

Real-Time Housing Market Update



August 11, 2010

This month's housing data confirms what we've been saying for some time: the mini-"boom" of this spring was created by seasonal demand, with some extra help from pressure to meet deadlines for capitalizing on tax credits. Now that those are gone, buyer activity has all but come to a standstill.

Rapidly rising inventory, pricing weakness in the Altos 10-City Composite signal continued home price pressures in August and into the fall of 2010. This month, the Altos 10-City Composite price decreased 0.63%.

August 2010 Highlights

- The Altos Research 10-City Composite Index shows that, nationally, more than 1/3 of all homes listed for sale reduced their prices in July 2010.
- The Composite, which was reasonably flat in June, showed a marked decrease in July, falling more than half a percentage point (0.63%).
- Inventory, across the board, is rising steadily, with 22 of 26 major markets showing increases; the sharpest inclines were in Phoenix & Washington, DC, up 5.07% and 5.67%, respectively. Inventory levels are similar to last year at this time, but were declining then and are increasing now.
- Asking prices for homes fell in 19 of 26 markets tracked, with the most significant declines in Miami (3.37%), Washington, DC (4.14%), and Phoenix (5.14%).

TRENDS: July Home Prices

The Altos 10-City Composite fell from its reading in June 2010, off significantly from its high in Summer 2009. The index fell to \$474,946, down 0.63% from June. With the exception of May 2010, when the market was heavily influenced by buyers taking advantage of tax credits, it has been in a state of gradual decline for the past 11 months.

Though mortgage rates are at all-time lows, buyers still aren't being swayed to make purchases. Increases in inventory nationwide show that demand simply isn't there. As the market continues to correct itself, and as we head into the seasonally weak fall and winter months, expect more increases in inventory, and likely deepening declines in asking prices.

In July, prices were down in 19 of the 26 markets covered in this month's report. Markets feeling the pinch most in July were Washington, DC and Phoenix, with prices falling 4.14% and 5.14%, respectively. Also showing a steep negative trend is Miami, which had a decrease of 3.37%.

Data relative to decreases in price shows that numerous major markets appear to be tipping precipitously toward a real imbalance in supply and demand. Those cities with the greatest percentage of decreases in asking price are: Austin (50%), Denver (48%), and Minneapolis-St. Paul (52%).

Amid this downturn, there were price increases -- albeit small ones -- in Austin, Los Angeles, San Jose, San Francisco, Philadelphia, Cleveland, Indianapolis, and San Diego, with Austin and Los Angeles with the strongest gains nationwide at 0.56% and 0.35%, respectively.

Altos Research Price Composite

MSA	May 2010	June 2010	July 2010	% Change Last Month	% Change Over 3 Months
10-City Composite	\$478,083	\$477,937	\$474,946	-0.63%	0.66%
Austin	\$285,084	\$287,996	\$289,608	0.56%	1.59%
Los Angeles	\$660,071	\$663,572	\$665,885	0.35%	-0.03%
San Jose	\$745,357	\$756,878	\$758,892	0.27%	1.82%
San Diego	\$689,667	\$689,840	\$691,128	0.19%	0.21%
Philadelphia	\$332,387	\$334,112	\$334,649	0.16%	0.68%
Cleveland	\$168,716	\$170,012	\$170,249	0.14%	0.91%
San Francisco	\$738,538	\$753,131	\$753,348	0.03%	2.01%
Indianapolis	\$168,891	\$168,000	\$168,023	0.01%	0.68%
Chicago	\$311,109	\$312,775	\$312,617	-0.05%	0.48%
Minneapolis	\$275,659	\$276,296	\$276,094	-0.07%	0.16%
Portland	\$308,884	\$309,862	\$309,491	-0.12%	0.20%
Houston	\$225,554	\$226,933	\$226,646	-0.13%	0.48%
Seattle	\$377,657	\$378,690	\$378,181	-0.13%	0.14%
Detroit	\$143,183	\$142,824	\$142,629	-0.14%	-0.39%
Dallas	\$236,312	\$238,328	\$236,571	-0.74%	0.48%
New York City	\$592,429	\$590,150	\$585,402	-0.80%	-1.19%
Denver	\$343,668	\$344,942	\$341,993	-0.85%	-0.49%
Atlanta	\$218,208	\$218,270	\$215,932	-1.07%	-1.04%
Charlotte	\$235,894	\$235,270	\$232,406	-1.22%	-1.48%
Las Vegas	\$161,349	\$160,421	\$158,271	-1.34%	-1.91%
Boston	\$481,632	\$479,371	\$472,470	-1.44%	-1.90%

