

Altos Research National Report Real-Time Housing Market Update

August, 2011

"Chill out, man. I told you it was an accident. You probably went over a bump or something." -Vincent Vega, Pulp Fiction

Speaking of bumps, it seems we have reached the end of the summer price bump.

We've called this effect the "Catfish Recovery." Home prices nationally responded well to spring-time demand and ultra-low interest rates. Now as the summer ends, housing demand shifts and prices will decline to bump along the bottom of the pond again.

This month, seven of the markets reported declining prices. Compared to only one market reporting declining prices last month, that's a noteworthy difference.

In addition to the first signs of prices changing direction, twenty of the markets in this report reported rising inventory this month. Twenty-one of the markets reported rising inventory at the three-month level.

The party is almost over, folks. You don't have to go home, but you can't stay here.

The weekly prices are still trending downward, as they have been for the past six weeks. Five markets reported price increases this month, albeit small increases. Detroit was the only market reporting more than a 2% price increase.

Rising inventory across the composite markets provides further evidence of a gradual cooling of the summer market. Only six markets have escaped the rising inventory trend over the past three months.

The short-term trends in median price and total inventory indicate a cooling of the summer market.

The data in this report cover the narrow Altos 10-City Composite. Looking at the more broad, Altos Research 20-City Composite, we see the weekly price declines, but month over month declines have not quite yet translated into the smoothed, 90-day trend line.



Figure 1: 7-Day List Price of Single Family Homes in the 20-City Composite (black line) has started trending downward, reflecting the end of the summer market. The 90-Day List Price of Single Family Homes (orange line) is beginning to flatten.

Key takeaways from 26 markets covered in this report:

- The Altos 10-City National Composite median price ticked down to \$450,176 in July from \$450,894 in June. The first month over month decline in five months.
- Inventory was up in 20 markets and down in 6 markets. The biggest inventory increase was Boston (4.89%) and the largest decrease was Phoenix (-6.82%).
- Only one market reported a price change larger than 2%, which was Detroit (2.38%).
- The biggest price changes were small again this month, which is a continuation of last month's trend. The three biggest changes were in Detroit (2.38%), New York (-1.69%), and Denver (1.47%).

- Prices decreased in seven markets, which is a significant change from the one market reporting decreasing prices last month (Las Vegas).
- The 7-day numbers are trending downward. The 7-day trends are always the first indication of a shifting market and the 90-day numbers are beginning to show the flattening that was first reported last month.

Trends: August Home Prices

The national composite markets reported declining prices in seven markets. The biggest price decreases were seen in New York (-1.69%), Boston (-1.08%) and Miami (-0.73%). Seven markets reporting declining prices this month is a significant change because only one market reported declining prices last month.

The weekly price numbers are still trending downward. The biggest price increases were small. Only five of the markets reported price increases larger than 1%; only one market report a price increase larger than 2%.

Altos Research Price Composite

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
10-City National Composite	\$445,346	\$450,894	\$450,176	-0.16%	1.08%
Atlanta	\$188,106	\$190,549	\$191,328	0.41%	1.71%
Austin	\$281,601	\$284,149	\$285,010	0.30%	1.21%
Boston	\$460,614	\$460,491	\$455,036	-1.18%	-1.21%
Charlotte	\$215,839	\$217,157	\$216,851	-0.27%	0.34%
Chicago	\$284,388	\$286,578	\$286,645	0.02%	0.79%

