



## March Home Prices Extend Recent Rebound

One of the major home price indices showed a **continued increase in national home prices in March and less waffling in some local markets**. A second index, the Federal Housing Finance Agency's (FHFA) Housing Price Index (HPI) lengthened its string of quarterly price gains that stretches back to the first quarter of 2012.

The S&P CoreLogic Case-Shiller U.S. National Home Price Index which covers all nine U.S. census divisions, reported a 0.7 percent annual gain in March, down from 2.1 percent in the previous month. On a monthly basis, that index rose 1.3 percent on a non-seasonally adjusted (NSA) basis and 0.4 percent after (SA) adjustment.

Selma Hepp, CoreLogic Chief Economist **credited the 0.7 percent annual increase in the National Index to the spring home buying season** and a stronger return to the market of buyers than sellers. " created another competitive market environment and one in which the very meager inventory of existing homes is putting buyers in a position of having to pay over the asking price and as a result driving early spring price gains well beyond what is traditionally seen during this period. But, monthly gains, up 1.3 percent from February, are almost double the increase seen between the two months and suggest housing market competition heated up again in early spring."

The 10-City Composite Index fell 0.8 percent after an annual increase of 0.5 percent in February but posted monthly gains of 1.6 percent NSA and 0.5 percent SA. The 20-City Composite dipped 1.1 percent compared to March 2022 while rising 1.5 percent and 0.5 percent for the month on NSA and SA bases, respectively.



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## S&P CoreLogic Case-Shiller Indices



Miami, Tampa, and Charlotte reported the highest year-over-year gains among the 20 cities in March. Miami led the way once again with a 7.7 percent year-over-year price increase, followed by Tampa in second with a 4.8 percent increase, and Charlotte replacing Atlanta in third with a 4.7 percent gain. There are 19 of 20 cities reporting lower prices in the year ending March 2023 versus the year ending February 2023, with only Chicago showing an increase at 0.4 percent.

**“The modest increases in home prices we saw a month ago accelerated in March 2023,”** says Craig J. Lazzara, Managing Director at S&P DJI. “The National Composite rose by 1.3 percent in March, and now stands only 3.6 percent below its June 2022 peak.

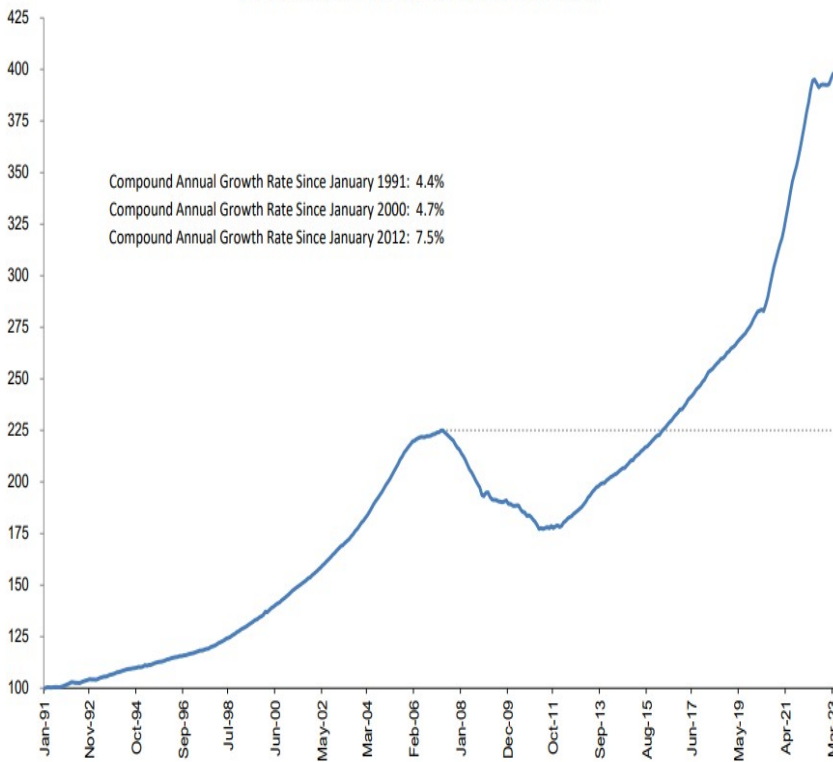
“One of the most interesting aspects of our report continues to lie in its stark regional differences. Miami’s 7.7 percent year-over-year gain made it the best-performing city for the eighth consecutive month. Tampa continued in second place, narrowly ahead of bronze medalist Charlotte. The farther west we look, the weaker prices are, with Seattle (-12.4 percent) now leading San Francisco (-11.2 percent) at the bottom of the league table. It’s unsurprising that the Southeast (+5.4 percent) remains the country’s strongest region, while the West (-6.2 percent) remains the weakest.

“Two months of increasing prices do not a definitive recovery make, but **March’s results suggest that the decline in home prices that began in June 2022 may have come to an end.** That said, the challenges posed by current mortgage rates and the **continuing possibility of economic weakness are likely to remain a headwind** for housing prices for at least the next several months.”

FHFA says U.S. house prices rose 4.3 percent between the first quarters of 2022 and 2023. House prices were up 0.5 percent compared to the fourth quarter of 2022. FHFA’s seasonally adjusted monthly index for March was up 0.6 percent from February.

### Monthly House Price Index for U.S. from January 1991 - Present

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)



Source: FHFA

“U.S. house prices generally increased modestly in the first quarter” said Dr. Anju Vajja, Principal Associate Director in FHFA’s Division of Research and Statistics. “However, year-over-year prices in many western states have started to decline for the first time in over ten years.”

**House prices rose in 43 states between the first quarters of 2022 and 2023** with the greatest gains in the Southeast and New England. The states with the largest increases, ranging down from 9.5 percent to 8.8 percent were South Carolina, North Carolina, Maine, Vermont and Arkansas. The largest depreciation, from -4.3 percent to -2.3 percent, occurred in Utah, Nevada, California, Washington, and the District of Columbia.

Of the seven census divisions with positive house price changes, the South Atlantic division recorded the strongest four-quarter appreciation of 7.2 percent increase between the first quarters of 2022 and 2023. House prices fell in the Pacific (-2.4 percent) and Mountain (-0.1 percent) divisions.

The Case-Shiller Indices track the matched price pairs for thousands of individual houses and each is benchmarked in January 2000 at 100. The current value of the National Index is 297.8 and the 10- and 20-City Composites are at 315.54 and 302.20.

FHFA’s HPI is calculated from home sales financed by Fannie Mae or Freddie Mac. It was benchmarked at 100 in January 1991 and currently stands at 398.0.