

## Highlights

### *New and Updated Data*

With this release, FHFA is publishing several new data series. These include:

- **Seasonally-Adjusted, Purchase-Only Indexes for States**

Over the last several quarters, FHFA has released “purchase-only” indexes for the United States, nine Census Divisions, and 50 states and the District of Columbia. These indexes omit appraisal valuations (from refinance mortgages) in the index estimation process and thus minimize the effects of appraisal bias on the HPI. Because the purchase-only data evidence a significant amount of seasonality, the national and Census Division indexes have been available as seasonally-adjusted series. With this release, seasonally-adjusted series for states are also provided. The data, which include index values through 2009Q1, can be found at <http://www.fhfa.gov/Default.aspx?Page=87>. As with other seasonally-adjusted series that FHFA produces, the Census Bureau’s X-12-ARIMA procedure is used to perform the seasonal adjustment.

- **Purchase-Only Indexes (Both Seasonally-Adjusted and Unadjusted) for 25 Largest Metropolitan Areas**

The Highlights article accompanying the 2008Q4 HPI release discussed the advantages and disadvantages of “purchase-only” indexes for metropolitan areas. For the largest 25 metropolitan areas in the U.S., cities for which sample sizes are large and the disadvantages of purchase-only indexes are modest, FHFA provided four-quarter price change estimates based on purchase-only indexes. Such data were made available for quarters extending back to 1995Q1.

With this release, the purchase-only index series are being lengthened and augmented. For the same 25 metropolitan areas, index values through 2009Q1 have now been released for quarters back to 1991Q1. The data are available for download at <http://www.fhfa.gov/Default.aspx?Page=87>. Seasonally-adjusted and unadjusted series are provided.

### *New Research*

In connection with this release, a Mortgage Market Note has been published detailing current market conditions in California. The Note, which can be accessed at <http://www.fhfa.gov/Default.aspx?Page=77>, describes trends reflected in the latest pricing, inventory, and sales volume data available for the state. The analysis suggests that, although housing markets remain relatively weak in California, the rate of market deterioration has shown marked signs of slowing.

A Research Paper, available at <http://www.fhfa.gov/Default.aspx?Page=72>, has also been published. The analysis addresses numerous public inquiries that have been received concerning the impact of foreclosure sales on the HPI. Using information on Notice of Default filings in the state of California, the paper quantifies the impact of distressed sales (foreclosure transactions and short sales) on the FHFA HPI. The paper also provides an alternative index constructed with data sourced from county recorder offices. The benefits and costs associated with including such sales in index estimation are discussed, as such sales are shown to have small-but-significant effects on the FHFA and recorder-based indexes.