

Real-Time Housing Market Update

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Highlights

“The Altos 10-City Composite presents the most current perspective on housing market conditions across the country. Prices decreased by 1.4% in September for the 10-City Composite Index.

- The 10-City Composite Index was down 1.4% during September and 2.9% for the past three months. Asking prices declined in 21 markets, were flat in one and up in just 4 of 26 markets. Many markets that had posted multi-month sequential price increases during the summer months displayed new weakness in September. This could portend a general resumption of the downward trend in prices as most markets experience seasonal weakness in the fall and winter months.
- The largest monthly drop in asking prices occurred in Las Vegas with a 3.5% decline during September. To put the depth of the Las Vegas decline in perspective, the median listing price for Las Vegas in September 2007 was \$363,684 versus \$253,292 in September 2008 or a drop of just over 30%.
- Prices increased in just 4 of 25 markets with Denver up 0.9% and San Diego up 0.8% in September. Denver, San Diego and Houston are the only markets showing three months of sequential price increases.
- Listed property inventories declined in 21 of 26 markets with the largest declines in Austin and Detroit. Widespread declines in inventory could temper future price declines during the fall and winter months.
- Nineteen of 26 markets had an average days-on-market of 100 or more. Days-on-market declined in just 3 of 26 markets. By far, the market with the slowest rate of inventory turnover was Miami at an average of 167 days-on-market. Miami has held that dubious honor in every month since September 2007.

September Home Price Trends

For-sale listing prices declined in 21 of 26 markets during September. The 10-City Composite Index was down by 1.4% during the last month and by 2.9% over the most recent three month period. The largest monthly decline occurred in Las Vegas with a drop of 3.5% which was substantially slower than the 4.8% rate of decline for August. This marks the sixth consecutive month that Las Vegas has posted the fastest rate of declining prices among major markets. To put the depth of this decline in perspective, the median listing price for Las Vegas in September 2007 was \$363,684 versus \$253,292 in September 2008 or a drop of just over 30%. Prices were also down by more than two percent for the month in Detroit and Phoenix.

Asking prices increased in just 4 of 26 markets – Denver, San Diego, Houston and Charlotte - and were flat in one market - Dallas. The largest single month increases were in Denver up 0.9% and San Diego up 0.8%. Denver, San Diego and Houston are all showing three months of sequential price increases.

Midwestern markets such as Detroit and Cleveland which had demonstrated some price stability over the Summer, have showed weakness now in both August and September. This does not bode well for the direction of prices in the Fall when markets typically demonstrate seasonal weakness.



