Volume 2, Issue 4

April 23rd, 2013

Data as of February 2013

Inside News

Housing Statistics (February 2013)

HPI YOY Chg	10.2%
HPI YOY Chg XD	10.1%
NegEq Share (Q4 2012)	21.5%
Shadow Inventory (01/2013)	2.2m
Distressed Discount	35.4%
New Sales (ths, ann.)	253
Existing Sales (ths, ann.)	2,373
Average Sales Price	$225,528
HPI Peak-to-Current (PTC)	-26.3%
Foreclosure Stock PTC	-25.5%

News Media Contacts

Real estate and mortgage industry trades:

Bill Campbell
bill@campbelllewis.com
(212) 995.8057 (office)
(917) 328.6539 (mobile)

Business and consumer:

Lori Guyton
lguyton@crosbyvolmer.com
(901) 277.6066

The MarketPulse

Springtime Blooms – Homeowners, Investors and First-Time Buyers

By Mark Fleming

IN THIS ARTICLE:

- Housing's anticipated strong contribution to economic growth
- Increasing equity revives trade-up buyer demand
- Pent-up household formations expected to increase first-time buyer demand

In Washington, D.C., where the CoreLogic economics team is based, the cherry blossoms are blooming and spring is fully upon us. The economy also blossomed in the first two months of 2013. Job creation accelerated above 200,000 a month, a level that typically leads to healthy economic growth. However, in March the economy hit a soft patch, as job creation increased by only 88,000, the lowest level in nine months. The weak jobs data report was followed by reports of lower consumer spending and consumer confidence, potentially in response to the sequestration and this year's payroll tax increase.

One of the brightest spots within the uneven economic recovery is the housing sector. Residential investment contributed 0.4 percentage points to GDP growth in Q4 2012, significant for a single industrial sector. If residential investment was excluded from the Q4 2012 GDP figures, the economy would not have grown during that time period. In March 2013, residential investment continued to grow. Housing starts increased to an annualized rate of 1 million, which is 47 percent above the level for the same month a year earlier and the largest increase in more than 20 years.

As spring emerges and the home-buying season begins in earnest, what factors could further strengthen the housing sector? To help answer this question, we consider the positions and motivations of three housing market constituents—the

Cont...

FIGURE 1. CREDIT SCORES CONSTRAIN MORE THAN ABILITY TO PAY

Source: CoreLogic October 2012

home seller, the investor and the first-time buyer.

The home seller is faced with two primary challenges: possessing sufficient equity in an existing home to use as a down payment on a new home, as well as a qualifying credit profile. It is currently estimated that 45 percent of all mortgaged homeowners have insufficient equity (current CLTV>80 percent). That being said, many of the hardest hit housing markets have had significant price improvements in 2012 that removed some of the insufficient equity constraint. With newly found sufficient equity, these owners may offer their homes for sale, adding additional supply to a tight market. In turn, they may become homebuyers, increasing demand this spring.

However, even after converting the equity regained into a down payment by selling, the seller-turned-buyer must still clear the credit qualification hurdle in order to purchase another home. The primary constraining credit condition at the moment is individual credit score.

> "At the same time homeowners' newfound equity opens market opportunity, a second key market constituent, the investor, is expected to continue driving demand in 2013."

Analysis conducted by CoreLogic of creditworthiness using credit scores and payment sustainability (debt-to-income ratios, also known as DTI) for loan originations by origination year (Figure 1), indicates that the DTI ratio, while less constrained than at the height of the housing crisis, is currently within a historically reasonable range (between 34 and 38 percent). Average credit scores for loans originated since 2009 are significantly higher than before the financial crisis.

At the same time that homeowners' newfound equity opens market opportunity, a second key market constituent, the investor, is expected to continue driving demand in 2013. The institutional investor contributed significantly to price growth in many markets in 2012 by providing demand for short sales and real estate owned (REO) properties. Though rising prices have cut into rental returns in many of the fastest growing markets, other markets still yield attractive returns.

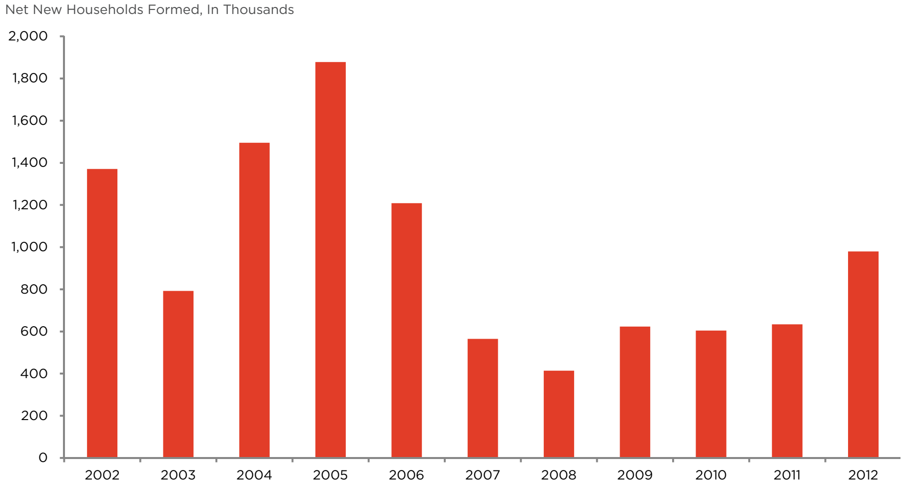
The third market constituent, the first-time homebuyer, is also poised to return to the market. The recession curtailed household formation, causing doubling-up in living arrangements and driving young potential buyers home to their parents. More recent data shows a shift with 2012 household formation returning in force (Figure 2). Today, household formation is driving rental demand, which is the first step toward future first-time homebuyer demand. As new renter-households are formed, rental prices are bid up, making the prospect of owning more attractive to existing renters. Sustained low interest rates add to the financial appeal for current renters to convert to homeownership. The expectation this spring is that more renters will take advantage of historically low interest rates and low home prices to become homeowners.

The economy is slowly improving. The housing sector is a substantial contributor to this improvement. Home sellers in greater numbers are finding they have sufficient equity to consider selling, but continue to be constrained by creditworthiness. At the same time, investors continue to be a significant source of market demand, particularly for distressed assets, while upward pressure on rental rates, driven by increasing household formation and sustained low interest rates, is making a stronger financial argument to renters for becoming homeowners. What's not to like about the housing market this spring?

End.

FIGURE 2. HOUSEHOLD FORMATION REBOUNDS FROM RECESSION LOWS

Net New Households Formed, In Thousands



Source: U.S. Census Bureau Q4 - 2012

The Expensive Proposition of Renting A Single-Family Home

By Sam Khater and Mark Fleming

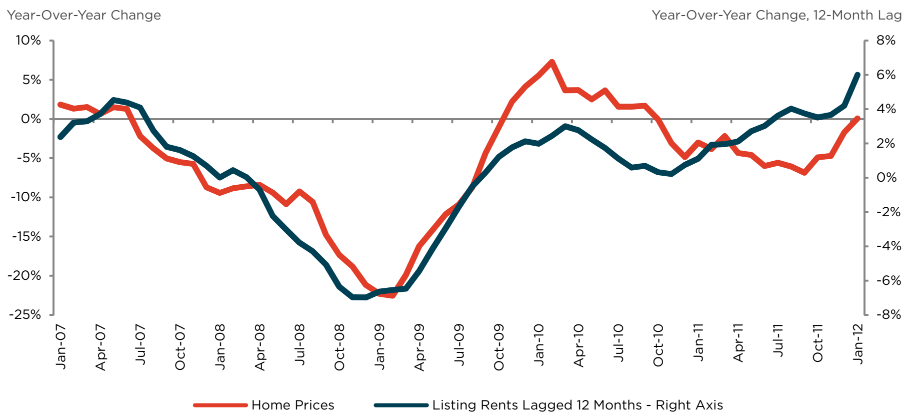
IN THIS ARTICLE:

- Rising prices in the purchase market put upward pressure on rents
- The supply of rental listings is declining and demand is slowing
- The single-family rental market is inventory constrained and causing rents to rise

Over the last century, federal housing policy crafted homeownership incentives and subsidies to help increase homeownership rates and capture economic externalities associated with owning a home. The result was a general increase in homeownership rates beginning in the 1950s, which eventually peaked during the last decade. Then the twin shocks of the Great Recession that began in December 2007 and the financial market collapse of 2008 effectively reversed homeownership rate gains made between the mid-1990s and mid-2000s.

