



Slowing Home Price Gains Still Outstrip Inflation

Two major home price indices show home price appreciation is still running well above historical norms. However, increases in the S&P CoreLogic Case-Shiller indices and the Federal Housing Finance Agency's (FHFA's) Housing Price Index (HMI) were all slightly smaller than the prior month.

The Case-Shiller National Home Price Index, covering all nine U.S. census divisions, reported a **5.4 percent annual gain for June, down from a 5.9 percent increase in May.** The 10-City Composite was 7.4 percent higher compared to a 7.8 percent annual increase in the previous month. The 20-City Composite gained 6.5 percent dropping from the earlier +6.9 percent. New York reported 9.0 percent annual growth, the highest among the 20 cities, followed by San Diego and Las Vegas with annual increases of 8.7 percent and 8.5 percent, respectively. Portland once again held the lowest spot for year-over-year growth, 0.8 percent.

The U.S. National Index, the 20-City Composite, and the 10-City Composite upward trends continued to decelerate from last month. Their pre-seasonal adjusted increases were 0.5 percent, 0.6 percent, and 0.6 percent, respectively. The seasonally adjusted changes were 0.2 percent for the National Index and 0.4 percent and 0.5 percent for the 20-City and 10-City Composites.



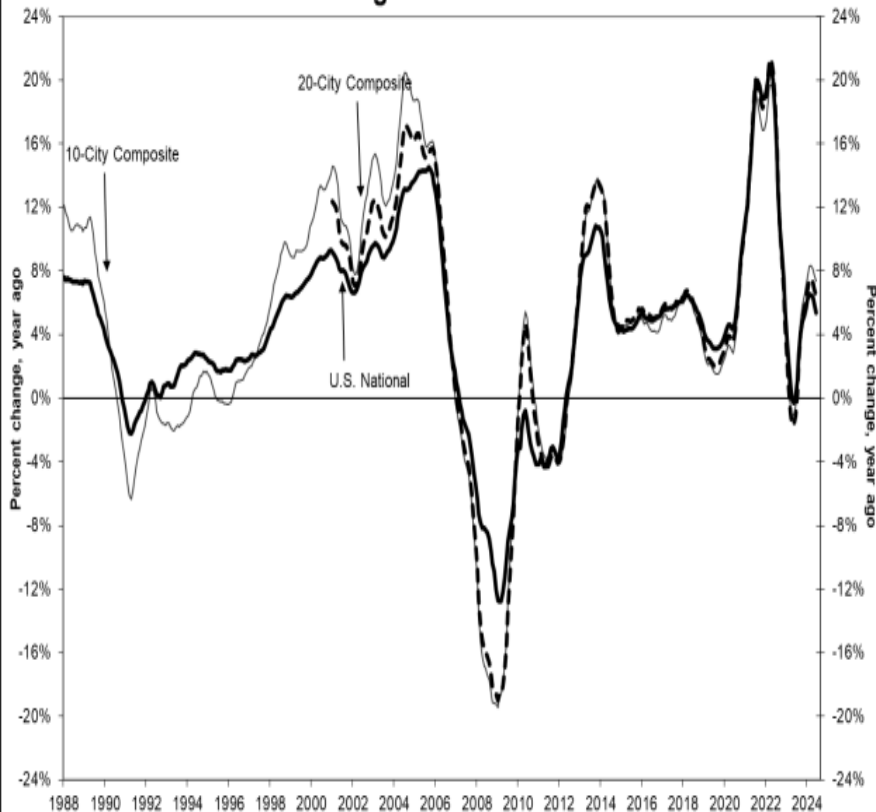
**Nevada County
Mortgage**

**NCM Team: Wendy,
Paul & Shelley**
Mortgage Advisors, Nevada
County Mortgage

nevadacountymortgage.com
P: (530) 274-0916

140 Litton Dr
Grass Valley CA 95945
NMLS: 254913, 254875 & 270488

S&P CoreLogic Case-Shiller Indices



Sources: S&P Dow Jones Indices & CoreLogic

"The S&P CoreLogic Case-Shiller Indices continue to show above-trend real price performance when accounting for inflation," says Brian D. Luke, CFA, Head of Commodities, Real & Digital Assets. "Home prices and inflation continue to factor into the political agenda coming into the election season. While both housing and inflation have slowed, the gap between the two is larger than historical norms, with our National Index averaging 2.8 percent more than the Consumer Price Index. That is a full percentage point above the 50-year average. **Before accounting for inflation, home prices have risen over 1,100 percent since 1974, but have slightly more than doubled (111 percent) after accounting for inflation.**

