



OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

NEWS RELEASE

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OFHEO Releases Fourth Quarter 2001 House Price Index

U.S. House Price Appreciation Slows Significantly in Fourth Quarter 2001 Averaging Only 0.25 Percent

U.S. House Prices Appreciated a Healthy 6.92 Percent from 4Q2000

Washington, D.C. Again Ranks #1 In House Price Appreciation in U.S.

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. OFHEO has determined that average U.S. home prices increased **6.92 percent** from the fourth quarter of 2000 through the fourth quarter of 2001. The quarterly national average growth rate is **0.25 percent**, the slowest quarterly rate since 1996, equivalent to an annual rate of **1.0 percent**. Most quarterly growth rates in 2000 and 2001 were between 8 and 10 percent, annualized.

In the fourth quarter, 12 of the 50 states experienced negative quarterly growth, and 51 of 185 Metropolitan Statistical Areas (MSAs) experienced negative quarterly growth.

This HPI report contains four tables and an article featuring highlights of the report:

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 185 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. The article this quarter features information on the slowdown in the fourth quarter.

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 15 million repeat transactions over the past 27 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 <http://www.ofheo.gov/hpi>

Future HPI reports will be posted **May 31, 2002, August 30, 2002 and November 29, 2002.**

Please e-mail ofheo@fhfa.gov for a hard copy of the report.

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