Under this new reality of a significant decline in home prices, diminished consumer savings and tighter underwriting standards, purchasing a home is now much more difficult than it was at the peak of the market. Those who were homeowners and those who wish to be are instead renting. Single-family homes and have emerged in the last two years as a significant source of rental housing demand. At the same time, the abundance of low-priced foreclosures that flowed into the market in the wake of the financial crisis offer attractive rental yields, igniting interest from the institutional investor.

FIGURE 1. HOME PRICES PUT UPWARD PRESSURE ON LISTING RENTS



Source: CoreLogic January 2013

Like the purchase market, the single-family rental market is suffering from constrained supply. Insufficient equity and the big drop in Real Estate Owned (REOs) for sale have curtailed supply in the purchase market and have consequently limited the supply of single-family rental listings. Furthermore, demand for rental properties, as indicated by rental leasings, is declining as rents continue to grow. Could renters be getting priced out of the market?

In this article, using rental listing data collected directly from Multiple Listing Services in 30 large geographically diverse markets, supply and demand trends are examined.

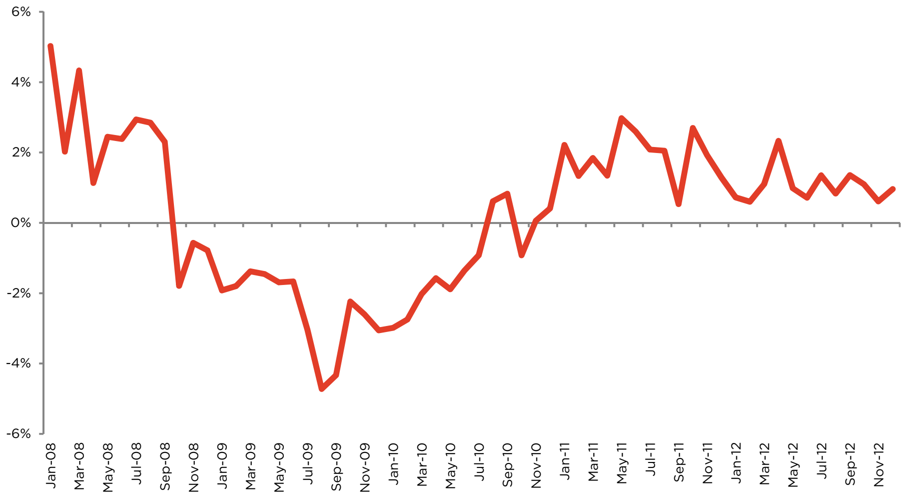
Purchase and Rental Markets As Substitutes

Consumers need shelter, but they have the choice of how to achieve that goal by making the decision to either rent or own. Many pecuniary and non-pecuniary factors contribute to this decision. As prices increase, the cost of homeownership increases, all else constant, making renting relatively more attractive. Consumers can then substitute renting the single-family home over purchasing and achieve the same level of shelter at a lower cost. This increases rental demand and puts upward pressure on listing rents, given supply. The relationship between purchase prices and listing rents typically exhibit a 12-month lag due to the length of rental contracts, typically a year or more (Figure 1).

Cont...

FIGURE 2. RENTAL INFLATION REMAINS POSITIVE

Leased Rent Year-Over-Year Change, 3 Month Moving



Source: CoreLogic December 2012

As home price growth decelerated and reached a trough in January 2009, listing rents followed a nearly identical lagging pattern. As the purchase market responded to the tax credits in 2010 with increased demand and a rebound in prices, listing rents responded similarly with a year lag. Purchase market prices began to recover in 2011 with an improving economy and policy programs aimed at restricting the supply of distressed assets in the market. Single-family listing rents followed suit 12 months later, increasing 6 percent in the same period, which is the highest rate in more than five years.

As of January 2013, home prices were up nearly 10 percent from a year earlier and are poised to continue to grow this year. In December 2012, leased rents, which are the actual rents paid by those who have signed rental contracts and the rental market equivalent of purchase market closed prices, increased 1 percent from a year earlier. This is a lower pace of growth relative to a year ago (1.3 percent) and down from a peak of 3 percent year-over-year growth in May 2012 (Figure 2).

Leased rents have risen year over year for 26 consecutive months since November 2010. Based on the observed relationship between prices and listing rents, it is expected that inflation in home prices to exert upward pressure on leased rents into 2014.

Markets with Constrained Supply

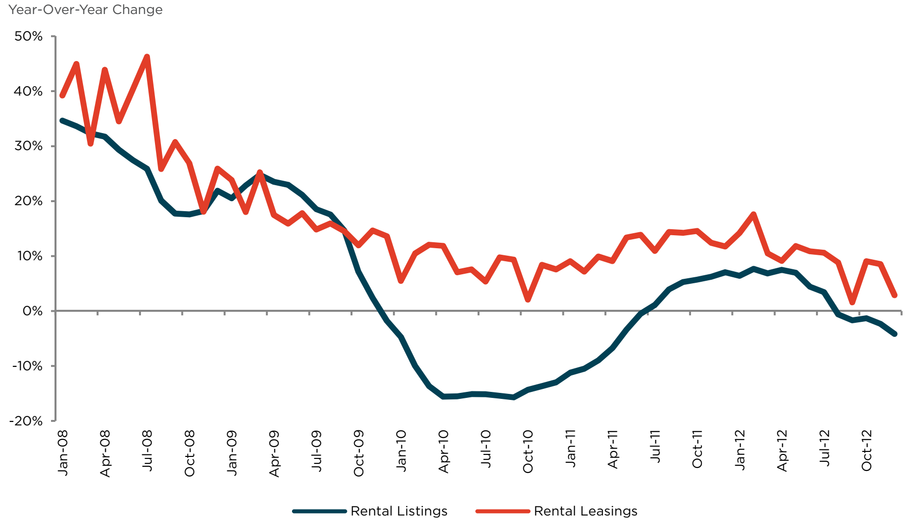
Typically, when the price of a good rises with increased demand, more of the good is supplied. With prices and rents rising there should be an expectation of increased inventory being supplied, but in both markets supply is increasingly constrained.

The supply of rental listings grew dramatically in the early years after the recession. Year-over-year growth in rental listings was consistently above 15 percent from January 2008 to September 2009 (Figure 3). But rental-listing growth on a year-over-year basis contracted quickly, turning negative in 2010 and remaining so until the middle of 2011. While there was a modest resurgence of positive growth in rental listings over the last 18 months, growth turned negative again at the end of 2012, even as prices in the purchase market are rising.

Demand for rental properties was initially strong as rental leasings consistently grew by more than 10 percent on a year-over-year basis from 2008 until mid 2010 (Figure 3). Most recently, demand seems to be slowing even further with year-over-year growth in rental leasings less

FIGURE 3. RENTAL SUPPLY AND DEMAND WANING

Year-Over-Year Change



Source: CoreLogic December 2012

Cont...

than 10 percent since mid 2012. In December 2012 rental leasings posted the lowest year-over-year growth rate (2.9 percent) since October 2010.

