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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **U.S. MONTHLY HOUSE PRICE INDEX ESTIMATES 1.7 PERCENT PRICE INCREASE FROM DECEMBER TO JANUARY**

**WASHINGTON, DC** – U.S. home prices rose **1.7** percent on a seasonally-adjusted basis from December to January, according to the Federal Housing Finance Agency's monthly House Price Index. December's previously reported 0.1 percent increase was revised to a 0.2 percent decline. For the 12 months ending in January, U.S. prices fell **6.3** percent. The U.S. index is **9.6** percent below its April 2007 peak.

The FHFA monthly index is calculated using purchase prices of houses backing mortgages that have been sold to or guaranteed by Fannie Mae or Freddie Mac. For the nine Census Divisions, seasonally-adjusted monthly price changes from December to January ranged from -0.9 percent in the Pacific Division to +3.9 percent in the East North Central Division.

Month-to-month changes in the geographic mix of sales activity explain most of the unexpected rise in prices in January. The January home sales reflected in the FHFA data disproportionately occurred in areas with the strongest markets. While it is difficult to perfectly control for changing geographic mix in estimating house price indexes, the data suggest that if one were to remove those effects, the change in home prices in January, while still positive, would have been far less dramatic.

It also should be noted that sales volumes, in absolute terms, were relatively low in the month. Accordingly, the estimation imprecision associated with the January estimate is relatively large and subsequent revisions to the monthly figure could be significant.

Monthly index values and appreciation rate estimates are provided in the table and graph on the following pages. As with FHFA's quarterly HPI, the estimates will be revised as new data become available. Quarterly HPI reports include updated monthly data presented in the same format as the attached table. For detailed information concerning the monthly HPI, please see the [HPI Frequently Asked Questions](#) (FAQ). The next release of index data will be on Apr. 22, 2009 and will include data for the month of February.

## States in Each Census Division

|                                  |   |
|----------------------------------|---|
| <b>Pacific Census Division:</b>  | Hawaii, Alaska, Washington, Oregon, California  |
| <b>Mountain Census Division:</b> | Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico  |
| <b>West North Central:</b>       | North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas, Missouri   |
| <b>West South Central:</b>       | Oklahoma, Arkansas, Texas, Louisiana  |
| <b>East North Central</b>        | Michigan, Wisconsin, Illinois, Indiana, Ohio  |
| <b>East South Central:</b>       | Kentucky, Tennessee, Mississippi, Alabama   |
| <b>New England:</b>              | Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut   |
| <b>Middle Atlantic:</b>          | New York, New Jersey, Pennsylvania  |
| <b>South Atlantic:</b>           | Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida |

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.*

**Table 1: Monthly Price Change Estimates for U.S. and Census Divisions\***  
(Purchase-Only Index, Seasonally-Adjusted)

|  | U.S.                  | Pacific               | Mountain              | West North Central    | West South Central    | East North Central    | East South Central    | New England           | Middle Atlantic       | South Atlantic        |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Dec 08 - Jan 09</b>                               | <b>1.7%</b>           | <b>-0.9%</b>          | <b>0.8%</b>           | <b>1.0%</b>           | <b>0.0%</b>           | <b>3.9%</b>           | <b>0.6%</b>           | <b>2.0%</b>           | <b>1.5%</b>           | <b>3.6%</b>           |
| <b>Nov 08 - Dec 08</b><br><i>(Previous Estimate)</i> | <b>-0.2%</b><br>0.1%  | <b>-1.1%</b><br>-0.1% | <b>-1.2%</b><br>0.1%  | <b>2.2%</b><br>2.7%   | <b>1.0%</b><br>1.3%   | <b>0.3%</b><br>0.1%   | <b>0.8%</b><br>0.7%   | <b>0.2%</b><br>-0.4%  | <b>-1.6%</b><br>-0.8% | <b>-1.1%</b><br>-1.1% |
| <b>Oct 08 - Nov 08</b><br><i>(Previous Estimate)</i> | <b>-2.1%</b><br>-2.2% | <b>-3.2%</b><br>-3.4% | <b>-2.2%</b><br>-2.4% | <b>-3.1%</b><br>-3.1% | <b>-1.8%</b><br>-1.8% | <b>-1.8%</b><br>-2.0% | <b>-1.6%</b><br>-1.6% | <b>-1.4%</b><br>-1.1% | <b>-0.5%</b><br>-0.5% | <b>-2.8%</b><br>-2.7% |
| <b>Sep 08 - Oct 08</b><br><i>(Previous Estimate)</i> | <b>-1.1%</b><br>-1.2% | <b>-2.8%</b><br>-2.8% | <b>-0.6%</b><br>-0.5% | <b>-0.4%</b><br>-0.3% | <b>-0.5%</b><br>-0.6% | <b>-0.8%</b><br>-1.0% | <b>-0.4%</b><br>-0.3% | <b>0.1%</b><br>-0.2%  | <b>-1.3%</b><br>-1.5% | <b>-1.3%</b><br>-1.4% |
| <b>Aug 08 - Sep 08</b><br><i>(Previous Estimate)</i> | <b>-1.1%</b><br>-1.2% | <b>-2.5%</b><br>-2.6% | <b>-1.7%</b><br>-1.8% | <b>-0.3%</b><br>-0.4% | <b>0.7%</b><br>0.8%   | <b>-1.5%</b><br>-1.8% | <b>-0.4%</b><br>-0.5% | <b>-0.5%</b><br>-0.9% | <b>0.9%</b><br>0.8%   | <b>-2.5%</b><br>-2.5% |
| <b>Jul 08 - Aug 08</b><br><i>(Previous Estimate)</i> | <b>-0.9%</b><br>-0.9% | <b>-2.2%</b><br>-2.2% | <b>-1.3%</b><br>-1.4% | <b>-0.5%</b><br>-0.4% | <b>-0.7%</b><br>-0.7% | <b>-0.2%</b><br>0.1%  | <b>-0.8%</b><br>-0.7% | <b>-0.4%</b><br>-0.3% | <b>-0.8%</b><br>-0.7% | <b>-1.1%</b><br>-1.3% |
| <b>12-Month Change:</b><br>Jan 08 - Jan 09           | <b>-6.3%</b>          | <b>-21.1%</b>         | <b>-9.2%</b>          | <b>-1.1%</b>          | <b>-0.4%</b>          | <b>-1.4%</b>          | <b>-1.4%</b>          | <b>-2.4%</b>          | <b>-3.6%</b>          | <b>-8.3%</b>          |

**Monthly Index Values for Latest 18 Months: U.S. and Census Divisions**

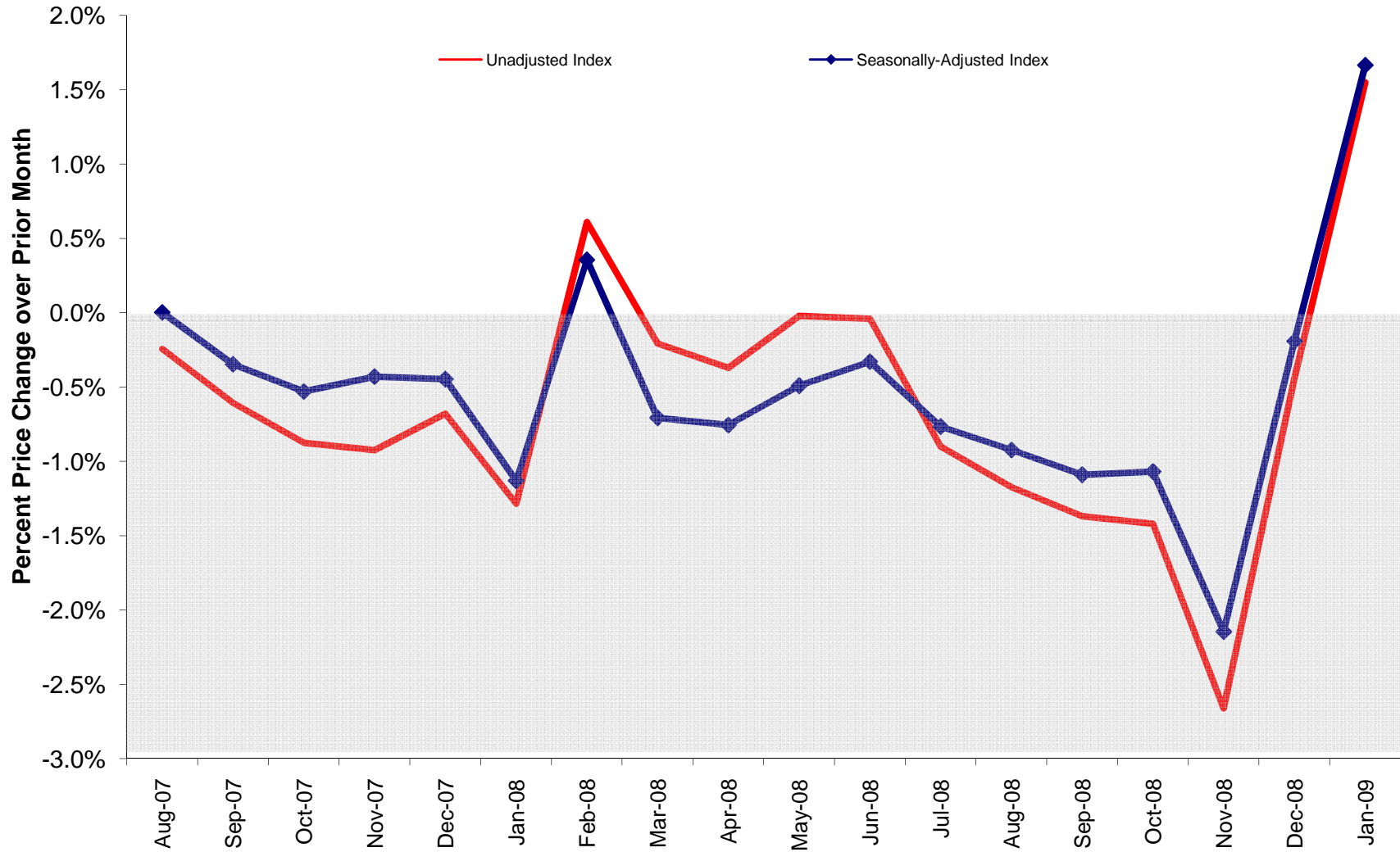
(Purchase-Only Index, Seasonally-Adjusted, January 1991 = 100)