"Another popular theme is **making housing more affordable to first-time homebuyers**. We compared each of the 16 markets that the S&P CoreLogic Case-Shiller Home Price Indices calculate on a tiered basis to evaluate historical performance of more affordable homes. Our tiered indices divide each market into three price tiers, which range based on the market. Looking at the last five years, 75 percent of the markets covered show low-price tiers rising faster than the overall market," according to Luke. "For example, the lower tier of the Atlanta market has risen 18 percent faster than the middle- and higher-tiered homes. New York's low tier has the largest five-year outperformance, rising nearly 20 percent above the overall New York region. New York also has the largest divergence between low- and high-tier prices. New York's high-tier homes have lagged the region's market by 5.1 percent. Conversely, San Diego has seen the largest appreciation in higher-tier homes over the past five years. While the overall San Diego market has risen by 72 percent in the past five years, the high tiers have done even better, rising 79 percent versus 63 percent for the lower tier."

The FHFA HMI was largely in agreement with the Case-Shiller numbers. The Quarterly HMI report showed U.S. house prices up 5.7 percent between the second quarter of 2023 and the second quarter of 2024. Prices rose 0.9 percent from the first quarter of this year to the second. **FHFA's seasonally adjusted monthly index for June ticked down 0.1 percent from May.**

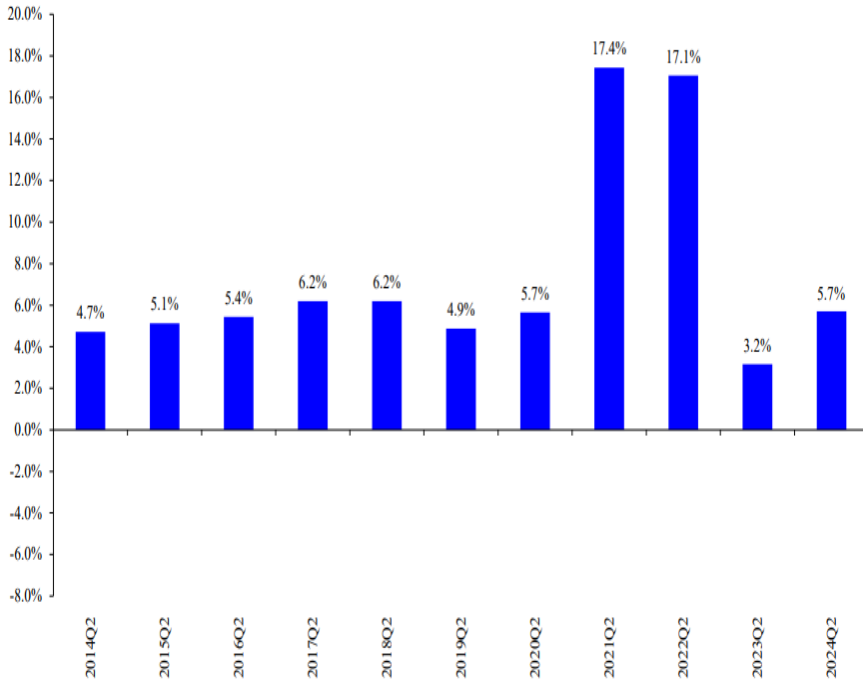
"U.S. house prices saw the third consecutive slowdown in quarterly growth," said Dr. Anju Vajja, Deputy Director for FHFA's Division of Research and Statistics. "The slower pace of appreciation as of June end was likely due to higher inventory of homes for sale and elevated mortgage rates."