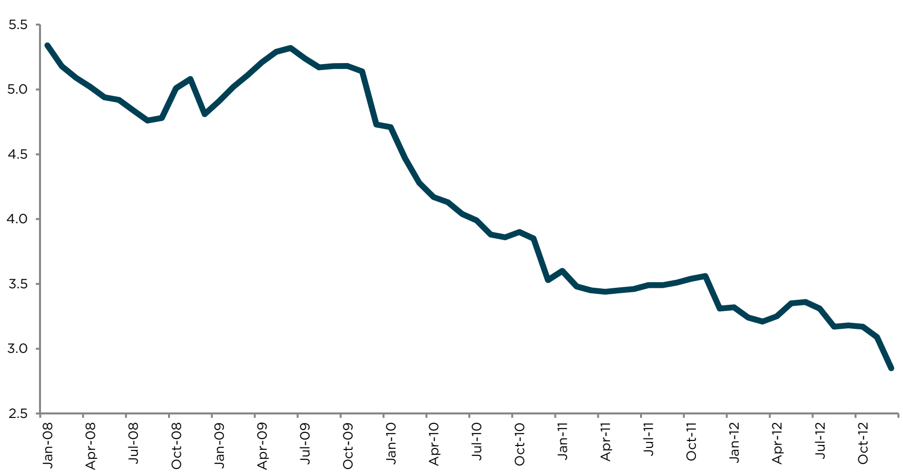
Caution must be exercised when interpreting supply and demand change independently. Market prices (rents) respond to the relative relationship between supply and demand levels so it is possible to have a market with low supply, low demand and stable prices or vice versa. The best way to capture the relative relationship in the purchase market is with the months' supply of homes for sale. Conventional wisdom in the purchase market is that any level of months' supply below six is indicative of a market with insufficient supply relative to demand, a sellers market. Prices typically rise to reduce demand on the margin. Similarly in the single-family rental market, the months' supply is measured as the number of months it would take to lease the existing inventory of properties listed for rent (Figure 4). Since 2008, the months' supply has been less than six. If the purchase market conventional wisdom holds in the rental market too, then supply has been chronically insufficient relative to demand. Additionally, the months' supply of single-family rentals has been consistently declining since 2009 and now stands at a surprisingly low 2.9 months. Rents have risen in response.

"The relationship between purchase prices and listing rents typically happens with a 12-month lag due to rental contracts typically being a year or more."

The constrained supply in the single-family rental market is tied to the constrained supply in the purchase market. The supply of properties for both markets comes from the same stock of housing. Many existing homeowners, who would otherwise contemplate selling to either another owner-occupier or an investor with the intent to supply the property to the rental market, have insufficient equity and are not selling. If they sold and sought shelter in another home, they would need a down payment to finance the home purchase. Because prices fell so dramatically in many areas of the country, sufficient equity has not yet been recovered for a down payment on the next home. Furthermore, REO properties are also in short supply as many have already been repurposed for the rental market and fewer new REOs are for sale. Both conditions are constraining supply in the single-family rental market.

FIGURE 4. WHERE'S THE SUPPLY

Months' Supply Single Family Rentals



Source: CoreLogic December 2012

In The Meantime

Over 1 million net renter households formed in 2012, which is about five times the level of net rental household formation in the first half of the last decade when the home purchase market was booming. In addition, there were 750,000 borrowers who experienced foreclosure in 2012, adding to the net demand for single-family rentals. As a result, single-family rental demand will remain strong in an environment of insufficient supply to meet the demand. The long-term solution is an increase in the rental supply. While single-family rental residential construction is increasing, it will take some time before supply catches up with demand. In the meantime, inventory will remain constrained, rents will rise and demand for rentals will decline as the proposition for renting a property becomes more expensive.

End.

Why Buy...When You Can Rent?

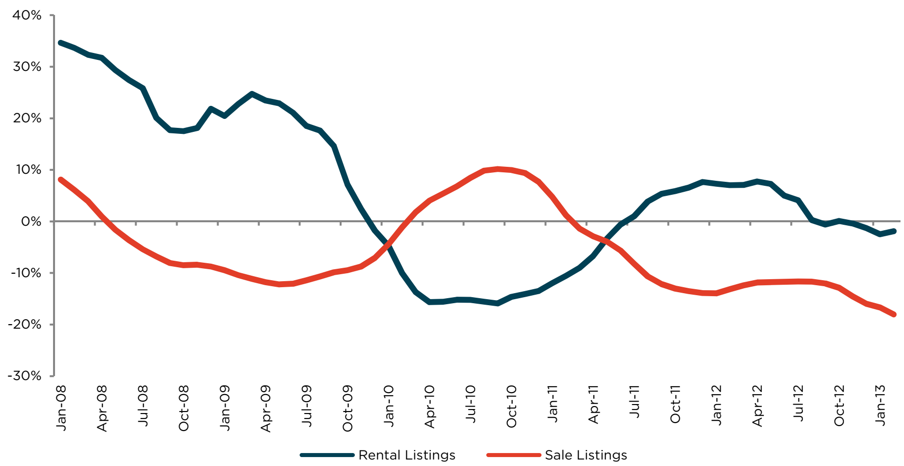
By Gilberto Méndez

With home prices experiencing strong positive year-over-year growth since March of 2012 and interest rates near historical lows, listings would normally be rising. Instead, they are declining in both the rental and purchase markets. At first glance, the two markets experience cyclical, yet opposing patterns. The rental market experienced its highest growth during 2008 when the purchase market was contracting. Renting was a better option when house prices were falling and was a viable alternative to ownership if you had lost your home to foreclosure.

However, during 2010, consumers preferred buying to renting as the homebuyer tax credit incented homeownership. For the last two years, sale listing and rental listing growth rates have declined year over year. The overall inventory of homes available to either market is constrained (as discussed earlier in this report). The data shows that at times consumers prefer to rent rather than to buy, and at other times, they are incented to buy instead of rent. So why rent when you can buy, or should we say why buy when you can rent?

End.

SUBSTITUTE GOODS—WHY BUY WHEN YOU CAN RENT



Source: CoreLogic February 2013

In the News

Barron's, *April 13*

What's the Best Path to Real-Estate Profits?

Home prices jumped 10.2% in February compared with a year earlier, the biggest rise in nearly seven years, according to real-estate analytics firm CoreLogic.

Fox News, *April 12*

Best repairs to make on a house you're selling

The housing market is continuing to find a foundation. CoreLogic says home prices rose more than 10 percent in February from a year ago. That's the fastest paces since the bubble days…

ABC News, *April 5*

Economists Cautiously Optimistic as Home Prices Rise

CoreLogic's measure of national prices also rose 0.5 percent in February from January-- a solid increase during the winter months, when sales typically slow. The news has economists cautiously optimistic.

USA TODAY, *April 3*

Home prices up in February by most in 7 years

Home prices rose 10.2% in February compared with a year earlier, CoreLogic, a real estate data provider, said Wednesday.

MarketWatch, *April 3*

Annual home-price growth fastest since 2006

U.S. home prices rose 10.2% in February from the same period in the prior year, reaching the fastest year-over-year pace since bubble-era growth in 2006, according to a Wednesday report from analysis firm CoreLogic.

Calculated Risk, *April 3*

CoreLogic: House Prices Up 10.2% Year-Over-Year in February

"The rebound in prices is heavily driven by western states. Eight of the top ten highest appreciating large markets are in California, with Phoenix and Las Vegas rounding out the list," said Dr. Mark Fleming, chief economist for CoreLogic.

