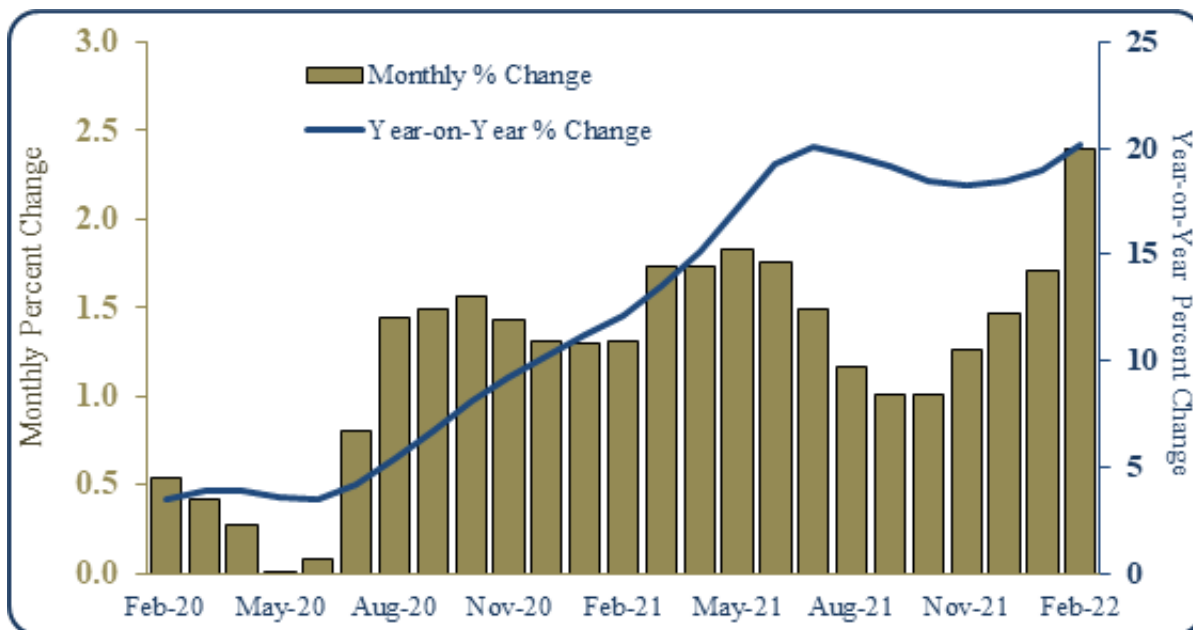
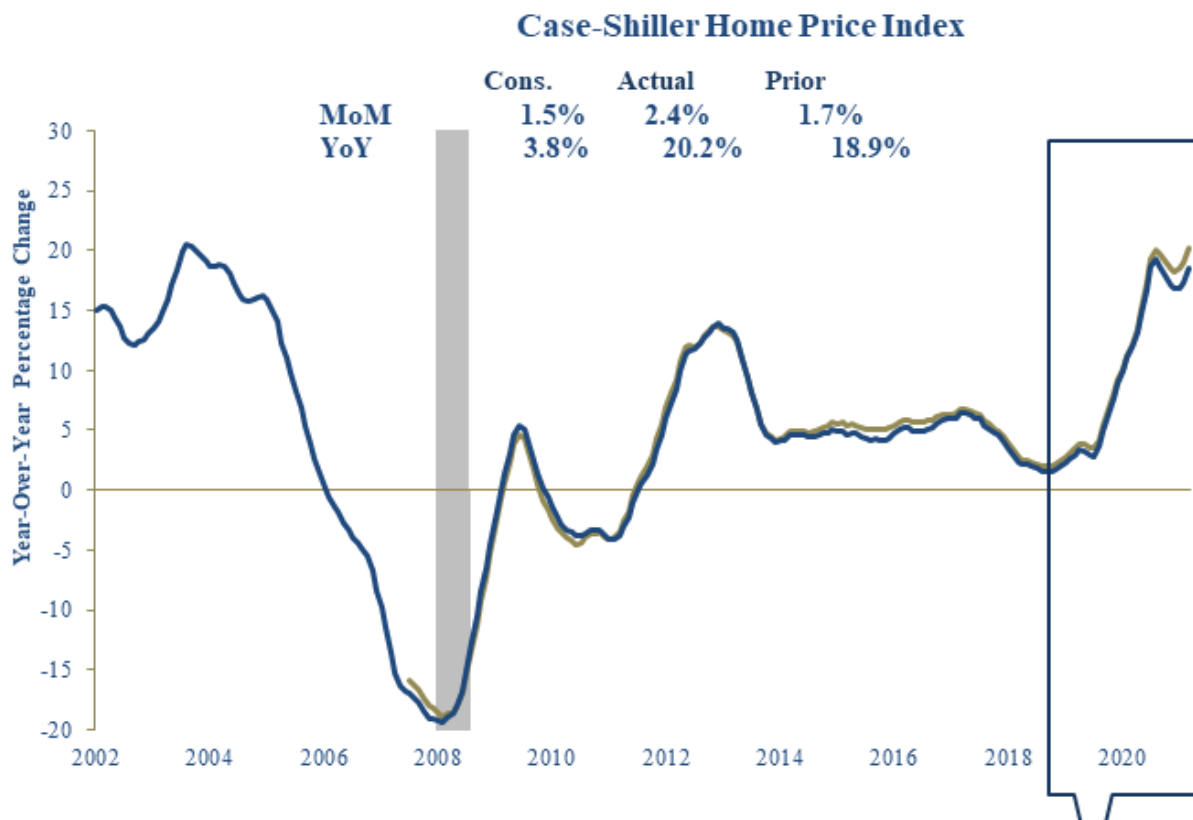