MSA	May 2010	June 2010	July 2010	% Change Last Month	% Change Over 3 Months
10-City Composite	\$478,083	\$477,937	\$474,946	-0.63%	0.66%
Tampa	\$203,941	\$203,276	\$199,927	-1.65%	-1.97%
Salt Lake City	\$334,649	\$333,717	#327,368	-1.90%	-2.18%
Miami	\$473,973	\$463,140	\$447,513	-3.37%	-5.58%
Washington, DC	\$465,125	\$461,545	\$442,424	-4.14%	-4.88%
Phoenix	\$269,188	\$262,769	\$249,254	-5.14%	-7.41%

TRENDS: Housing Supply

The market, right now, is a veritable case study of the law of supply and demand. Right now, there's a whole lot of supply, but very, very little demand. The buyers that drove a flurry of activity during the Spring have left a deafening silence in their wake.

In July, 22 of 26 markets showed clear increases in housing inventory. Inventory was up significantly in Dallas, Denver, Los Angeles, Phoenix, Portland, San Francisco, and Washington, DC, which posted the largest increase at 5.67%.

Listing Inventory

MSA	May 2010	June 2010	July 2010	% Change Last Month	% Change Over 3 Months
10-City Composite	296,578	304,831	311,742	2.27%	3.82%
Washington, DC	27,672	29,623	31,202	5.67%	13.12%
Phoenix	30,038	30,192	31,723	5.07%	5.61%
Los Angeles	37,572	38,045	39,899	4.87%	6.19%
Portland	14,360	14,868	15,584	4.82%	8.52%
San Francisco	9,685	10,421	10,901	4.69%	12.65%
Dallas	35,074	37,101	38,777	4.52%	10.56%
San Diego	9,778	10,247	10,706	4.48%	9.49%
Denver	15,194	16,079	16,757	4.22%	10.29%
San Jose	4,919	5,164	5,357	3.74%	8.90%
Houston	36,291	37,049	38,396	3.64%	5.80%
Seattle	23,717	24,303	25,071	3.16%	5.71%

MSA	May 2010	June 2010	July 2010	% Change Last Month	% Change Over 3 Months
10-City Composite	296,578	304,831	311,742	2.27%	3.82%
Cleveland	14,597	15,014	15,471	3.04%	5.99%
Tampa	19,862	20,120	20,698	2.87%	4.21%
Indianapolis	14,282	14,541	14,945	2.78%	4.64%
Miami	29,022	29,290	29,908	2.11%	3.05%
Detroit	26,689	27,302	27,853	2.02%	3.66%
Philadelphia	26,805	27,838	28,284	1.60%	5.52%
Atlanta	39,851	40,619	41,190	1.41%	3.36%
Las Vegas	20,971	21,357	21,593	1.11%	2.97%
Chicago	59,275	59,220	59,781	0.95%	0.85%
Austin	13,048	13,641	13,731	0.66%	5.23%
New York City	68,389	70,675	71,118	0.63%	3.99%
Salt Lake City	7,377	7,577	7,519	-0.77%	1.92%
Boston	18,121	18,948	18,802	-0.77%	3.76%
Minneapolis	18,958	19,566	18,967	-3.06%	0.05%
Charlotte	16,548	16,634	16,082	-3.32%	-2.82%

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. With 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 10-City Composite is based on single family homes in Boston, Chicago, New York, Los Angeles, San Diego, San Francisco, Miami, Las Vegas, Washington, DC and Denver. 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 15,000 zip codes in more than 150 metro markets around the county, including the 20 S&P/Case-Shiller markets summarized in this report.



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