NATIONAL SUMMARY FEBRUARY 2013

	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	2010	2011	2012
Total Sales*	4,323	4,329	4,891	4,960	4,632	4,934	4,022	4,589	4,278	4,091	3,114	3,446	4,168	4,013	4,309
— New Sales*	315	296	337	346	311	341	292	326	316	315	217	253	346	294	305
— Existing Sales*	2,865	2,959	3,413	3,516	3,300	3,525	2,831	3,196	2,887	2,818	2,126	2,373	2,695	2,615	2,964
— REO Sales*	741	682	706	652	597	613	492	583	626	517	445	465	802	760	624
— Short Sales*	362	359	398	407	395	422	379	450	416	416	307	336	274	303	382
Distressed Sales Share	25.5%	24.0%	22.6%	21.3%	21.4%	21.0%	21.7%	22.5%	24.4%	22.8%	24.1%	23.3%	25.8%	26.5%	23.3%
HPI MoM	1.2%	2.1%	2.4%	2.0%	1.2%	0.6%	-0.2%	-0.5%	0.1%	0.1%	0.4%	0.5%	-0.3%	-0.3%	0.7%
HPI YoY	1.1%	2.0%	3.0%	3.6%	4.0%	4.7%	5.3%	6.0%	7.2%	8.3%	9.4%	10.2%	-0.3%	-4.1%	3.6%
HPI MoM Excluding Distressed	0.8%	1.5%	1.8%	1.7%	1.0%	0.4%	-0.2%	-0.3%	0.2%	0.1%	1.4%	1.5%	-0.3%	-0.3%	0.5%
HPI YoY Excluding Distressed	-1.4%	-0.6%	0.5%	1.5%	2.2%	2.9%	3.4%	4.2%	5.3%	6.3%	8.2%	10.1%	-1.7%	-4.0%	1.5%
90 Days + DQ Pct	7.0%	7.0%	6.9%	6.9%	6.8%	6.8%	6.7%	6.5%	6.4%	6.4%	6.3%	6.3%	8.1%	7.4%	6.8%
Foreclosure Pct	3.5%	3.5%	3.5%	3.4%	3.4%	3.3%	3.2%	3.1%	3.0%	3.0%	2.9%	2.8%	3.2%	3.5%	3.3%
REO Pct	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%	0.6%	0.4%
Pre-foreclosure Filings**	134	123	134	131	126	124	115	121	101	89	105	104	2,099	1,521	1,442
Completed Foreclosures**	65	61	70	67	63	69	80	62	55	40	58	54	1,131	920	774
Negative Equity Share	23.7%	N/A	N/A	22.3%	N/A	N/A	22.0%	N/A	N/A	21.5%	N/A	N/A	25.3%	24.9%	22.7%
Negative Equity**	11,374	N/A	N/A	10,779	N/A	N/A	10,574	N/A	N/A	10,409	N/A	N/A	11,904	11,820	10,925
Months Supply SDQ Homes	8.16	8.07	7.06	6.92	7.40	6.84	8.29	7.06	7.47	7.72	10.00	8.92	10.27	9.66	8.09

*Thousands of Units, Annualized **Thousands of Units †February Data

LARGEST 25 CBSA SUMMARY FEBRUARY 2013

	Total Sales 12-month sum	Total Sales YOY 12-month sum	Distressed Sales Share (sales 12-month sum)	Distressed Sales Share (sales 12-month sum) A Year Ago	SFC HPI YoY	SFCXD HPI YoY	HPI Percent Change from Peak	90 Days + DQ Pct	Stock of 90+ Delinquencies YoY Chg	Percent Change Stock of Foreclosures from Peak	Negative Equity Share**	Months' Supply Distressed Homes (total sales 12-month sum)
Chicago-Joliet-Naperville, IL	88,649	25.4%	35.3%	36.2%	0.3%	6.9%	-37%	9.7%	-13.1%	-22.9%	33.3%	16.8
Los Angeles-Long Beach-Glendale, CA	91,141	12.0%	32.9%	41.5%	14.5%	14.4%	-31%	4.9%	-31.5%	-65.4%	19.6%	7.7
Atlanta-Sandy Springs-Marietta, GA	75,990	23.4%	33.7%	37.9%	12.4%	10.6%	-26%	6.9%	-23.5%	-39.4%	38.1%	10.5
New York-White Plains-Wayne, NY-NJ	65,502	3.8%	9.5%	10.3%	9.7%	10.0%	-10%	9.0%	0.8%	-7.2%	11.9%	15.2
Washington-Arlington-Alexandria, DC-VA-MD-WV	61,004	2.2%	20.8%	27.0%	7.9%	8.7%	-23%	5.3%	-10.3%	-25.7%	23.1%	8.6
Houston-Sugar Land-Baytown, TX	103,001	12.5%	18.5%	20.5%	7.5%	9.6%	-6%	4.2%	-18.8%	-35.3%	10.0%	3.9
Phoenix-Mesa-Glendale, AZ	106,134	-1.9%	29.0%	46.9%	20.8%	18.2%	-39%	4.1%	-44.2%	-77.4%	36.6%	3.3
Riverside-San Bernardino-Ontario, CA	72,679	-1.9%	42.7%	53.9%	13.2%	13.6%	-47%	6.5%	-34.4%	-73.9%	35.7%	7.3
Dallas-Plano-Irving, TX	78,413	9.7%	19.5%	20.6%	7.3%	9.5%	-7%	4.3%	-15.5%	-27.1%	10.4%	4.0
Minneapolis-St. Paul-Bloomington, MN-WI	45,614	9.8%	19.8%	27.0%	9.5%	10.9%	-24%	3.7%	-23.5%	-54.9%	17.6%	6.2
Philadelphia, PA	N/A	N/A	N/A	N/A	3.2%	4.0%	-14%	6.1%	3.7%	-13.1%	10.6%	N/A
Seattle-Bellevue-Everett, WA	39,213	19.5%	22.3%	29.3%	12.5%	13.6%	-24%	5.8%	-14.7%	-7.8%	17.2%	8.9
Denver-Aurora-Broomfield, CO	54,057	22.8%	21.3%	32.6%	11.7%	10.9%	-4%	3.0%	-28.6%	-56.5%	18.2%	3.3
San Diego-Carlsbad-San Marcos, CA	42,874	13.3%	33.1%	42.4%	12.4%	12.7%	-31%	3.9%	-34.5%	-71.2%	24.0%	5.1
Baltimore-Towson, MD	32,057	6.3%	17.7%	21.6%	4.0%	6.2%	-23%	8.1%	1.3%	-20.8%	18.9%	5.1
Santa Ana-Anaheim-Irvine, CA	35,559	20.3%	27.8%	35.5%	14.7%	14.1%	-28%	3.3%	-38.6%	-67.3%	15.3%	13.7
Tampa-St. Petersburg-Clearwater, FL	60,692	8.8%	29.8%	31.7%	7.4%	10.0%	-43%	15.2%	-15.9%	-21.6%	44.1%	14.2
Nassau-Suffolk, NY	22,901	3.3%	7.0%	6.6%	4.2%	4.2%	-23%	11.0%	2.4%	-8.3%	9.9%	24.7
St. Louis, MO-IL	46,005	10.0%	26.9%	27.5%	2.2%	4.2%	-23%	4.4%	-15.0%	-31.3%	15.9%	5.6
Oakland-Fremont-Hayward, CA	38,139	10.1%	34.8%	46.2%	16.1%	14.6%	-36%	4.0%	-37.3%	-70.5%	26.6%	5.0
Warren-Troy-Farmington Hills, MI	N/A	N/A	N/A	N/A	10.1%	13.8%	-36%	4.2%	-28.5%	-64.2%	34.9%	N/A
Portland-Vancouver-Hillsboro, OR-WA	33,365	15.9%	23.2%	29.6%	13.1%	12.5%	-22%	5.1%	-11.5%	-11.6%	17.7%	7.2
Sacramento--Arden-Arcade--Roseville, CA	39,818	5.0%	41.9%	55.4%	17.3%	16.4%	-44%	4.6%	-37.8%	-70.8%	31.7%	5.4
Edison-New Brunswick, NJ	24,683	3.9%	11.9%	11.9%	2.8%	2.7%	-26%	10.0%	7.6%	-2.6%	17.6%	17.8
Orlando-Kissimmee-Sanford, FL	46,248	4.5%	37.5%	41.9%	10.8%	11.0%	-47%	15.0%	-21.2%	-28.8%	45.3%	15.6

NOTE: * Data may be light in some jurisdictions.
** Negative Equity Data through Q4 2012

