.43%
Boston	\$446,827	\$455,199	\$459,546	0.95%	2.89%
Charlotte	\$209,975	\$212,984	\$215,410	1.14%	2.59%
Chicago	\$277,234	\$280,034	\$283,663	1.3%	2.32%
Cleveland	\$154,022	\$155,878	\$157,843	1.26%	2.48%
Dallas	\$205,967	\$211,721	\$261,994	2.47%	5.33%
Denver	\$305,810	\$315,674	\$321,820	1.95%	5.24%
Detroit	\$124,152	\$125,822	\$128,970	2.5%	3.88%
Houston	\$209,924	\$213,676	\$216,668	1.4%	3.21%
Indianapolis	\$155,159	\$158,482	\$161,991	2.21%	4.4%

MSA	March '11	April '11	May '11	% Change From Last Month	% Change Over Three Months
Las Vegas	\$143,189	\$141,682	\$140,598	-0.76%	-1.92%
Los Angeles	\$579,009	\$586,835	\$596,001	1.56%	2.94%
Miami	\$413,322	\$421,714	\$427,100	1.28%	3.5%
Minneapolis	\$237,630	\$241,596	\$246,020	1.83%	3.53%
New York	\$564,760	\$563,288	\$548,930	-2.55%	-1.63%
Philadelphia	\$306,884	\$307,467	\$309,465	0.65%	0.84%
Phoenix	\$217,768	\$224,949	\$230,028	2.26%	5.63%
Portland	\$281,477	\$282,890	\$285,332	0.86%	1.37%
Salt Lake City	\$288,967	\$290,967	\$293,426	0.85%	1.54%
San Diego	\$579,000	\$588,135	\$595,108	1.19%	3.04%
San Francisco	\$598,029	\$627,132	\$648,018	3.33%	8.36%
San Jose	\$656,221	\$684,579	\$706,051	3.14%	7.59%
Seattle	\$331,838	\$333,127	\$335,425	0.69%	1.08%
Tampa	\$174,843	\$175,015	\$175,745	0.42%	0.83%
Washington DC	\$422,948	\$435,795	\$450,060	3.27%	6.72%

Trends: Housing Supply

The housing supply in May showed a smaller increase than the spring spike, but an increase nonetheless at 3.17%. The biggest increases were seen in Boston (8.39%), New York (6.18%) and Washington DC (5.09%).

Cities with the largest three-month inventory increases showed smaller increases in May than the previous spring months. The Florida markets (Miami and Tampa) are both showing one-month and three-month decreases in inventory.

Only three cities are reporting inventory reductions at the three-month level. Phoenix (-15.25%), Miami (-7.86%), and Tampa (-1.78%).

MSA	March '11	April '11	May '11	% Change From Last Month	% Change Over Three Months
National Composite	272,805	304,045	313,669	3.17%	9.03%
Atlanta	35,852	36,578	36,280	-0.81%	1.19%
Austin	9,650	10,756	11,079	3.00%	14.81%
Boston	14,597	17,397	18,856	8.39%	29.01%
Charlotte	13,794	14,294	14,297	0.02%	3.65%
Chicago	52,279	54,119	55,685	2.89%	6.52%
Cleveland	12,943	13,847	14,189	2.47%	9.63%
Dallas	32,995	34,090	34,301	0.62%	3.96%
Denver	13,900	14,072	14,174	0.72%	1.97%
Detroit	23,056	23,254	23,205	-0.21%	0.65%
Houston	33,447	35,715	35,295	-1.18%	5.53%
Indianapolis	12,512	13,215	13,315	0.76%	6.42%
Las Vegas	22,383	22,577	22,801	0.99%	1.69%
Los Angeles	36,504	38,748	39,566	2.11%	8.39%
Miami	28,428	26,851	26,193	-2.45%	-7.86%
Minneapolis	15,390	16,572	17,275	4.24%	12.25%
New York	66,591	73,055	77,569	6.18%	16.45%

MSA	March '11	April '11	May '11	% Change From Last Month	% Change Over Three Months
Philadelphia	25,421	28,037	29,192	4.12%	14.83%
Phoenix	27,816	25,757	23,573	-8.48%	-15.25%
Portland	12,142	12,500	12,674	1.39%	4.38%
Salt Lake City	5,827	5,826	5,926	1.72%	1.70%
San Diego	10,400	10,664	10,929	2.48%	4.55%
San Francisco	9,020	10,108	10,261	1.51%	13.76%
San Jose	4,475	4,822	4,816	-0.12%	7.62%
Seattle	19,341	20,455	20,675	1.08%	6.90%
Tampa	20,668	21,425	20,975	-2.10%	-1.78%
Washington DC	18,443	20,471	21,512	5.09%	15.95%

Methodology

The Altos Research Real-Time Housing Report gives you unfettered, up-to-the-minute data relative to housing market conditions in major markets around the nation. The Altos report is comprised of data that can be used now, not aging, months-old statistics that mean nothing in a market that's in a constant state of flux. Altos Research uses metrics associated with active residential property listings to give you real-time information. We give you the market as it is, not as it was.

Each "market" measured is equivalent to the Census Bureau's Metropolitan Statistical Area (MSA) dominated by the city listed. Properties analyzed in the data include repeat sales of single-family homes, but not condominiums, town homes, or new construction homes. The Altos Research Price Index is a statistical compilation of property prices highly correlated with the S&P/Case-Shiller Index.

The Altos 20-City Composite is based on single family homes in Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Portland, San Diego, San Francisco, Seattle, Tampa, Washington DC, . For more information, check out www.altosresearch.com.

About Altos Research

Altos Research, LLC is at the forefront of real-time real estate market research. Founded in 2005, Altos' pioneering technologies and information products serve investors, derivatives traders, as well as thousands of real estate professionals. The company publishes statistical reports and data analyses each week for over 20,000 zip codes in more than 200 metro markets around the country, including the 20 S&P/Case-Shiller markets summarized in this report.



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