

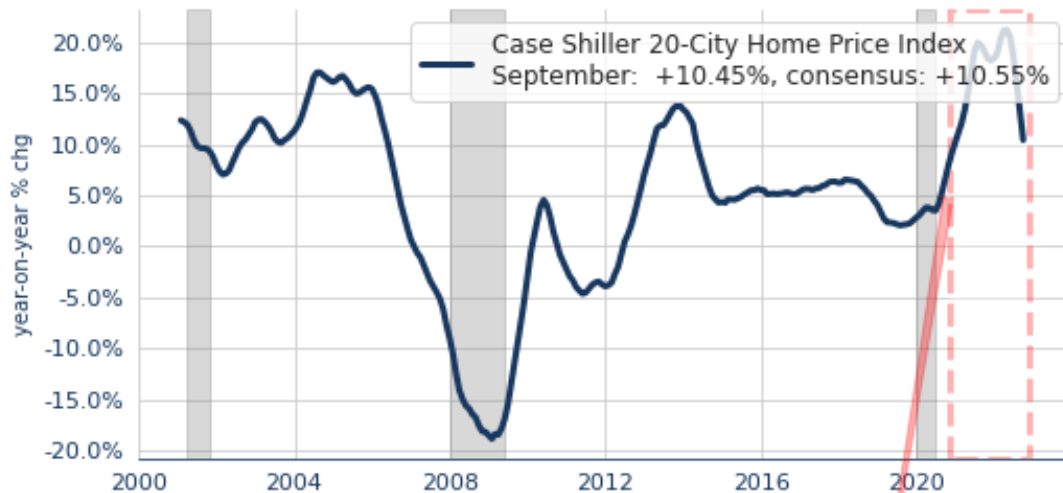
29.Nov.2022

Case Shiller Home Prices: Third Month of Declines

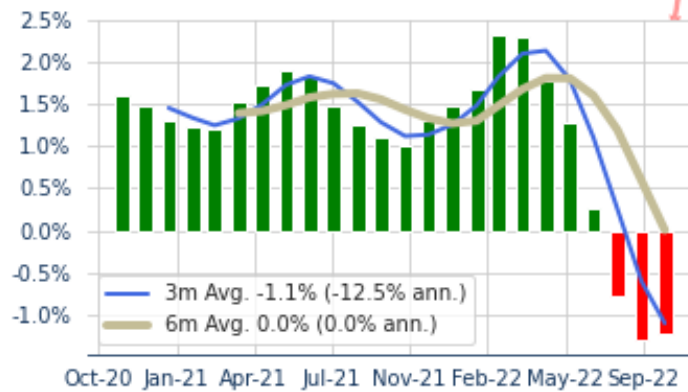
Bottom Line: Home prices fell sharply in September, falling for the third consecutive month, mostly as expected. The declines in the third quarter annualized at 12.5%, a pace we have only seen during the financial crisis. Price declines started in May but were initially confined to some of the hottest and highest-priced markets on the West Coast. The last two months, though, have seen weakness across nearly all markets. Most indications suggest further broad declines in the 4th Quarter. 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. After a period of slower readings in the next few months, our CPI models show one more push higher in the Spring of 2023 before the deflationary housing readings take hold.

Case Shiller 20-City Home Price Index September: +10.45%, consensus: +10.55%



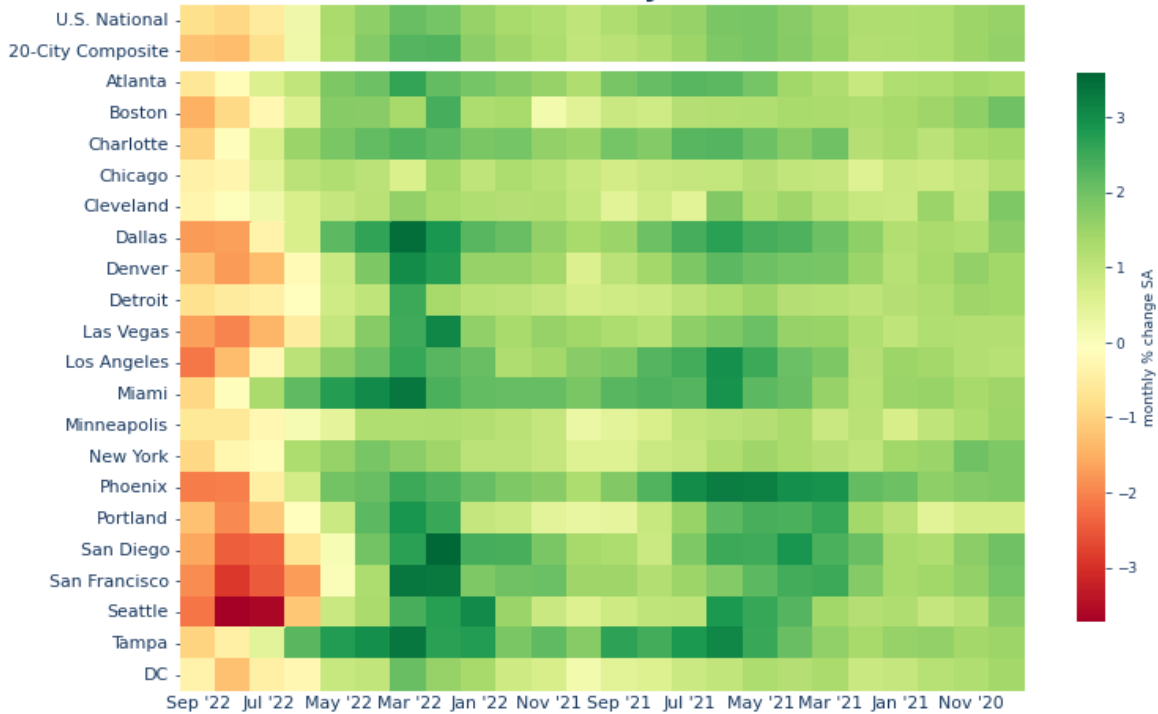
September: -1.24%, consensus: -1.2%



Contingent Macro Advisors 2022 source: US BEA

Case Shiller 20-City Home Price Index FELL by 1.24% (seasonally adjusted) in September to 305.9, compared with market expectations for a decline of -1.2%. Home prices are 10.5% ABOVE their year-ago level. On a non-seasonally adjusted basis, the home price index FELL by 1.5% on the month.