†February Data

STATE SUMMARY FEBRUARY 2013

State	Total Sales 12-month sum	Total Sales YOY 12-month sum	Distressed Sales Share (sales 12-month sum)	Distressed Sales Share (sales 12-month sum) A Year Ago	SFC HPI YoY	SFCXD HPI YoY	HPI Percent Change from Peak	90 Days + DQ Pct	Stock of 90+ Delinquencies YoY Chg	Percent Change Stock of Foreclosures from Peak	Negative Equity Share**	Months' Supply Distressed Homes (total sales 12-month sum)
Alabama	34,097	-6.7%	17.6%	16.5%	-1.5%	0.5%	-23.0%	5.5%	-4.5%	-27.7%	18.3%	10.5
Alaska	10,694	3.9%	11.2%	12.8%	3.5%	4.9%	-4.4%	2.0%	-11.6%	-34.0%	8.5%	1.9
Arizona	144,092	-0.4%	29.3%	44.9%	18.6%	16.4%	-38.5%	4.1%	-39.4%	-73.2%	34.9%	3.5
Arkansas	34,027	-19.8%	9.3%	8.6%	1.7%	2.4%	-4.7%	5.9%	7.3%	0.0%	12.2%	6.0
California	486,673	7.7%	35.4%	46.1%	15.3%	15.3%	-34.0%	4.5%	-34.7%	-69.0%	25.2%	5.9
Colorado	104,367	16.5%	22.0%	30.3%	10.5%	9.7%	-5.2%	3.0%	-26.3%	-53.4%	17.4%	3.1
Connecticut	39,211	18.6%	20.0%	18.9%	2.7%	7.3%	-26.9%	7.6%	-0.7%	-11.7%	14.8%	11.0
Delaware	8,734	-4.4%	21.2%	19.3%	-4.4%	-1.9%	-27.0%	7.0%	-0.6%	-15.9%	16.6%	14.6
District of Columbia	7,501	10.3%	7.9%	11.6%	9.1%	8.9%	0.0%	5.7%	-2.7%	-18.6%	11.2%	8.4
Florida	433,977	5.9%	29.5%	33.1%	8.7%	9.5%	-43.3%	14.7%	-19.2%	-27.2%	40.3%	11.8
Georgia	123,534	14.8%	29.2%	31.0%	10.0%	8.7%	-24.9%	6.4%	-20.0%	-36.0%	33.8%	9.0
Hawaii	16,085	-1.9%	13.6%	20.5%	14.6%	15.5%	-15.4%	6.1%	-11.7%	-13.0%	9.2%	7.6
Idaho	34,954	7.5%	19.4%	30.6%	13.5%	15.3%	-28.9%	4.3%	-20.4%	-33.5%	21.0%	3.3
Illinois	145,259	16.3%	29.7%	28.1%	-1.0%	4.8%	-34.8%	8.4%	-12.2%	-22.4%	28.4%	12.6
Indiana	108,170	3.7%	19.4%	18.5%	3.5%	5.0%	-13.4%	6.0%	-12.6%	-25.7%	9.7%	5.6
Iowa	42,998	-9.4%	9.3%	9.6%	2.0%	2.0%	-3.9%	3.8%	-9.6%	-19.3%	9.9%	3.7
Kansas	34,261	17.2%	16.1%	17.5%	5.1%	6.5%	-8.7%	4.1%	-11.7%	-27.4%	10.4%	4.3
Kentucky	44,177	-3.8%	15.7%	14.1%	0.4%	4.1%	-10.5%	5.2%	-9.0%	-28.5%	10.5%	6.2
Louisiana	48,192	-9.7%	15.3%	14.0%	3.5%	4.4%	-6.2%	5.8%	-7.2%	-26.3%	16.4%	6.4
Maine	12,868	18.7%	9.7%	10.2%	2.0%	0.3%	-21.2%	7.2%	-2.7%	-5.9%	7.9%	9.7
Maryland	69,551	3.4%	21.2%	26.2%	4.1%	6.4%	-28.3%	8.2%	-2.1%	-21.6%	23.5%	14.0
Massachusetts	95,254	21.6%	7.5%	13.6%	6.7%	8.2%	-20.2%	5.4%	-7.7%	-20.8%	15.9%	5.8
Michigan	161,836	6.7%	37.3%	37.2%	5.6%	10.4%	-39.0%	4.9%	-24.3%	-57.6%	31.9%	4.8
Minnesota	65,406	-2.1%	17.5%	22.2%	7.8%	8.7%	-23.2%	3.5%	-21.6%	-53.5%	16.4%	5.5
Mississippi	N/A	N/A	N/A	12.1%	2.5%	7.4%	-13.9%	7.1%	-7.6%	-27.3%	22.7%	N/A
Missouri	87,354	9.3%	25.0%	26.1%	2.1%	3.7%	-22.4%	4.0%	-15.6%	-36.8%	15.5%	4.3
Montana	14,412	10.9%	14.3%	16.0%	9.0%	11.0%	-13.8%	2.5%	-19.6%	-46.3%	7.2%	2.6
Nebraska	30,418	0.8%	9.7%	9.8%	5.3%	4.3%	-2.9%	2.7%	-12.4%	-33.6%	10.9%	2.2
Nevada	66,817	-10.4%	44.7%	56.1%	19.3%	18.3%	-50.8%	10.7%	-21.5%	-52.7%	52.4%	8.5
New Hampshire	18,782	17.8%	24.2%	25.2%	2.6%	3.4%	-19.9%	4.1%	-14.5%	-34.5%	20.1%	4.8
New Jersey	81,461	4.8%	14.5%	14.9%	3.3%	3.7%	-26.8%	11.8%	5.8%	-2.3%	20.0%	20.9
New Mexico	23,891	6.2%	17.9%	18.5%	2.5%	6.2%	-21.8%	5.5%	-6.8%	-15.9%	12.7%	6.9
New York	152,499	0.1%	6.3%	6.7%	10.1%	9.1%	-7.5%	8.6%	3.8%	-6.6%	8.3%	12.6
North Carolina	120,544	9.5%	15.9%	15.3%	2.6%	4.8%	-11.1%	5.2%	-10.1%	-22.7%	14.1%	7.0
North Dakota	13,149	2.0%	3.5%	4.1%	4.7%	5.1%	-2.8%	1.3%	-21.8%	-22.7%	5.6%	0.7
Ohio	153,987	7.4%	23.9%	27.4%	2.9%	4.9%	-20.7%	6.4%	-11.0%	-23.5%	25.0%	7.1
Oklahoma	64,639	-2.0%	10.7%	10.6%	3.6%	2.6%	-1.5%	5.2%	-4.4%	-7.5%	9.1%	3.6
Oregon	57,452	14.2%	23.7%	29.1%	12.1%	11.8%	-23.5%	5.2%	-9.3%	-11.4%	18.9%	6.6
Pennsylvania	140,522	7.7%	13.3%	12.9%	2.9%	4.1%	-12.9%	6.2%	3.2%	-13.1%	11.1%	7.6
Rhode Island	12,924	10.6%	23.1%	24.4%	0.3%	1.9%	-36.4%	7.4%	-5.7%	-16.5%	23.4%	8.7
South Carolina	66,894	12.0%	22.0%	23.4%	9.0%	11.5%	-13.3%	5.9%	-12.5%	-23.2%	16.3%	6.6
South Dakota	N/A	N/A	N/A	N/A	5.2%	7.1%	-1.4%	2.3%	-11.0%	-27.5%	N/A	N/A
Tennessee	111,462	10.1%	20.9%	20.8%	3.0%	6.1%	-12.1%	5.4%	-14.3%	-40.8%	16.6%	4.3
Texas	435,852	8.4%	16.4%	17.2%	6.7%	8.7%	-5.9%	4.0%	-14.6%	-28.2%	8.5%	3.2
Utah	51,036	6.9%	18.5%	28.0%	10.3%	10.9%	-23.3%	4.1%	-19.3%	-46.2%	17.0%	4.1
Vermont	N/A	N/A	N/A	N/A	4.3%	5.9%	-10.8%	4.2%	-1.5%	-4.9%	N/A	N/A
Virginia	94,955	-1.9%	21.4%	24.4%	6.7%	7.1%	-21.1%	3.7%	-10.0%	-36.8%	19.3%	6.0
Washington	90,090	10.3%	21.4%	26.6%	10.1%	11.1%	-24.3%	6.2%	-6.8%	-0.8%	17.9%	9.3
West Virginia	5,630	-3.9%	N/A	N/A	2.7%	6.2%	-31.1%	3.7%	-7.6%	-32.9%	8.8%	10.3
Wisconsin	72,665	7.2%	16.5%	15.8%	3.4%	4.7%	-16.1%	3.9%	-15.9%	-36.5%	16.5%	4.9
Wyoming	7,315	15.9%	12.0%	14.5%	4.9%	8.1%	-14.2%	2.0%	-19.8%	-57.2%	9.6%	2.4

