Home Prices – Meaningful Turnaround?
March 24, 2009

The House Price Index of the Federal Housing Finance Agency (FHFA) rose 1.67% in January. The noteworthy increase of the House Price Index reflects widespread gains, with seven of the nine regional indexes advancing in January. Prices fell only the in Pacific (-0.9%) and West South Central (-0.03%) regions.

On a year-to-year basis, the FHFA House Price Index fell 6.3% in January – the second monthly decline that is smaller than the largest drop recorded in November 2008 (-9.15%). The Case-Shiller Price Index fell 18.6% on a year-to-year basis in December. The Case-Shiller Price Index for January will be published on March 31 which may confirm this information.

The opinions expressed herein are those of the author and do not necessarily represent the views of The Northern Trust Company. The Northern Trust Company does not warrant the accuracy or completeness of information contained herein, such information is subject to change and is not intended to influence your investment decisions.
The median price of an existing single-family home dropped 15% from a year ago in February 2009. This is a smaller drop than the 16.7% decline of January, which could possibly be the bottom for the median existing home price, a tentative judgment that is subject to change in the months ahead. It is essentially too early to confirm that home prices are on their way back, but it is still worthy of mention, for now.

Chart 3
NAR Median Sales Price: Existing 1-Family Homes, United States

Source: National Association of Realtors/Haver Analytics