

## **Continued Increases in Home Prices for October According to the S&P/Case-Shiller Home Price Indices**

**New York, December 29, 2015** – S&P Dow Jones Indices today released the latest results for the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices. Data released today for October 2015 show that home prices continued their rise across the country over the last 12 months. More than 27 years of history for these data series is available, and can be accessed in full by going to [www.homeprice.spdji.com](http://www.homeprice.spdji.com). Additional content on the housing market can also be found on S&P Dow Jones Indices' housing blog: [www.housingviews.com](http://www.housingviews.com).

### **Year-over-Year**

The S&P/Case-Shiller U.S. National Home Price Index, covering all nine U.S. census divisions, recorded a slightly higher year-over-year gain with a 5.2% annual increase in October 2015 versus a 4.9% increase in September 2015. The 10-City Composite increased 5.1% in the year to October compared to 4.9% previously. The 20-City Composite's year-over-year gain was 5.5% versus 5.4% reported in September.

San Francisco, Denver and Portland continue to report the highest year-over-year gains among the 20 cities with another month of double-digit price increases of 10.9% for all three. Twelve cities reported greater price increases in the year ending October 2015 versus the year ending September 2015. Phoenix had the longest streak of year-over-year increases, reporting a gain of 5.7% in October 2015, the eleventh consecutive increase in annual price gains.

### **Month-over-Month**

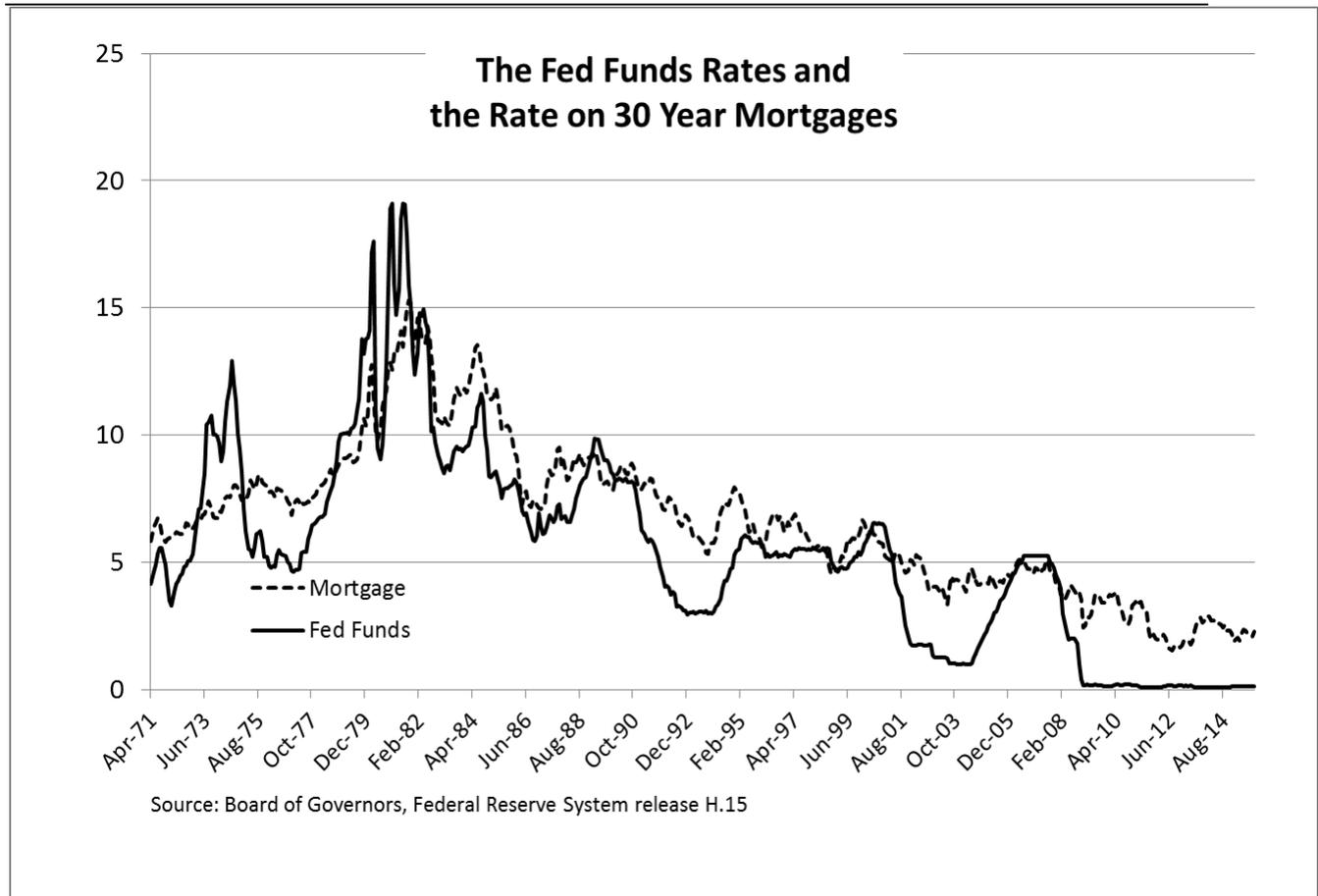
Before seasonal adjustment, the National Index posted a gain of 0.1% month-over-month in October. The 10-City Composite was unchanged and the 20-City Composite reported gains of 0.1% month-over-month in October. After seasonal adjustment, the National Index posted a gain of 0.9%, while the 10-City and 20-City Composites both increased 0.8% month-over-month. Ten of 20 cities reported increases in October before seasonal adjustment; after seasonal adjustment, all 20 cities increased for the month.