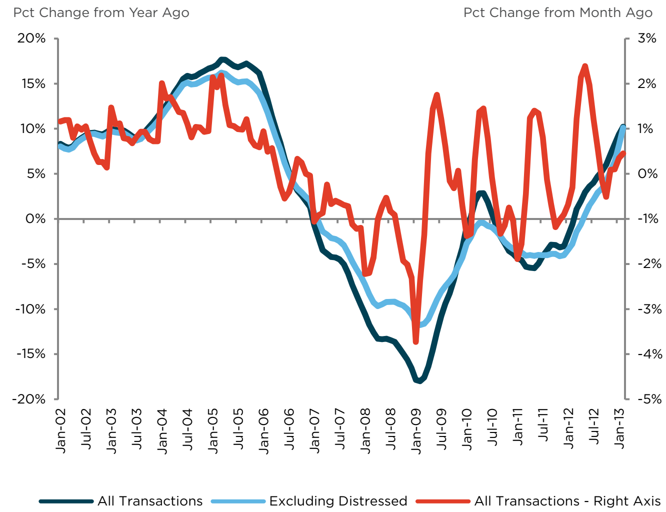
NOTE: * Data may be light in some jurisdictions.
** Negative Equity Data through Q4 2012

†February Data

Home Prices

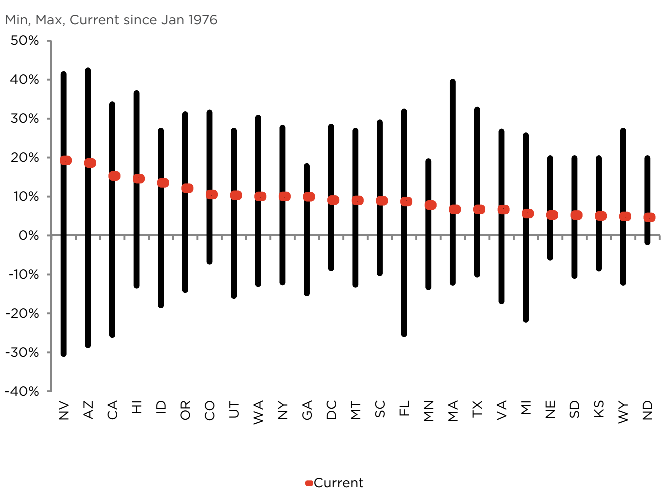
- Home prices nationwide, including distressed sales, increased on a year-over-year basis by 10.2 percent in February 2013 compared to February 2012. This change represents the biggest increase since March 2006 and the 12th consecutive monthly increase in home prices nationally. Excluding distressed sales, home prices increased on a year-over-year basis by 10.1 percent in February 2013 compared to February 2012. This marks the first time both national indexes have had double-digit, year-over-year growth since March 2006.
- Including distressed sales, the five states with the highest home price appreciation were: Nevada (+19.3 percent), Arizona (+18.6 percent), California (+15.3 percent), Hawaii (+14.6 percent) and Idaho (+13.5 percent). The five states with the largest peak-to-current declines, including distressed transactions, were Nevada (-50.8 percent), Florida (-43.3 percent), Michigan (-39.0 percent), Arizona (-38.5 percent) and Rhode Island (-36.4 percent).

