

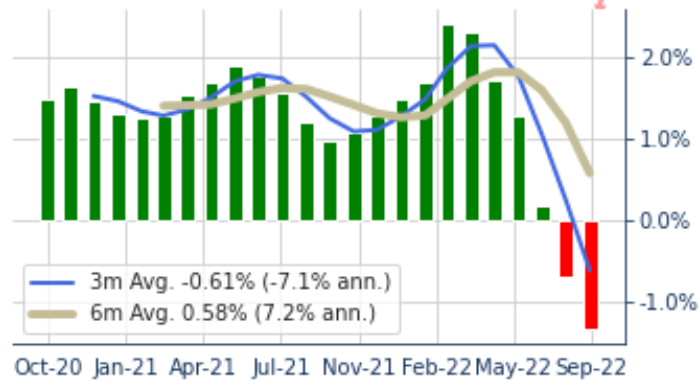
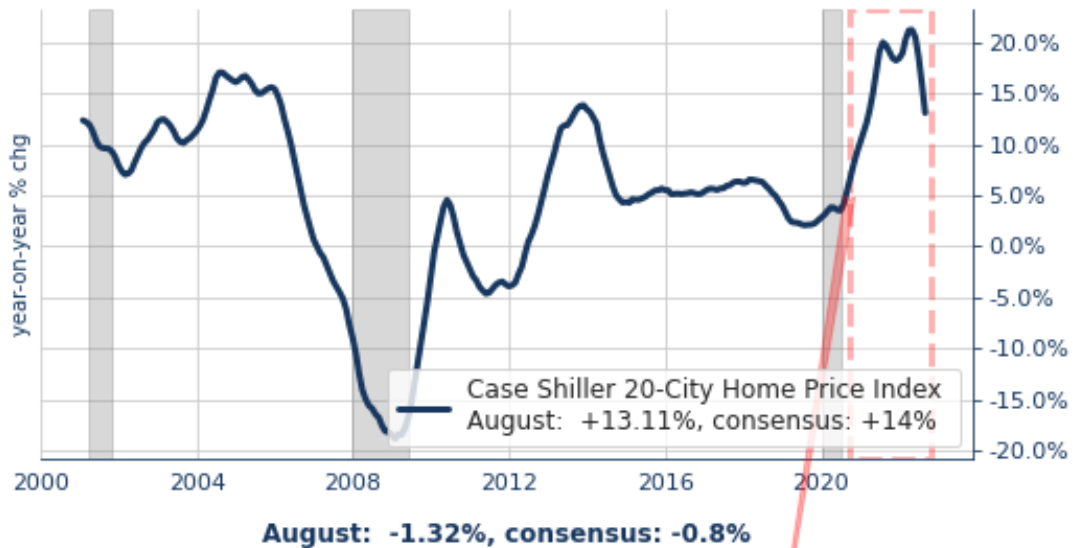
25.Oct.2022

Case Shiller Home Prices: Second Month of Declines

Bottom Line: Home prices fell sharply in August, falling more than expected for the second month, with nearly every major market in the 20-city index seeing lower prices. The most significant declines were in the West and Southwest - Seattle declined nearly 3.7% on the month, while the major California cities were down 1-3%. Overall, the sudden declines in housing activity as the market adjusted to the record increase in mortgages continued to take a toll on prices through August. And most indications suggest further declines in September and October. While supply remains tight, adjusting to the new mortgage rate regime will likely involve a significant downward correction in home prices.

Finally, one important note for monetary policy -- Owner's Equivalent Rent in the Consumer Price Index and housing inputs to the PCE Price Index track Case-Shiller with a 14-month lag. Housing-related inputs could be a DEFLATIONARY force by the 2nd Half of next year. But that's not likely until we go through a period of slower readings in the next few months, followed by one more push higher in the Spring of 2023.

