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Fiserv Case-Shiller Home Price Insights: First Year-Over-Year Increase in Home Prices Since 2006, But Rising Average Masks Broad Declines in Many Markets

Despite national gain, first quarter prices fall in 303 out of 384 metro areas

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV) today released an analysis of home price trends in more than 375 U.S. markets based on the [Fiserv^{\(R\)} Case-Shiller Indexes^{\(R\)}](#). The indexes are owned and generated by Fiserv, the leading global provider of financial services technology solutions, and data from the [Federal Housing Finance Agency](#) (FHFA).

In the first quarter of 2010, U.S. single-family home prices rose an average of 2 percent over the year-ago quarter, the first year-over-year national gain since 2006. Despite the gain in the national average, prices were actually lower in 303 of the 384 metro areas compared to the 2009 first quarter. The overall increase was driven by strong price increases in markets such as the San Francisco Bay Area and Washington, D.C. However, prices in many markets continued to plummet, with double-digit drops in Detroit, Las Vegas and many small Florida markets.

Factors weighing on the housing market include high unemployment, rising interest rates and the large number of distressed properties that remain in markets such as Florida, Arizona and Nevada.

"The stabilization of residential real estate markets will take many years as buyers and sellers try to find price levels that clear large inventories of vacant homes from the market," said David Stiff, chief economist, Fiserv. "Consequently, we expect to see prices bounce up and down around their lows for the next two to three years, especially in markets that experienced the largest home prices bubbles. This will result in alternating bouts of optimism and pessimism regarding the housing market recovery, similar to what we have seen for the economy as a whole. This will make it difficult to know exactly when the housing market has reached its bottom."

Observations from the first quarter 2010 data include:

- Ohio and Michigan, two states hit hard by the recession and loss of manufacturing jobs, are still seeing signs of price corrections, though not at the levels of the past couple of years, making housing very affordable across metro areas in these states.
- Home prices in Utah, a market that has historically performed well, saw

significant drops in home prices, with Provo, Salt Lake City and St. George seeing declines of 13.3 percent, 9.9 percent and 17.5 percent, respectively.

- The largest home price increases were seen in the San Francisco Bay area, where San Jose home values increased 17.2 percent, and Washington, D.C., where home values increased 8.5 percent.
- The largest year-over-year increases in home prices have occurred in the low-priced segments of metro area markets. There is indirect evidence that the recent rebound in home prices was driven primarily by the home buyer tax credits, which were most beneficial to households that purchased lower-priced homes.

However, Stiff warns there will be renewed downward pressure on home prices. "Although part of the rebound in the less expensive market segment is due to improving affordability, it is likely the rising sales volumes and prices of low-priced homes were mostly due to the tax credit. When the tax credit expires, sales activity for low-priced homes will drop causing a moderate decline in overall home prices."

The Fiserv Case-Shiller Indexes forecast that average single-family home prices will fall another 4.9 percent over the next 12 months. Steep home price declines are expected to continue in markets that have been hurt most by the housing crisis. From the first quarter of 2010 through the first quarter of 2011, average home prices in Nevada, Arizona and Florida are projected to decline 11.1 percent, 10.8 percent and 8.8 percent, respectively.

At the end of the first quarter 2010, the median U.S. home price was \$166,000. The median monthly mortgage payment in the 2010 first-quarter fell slightly to 13 percent of median family income, a decrease of 1 percent over the fourth quarter of 2009.

The Fiserv Case-Shiller Indexes, which include data covering thousands of zip codes, counties, metro areas and state markets, are owned and generated by Fiserv. The historical and forecast home price trend information in this report is calculated with the Fiserv proprietary Case-Shiller indexes, supplemented with data from the FHFA. The historical home price trends highlighted in this release are for the 12-month period that ended March 31, 2010. One-year forecasts are for the 12 months ending on March 31, 2011. The Fiserv Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

Detailed information on the Indexes can be found at the Fiserv Case-Shiller website at www.caseshiller.fiserv.com.

Representative home price data for major U.S. markets:

Metro Area	Population (2009)	Change in Home Prices (2007:Q1 to 2010:Q1)	Change in Home Prices (2009:Q1 to 2010:Q1)	Forecast Change in Home Prices (2010:Q1 to 2011:Q1)
United States	307,006,550	-28.7%	2.0%	-4.9%
Austin, TX	1,705,080	6.6%	-2.0%	-0.3%
Baltimore, MD	2,690,890	-18.3%	-3.1%	-1.4%
Columbus, OH	1,801,850	-9.8%	1.0%	-2.4%

Fort Worth, TX	2,121,230	2.1%	-2.9%	-.3%
Indianapolis, IN	1,743,660	-2.4%	-3.6%	-0.5%
Jacksonville, FL	1,328,140	-32.8%	-7.2%	-6.9%
Kansas City, MO	2,067,590	-5.4%	-4.6%	-0.5%
Louisville, KY	1,258,580	-0.7%	-2.7%	-0.1%
Milwaukee, WI	1,559,670	-10.1%	0.8%	-1.0%
Nashville, TN	1,582,260	-6.8%	1.2%	-1.4%
New Orleans, LA	1,189,980	-6.4%	-4.9%	-1.7%
Orlando, FL	2,082,420	-48.6%	-9.2%	-12.5%
Philadelphia, PA	4,012,570	-6.6%	1.0%	-2.8%
Raleigh, NC	1,125,830	.8%	-4.4%	0.0%
Sacramento, CA	2,127,360	-42.6%	3.8%	-8.5%
Salt Lake City, UT	1,130,290	-10.6%	-9.9%	-1.9%
San Antonio, TX	2,072,130	2.4%	-2.6%	-0.3%
San Jose, CA	1,839,700	-29.6%	17.2%	-12.8%
St. Louis, MO	2,852,910	-6.7%	0.8%	-1.1%
Tucson, AZ	1,020,200	-31.9%	-2.1%	-5.6%

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is the leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit www.fiserv.com.

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Source: Fiserv, Inc.