|              | U.S.  | Pacific | Mountain | West North Central | West South Central | East North Central | East South Central | New England | Middle Atlantic | South Atlantic |
|--------------|-------|---------|----------|--------------------|--------------------|--------------------|--------------------|-------------|-----------------|----------------|
| January-09   | 202.7 | 185.7   | 252.0    | 210.7              | 197.0              | 185.5              | 196.1              | 218.3       | 215.1           | 207.9          |
| December-08  | 199.4 | 187.4   | 250.0    | 208.6              | 197.1              | 178.5              | 194.9              | 214.0       | 212.0           | 200.8          |
| November-08  | 199.8 | 189.4   | 253.0    | 204.2              | 195.0              | 178.0              | 193.4              | 213.5       | 215.4           | 203.0          |
| October-08   | 204.1 | 195.7   | 258.6    | 210.6              | 198.6              | 181.4              | 196.6              | 216.5       | 216.4           | 208.9          |
| September-08 | 206.3 | 201.3   | 260.2    | 211.5              | 199.6              | 182.8              | 197.3              | 216.4       | 219.3           | 211.6          |
| August-08    | 208.6 | 206.5   | 264.8    | 212.1              | 198.2              | 185.6              | 198.2              | 217.6       | 217.3           | 216.9          |
| July-08      | 210.6 | 211.3   | 268.3    | 213.3              | 199.5              | 186.0              | 199.7              | 218.4       | 219.1           | 219.3          |
| June-08      | 212.2 | 215.9   | 271.1    | 214.4              | 200.6              | 187.1              | 200.1              | 221.2       | 219.5           | 220.6          |
| May-08       | 212.9 | 219.9   | 271.1    | 213.7              | 198.2              | 188.5              | 200.4              | 220.5       | 221.2           | 220.9          |
| April-08     | 213.9 | 222.7   | 272.2    | 214.0              | 199.5              | 187.7              | 200.4              | 222.3       | 220.6           | 224.1          |
| March-08     | 215.6 | 227.8   | 275.0    | 214.9              | 198.5              | 189.6              | 198.9              | 225.3       | 222.7           | 225.3          |
| February-08  | 217.1 | 235.0   | 276.5    | 215.5              | 198.4              | 190.3              | 200.6              | 228.5       | 223.6           | 225.3          |
| January-08   | 216.3 | 235.3   | 277.6    | 213.1              | 197.8              | 188.1              | 198.8              | 223.6       | 223.2           | 226.8          |
| December-07  | 218.8 | 241.6   | 277.8    | 217.0              | 198.3              | 189.2              | 202.4              | 229.2       | 225.2           | 228.5          |
| November-07  | 219.8 | 245.3   | 278.6    | 217.1              | 198.0              | 191.3              | 201.3              | 227.2       | 224.1           | 230.6          |
| October-07   | 220.7 | 250.5   | 279.1    | 216.2              | 198.3              | 191.0              | 201.8              | 229.3       | 224.1           | 232.0          |
| September-07 | 221.9 | 253.7   | 283.7    | 217.9              | 198.2              | 192.1              | 202.1              | 228.6       | 223.3           | 233.8          |
| August-07    | 222.7 | 256.5   | 285.7    | 217.5              | 198.9              | 193.1              | 201.3              | 230.1       | 223.9           | 233.6          |

\* - A listing of the states that comprise each Census Division is included in the house price index release materials.