Altos Research Price Index					
MSA	July 2008	August 2008	September 2008	% Change Last Month	% Change Over 3 Months
10 City Composite	\$ 508,236	\$ 500,427	\$ 493,462	-1.4%	-2.9%
Las Vegas	\$ 275,709	\$ 262,413	\$ 253,292	-3.5%	-8.1%
Detroit	\$ 184,859	\$ 179,132	\$ 174,483	-2.6%	-5.6%
Phoenix	\$ 366,022	\$ 363,101	\$ 355,271	-2.2%	-2.9%
Miami	\$ 463,338	\$ 452,801	\$ 445,986	-1.5%	-3.7%
Washington, DC	\$ 478,890	\$ 471,620	\$ 465,213	-1.4%	-2.9%
Los Angeles	\$ 664,763	\$ 653,202	\$ 644,602	-1.3%	-3.0%
Philadelphia	\$ 321,086	\$ 318,598	\$ 314,484	-1.3%	-2.1%
Tampa	\$ 252,211	\$ 248,979	\$ 245,817	-1.3%	-2.5%
San Francisco	\$ 647,340	\$ 633,441	\$ 625,617	-1.2%	-3.4%
Cleveland	\$ 174,173	\$ 171,374	\$ 169,268	-1.2%	-2.8%
San Jose	\$ 730,475	\$ 718,991	\$ 710,510	-1.2%	-2.7%
Boston	\$ 468,541	\$ 462,802	\$ 457,921	-1.1%	-2.3%
Chicago	\$ 353,369	\$ 349,026	\$ 345,601	-1.0%	-2.2%
Atlanta	\$ 239,725	\$ 238,486	\$ 236,473	-0.8%	-1.4%
Indianapolis	\$ 171,684	\$ 169,959	\$ 168,743	-0.7%	-1.7%
Austin	\$ 306,716	\$ 306,368	\$ 304,553	-0.6%	-0.7%
Portland	\$ 377,082	\$ 373,653	\$ 371,574	-0.6%	-1.5%
Minneapolis	\$ 292,387	\$ 291,398	\$ 289,806	-0.5%	-0.9%
Salt Lake City	\$ 461,596	\$ 459,438	\$ 457,982	-0.3%	-0.8%
New York	-	\$ 622,726	\$ 622,332	-0.1%	
Seattle	\$ 468,928	\$ 468,763	\$ 468,494	-0.1%	-0.1%
Dallas	\$ 235,130	\$ 235,923	\$ 235,835	0.0%	0.3%
Charlotte	\$ 255,587	\$ 254,569	\$ 254,785	0.1%	-0.3%
Houston	\$ 216,497	\$ 216,918	\$ 217,113	0.1%	0.3%
San Diego	\$ 675,727	\$ 685,453	\$ 690,954	0.8%	2.3%
Denver	\$ 369,165	\$ 376,308	\$ 379,712	0.9%	2.9%

* Revision in data collection methodology makes this metric non-comparable between certain periods

September Housing Supply Trends

For the month of September, listed property inventory increased in just 4 of 26 markets – Phoenix, Philadelphia, Charlotte and Boston -- and was flat in one – Las Vegas. Inventory jumped by the largest amount in Phoenix and Philadelphia, up just 2.7% and 2.1% respectively in August.

Inventory levels declined in 21 of 26 markets. Inventory fell by the largest amounts in Austin and Detroit with inventory contracting 6.3% and 6.2% respectively. Several other markets showed inventory declines of more than four percent including: Los Angeles, San Diego, Atlanta and Houston. While seasonal weakness is typical in the Fall, widespread inventory reductions could temper near-term price declines.

Listing Inventory					
MSA	July 2008	August 2008	September 2008	% Change Last Month	% Change Over 3 Months
10 City Composite	315,522	345,174	336,856	-2.4%	6.8%
Phoenix	37,628	36,497	37,465	2.7%	-0.4%
Philadelphia	35,024	34,987	35,722	2.1%	2.0%
Charlotte	18,798	18,372	18,652	1.5%	-0.8%
Boston	19,136	18,816	18,848	0.2%	-1.5%
Las Vegas	23,313	23,252	23,255	0.0%	-0.2%
Tampa	27,770	27,339	27,197	-0.5%	-2.1%
Salt Lake City	9,115	9,162	9,090	-0.8%	-0.3%
New York	-	64,203	63,253	-1.5%	
Washington, DC	28,693	27,666	27,033	-2.3%	-6.1%
San Francisco	15,010	14,326	13,991	-2.3%	-7.3%
Cleveland	16,518	16,314	15,910	-2.5%	-3.8%
Chicago	69,397	70,110	68,318	-2.6%	-1.6%
Seattle	27,200	25,556	24,882	-2.6%	-9.3%
Indianapolis	16,663	16,681	16,237	-2.7%	-2.6%
San Jose	7,271	6,993	6,788	-2.9%	-7.1%
Miami	48,362	49,105	47,622	-3.0%	-1.6%
Minneapolis	22,821	22,431	21,690	-3.3%	-5.2%

