FEDERAL HOUSING FINANCE AGENCY

STATEMENT

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Analysis of FHFA's House Price Index for Third Quarter

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"U.S. house prices grew 4.9 percent in the third quarter, dipping below a 5 percent annual pace for the first time since 2015. According to the flagship FHFA House Price Index (HPI), the rate of home price appreciation recently peaked in the first quarter of 2018 at just over 7 percent before decelerating rapidly due, in part, to rising interest rates. Declining rates in 2019 have not reversed the trend, although the trajectory has flattened.

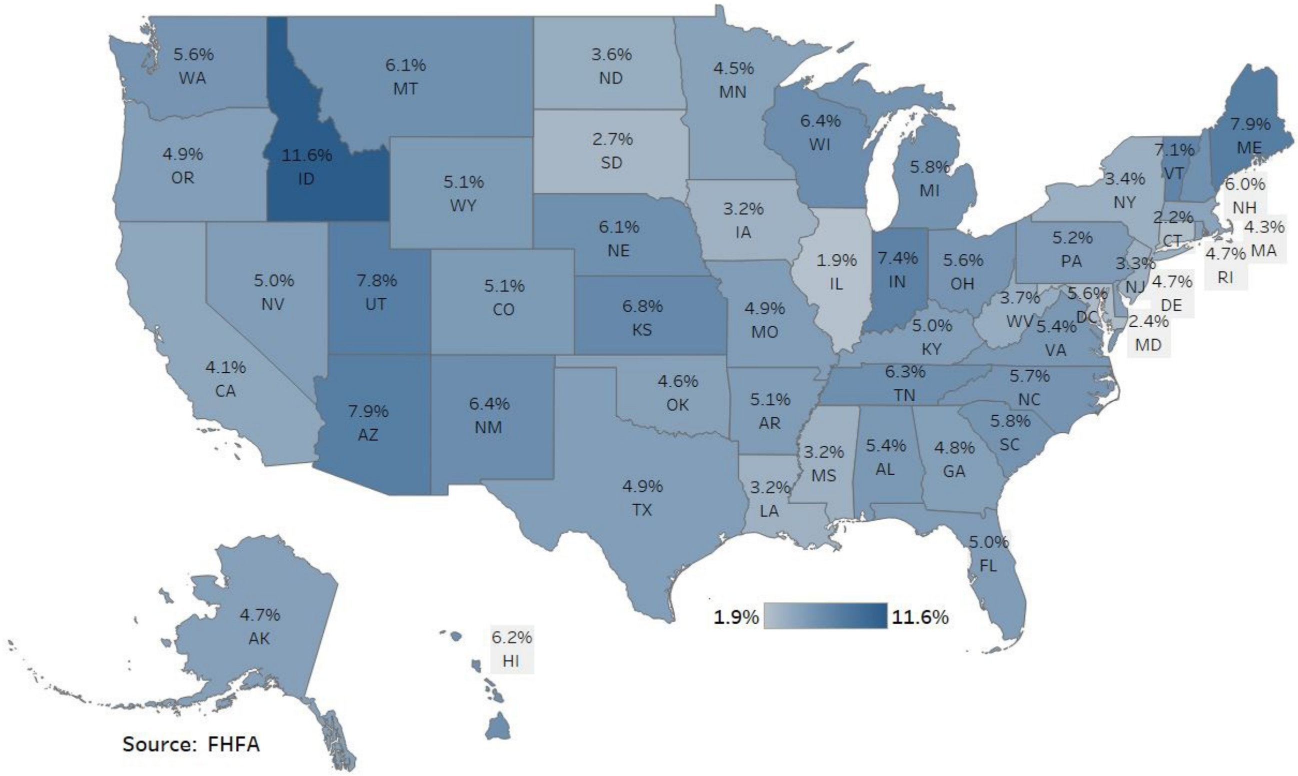
Affordability continues to drive the deceleration of home prices as household incomes have not kept pace with ever-rising prices. Homes in California and New York are now appreciating at rates that are lower than the national average. At the same time, out migration from high-cost areas is placing upward pressure on home prices in states like Idaho, Utah, Arizona, New Mexico, Vermont and Maine, which all now rank in the top 10 states by appreciation rate.

At the metro level, Boise, Idaho continues to lead the pack with a more than 11 percent rate of appreciation over four quarters and cumulative growth of more than 75 percent over the last five years. The case of Boise is illustrative — it has grown rapidly, and despite the fast pace of house price growth, the relative affordability and attractiveness of the region continues to lure new households, keeping up the pressure on prices."

Link to U.S. map of house price appreciation by state, MSA and county.

Four-Quarter Price Change by State: Puchase-Only Index (Seasonally Adjusted)

U.S. Four-Quarter Appreciation = 4.9% (2018Q3-2019Q3)



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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 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.