26.Apr.2022

Case Shiller Home Prices: Surprisingly Strong Gains

Bottom Line: Home prices rose more than expected for the fourth consecutive month in February, despite higher mortgage rates and plateauing sales activity. Case-Shiller's index of home prices tends to be lagged but it offers greater detail than most other indicators. Surprisingly, the pace of gains accelerated in the three months ended in February, suggesting the market remained tight even as higher mortgage rates left some potential buyers unable to afford homes. The hottest markets -- Phoenix, Tampa, Miami, San Diego, Dallas, and Vegas (up 28 - 35% year-on-year) -- led the gains. But even markets that had appeared to be topping out, like San Francisco and LA, saw a resurgence in prices. While the price gains in the hottest markets are historically astounding, even the slowest markets have seen year-on-year gains of 12-15% (Chicago, Minneapolis, and Washington, DC). Overall, supply conditions remain tight across the country, more than enough to offset the drop in demand due to lower affordability at higher mortgage rates so far. Moreover, the in-migration trends in the hottest markets remain a tailwind.



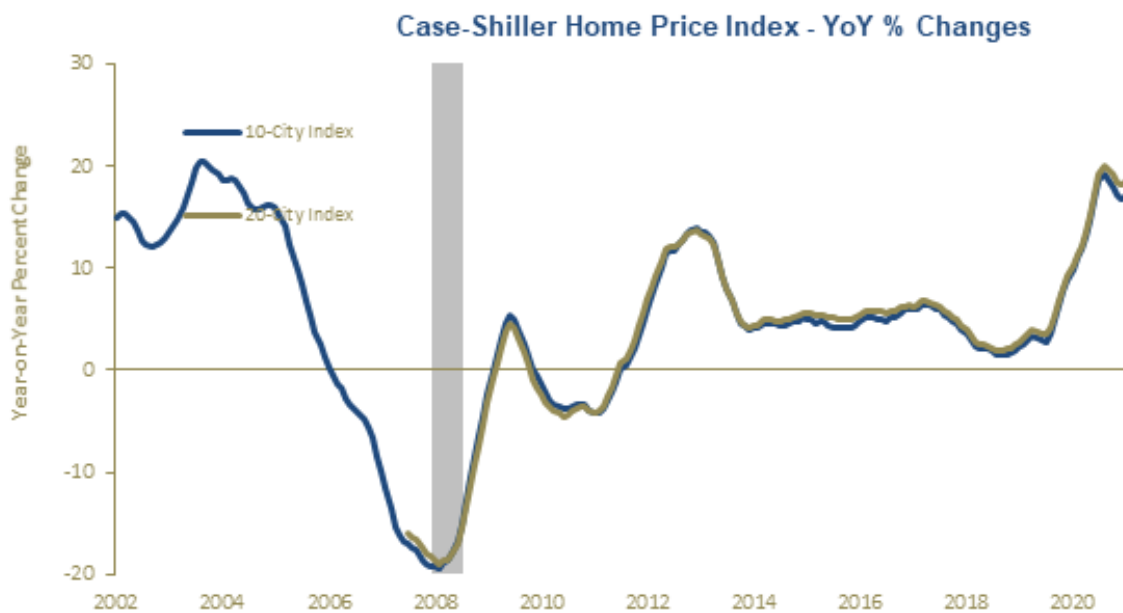
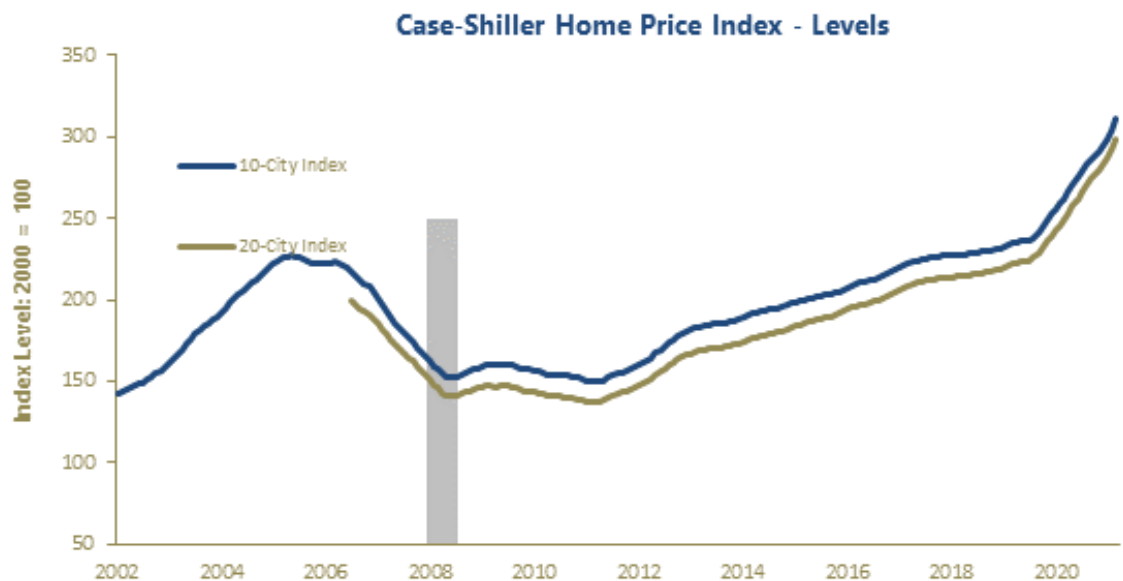
Case Shiller 20-City Home Price Index ROSE by 2.39% (seasonally adjusted) in February to 298.9, compared with market expectations for an increase of 1.5%. Home prices are 20.2% ABOVE their year ago level.