HOME PRICE INDEX



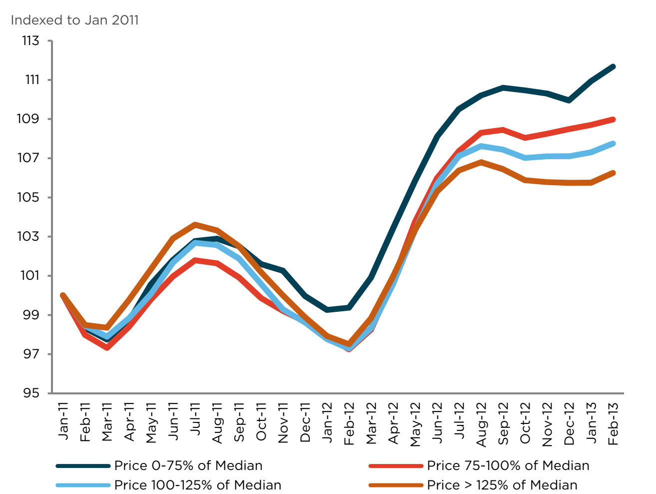
Source: CoreLogic February 2013

YoY HPI GROWTH FOR 25 HIGHEST RATE STATES



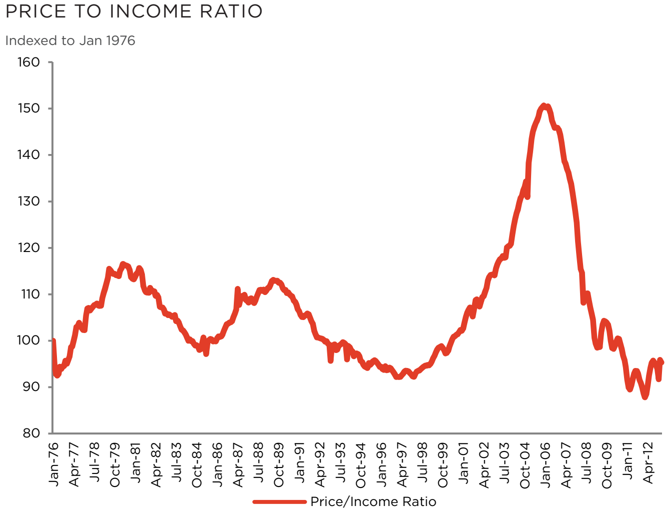
Source: CoreLogic February 2013

HPI BY PRICE SEGMENT



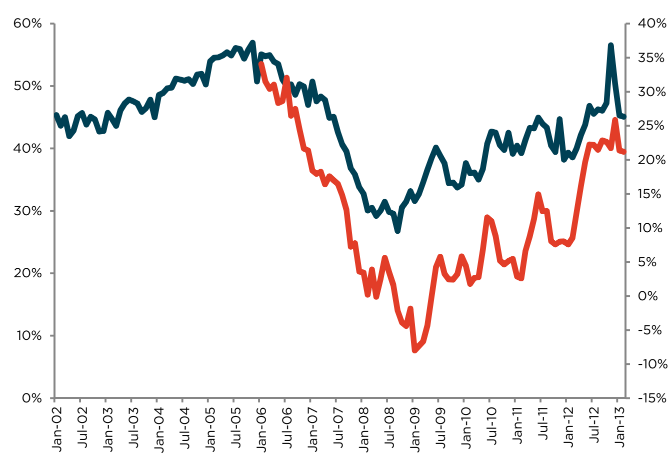
Source: CoreLogic February 2013

PRICE TO INCOME RATIO



Source: CoreLogic, BEA February 2013

DISTRESSED SALES DISCOUNT



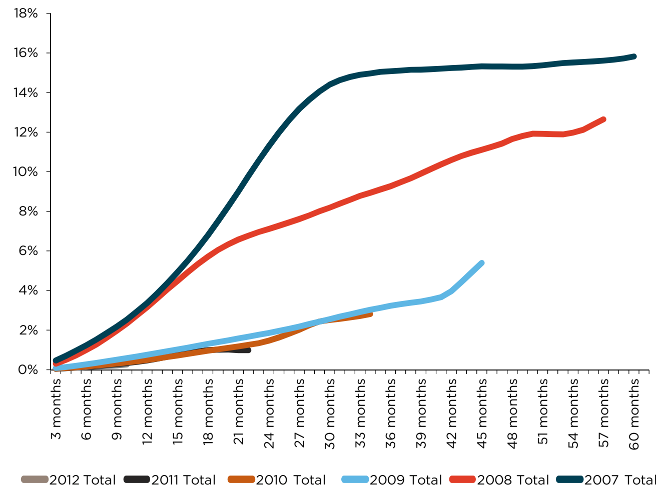
Source: CoreLogic February 2013

Mortgage Performance

- At the end of February 2013, there were fewer than 2.6 million mortgages, or 6.3 percent, in serious delinquency (SDQ, defined as 90 days or more past due, including those in foreclosure or REO). On a year-over-year basis, the number of mortgages in serious delinquency decreased by 15 percent. This marks the fifth straight month of double-digit, year-over-year decreases in loans that are at least 90 days delinquent. The number of mortgages that are seriously delinquent is down 30 percent from the peak in January 2010. Over the past 12 months, an average of 36,000 homes per month have exited serious delinquency.
- The inventory of foreclosed homes has been dropping—there were 1.2 million homes in some stage of foreclosure as of February 2013, 21 percent less than a year ago. In February 2013, there were 54,000 completed foreclosures, representing a decrease of 8 percent from the previous month and the lowest monthly total of completed foreclosures since September 2007.

CONFORMING PRIME SERIOUS DELINQUENCY RATE

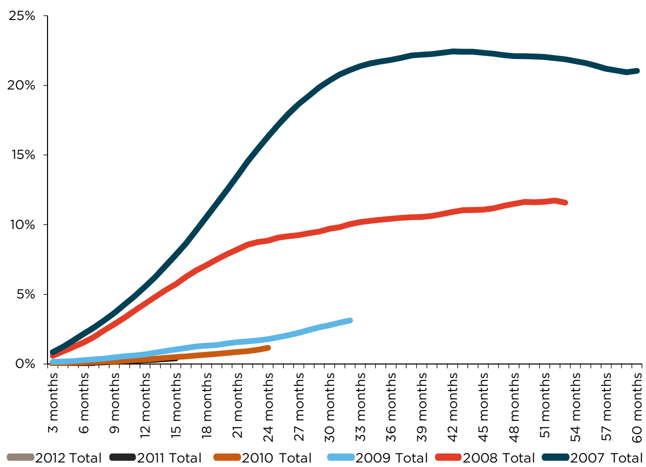
By Origination Year



Source: CoreLogic January 2013

JUMBO PRIME SERIOUS DELINQUENCY RATE

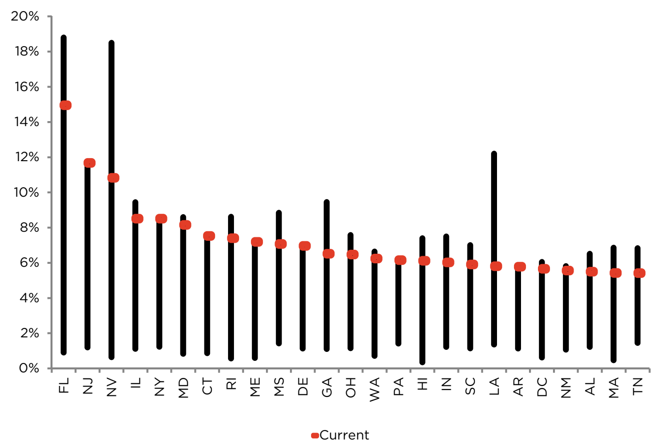
By Origination Year



Source: CoreLogic January 2013

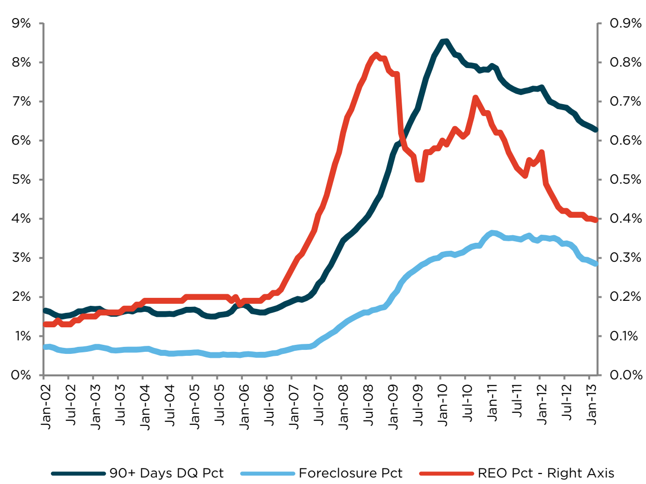
SERIOUS DELINQUENCIES FOR 25 HIGHEST RATE STATES

Min, Max, Current since Jan 2000



Source: CoreLogic February 2013

OVERALL MORTGAGE PERFORMANCE

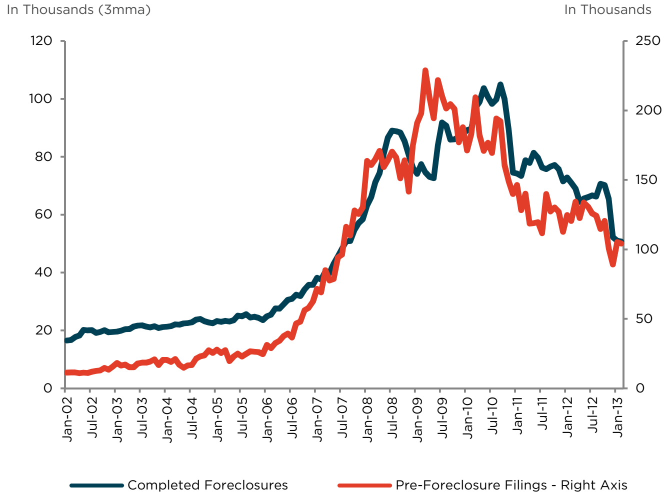


Source: CoreLogic February 2013

PRE-FORECLOSURE FILINGS AND COMPLETED FORECLOSURES

In Thousands (3mma)

In Thousands



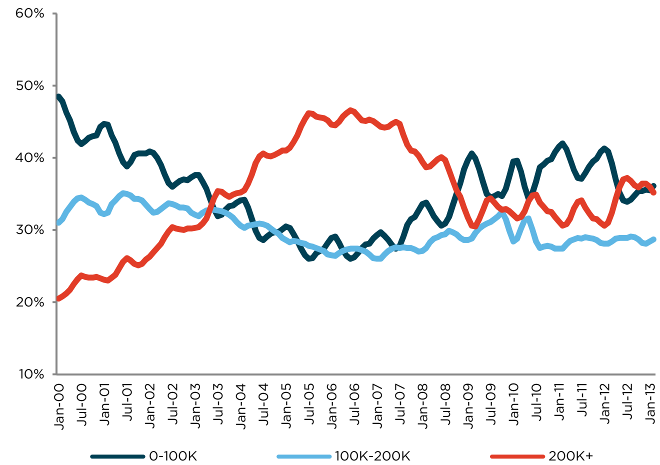
Source: CoreLogic February 2013

Home Sales

- Total home sales decreased by 2 percent year over year in February 2013, marking the second consecutive month that homes sales have decreased on a year-over-year basis. Sales of previously owned homes grew 17 percent from the previous month, and we are optimistic this momentum will continue as we approach the spring and summer months.
- Nationwide, distressed sales accounted for 23 percent of all homes sales in February 2013. Although the distressed sales share remains high, REO sales (a component of distressed sales) saw a 30 percent year-over-year decrease. This decrease in REO sales may be evidence that banks and homeowners are more willing to accept a short sale, rather than have a bank take ownership of a property. Short sales accounted for 10 percent of all sales in February 2013. Nationally, the short sales price discount was 21 percent while the REO price discount was 45 percent. Nevada (45 percent) and Michigan (37 percent) are the two states with the highest distressed sales share. On a year-over-year basis, the share of distressed homes in Nevada decreased 11 percentage points, while the distressed sales share in Michigan remained unchanged.