Case Shiller 20-City Home Price Index August: +13.11%, consensus: +14%



Contingent Macro Advisors 2022 source: US BEA

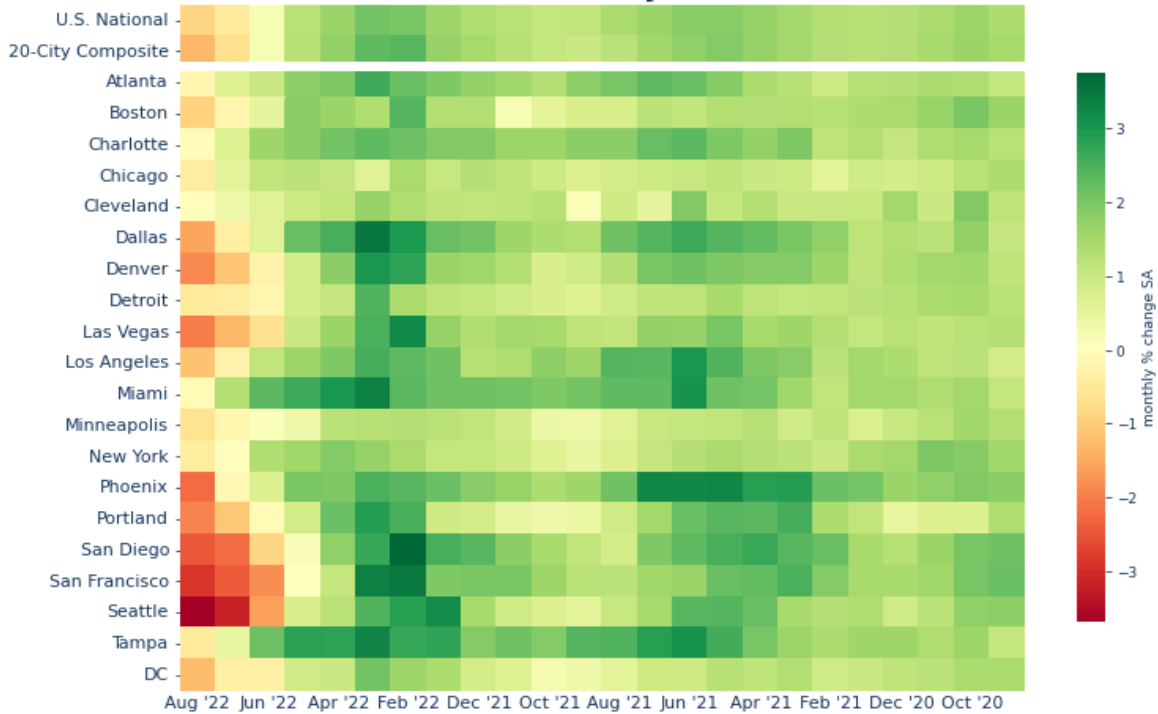
Case Shiller 20-City Home Price Index FELL by 1.32% (seasonally adjusted) in August to 309.9, compared with market expectations for a decline of -0.8%. Home prices are 13.1% ABOVE their year-ago level.

On a non-seasonally adjusted basis, the home price index FELL by 1.6% on the month.

Housing prices fell in all of the 20 metro areas in August (on a seasonally adjusted basis) but were higher in 20 of 20 metro areas on a year-over-year basis.

San Francisco had the smallest year-over-year increase at 6.7% while Miami had the largest year-over-year increase at 31.6%.

Case Shiller Monthly Home Prices



Case Shiller Home Prices year-on-year % changes

	2022	2021	2020	2019	2018	2017	2010	2009	2008
U.S. National	13%	19%	10%	4%	4%	6%	-4%	-4%	-12%
20-City Composite	13%	18%	10%	3%	4%	6%	-2%	-3%	-19%
Atlanta, GA	20%	22%	9%	4%	6%	5%	-8%	-4%	-13%
Boston, MA	11%	13%	11%	4%	5%	5%	-1%	1%	-7%
Charlotte, NC	21%	24%	10%	5%	5%	6%	-5%	-4%	-7%
Chicago, IL	11%	12%	7%	1%	3%	2%	-7%	-7%	-14%
Cleveland, OH	12%	13%	12%	4%	5%	3%	-3%	-1%	-6%
Dallas, TX	20%	26%	8%	3%	4%	7%	-3%	3%	-4%
Denver, CO	12%	20%	9%	4%	6%	7%	-2%	1%	-4%
Detroit, MI	10%	14%	10%	3%	5%	7%	-6%	-10%	-22%
Las Vegas, NV	12%	19%	10%	3%	4%	7%	-0%	0%	-26%
Los Angeles, CA	18%	25%	8%	3%	11%	11%	-5%	-21%	-33%
Miami, FL	29%	27%	9%	3%	5%	4%	-4%	-10%	-29%
Minneapolis, MN	8%	11%	10%	4%	6%	5%	-5%	-2%	-19%
New York, NY	12%	13%	10%	1%	3%	5%	-2%	-6%	-9%
Phoenix, AZ	17%	32%	14%	7%	8%	6%	-8%	-9%	-34%
Portland, OR	9%	18%	10%	4%	4%	7%	-8%	-5%	-13%
San Diego, CA	13%	26%	13%	5%	2%	7%	2%	3%	-25%
San Francisco, CA	10%	24%	14%	4%	5%	13%	-6%	-8%	-13%
Seattle, WA	6%	19%	9%	2%	3%	9%	-0%	5%	-31%
Tampa, FL	28%	29%	11%	5%	5%	6%	-6%	-11%	-22%
Washington, DC	7%	11%	10%	3%	3%	3%	2%	2%	-20%