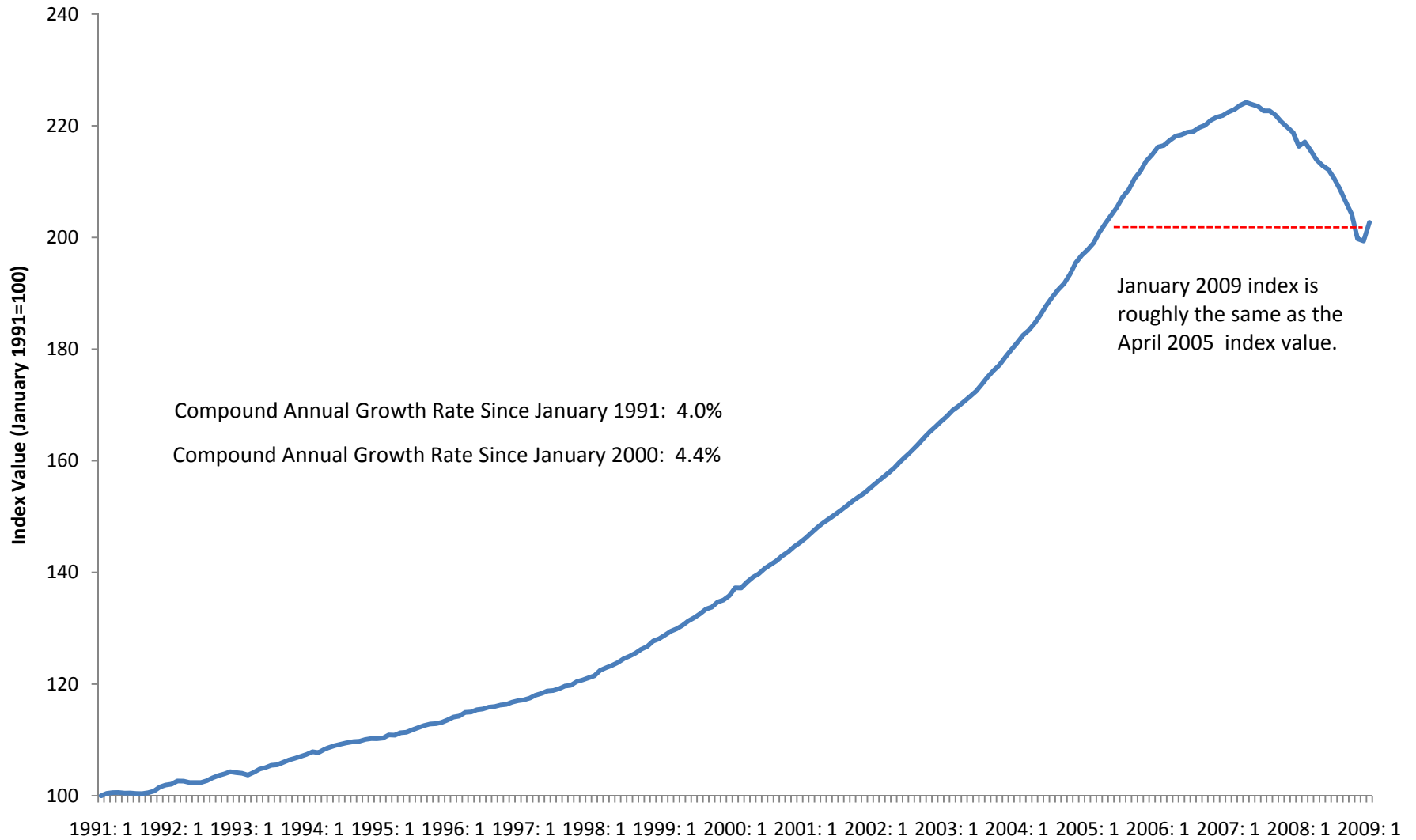
**Figure 1: Seasonally-Adjusted and Unadjusted Monthly Appreciation Rates**