### **Analysis**

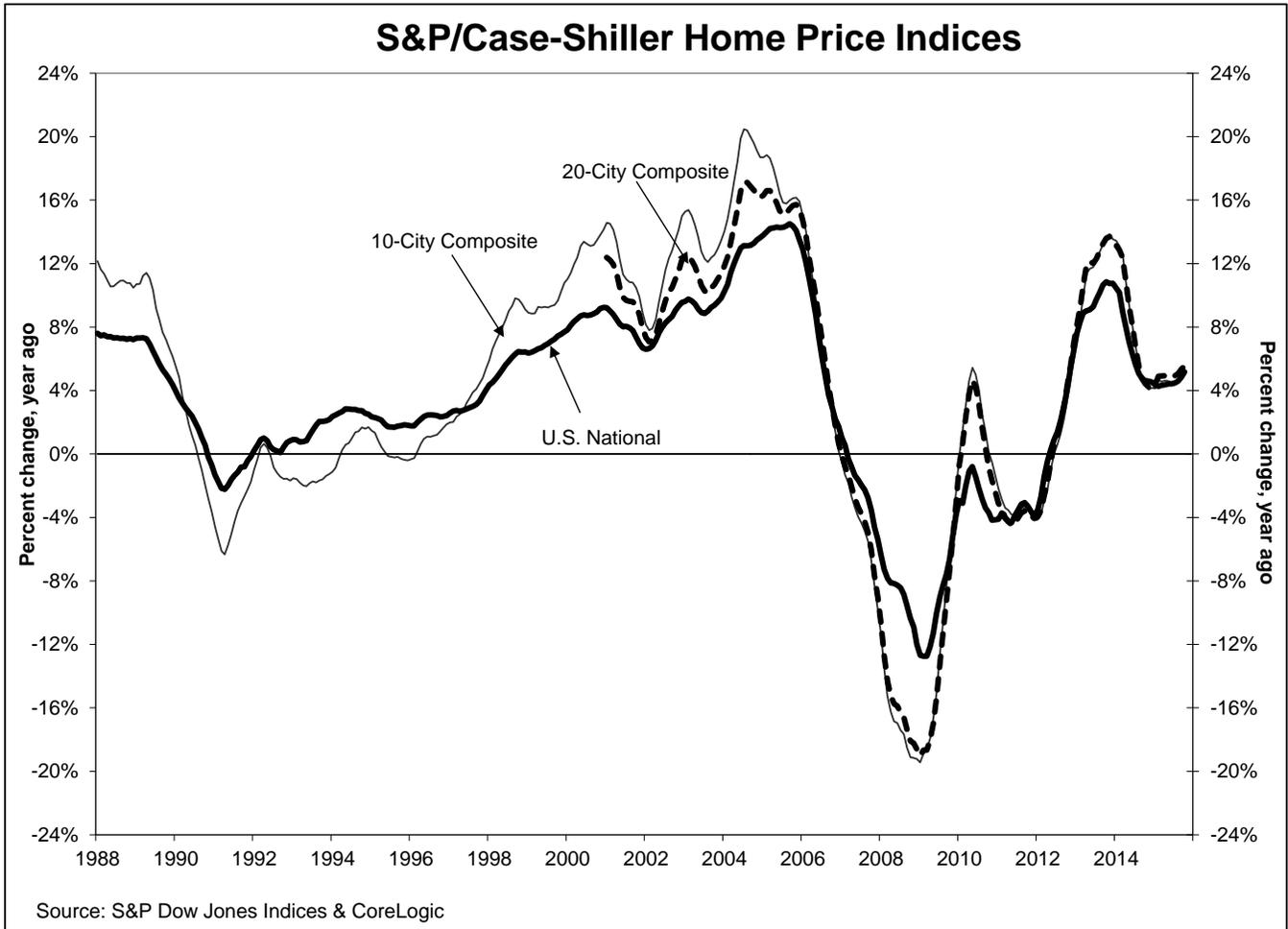
"Generally good economic conditions continue to support gains in home prices," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Among the positive factors are consumers' expectations of low inflation and further economic growth as well as recent increases in residential construction including single family housing starts. Inventories of existing homes have averaged around a five month supply for the past year, a level that suggests a fairly tight market with limited supplies. Sales of new single family homes, despite recent increases in construction, remain mixed to soft compared to the trend in existing home sales.