year-ends except current year, which is versus a year-ago

Case Shiller Home	Aug-22	Jul-22	3m ann	6m ann	YoY %	2021	2020	5y
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Prices			% chg	% chg	chg			
U.S. National	-0.86%	-0.45%	-4.33%	8.00%	13.01%	18.87%	10.45%	10.64%
10-City Composite	-1.34%	-0.75%	-7.39%	6.51%	12.17%	16.93%	9.92%	9.25%
20-City Composite	-1.32%	-0.69%	-7.08%	7.12%	13.11%	18.48%	10.19%	10.11%
Atlanta, GA	-0.21%	0.69%	6.15%	16.96%	20.11%	21.73%	8.88%	12.86%
Boston, MA	-0.92%	-0.21%	-2.46%	8.78%	11.42%	13.35%	11.38%	10.00%
Charlotte, NC	-0.03%	0.65%	9.15%	18.25%	21.35%	23.85%	10.08%	14.13%
Chicago, IL	-0.40%	0.55%	5.24%	8.68%	11.31%	12.06%	7.19%	6.54%
Cleveland , OH	-0.01%	0.34%	3.94%	9.95%	11.55%	13.29%	11.80%	9.49%
Dallas , TX	-1.54%	-0.36%	-5.06%	14.69%	20.17%	26.02%	8.45%	12.87%
Denver , CO	-1.86%	-1.12%	-12.32%	4.78%	11.97%	20.30%	9.28%	10.81%
Detroit , MI	-0.48%	-0.40%	-4.13%	6.71%	9.75%	13.58%	10.03%	8.82%
Las Vegas , NV	-2.01%	-1.32%	-14.82%	2.19%	12.12%	19.16%	10.09%	9.63%
Los Angeles , CA	-1.13%	-0.27%	-1.13%	12.31%	17.55%	25.45%	7.96%	14.28%
Miami , FL	-0.10%	1.33%	15.21%	28.23%	28.60%	27.38%	9.22%	15.73%
Minneapolis , MN	-0.61%	-0.19%	-2.79%	4.30%	7.67%	11.27%	10.01%	8.13%
New York , NY	-0.42%	-0.02%	3.66%	12.74%	12.35%	13.35%	10.27%	8.20%
Phoenix , AZ	-2.22%	-0.17%	-6.63%	9.93%	17.09%	32.49%	14.45%	18.28%
Portland , OR	-1.94%	-1.10%	-11.86%	5.55%	8.55%	17.89%	9.95%	9.72%
San Diego , CA	-2.46%	-2.22%	-20.05%	-1.99%	12.72%	25.91%	13.07%	12.14%
San Francisco , CA	-2.88%	-2.39%	-24.92%	-5.33%	9.93%	24.02%	13.65%	11.71%
Seattle , WA	-3.69%	-3.16%	-29.10%	-8.00%	5.58%	18.85%	9.11%	7.92%
Tampa , FL	-0.48%	0.47%	8.86%	24.48%	27.99%	29.38%	10.73%	17.38%
Washington , DC	-1.26%	-0.33%	-7.41%	4.13%	7.42%	10.71%	9.63%	7.10%

source: S&P CoreLogic Case Shiller data via FRED