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	11%	19%	10%	4%	5%	6%	-4%	-4%	-12%
20-City Composite	10%	18%	10%	3%	4%	6%	-2%	-3%	-19%
Atlanta, GA	17%	22%	9%	4%	6%	5%	-8%	-4%	-13%
Boston, MA	9%	13%	11%	4%	5%	5%	-1%	1%	-7%
Charlotte, NC	18%	24%	10%	5%	5%	6%	-5%	-4%	-7%
Chicago, IL	10%	12%	7%	1%	3%	2%	-7%	-7%	-14%
Cleveland, OH	11%	13%	12%	4%	5%	3%	-3%	-1%	-6%
Dallas, TX	16%	26%	8%	3%	4%	7%	-3%	3%	-4%
Denver, CO	9%	20%	9%	4%	6%	8%	-2%	1%	-4%
Detroit, MI	8%	14%	10%	3%	5%	7%	-6%	-10%	-22%
Las Vegas, NV	9%	19%	10%	3%	4%	7%	-0%	0%	-26%
Los Angeles, CA	13%	25%	8%	3%	11%	11%	-5%	-21%	-33%
Miami, FL	25%	27%	9%	3%	5%	4%	-4%	-10%	-29%
Minneapolis, MN	7%	11%	10%	4%	6%	5%	-5%	-2%	-19%
New York, NY	11%	13%	10%	1%	3%	5%	-2%	-6%	-9%
Phoenix, AZ	13%	32%	14%	7%	8%	6%	-8%	-9%	-34%
Portland, OR	7%	18%	10%	4%	4%	7%	-8%	-5%	-13%
San Diego, CA	10%	26%	13%	5%	2%	7%	2%	3%	-25%
San Francisco, CA	6%	24%	14%	4%	5%	13%	-6%	-8%	-13%
Seattle, WA	2%	19%	9%	2%	3%	9%	-0%	5%	-31%
Tampa, FL	24%	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			3m ann	6m ann	YoY %			
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Prices	Sep-22	Aug-22	% chg	% chg	chg	2021	2020	5y
U.S. National	-0.76%	-0.91%	-8.50%	1.97%	10.66%	18.87%	10.45%	10.37%
10-City Composite	-1.23%	-1.28%	-12.75%	-0.35%	9.68%	16.93%	9.92%	8.88%
20-City Composite	-1.24%	-1.30%	-12.48%	-0.07%	10.45%	18.48%	10.20%	9.73%
Atlanta, GA	-0.63%	-0.14%	-0.64%	9.80%	17.12%	21.72%	8.88%	12.65%
Boston, MA	-1.49%	-0.89%	-10.05%	2.76%	8.81%	13.36%	11.38%	9.55%
Charlotte, NC	-0.98%	-0.10%	-1.66%	10.65%	17.83%	23.85%	10.09%	13.77%
Chicago, IL	-0.41%	-0.32%	-0.88%	6.50%	10.02%	12.06%	7.18%	6.43%
Cleveland , OH	-0.32%	-0.03%	-0.37%	5.35%	10.64%	13.27%	11.92%	9.37%
Dallas , TX	-1.73%	-1.67%	-14.06%	3.33%	16.28%	26.02%	8.45%	12.25%
Denver , CO	-1.29%	-1.75%	-16.05%	-3.65%	9.34%	20.31%	9.30%	10.41%
Detroit , MI	-0.73%	-0.53%	-6.57%	0.04%	8.03%	13.58%	10.03%	8.58%
Las Vegas , NV	-1.68%	-1.99%	-18.54%	-5.74%	8.81%	19.16%	10.09%	9.12%
Los Angeles , CA	-2.13%	-1.30%	-13.70%	2.12%	12.96%	25.46%	7.97%	13.50%
Miami , FL	-0.90%	-0.10%	1.23%	17.73%	24.58%	27.38%	9.22%	15.37%
Minneapolis , MN	-0.59%	-0.60%	-5.62%	0.65%	6.53%	11.26%	10.02%	7.96%
New York , NY	-0.90%	-0.29%	-5.36%	6.89%	10.63%	13.36%	10.28%	7.93%
Phoenix , AZ	-2.08%	-2.04%	-16.85%	0.30%	12.60%	32.50%	14.46%	17.45%
Portland , OR	-1.25%	-1.95%	-15.96%	-2.80%	6.72%	17.89%	9.95%	9.34%
San Diego , CA	-1.59%	-2.44%	-22.69%	-9.61%	9.53%	25.91%	13.10%	11.62%
San Francisco , CA	-1.92%	-2.88%	-25.51%	-14.39%	6.27%	24.02%	13.66%	11.09%
Seattle , WA	-2.17%	-3.72%	-32.07%	-15.90%	2.36%	18.86%	9.12%	7.28%
Tampa , FL	-0.97%	-0.41%	-3.67%	14.83%	23.79%	29.38%	10.72%	17.09%
Washington , DC	-0.33%	-1.26%	-7.74%	-0.70%	6.56%	10.71%	9.63%	7.00%

source: S&P CoreLogic Case Shiller data via FRED