

# U.S. Home Price Insights

Through March 2021 with with Forecasts from March 2022

## Introduction

The CoreLogic Home Price Insights report features an interactive view of our Home Price Index product with analysis through March 2021 with forecasts from March 2022.

CoreLogic HPI™ is designed to provide an early indication of home price trends. The indexes are fully revised with each release and employ techniques to signal turning points sooner. CoreLogic HPI Forecasts™ (with a 30-year forecast horizon), project CoreLogic HPI levels for two tiers—Single-Family Combined (both Attached and Detached) and Single-Family Combined excluding distressed sales.

The report is published monthly with coverage at the national, state and Core Based Statistical Area (CBSA)/Metro level and includes home price indices (including distressed sale); home price forecast and market condition indicators. The data incorporates more than 40 years of repeat-sales transactions for analyzing home price trends.

## HPI National Change

### March 2021 National Home Prices

Home prices nationwide, including distressed sales, increased year over year by 11.3% in March 2021 compared with March 2020 and increased month over month by 2% in March 2021 compared with February 2021 (revisions with public records data are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results).

### Forecast Prices Nationally

The CoreLogic HPI Forecast indicates that home prices will increase on a month-over-month basis by 1.1% from March 2021 to April 2021, and on a year-over-year basis by 3.5% from March 2021 to March 2022.

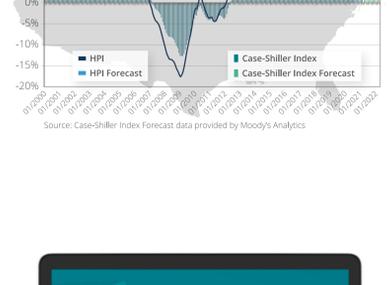


*“Despite the severe slowdown last year, the 2021 spring homebuying season is trending strong — reflecting the many positive signs of economic recovery. With prospective buyers continuing to be motivated by historically low mortgage rates, we anticipate sustained demand in the summer and early fall.”*

-Frank Martell  
President and CEO of CoreLogic

## HPI & Case-Shiller Trends

This graph shows a comparison of the national year-over-year percent change for the CoreLogic HPI and CoreLogic Case-Shiller Index from 2000 to present month with forecasts one year into the future. We note that both the CoreLogic HPI Single Family Combined tier and the CoreLogic Case-Shiller Index are posting positive, but moderating year-over-year percent changes, and forecasting gains for the next year.



## COVID-19 Impact on Home Prices

As consumer confidence rebounds and the [job market picks back up](#), the 2021 spring homebuying season is on track to outpace trends seen in 2019 and 2018.

[Millennials lead the homebuying charge](#) with older millennials seeking move-up purchases and younger millennials entering peak homebuying years. As we look towards the second half of the year, further erosion of affordability may dampen purchase demand as prospective buyers continue to compete for the severely limited supply of for-sale homes. A pick-up in construction and an increase in for-sale listings as more people get vaccinated may help moderate surging home price growth.

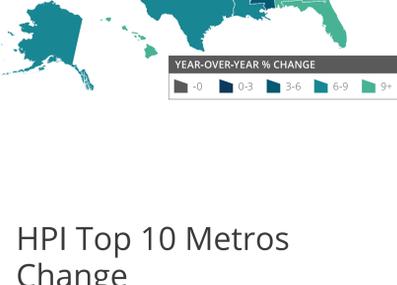


*“Lower-priced homes are in big demand and short supply, driving up prices faster compared to their more expensive counterparts. First-time buyers seeking a starter home priced 25% or more below the local-area median saw prices jump 15.1% during the past year, compared with the overall 11.3% gain in our national index.”*

- Dr. Frank Nothaft  
Chief Economist for CoreLogic

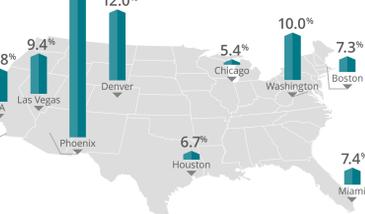
## HPI National and State Maps - March 2021

The CoreLogic HPI provides measures for multiple market segments, referred to as tiers, based on property type, price, time between sales, loan type (conforming vs. non-conforming) and distressed sales. Broad national coverage is available from the national level down to ZIP Code, including non-disclosure states.

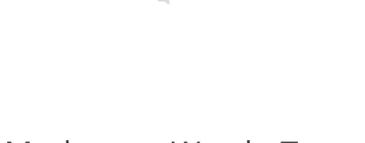


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## Markets to Watch: Top Markets at Risk of Home Price Decline

While home price changes on the local level vary, March gains across all of the top 10 metros surpassed their 2020 levels. However, metro areas where affordability constraints are prevalent continue to persist as prices rise. For instance, in March, home prices in San Diego increased 14% year over year and are forecasted to increase an additional 12.5% over the next 12 months.