Purchase-Only Index--USA



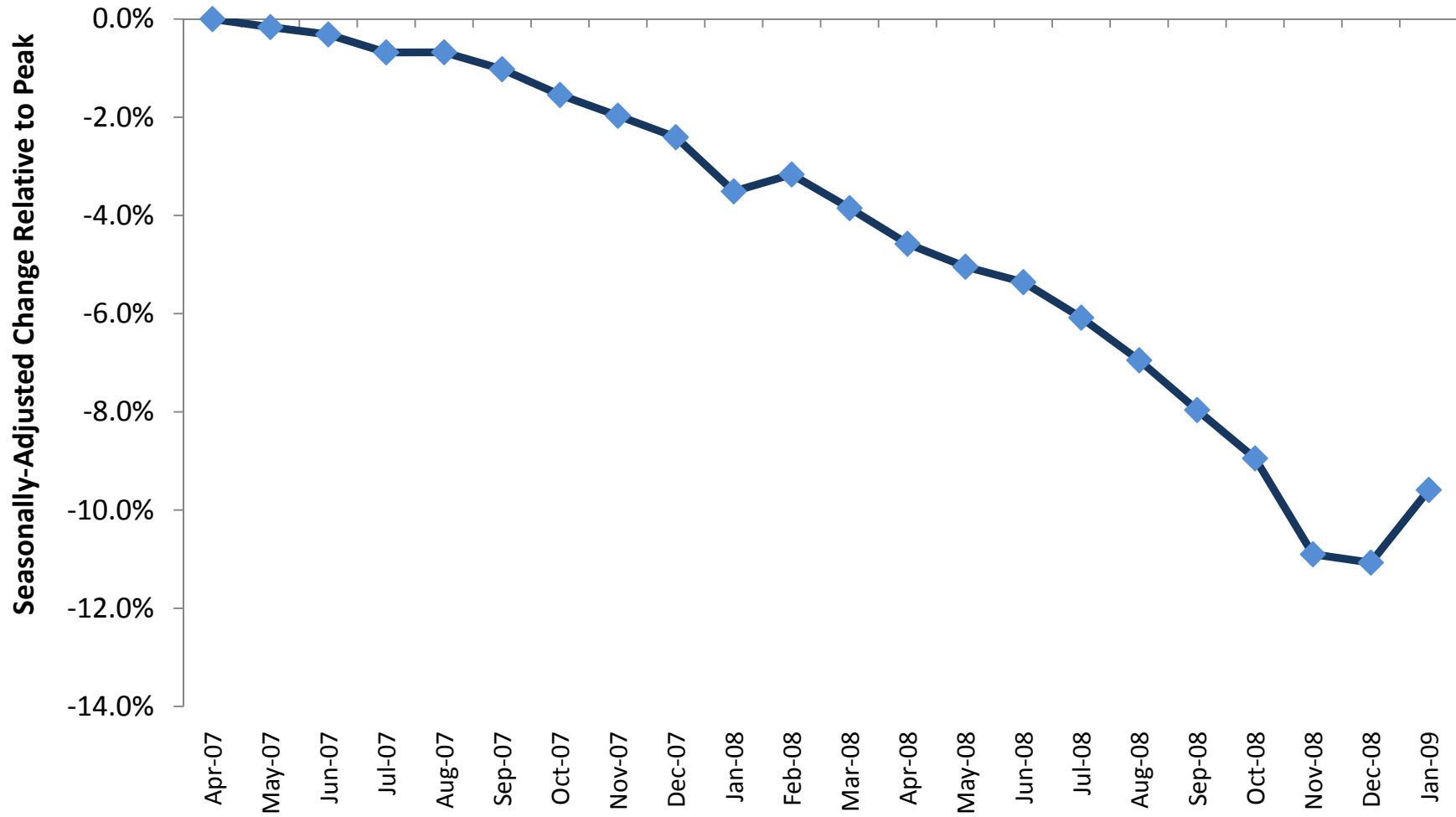
## Figure 2: Monthly House Price Index for USA

Purchase-Only, Seasonally-Adjusted Index, January 1991 - Present



**Figure 3: Cumulative Seasonally-Adjusted Price Change Relative to Peak  
USA**

(Purchase-Only, Seasonally-Adjusted Peak was April 2007)



**Figure 4: Twelve-Month Price Changes--Most Recent Year vs. Prior Year**

