



NEWS RELEASE

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OFHEO Releases First Quarter 2003 House Price Index

U.S. Homes Average 6.48 Percent Annual Price Appreciation

Gradual Deceleration Trend Continues

WASHINGTON, D.C. – Armando Falcon, Jr., Director of the Office of Federal Housing Enterprise Oversight (OFHEO), financial safety and soundness regulator for Fannie Mae and Freddie Mac, today released OFHEO's House Price Index (HPI), a quarterly report analyzing housing appreciation trends. Average U.S. home prices increased **6.48 percent** from the first quarter of 2002 through the first quarter of 2003, and the quarterly national average price appreciation showed continued deceleration at **0.94 percent** compared to a revised **1.3 percent** last quarter. The trend over the previous three quarters reveals continued gradual deceleration, with quarterly growth reaching nearly a five-year low.

All states experienced positive growth this quarter. Of the 220 ranked Metropolitan Statistical Areas (MSAs), 13 experienced negative quarterly growth, compared with 22 last quarter. California continues to dominate the Top 20, with 11 MSAs showing continued robust appreciation. Also, Florida now has 4 MSAs ranked in the Top 20.

To mark OFHEO's 10-year Anniversary, we will be unveiling our new web site at www.ofheo.gov featuring, among other things, an interactive house price calculator. It will allow a user to approximate the value of a home by state, census division or metropolitan statistical area. Be sure to visit www.ofheo.gov tomorrow to use the OFHEO House Price calculator.

This quarter, OFHEO added 35 MSAs to the list of MSAs it tracks, bringing the total number of ranked MSAs to 220. The 35 new MSAs which have now met statistical criteria are: Asheville, NC; Athens, GA; Benton Harbor, MI; Biloxi-Gulfport-Pascagoula, MS; Champaign-Urbana, IL; Dubuque, IA; Dutchess County, NY; Eau Claire, WI; El Paso, TX; Fitchburg-Leominster, MA; Fort Pierce-Port St. Lucie, FL; Grand Junction, CO; Hickory-Morganton-Lenoir, NC; Iowa City, IA; Johnson City-Kingsport-Bristol, TN-VA; Kokomo, IN; La Crosse, WI-MN; Lafayette, LA; Lakeland-Winter Haven, FL; Lawrence, KS; Mansfield, OH; Merced, CA; Montgomery, AL; Naples, FL; New London-Norwich, CT-RI; Newburgh, NY-PA; Pensacola, FL; Pueblo, CO; Richland-Kennewick-Pasco, WA; Savannah, GA; Scranton-Wilkes-Barre-Hazleton, PA; Shreveport-Bossier City, LA; St. Cloud, MN; Waterbury, CT; Wausau, WI.

This HPI report contains four tables: 1) A ranking of the 50 States and Washington, D.C. by House Price Appreciation; 2) Percentage Changes in House Price Appreciation by Census Division; 3) A ranking of 220 Metropolitan Statistical Areas (MSAs) by House Price Appreciation; and 4) A list of one-year and five-year House Price Appreciation rates for MSAs not ranked.

OFHEO's House Price Index is published on a quarterly basis and tracks average house price changes in repeat sales or refinancings on the same single-family properties. OFHEO's index is based on analysis of data obtained from Fannie Mae and Freddie Mac from more than 21.2 million repeat transactions over the past 28 years. The HPI reflects price movements on a quarterly basis of sales or refinancings of single-family homes whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. OFHEO analyzes the combined mortgage records of these two government-sponsored enterprises, which form the nation's largest database of mortgage transactions.

OFHEO's HPI report is accessible at www.ofheo.gov. Future HPI reports will be posted **September 2, 2003 and December 1, 2003**. Please e-mail ofheoinquiries@ofheo.gov for a hard copy of the report.

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