On a non-seasonally adjusted basis, the home price index ROSE by 2.4% on the month.

Housing prices rose in 20 of the 20 metro areas in February (on a seasonally

adjusted basis) and in 20 of 20 metro areas on a year-over-year basis.

Washington DC had the smallest year-over-year increase at 12.3% while Phoenix had the largest year-over-year increase at 35.3%.



Case-Shiller By City

City	Monthly Changes			Yearly Changes		
	Jan-22	Dec-21	MoM Diff	Jan-22	Dec-21	YoY Diff
Atlanta	1.8	1.6	0.2	24.0	23.3	0.7
Boston	1.3	1.3	0.1	14.8	14.9	-0.1
Chicago	1.2	1.3	-0.1	13.4	13.0	0.4
Cleveland	1.1	1.2	-0.1	14.5	15.0	-0.5
Dallas	2.2	2.0	0.2	28.8	27.6	1.2
Denver	1.7	1.5	0.2	22.3	21.9	0.4
Las Vegas	2.0	1.3	0.7	27.9	27.2	0.7
Los Angeles	1.8	1.3	0.5	21.3	20.6	0.7
Miami	1.9	2.0	-0.1	29.8	29.2	0.5
Minneapolis	1.2	1.1	0.1	12.6	12.4	0.2
New York	1.1	1.1	0.0	15.0	15.5	-0.5
Portland	0.9	0.9	0.1	19.0	18.5	0.5
Phoenix	2.2	1.7	0.5	35.3	34.5	0.9
San Diego	2.6	2.6	0.0	29.1	27.7	1.4
San Francisco	3.2	1.7	1.5	22.6	20.2	2.4
Seattle	2.1	2.1	0.0	26.6	25.9	0.7
Tampa	2.6	31.4	-28.7	32.8	31.4	1.4
Washington, DC	1.5	0.8	0.7	12.3	11.9	0.4

	Monthly				Average for						
	Feb-22	Jan-22	Dec-21	Nov-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
20-City Home Price Index	298.9	292.0	287.1	282.9	292.6	286.1	275.0	242.3	219.9	215.1	188.5
(percent change)	2.39	1.7	1.5	1.3	24.7	19.2	20.2				
(year-on-year percent change)	20.2	18.9	18.5	18.3				10.2	2.8	5.7	5.4
10-City Home Price Index	310.8	303.7	298.7	294.7	304.4	298.0	287.5	255.5	232.4	228.5	202.1
(percent change)	2.3	1.7	1.3	1.1	23.6	17.8	18.6				
(year-on-year percent change)	18.6	17.3	16.9	16.8				9.9	2.3	5.2	5.0

Source: Standard and Poors via Bloomberg. Our calculations.

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