Portland	18,113	18,064	17,423	-3.5%	-4.0%
Denver	17,140	16,958	16,349	-3.6%	-4.8%
Dallas	39,205	37,340	35,904	-3.8%	-9.2%
Los Angeles	48,074	47,940	45,977	-4.1%	-4.6%
San Diego	12,195	12,041	11,469	-4.8%	-6.3%
Atlanta	60,728	59,955	56,854	-5.2%	-6.8%
Houston	39,798	38,940	36,736	-5.7%	-8.3%
Detroit	57,718	57,329	53,774	-6.2%	-7.3%
Austin	12,122	12,021	11,260	-6.3%	-7.7%

* Revision in data collection methodology makes this metric non-comparable between certain periods

September Housing Market Demand Trends

Nineteen of 26 markets had an average days-on-market of 100 or more. Days-on-market declined in just 3 of 26 markets. By far, the market with the slowest rate of inventory turnover was again Miami at an average of 167 days-on-market. That is more than a month longer than the next slowest market – Detroit which had an average days-on-market of 134. San Diego experienced the fastest rate of inventory turnover at an average of 76 days-on-market, followed by San Francisco at 83 days.

Average Days on Market					
MSA	July 2008	August 2008	September 2008	% Change Last Month	% Change Over 3 Months
10 City Composite	111	107	116	8.3%	4.0%
Miami	156	160	167	4.3%	7.1%
Detroit	123	126	134	6.1%	8.2%
Atlanta	101	120	132	10.2%	30.0%
Chicago	113	124	132	6.0%	16.2%
Tampa	124	129	132	1.8%	6.0%
Washington, DC	107	118	123	4.5%	15.1%
Cleveland	110	116	122	4.7%	10.8%
Charlotte	114	121	119	-2.2%	4.2%
Minneapolis	102	110	116	5.4%	13.9%
Indianapolis	99	105	112	6.2%	12.6%
Philadelphia	100	109	111	1.8%	11.0%

Phoenix	110	111	111	0.0%	0.7%
Houston	94	99	110	11.1%	16.8%
Las Vegas	108	106	109	2.9%	0.6%
Boston	91	102	106	4.1%	17.2%
Los Angeles	96	103	106	3.3%	10.2%
Seattle	90	100	106	6.0%	17.2%
Denver	88	96	102	6.8%	15.4%
Portland	86	93	100	7.3%	15.9%
New York	107	105	98	-7.0%	-8.5%
San Jose	88	94	97	3.5%	10.5%
Dallas	87	92	96	4.1%	9.9%
Austin	78	86	94	10.2%	20.4%
Salt Lake City	82	90	93	3.0%	12.8%
San Francisco	79	84	83	-1.0%	5.9%
San Diego	74	65	76	17.6%	3.2%

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Methodology

The Altos Research—Real IQ Real-Time Housing Report provides data on current housing market conditions in major markets around the country. Unlike other data sources that lag several months behind the market, this report summarizes metrics associated with active residential property listings to present the only real-time view of the housing market.

Each “market” measured in this report is equivalent to the Census Bureau's Metropolitan Statistical Area (MSA) dominated by the city listed. Properties analyzed in this data included repeat sales of single-family homes. Condominiums and town homes are not included in the data set. New construction is not included in the data set. 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 D.C., Denver. For more information visit AltosResearch.com.

About Real IQ

Real IQ provides housing market analysis and consulting services to leading mortgage and real estate companies including: Bank of America, Realogy, Weichert, Long & Foster, LendingTree and others. More information about Real IQ is located at www.realiq.com.

About Altos Research

Altos Research LLC pioneered real-time real estate market research. Founded in 2005, the company's information products serve investors, derivatives traders, and thousands of real estate professionals. The company publishes analytical reports and data feeds each week for thousands of zip codes including all 20 S&P/Case Shiller markets summarized in this report.

The Altos Research—Real IQ Housing Market Update is jointly produced by Real IQ™ and Altos Research. If you have any questions regarding this report, please contact Stephen Bedikian or Michael Simonsen.



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