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Fiserv Case-Shiller Home Price Insights: U.S. Single Family Home Prices Up 3.6 Percent, but Double-Dip Decline Expected In Many Markets

Metro areas with early 2010 price bounces expected to experience corrections through 2011

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 second quarter of 2010, U.S. single-family home prices rose an average of 3.6 percent over the year-ago quarter, driven by strong price increases in relatively high-priced markets, such as San Diego, Washington, D.C., and the San Francisco Bay Area. But despite the gain in the national average, prices actually fell in 70 percent of the 384 metro areas, compared to the 2009 second quarter. Many markets experienced double-digit drops, including Detroit; Boise, Idaho; Reno, Nev. and many smaller markets in Florida and Oregon.

Factors weighing on the housing market include chronic high unemployment, the expiration of the homebuyer tax credit and the large number of distressed properties that remain in markets such as Florida, Arizona and Nevada.

Other observations from the second quarter 2010 data include:

- Much of the sustained activity in the first half of the year was due to the first-time homebuyer tax credit that expired in June. Since then, home sales activity has plummeted.
- Fiserv and Moody's Economy.com expect that home prices will drop over the next four quarters in nearly all metro markets before they start to stabilize at the end of 2011.

"Some of the largest declines in prices will occur in markets that had strong spring and summer 2010 price increases," said David Stiff, chief economist, Fiserv. "This is because the home buyer tax credit delayed the correction in home prices that is necessary to return housing affordability to its pre-bubble levels."

For example, prices in Phoenix increased by 5.5 percent from the 2009 second quarter to the 2010 second quarter, but are expected to fall by 16 percent over the next four quarters ending in second quarter 2011. With few exceptions, the first, and most significant declines, occurred between the peak of the housing bubble and the summer of 2009, with tax credit induced bounces happening between the summers of 2009 and 2010.

Fiserv Case-Shiller expects that the second double-dip declines will continue through the rest of this year until the end of next summer.

"Many of the metro areas that were fortunate enough to have a spring and summer bounce will experience double-dip price declines. If there are no downside surprises for the economy or the housing and mortgage markets, home prices should start to stabilize at the end of 2011," added Stiff.

The Fiserv Case-Shiller Indexes forecast that average single-family home prices will fall another 7.1 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 second quarter of 2010 through the second quarter of 2011, average home prices in Nevada, Arizona and Florida are projected to decline 12.4 percent, 11.5 percent and 9.4 percent, respectively. In addition, home prices are projected to decline 12.7 percent in the District of Columbia.

At the end of the second quarter 2010, the median U.S. home price was \$177,000. The median monthly mortgage payment in the 2010 second-quarter rose to 14 percent of median family income, an increase of 1 percent over the first quarter of 2010.

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 June 30, 2010. One-year forecasts are for the 12 months ending on June 30, 2011. The Fiserv Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

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:Q2 to 2010:Q2)	Change in Home Prices (2009:Q2 to 2010:Q2)	Forecast Change in Home Prices (2010:Q2 to 2011:Q2)
United States	307,006,550	-24.7%	3.6%	-7.1%
Austin, TX	1,705,080	3.9%	-0.8%	-0.6%
Baltimore, MD	2,690,890	-16.8%	0.6%	-2.8%
Columbus, OH	1,801,850	-5.1%	2.7%	-3.6%
Fort Worth, TX	2,121,230	1.9%	-2.2%	-0.9%

Indianapolis, IN	1,743,660	-2.4%	-1.5%	-2.5%
Jacksonville, FL	1,328,140	-32.1%	-4.5%	-6.4%
Kansas City, MO	2,067,590	-5.6%	-3.2%	-1.6%
Louisville, KY	1,258,580	-1.2%	-2.3%	-0.4%
Milwaukee, WI	1,559,670	-9.8%	1.5%	-2.4%
Nashville, TN	1,582,260	-6.9%	-0.6%	-2.2%
New Orleans, LA	1,189,980	-7.5%	-5.6%	-3.9%
Orlando, FL	2,082,420	-47.1%	-3.3%	-13.4%
Philadelphia, PA	4,012,570	-6.3%	0.4%	-3.0%
Raleigh, NC	1,125,830	-0.6%	-3.2%	-0.4%
Sacramento, CA	2,127,360	-40.2%	2.3%	-9.6%
Salt Lake City, UT	1,130,290	-14.0%	-7.7%	-3.5%
San Antonio, TX	2,072,130	-0.1%	-3.6%	-1.1%
San Jose, CA	1,839,700	-26.1%	18.8%	-11.7%
St. Louis, MO	2,852,910	-4.8%	0.2%	-2.4%
Tucson, AZ	1,020,200	-31.0%	-3.3%	-4.2%

Additional Resources

Fiserv Case-Shiller Indexes - <http://www.caseshiller.fiserv.com/indexes.aspx>

Federal Housing Finance Agency - <http://www.fhfa.gov/>

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.