"The recent action by the Federal Reserve raising the Fed funds target rate by 25bp and spreading expectations of further increases during 2016 are leading some to wonder if mortgage interest rate might rise. Typically, increases in short term interest rates lead to smaller increases in long term interest rates. The chart below shows the average rate on 30-year fixed rate mortgages and the Fed funds rate. From May 2004 to July 2007, the Fed funds rate moved up from 1.0% to 5.25%; over the same period, the mortgage rate rose from about 6% to 6.75% during a sustained tightening effort by the Federal Reserve. The latest economic projections published by the Fed following the recent rate increase suggest that the Fed funds rate will be around 2.6% in September 2017 compared to a

current rate of about 0.5%. These data suggest that potential home buyers need not fear runaway mortgage interest rates.”



The chart below depicts the annual returns of the U.S. National, the 10-City Composite and the 20-City Composite Home Price Indices. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.2% annual gain in October 2015. The 10-City and 20-City Composites reported year-over-year increases of 5.1% and 5.5%.



This chart shows the index levels for the U.S. National, 10-City and 20-City Composite Indices. As of October 2015, average home prices for the MSAs within the 10-City and 20-City Composites are back to their winter 2007 levels. Measured from their June/July 2006 peaks, the peak-to-current decline for both Composites is approximately 11-13%. Since the March 2012 lows, the 10-City and 20-City Composites have recovered 34.9% and 36.4%.