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
Cleveland	\$158,321	\$159,679	\$160,486	0.51%	1.37%
Dallas	\$218,222	\$222,054	\$223,344	0.58%	2.35%
Denver	\$323,549	\$330,401	\$335,274	1.47%	3.62%
Detroit	\$129,900	\$133,619	\$136,804	2.38%	5.32%
Houston	\$217,320	\$219,609	\$219,714	0.05%	1.10%
Indianapolis	\$162,815	\$164,873	\$165,610	0.45%	1.72%
Las Vegas	\$140,291	\$139,155	\$138,316	-0.60%	-1.41%
Los Angeles	\$598,213	\$607,708	\$612,288	0.75%	2.35%
Miami	\$427,781	\$428,298	\$425,160	-0.73%	-0.61%
Minneapolis	\$246,852	\$250,364	\$253,067	1.08%	2.52%
New York	\$556,562	\$548,881	\$539,627	-1.69%	-3.04%
Philadelphia	\$309,817	\$310,591	\$309,846	-0.24%	0.01%
Phoenix	\$231,145	\$232,937	\$231,888	-0.45%	0.32%
Portland	\$285,996	\$289,713	\$292,716	1.04%	2.35%
Salt Lake City	\$293,822	\$295,456	\$297,195	0.59%	1.15%
San Diego	\$597,965	\$606,309	\$609,067	0.45%	1.86%
San Francisco	\$652,655	\$665,413	\$671,222	0.87%	2.84%
San Jose	\$710,643	\$722,075	\$725,903	0.53%	2.15%
Seattle	\$336,070	\$338,385	\$341,276	0.85%	1.55%
Tampa	\$176,121	\$177,793	\$179,751	1.10%	2.06%

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
Washington DC	\$453,199	\$462,017	\$464,313	0.50%	2.45%

Trends: Housing Supply

Inventory in the national composite was up this month, but only slightly (1.59%). Overall inventory has increased 5.03% over the past three months. The 7-day inventory numbers have indicated rising inventory for the past six weeks and 20 of 26 composite markets reported rising inventory this month. The loss of momentum from the spring and summer markets is confirmed.

The largest increases in inventory were reported in Boston (4.89%), New York (3.55%), and Minneapolis (2.58%). The largest declines in inventory were reported in Phoenix (-6.82%), Tampa (-6.60%), and Miami (-2.29%).

This month, there are 21 cities reporting rising inventory at the three-month level (last month there were eleven). This is a significant change and will be reported by S&P/Case-Shiller when they publish their transaction statistics this fall.

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
10-City National Composite	297,831	307,909	312,810	1.59%	5.03%
Atlanta	35,976	35,671	35,062	-1.71%	-2.54%
Austin	10,390	10,869	11,078	1.92%	6.62%
Boston	16,555	18,270	19,164	4.89%	15.76%

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
Charlotte	14,042	14,164	13,933	-1.63%	-0.77%
Chicago	53,666	54,961	55,736	1.41%	3.86%
Cleveland	13,544	13,959	14,217	1.85%	4.97%
Dallas	33,814	34,366	34,448	0.24%	1.88%
Denver	13,960	14,026	14,147	0.86%	1.34%
Detroit	23,133	23,118	23,206	0.38%	0.32%
Houston	34,444	34,915	35,041	0.36%	1.73%
Indianapolis	12,974	13,309	13,514	1.54%	4.16%
Las Vegas	22,428	22,657	22,756	0.44%	1.46%
Los Angeles	37,894	38,970	39,462	1.26%	4.14%
Miami	27,382	26,447	25,843	-2.29%	-5.62%
Minneapolis	16,238	17,011	17,450	2.58%	7.47%
New York	71,582	75,051	77,719	3.55%	8.57%
Philadelphia	27,144	28,329	28,968	2.26%	6.72%
Phoenix	26,166	24,249	22,596	-6.82%	-13.64%
Portland	12,395	12,547	12,709	1.30%	2.53%
Salt Lake City	5865	5914	5957	0.73%	1.56%
San Diego	10,692	10,801	10,969	1.56%	2.59%
San Francisco	9741	10,020	10,032	0.12%	2.99%
San Jose	4685	4757	4756	-0.02%	1.50%
Seattle	19,995	20,371	20,486	0.56%	2.45%
Tampa	21,383	21,323	19,915	-6.60%	-6.87%

MSA	May '11	June '11	July '11	% Change From Last Month	% Change Over Three Months
Washington DC	19,987	20,901	21,118	1.04%	5.66%

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, Phoenix, 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 county, including the 20 S&P/Case-Shiller markets summarized in this report.



Altos Research
280 Hope Street, First Floor
Mountain View, CA 94041
888-819-7775
www.altosresearch.com
info@altosresearch.com