

Housing Market Turns Corner; U.S. Home Values Post First Annual Increase In Nearly Five Years

Zillow Home Value Forecast Shows Two in Five Markets to See Rising Values over Next Year, According to Zillow Real Estate Market Reports

Key facts:

- National home values have reached a bottom. Median home values, as measured by the Zillow® Home Value Index, have risen for four consecutive months.
- U.S. home values rose 0.2 percent from the second quarter of 2011 to the second quarter of 2012. This was the first annual increase in U.S. home values since 2007.
- The Zillow Home Value Forecast shows that 67 of the 156 markets it covers will experience an increase in home values over the next 12 months. Nationally, Zillow forecasts home values will rise 1.1 percent.

SEATTLE, July 24, 2012 /PRNewswire/ -- Home values in the United States have reached a bottom. The Zillow Home Value Index (ZHVI)[1] rose on an annual basis for the first time since 2007, increasing 0.2 percent year-over-year to \$149,300, according to Zillow's second quarter Real Estate Market Reports[2]. Values have risen for four consecutive months.

Nearly one-third of metros, or 53 of the 167 covered by the Real Estate Market Reports, posted annual increases in home values. The largest increase came in Phoenix, where home values are up 12.1 percent from the second quarter of 2011 to the second quarter of 2012.

Looking ahead, two in five, or 67 of the 156 markets covered by the Zillow Home Value Forecast[3], are expected to see increases in home values over the next year, with the largest increases expected in the Phoenix metro (9.9 percent) and the Miami metro (6.1 percent). U.S. home values are expected to rise 1.1 percent.

"After four months with rising home values and increasingly positive forecast data, it seems clear that the country has hit a bottom in home values," said Zillow Chief Economist Dr. Stan Humphries. "The housing recovery is holding together despite lower-than-expected job growth, indicating that it has some organic strength of its own.

"Of course, there is still some risk as we look down the foreclosure pipeline and see foreclosure starts picking up. This will translate into more homes on the market by the end of the year, but we think demand will rise to absorb that, particularly in markets where there are acute inventory shortages now. Looking forward, we expect home values to remain relatively flat as the market works through a backlog of foreclosures and high rates of negative equity."

Foreclosures

Foreclosures continued to fall, with 5.8 out of every 10,000 homes lost to foreclosure in June. Foreclosures have been declining since January, when 7.9 out of every 10,000 homes were lost to foreclosure. This number is expected to increase in the future, as foreclosure starts have increased since the completion of the National Foreclosure Settlement.

Foreclosure re-sales also fell, making up 15.6 percent of all sales in June. Foreclosure re-sales have been falling since February, when they made up 18.8 percent of all sales.

Metropolitan Areas	Zillow Home Value Index			Zillow Home Value Forecast	
	Q2 2012	Quarter-Over-Quarter Change	Year-Over-Year Change	Projected Bottom in Home Values	Change in ZHVI, Q2 2012-Q2 2013
United States	\$149,300	2.1%	0.2%	Q1 2012	1.1%
New York	\$336,900	0.8%	-2.7%	Q1 2012	-0.7%
Los Angeles	\$383,200	0.2%	-2.7%	Q2 2012	0.5%
Chicago	\$158,600	1.7%	-5.8%	Q1 2012	-0.5%
Dallas-Ft. Worth, Texas	\$123,900	1.4%	1.4%	Q4 2011	2.4%
Philadelphia	\$184,000	-0.6%	-3.5%	Q4 2012	-0.7%
Washington DC	\$305,900	1.3%	1.1%	Q4 2011	2.0%
Miami-Fort Lauderdale, Fla.	\$148,300	4.7%	6.4%	Q3 2011	6.1%
Atlanta	\$107,900	0.0%	-4.9%	--	-1.6%
Boston	\$307,600	1.0%	-1.2%	Q4 2011	-0.7%
San Francisco	\$465,600	1.9%	-0.4%	Q1 2012	1.9%

Detroit	\$74,000	1.2%	2.1%	Q3 2011	-1.3%
Riverside, Calif.	\$182,400	2.1%	0.1%	Q4 2011	5.6%
Phoenix	\$136,200	6.0%	12.1%	Q3 2011	9.9%
Seattle	\$255,400	2.3%	-0.3%	Q1 2012	0.5%
Minneapolis-St. Paul, Minn.	\$164,800	0.9%	-2.0%	Q1 2012	0.3%
San Diego	\$342,500	1.7%	-0.1%	Q1 2012	1.6%
Tampa, Fla.	\$107,500	2.3%	1.7%	Q4 2011	2.3%
St. Louis	\$121,600	-1.1%	-4.0%	--	-2.6%
Baltimore	\$213,000	0.3%	-2.3%	--	-2.2%
Denver	\$211,300	2.3%	3.5%	Q4 2011	1.6%
Pittsburgh	\$108,700	0.7%	3.3%	Q2 2009	1.9%
Portland, Ore.	\$212,800	2.7%	1.6%	Q1 2012	4.3%
Sacramento, Calif.	\$202,900	1.0%	-2.1%	Q1 2012	2.5%
Orlando, Fla.	\$118,200	3.4%	1.3%	Q4 2011	2.8%
Cincinnati, Oh	\$122,300	2.2%	-0.2%	Q1 2012	0.9%
Cleveland	\$108,400	0.6%	-2.3%	Q1 2012	-0.5%
Las Vegas	\$114,800	2.5%	-2.0%	Q1 2012	1.4%
San Jose	\$566,400	3.7%	3.4%	Q2 2009	3.4%
Columbus	\$122,500	-0.2%	-2.0%	--	-1.5%
Charlotte	\$131,700	-0.5%	-0.9%	--	-1.2%

The full national report, in its interactive format, will be available at www.zillow.com/local-info on Tuesday, July 24. Additionally, in most areas data is available at the state, metro, county, city, ZIP code and neighborhood level.

Further analysis from Dr. Stan Humphries can be found on Zillow Real Estate Research, at <http://www.zillow.com/research>.

About Zillow, Inc.

Zillow (NASDAQ: Z) is the leading [real estate](#) information marketplace, providing vital information about homes, real estate listings and [mortgages](#) through its website and mobile applications, enabling homeowners, buyers, sellers and renters to connect with real estate and mortgage professionals best suited to meet their needs. In addition, Zillow operates an industry-leading economics and analytics bureau led by Zillow's Chief Economist [Dr. Stan Humphries](#). Dr. Humphries and his team of economists and data analysts produce extensive housing data and research covering more than 150 markets at [Zillow Real Estate Research](#). Zillow, Inc. operates [Zillow.com®](#), [Zillow Mortgage Marketplace](#), [Zillow Mobile](#), Postlets®, Diverse Solutions™ and RentJuice®. The company is headquartered in Seattle.

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[1] The Zillow Home Value Index is the median Zestimate® valuation for a given geographic area on a given day and includes the value of all single-family residences, condominiums and cooperatives, regardless of whether they sold within a given period. The Home Value Index at the national level includes data from over 80 million homes in almost 3,000 counties and 440 core-based statistical areas. It is expressed in dollars and is for a particular geographic region.

[2] The data in Zillow's Real Estate Market Reports is aggregated from public sources by a number of data providers for 276 core-based statistical areas dating back to 1996. Mortgage and home loan data is typically recorded in each county and publicly available through a county recorder's office.

[3] The Zillow Home Value Forecast uses data from past home value trends and current market conditions, including leading indicators like home sales, months of housing inventory supply and unemployment, to predict home values over the next 12 months for the nation and for 150+ markets across the country.

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