### S&P/Case-Shiller Home Price Indices

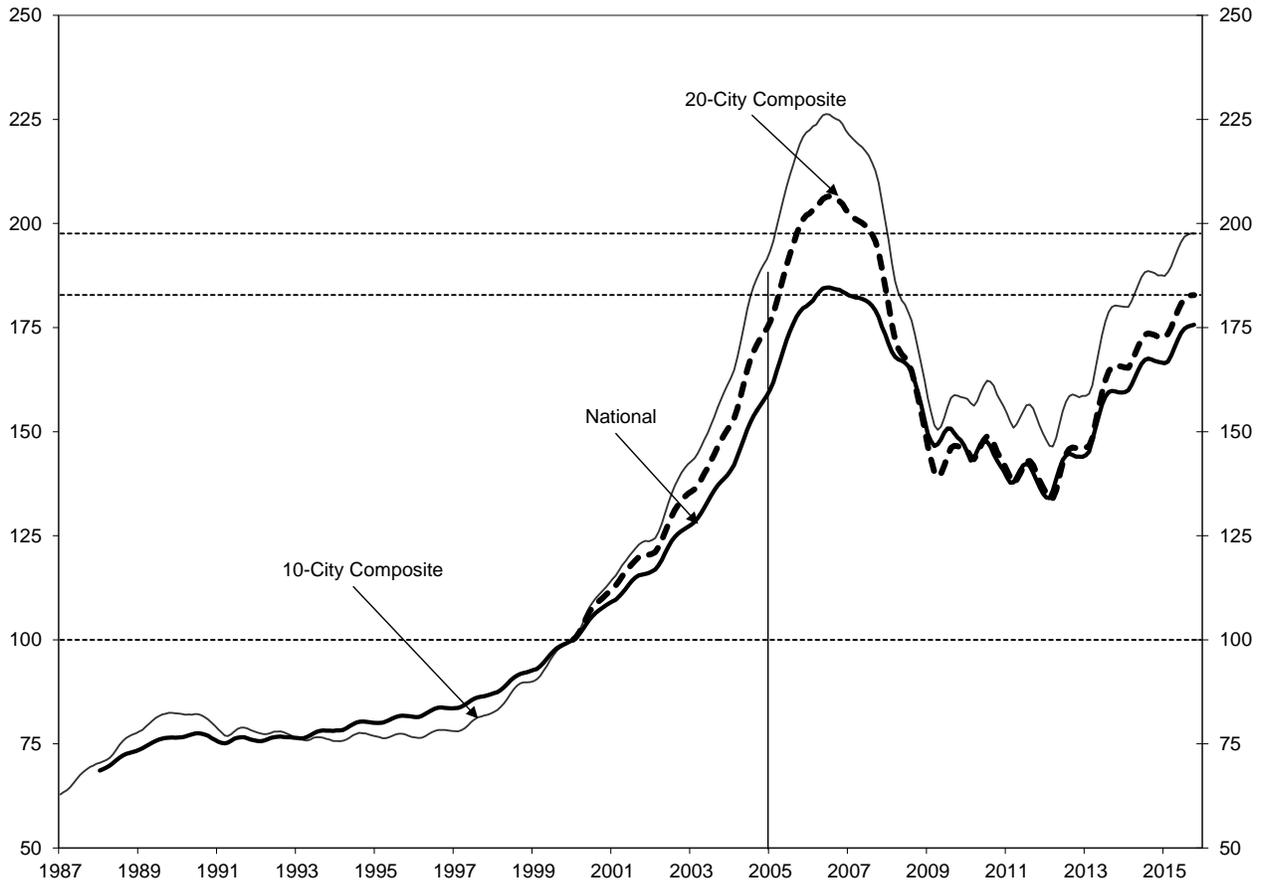


Table 1 below summarizes the results for October 2015. The S&P/Case-Shiller Home Price Indices are revised for the prior 24 months, based on the receipt of additional source data.

<b>Metropolitan Area</b>	<b>October 2015 Level</b>	<b>October/September Change (%)</b>	<b>September/August Change (%)</b>	<b>1-Year Change (%)</b>
Atlanta	126.06	-0.2%	0.1%	6.1%
Boston	184.64	0.0%	0.0%	5.1%
Charlotte	134.69	0.3%	-0.1%	4.7%
Chicago	131.40	-0.7%	-0.4%	1.3%
Cleveland	109.00	-0.4%	-0.4%	2.2%
Dallas	155.83	0.4%	0.4%	9.3%
Denver	174.22	0.4%	0.4%	10.9%
Detroit	103.39	-0.2%	-0.1%	5.3%
Las Vegas	145.02	0.0%	0.1%	5.7%
Los Angeles	238.96	0.1%	0.2%	6.2%
Miami	205.23	0.7%	0.9%	8.0%
Minneapolis	147.65	-0.1%	0.2%	4.0%
New York	181.84	-0.1%	0.1%	3.1%
Phoenix	155.95	0.5%	0.2%	5.7%
Portland	188.91	0.5%	0.8%	10.9%
San Diego	215.75	-0.3%	0.6%	6.2%
San Francisco	217.65	0.6%	0.6%	10.9%
Seattle	185.17	0.5%	0.2%	8.8%
Tampa	174.06	0.7%	0.5%	6.3%
Washington	211.90	-0.3%	-0.3%	1.7%
Composite-10	197.62	0.0%	0.2%	5.1%
Composite-20	182.83	0.1%	0.2%	5.5%
U.S. National	175.65	0.1%	0.1%	5.2%

Source: S&P Dow Jones Indices and CoreLogic  
Data through October 2015

Table 2 below shows a summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data. Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, S&P Dow Jones Indices publishes a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked.

Metropolitan Area	October/September Change (%)		September/August Change (%)	
	NSA	SA	NSA	SA
Atlanta	-0.2%	1.2%	0.1%	1.1%
Boston	0.0%	1.1%	0.0%	0.6%
Charlotte	0.3%	0.8%	-0.1%	0.4%
Chicago	-0.7%	0.7%	-0.4%	0.0%
Cleveland	-0.4%	0.5%	-0.4%	0.1%
Dallas	0.4%	1.2%	0.4%	0.9%
Denver	0.4%	1.1%	0.4%	0.9%
Detroit	-0.2%	0.2%	-0.1%	0.0%
Las Vegas	0.0%	0.2%	0.1%	0.2%
Los Angeles	0.1%	0.4%	0.2%	0.4%
Miami	0.7%	1.2%	0.9%	1.2%
Minneapolis	-0.1%	0.6%	0.2%	0.3%
New York	-0.1%	0.5%	0.1%	0.2%
Phoenix	0.5%	0.6%	0.2%	0.5%
Portland	0.5%	1.0%	0.8%	1.1%
San Diego	-0.3%	0.2%	0.6%	0.6%
San Francisco	0.6%	1.3%	0.6%	1.2%
Seattle	0.5%	1.3%	0.2%	0.9%
Tampa	0.7%	1.3%	0.5%	1.1%
Washington	-0.3%	0.6%	-0.3%	0.2%
Composite-10	0.0%	0.8%	0.2%	0.4%
Composite-20	0.1%	0.8%	0.2%	0.5%
U.S. National	0.1%	0.9%	0.1%	0.8%

Source: S&P Dow Jones Indices and CoreLogic

Data through October 2015

For more information about S&P Dow Jones Indices, please visit [www.spdji.com](http://www.spdji.com).

### About S&P Dow Jones Indices

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