U.S. Home Price Insights

Through August 2020 with Forecasts from September 2020 and August 2021

Introduction

The CoreLogic Home Price Insights report features an interactive view of our Home Price Index product with analysis through August 2020 with forecasts from September 2020 and August 2021.

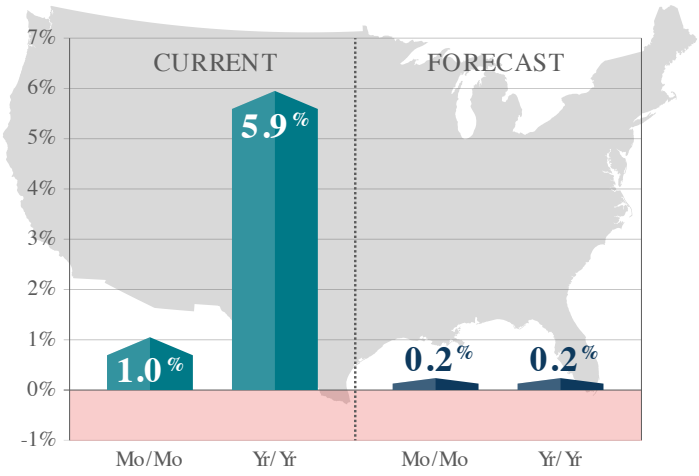
CoreLogic HPI™ is designed to provide an early indication of home price trends. The indexes are fully revised with each release and employ techniques to signal turning points sooner. CoreLogic HPI Forecasts™ (with a 30-year forecast horizon), project CoreLogic HPI levels for two tiers—Single-Family Combined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

August 2020 National Home Prices

Home prices nationwide, including distressed sales, increase
over year by 5.9% in August 2020 compared with August 201
increased month over month by 1% in August 2020 compare
July 2020 (revisions with public records data are standard, an
ensure accuracy, CoreLogic incorporates the newly released
data to provide updated results).



Forecast Prices Nationally

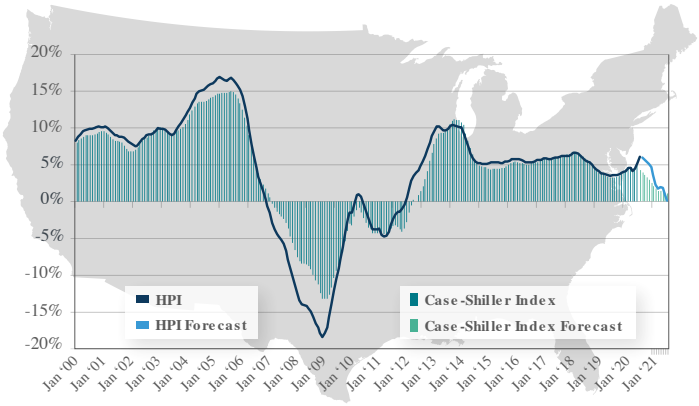
The CoreLogic HPI Forecast indicates that home prices will in
on a month-over-month basis by 0.2% from August 2020 to
September 2020, and on a year-over-year basis by 0.2% from
2020 to August 2021.

"Consumers who have not been as financially impacted by the ongoing economic pressures are taking advantage of low mortgage rates to either break into the market, upgrade their living situations or purchase second homes and investment properties," said Frank Martell, president and CEO of CoreLogic. "With heightened activity putting a strain on the current for-sale inventory, strong demand should help spur new homebuilding activity."

-Frank Martell
President and CEO of CoreLogic

HPI & Case-Shiller Trends

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



Source: Case-Shiller Index Forecast data provided by Moody's Analytics

COVID-19 Impact on Home Prices

Despite the continued pressures of the pandemic, consumer purchasing power has stayed strong as mortgage rates rema record lows. Meanwhile, for-sale inventory has continued to dwindle, dropping 17% year over year in August, which create upward pressure on home price appreciation as buyers comp the limited supply of homes.

Home price growth is expected to slow as greater availability and existing homes are placed for sale in 2021 and elevated unemployment saps buyer demand. The HPI Forecast shows will start to downshift in early 2021, with annual U.S. HPI gain slowing to just 0.2% by August 2021 and many locations experiencing a decline in prices.