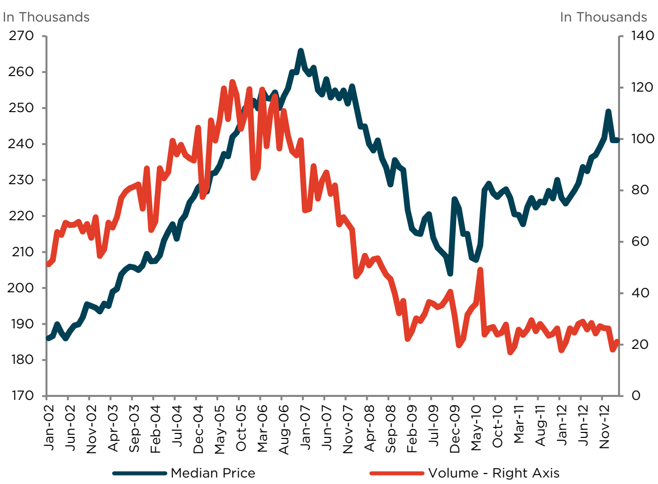
HOME SALES SHARE BY PRICE TIER

As a Percentage of Total Sales



Source: CoreLogic February 2013

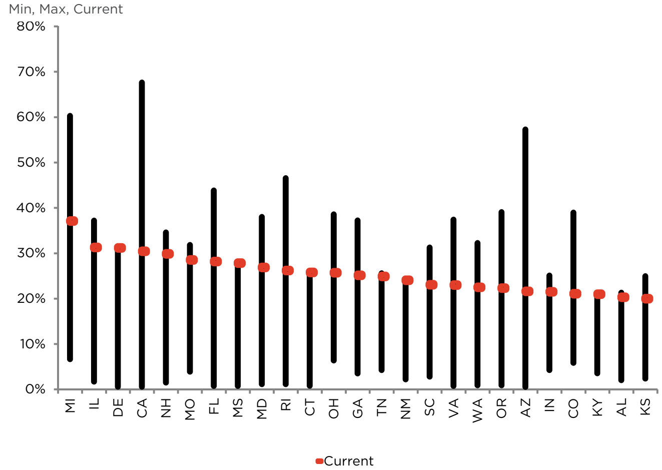
NEW HOME SALES TRENDS



Source: CoreLogic February 2013

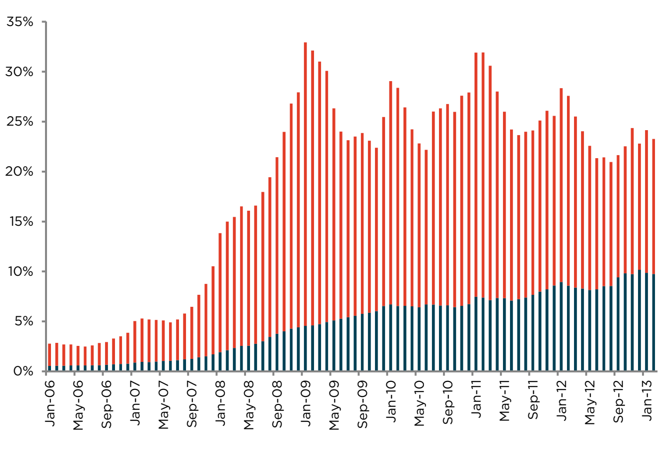
DISTRESSED SALE SHARE FOR 25 HIGHEST RATE STATES

Min, Max, Current



Source: CoreLogic February 2013

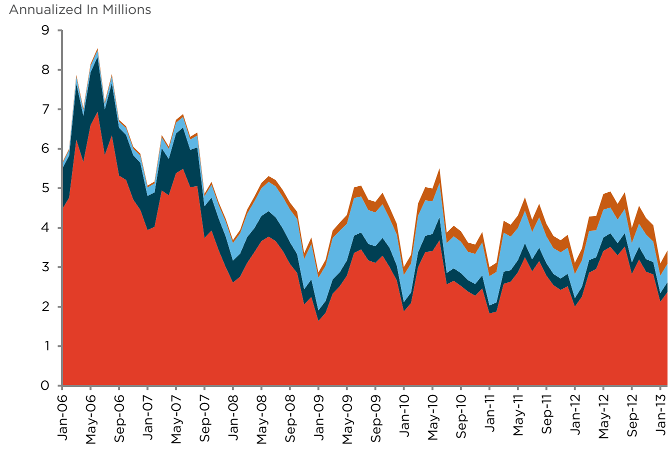
DISTRESSED SALES AS PERCENTAGE OF TOTAL SALES



Source: CoreLogic February 2013

SALES BY SALE TYPE

Annualized In Millions



Source: CoreLogic February 2013

VARIABLE DESCRIPTIONS

Variable	Definition
Total Sales	The total number of all home-sale transactions during the month.
New Sales	The total number of newly constructed residential housing units sold during the month.
Existing Sales	The number of previously constructed homes that were sold to an unaffiliated third party. DOES NOT INCLUDE REO AND SHORT SALES.
REO Sales	Number of bank-owned properties that were sold to an unaffiliated third party.
Short Sales	The number of short sales. A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan.
Distressed Sales Share	The percentage of the total sales that were a distressed sale (REO or short sale).
HPI MoM	Percent increase or decrease in HPI single family combined series over a month ago.
HPI YoY	Percent increase or decrease in HPI single family combined series over a year ago.
HPI MoM Excluding Distressed	Percent increase or decrease in HPI single family combined excluding distressed series over a month ago.
HPI YoY Excluding Distressed	Percent increase or decrease in HPI single family combined excluding distressed series over a year ago.
90 Days + DQ Pct	The percentage of the overall loan count that is 90 or more days delinquent as of the reporting period. This percentage includes loans that are in foreclosure or REO.
Foreclosure Pct	The percentage of the overall loan count that is currently in foreclosure as of the reporting period.
REO Pct	The count of loans in REO as a percentage of the overall count of loans for the reporting period.
Pre-foreclosure Filings	The number of mortgages where the lender has initiated foreclosure proceedings and it has been made known through public notice (NOD).
Completed Foreclosures	A completed foreclosure occurs when a property is auctioned and results in either the purchase of the home at auction or the property is taken by the lender as part of their Real Estate Owned (REO) inventory.
Negative Equity Share	The percentage of mortgages in negative equity. The denominator for the negative equity percent is based on the number of mortgages from the public record.
Negative Equity	The number of mortgages in negative equity. Negative equity is calculated as the difference between the current value of the property and the estimated unpaid principal balance. If the mortgage debt is greater than the current value, the property is considered to be in a negative equity position.
Months' Supply Distressed Homes	The number of months it would take to sell all homes currently in distress of 90 days past due or more based on the current sales pace.
Total Sales YoY Change 12-month sum	Percent increase or decrease in current 12 months of total sales over prior 12 months of total sales.
Price/Income Ratio	CoreLogic HPI divided by Nominal Personal Income provided by the Bureau of Economic Analysis.

Source: CoreLogic

FOR MORE INFORMATION PLEASE CALL 1-415-536-3500

17-MKTPLSE-0413-00

CoreLogic®

corelogic.com