Other notable quarterly findings:

Nationally, the U.S. housing market has experienced positive annual appreciation each quarter since the start of 2012. House prices rose in 50 states and the District of Columbia between the second quarter of 2023 and the second quarter of 2024.

House Price Appreciation Over Previous Four Quarters for U.S.

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal) through 2024Q2



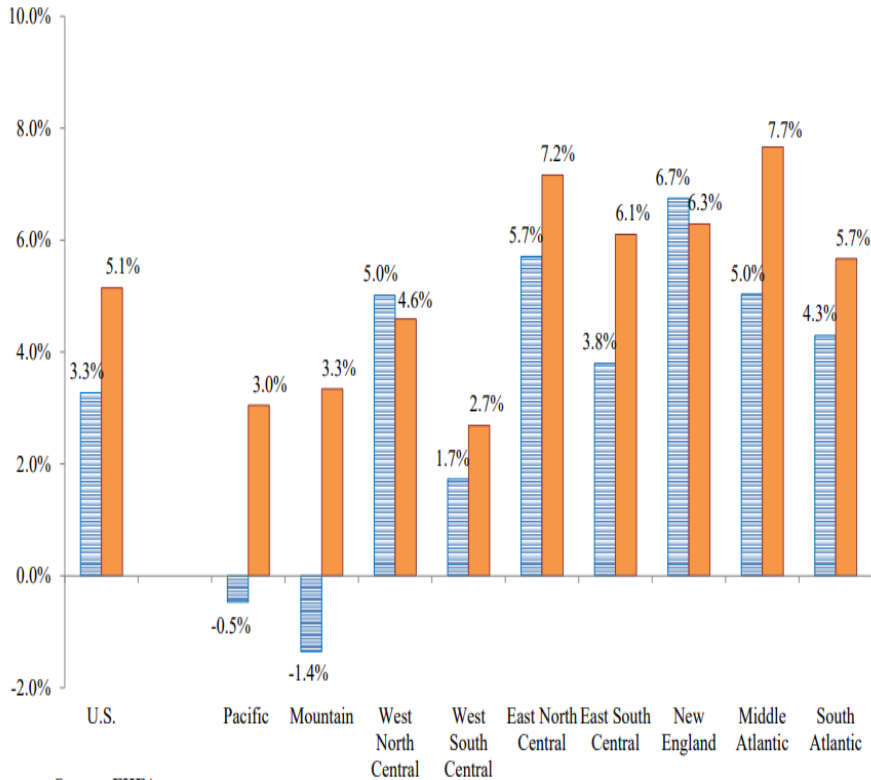
Source: FHFA

The five states with the highest annual appreciation were Vermont, 13.4 percent; West Virginia, 12.3 percent; Rhode Island, 10.1 percent; Delaware, 10.0 percent; and New Jersey, 9.9 percent. House prices rose in 96 of the top 100 largest metropolitan areas over the last four quarters.

Twelve-Month House Price Changes – Prior Year vs. Most Recent Year

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

Price Change: 06/2022 - 06/2023 Price Change: 06/2023 - 06/2024



All nine census divisions had positive house price changes year-over-year. The Middle Atlantic division recorded the strongest appreciation, posting an 8.5 percent increase from the second quarter of 2023 to the second quarter of 2024. The West South Central division recorded the smallest four-quarter appreciation, at 2.8 percent.

Case-Shiller indices track the matched price pairs for thousands of individual houses. Each index was benchmarked in January 2000 at 100. The current value of the National Index is 325.23 and the 10- and 20-City Composites stand at 352.91 and 335.45, respectively.

FHFA's HPI is based on home sales financed by either Fannie Mae or Freddie Mac. It was benchmarked at 100 in January 1991 and its current value is 424.5.