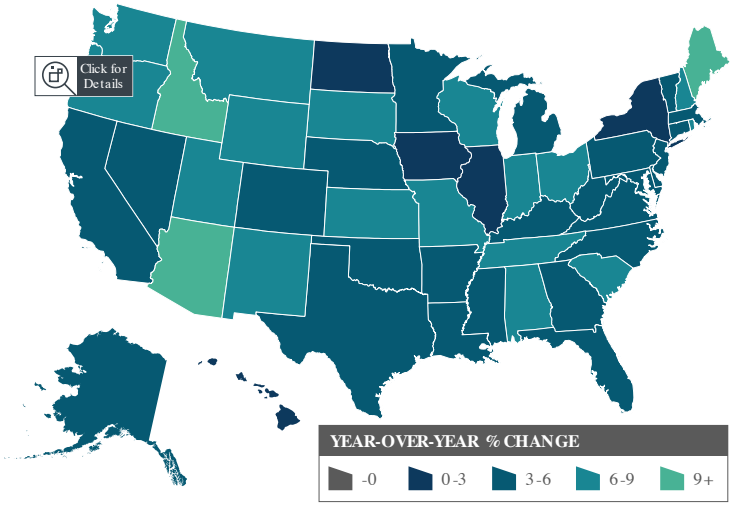
"The imbalance between homebuyer demand and for-sale inventory is particularly acute for lower-priced homes. Because of this imbalance, homes priced more than 25% below the median were up 8.6% in price over the last year, compared with the 5.9% price increase for all homes."

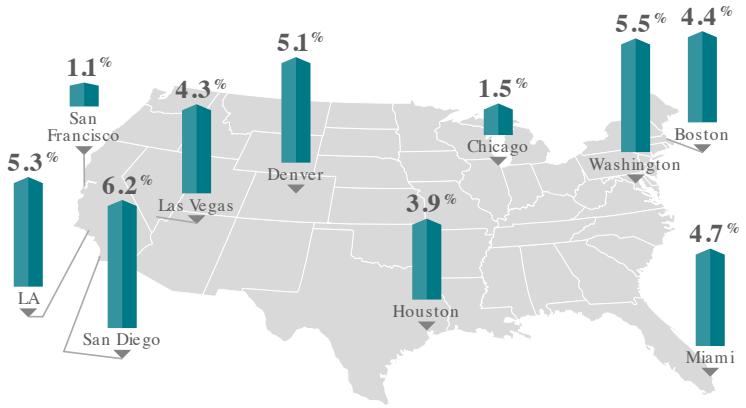
- Dr. Frank Nothaft
Chief Economist for CoreLogic

HPI National and State Maps - August 2020

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.

Nationally, home prices increases 5.9% year over year in August. No states posted an annual decline in home prices. The states with the highest increases year-over-year were Idaho (10.8%), Arizona (9.7%), and Maine (9.6%).





HPI Top 10 Metros Change

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.

These large cities continue to experience price increases in August, with San Diego leading the way at 6.2% year over year.

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

Despite the rapid acceleration of national home price growth markets continue to vary. For instance, in Phoenix, where the severe shortage of for-sale homes, prices increased 9.8% in A Meanwhile, the New York-Jersey City-White Plains metro reco an annual decline in home prices of -0.1%, as residents opt fc space and privacy in less densely populated areas.

Looking forward, the HPI Forecast also reveals the disparity o price growth across metros. In markets like Las Vegas, where local tourism economy and job market continue to struggle, h prices are expected to decline 6.5% by August 2021. Converse San Francisco, home prices are forecasted to increase 7.8% o next 12 months as low inventory continues to push prices up

The CoreLogic Market Risk Indicator (MRI), a monthly update overall health of housing markets across the country, predict metros such as Las Vegas and Miami — areas that have been hit by the collapse of the tourism market — are at the greates (above 70%) of a decline in home prices over the next 12 mor Other metro areas with a high risk of price declines include La Charles, Louisiana; Springfield, Massachusetts and Modesto, California.

Top Markets at Risk of Home Price Decline

Risk Rank	Metropolitan Areas	Level of Risk of Price Decline	Confidence Score
1	Lake Charles, LA	VERY HIGH	70%+
2	Las Vegas-Henderson-Paradise, NV	VERY HIGH	70%+
3	Miami-Miami Beach-Kendall, FL	VERY HIGH	70%+
4	Springfield, MA	VERY HIGH	70%+
5	Modesto, CA	VERY HIGH	70%+

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 pre-boarding 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.

About the Market Condition Indicators

As part of the CoreLogic HPI and HPI Forecasts offerings, Market Condition Indicators are available for all metropolitan areas and identify individual markets as "overvalued", "at value", or "undervalued." These indicators are derived from the long-term fundamental values, which are a function of real disposable income per capita. Markets are labeled as overvalued if the current home price indexes exceed their long-term values by greater than 10%, and undervalued where the long-term values exceed the index levels by greater than 10%.

Source: CoreLogic

For questions, analysis or interpretation of the data, contact Valerie Sheets at vsheets@corelogic.com. Data provided may not be modified without the prior written permission of CoreLogic. Do not use the data in any unlawful manner. The data are compiled from public records, contributory databases and proprietary analytics, and its accuracy is dependent upon these sources.

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.

For More Information

Contact Valerie Sheets at vsheets@corelogic.com.