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Conversely, The HPI Forecast also reveals the continued disparity in home price growth across metros. In markets like Houston, which was hit hard by the collapse of the oil industry and the recent hurricane season, home prices are expected to decline 0.5% by March 2022.

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The CoreLogic Market Risk Indicator (MRI), a monthly update of the overall health of housing markets across the country, predicts that metros such as Beaumont-Port Arthur, Texas; Brownsville-Harlingen, Texas; New Haven-Milford, Connecticut; and Gulfport-Biloxi-Pascagoula, Mississippi are at the greatest risk (25-50%) of a decline in home prices over the next 12 months. Detroit, Michigan is also at low risk (less than 25% probability) of a price decline over the same time period.

Risk Rank	Metropolitan Areas	Level of Risk of Price Decline	Confidence Score
1	Brownsville-Harlingen, TX	MODERATE 25-50% PROBABILITY OF A PRICE DECLINE	75%+
2	Beaumont-Port Arthur, TX	MODERATE 25-50% PROBABILITY OF A PRICE DECLINE	75%+
3	New Haven-Milford, CT	MODERATE 25-50% PROBABILITY OF A PRICE DECLINE	75%+
4	Gulfport-Biloxi-Pascagoula	MODERATE 25-50% PROBABILITY OF A PRICE DECLINE	75%+
5	Detroit-Dearborn-Livonia, MI	LOW LESS THAN 25% PROBABILITY OF A PRICE DECLINE	75%+

## Summary

CoreLogic HPI features deep, broad coverage, including non-disclosure state data. The index is built from industry-leading real-estate public record, servicing, and securities databases—including more than 40 years of repeat-sales transaction data—and all undergo strict preboarding assessment and normalization processes.

CoreLogic HPI and HPI Forecasts both provide multi-tier market evaluations based on price, time between sales, property type, loan type (conforming vs. non-conforming) and distressed sales, helping clients hone in on price movements in specific market segments.

Updated monthly, the index is the fastest home-price valuation information in the industry—complete home-price index datasets five weeks after month's end. The index is completely refreshed each month—all pricing history from 1976 to the current month—to provide the most up-to-date, accurate indication of home-price movements available.

## Methodology

The CoreLogic HPI™ is built on industry-leading public record, servicing and securities real-estate databases and incorporates more than 40 years of repeat-sales transactions for analyzing home price trends. Generally released on the first Tuesday of each month with an average five-week lag, the CoreLogic HPI is designed to provide an early indication of home price trends by market segment and for the “Single-Family Combined” tier, representing the most comprehensive set of properties, including all sales for single-family attached and single-family detached properties. The indices are fully revised with each release and employ techniques to signal turning points sooner. The CoreLogic HPI provides measures for multiple market segments, referred to as tiers, based on property type, price, time between sales, loan type (conforming vs. non-conforming) and distressed sales. Broad national coverage is available from the national level down to ZIP Code, including non-disclosure states.

CoreLogic HPI Forecasts™ are based on a two-stage, error-correction econometric model that combines the equilibrium home price—as a function of real disposable income per capita—with short-run fluctuations caused by market momentum, mean-reversion, and exogenous economic shocks like changes in the unemployment rate. With a 30-year forecast horizon, CoreLogic HPI Forecasts project CoreLogic HPI levels for two tiers — “Single-Family Combined” (both attached and detached) and “Single-Family Combined Excluding Distressed Sales.” As a companion to the CoreLogic HPI Forecasts, Stress-Testing Scenarios align with Comprehensive Capital Analysis and Review (CCAR) national scenarios to project five years of home prices under baseline, adverse and severely adverse scenarios at state, metropolitan areas and ZIP Code levels. The forecast accuracy represents a 95% statistical confidence interval with a +/- 2% margin of error for the index.

### About Market Risk Indicator

Market Risk Indicators are a subscription-based analytics solution that provide monthly updates on the overall “health” of housing markets across the country. CoreLogic data scientists combine world-class analytics with detailed economic and housing data to help determine the likelihood of a housing bubble burst in 392 major metros and all 50 states. Market Risk Indicators is a multi-phase regression model that provides a probability score (from 1 to 100) on the likelihood of two scenarios per metro: a >10% price reduction and a ≤ 10% price reduction. The higher the score, the higher the risk of a price reduction.

### Source: CoreLogic

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### About CoreLogic

CoreLogic (NYSE: CLGX), the leading provider of property insights and solutions, promotes a healthy housing market and thriving communities. Through its enhanced property data solutions, services and technologies, CoreLogic enables real estate professionals, financial institutions, insurance carriers, government agencies and other housing market participants to help millions of people find, buy and protect their homes. For more information, please visit [www.corelogic.com](http://www.corelogic.com).

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