



Fiserv Case-Shiller Home Price Insights: Despite Recent Declines, Home Prices Expected to Stabilize Across U.S. by Early Next Year

- Housing affordability back to pre-bubble levels with average homes now only 5 percent more expensive than in 2000
- Home prices projected to dip further in 2011 and begin modest appreciation in 2012
- More than 95 percent of all metro areas are projected to rise by Q1 2013

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV) today released an analysis of home price trends in more than 380 U.S. markets based on the [Fiserv® Case-Shiller Indexes®](#). 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).

The double-dip drop in home prices that began last year continued into the first quarter of 2011, with prices falling in 302 out of 384 metro areas tracked by Fiserv Case-Shiller. The decrease, an average of 5.1 percent as compared to the first quarter of last year, was expected, as housing demand settled to a lower level following last summer's expiration of the home buyer tax credit. Price declines in the recent quarter were also driven by a jump in foreclosure sales, which were temporarily stalled by loan processing issues that surfaced at the end of 2010.

David Stiff, chief economist at Fiserv, noted that continued economic weakness and uncertainty continue to weigh on markets. "The stabilization of housing markets depends greatly on household confidence in the strength of the economic recovery," he said. "Unfortunately, recent economic news has done little to build confidence. Weak job growth numbers in May and June, political wrangling over the Federal government debt ceiling, and the ongoing debt crisis in Europe have all increased pessimism. Households will not become more optimistic about housing markets until they are convinced that the job market is improving and that politicians will not allow debt problems to become new economic catastrophes."

Despite the weakness in housing markets, which remain a problem in nearly every region, Fiserv continues to project that home prices remain on track to stabilize by the end of 2012.

Stiff pointed to several positive trends. "Mortgage delinquency rates have been falling for more than a year. Foreclosure rates have started to decline. The flood of bank-owned sales, which has swamped many markets, will finally begin to recede this year as fewer houses enter the foreclosure pipeline. Meanwhile, housing affordability has nearly returned to pre-bubble levels," said Stiff. "Relative to family income levels, the average U.S. home is now only 5 percent more expensive than it was in 2000."

According to Fiserv and Moody's Analytics, these factors, when combined with economic growth forecast for the coming quarters, point to a broad-based recovery for housing that will begin in early 2012. Between the first quarter of 2012 and the first quarter of 2013, homes are projected to increase by an average of 2.7 percent, with gains in 365 out of 384 metro areas.

Other highlights from the latest Fiserv Case-Shiller Indexes include:

- Eight of the 10 worst performing markets in the 2011 first quarter had unemployment rates higher than the national average.
- Five of the 10 best performing housing markets in the last five years are in Texas, where the Midland and Odessa Metropolitan areas have seen house prices grow 42 percent and 30.3 percent, respectively, from the 2006 first quarter to the 2011 first quarter.
- The outlook for Florida is a study in contrasts. Four of the 10 metro areas where home prices are projected to grow the most between the first quarter of 2012 and the first quarter of 2013 are in Florida (Ocala; Palm Coast; Panama City-Lynn Haven-Panama City Beach; Palm Bay-Melbourne-Titusville). But the state is also home to six of the 10 markets projected to suffer the biggest home price declines over the same time period (Miami-Miami Beach, Kendall; Fort Lauderdale-Pompano Beach-Deerfield Beach; Naples-Marco Island; Crestview-Fort Walton Beach-Destin; Gainesville; Orlando-Kissimmee-Sanford).
- Four metro areas in Washington State (Tacoma; Kennewick-Pasco-Richland; Spokane; Olympia) are in the 10 markets projected to experience the highest home price increases for the 2011 first quarter to 2012 first quarter period.
- Six of the 10 markets that have suffered the greatest price declines from peak to the first quarter of 2011 are in

California (Merced; Modesto; Salinas; Stockton; Vallejo-Fairfield; Bakersfield-Delano).

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, 2011. One-year forecasts are for the 12 months ending on March 31, 2012. The Fiserv Case-Shiller home price forecasts are produced by Fiserv and Moody's Analytics.

More 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 (2010) | Change in Home Prices (2008:Q1 to 2011:Q1) | Change in Home Prices (2010:Q1 to 2011:Q1) | Forecast Change in Home Prices (2011:Q1 to 2012:Q1) |
|--------------------|------------------------------|---|---|--|
| United States | 309,020,820 | -21.3% | -5.1% | -3.1% |
| Austin, TX | 1,754,980 | -2.9% | -2.3% | 0.9% |
| Baltimore, MD | 2,699,135 | -12.8% | 1.2% | -4.6% |
| Columbus, OH | 1,817,075 | -5.1% | -0.9% | -2.9% |
| Fort Worth, TX | 2,160,329 | -1.1% | -1.4% | 1.4% |
| Indianapolis, IN | 1,761,732 | -5.2% | -1.4% | -1.4% |
| Jacksonville, FL | 1,338,606 | -31.4% | -10.1% | -2.9% |
| Kansas City, MO | 2,086,771 | -7.5% | -2.1% | 0.9% |
| Louisville, KY | 1,296,694 | -3.3% | -0.3% | 0.0% |
| Milwaukee, WI | 1,564,931 | -11.9% | -5.5% | -0.1% |
| Nashville, TN | 1,600,358 | -9.2% | -2.5% | -0.1% |
| New Orleans, LA | 1,209,128 | -7.2% | -1.4% | -4.2% |
| Orlando, FL | 2,106,614 | -41.9% | -8.1% | -7.6% |
| Philadelphia, PA | 4,036,320 | -10.2% | -4.6% | -1.0% |
| Raleigh, NC | 1,152,966 | -5.1% | -1.7% | -0.5% |
| Sacramento, CA | 2,144,904 | -27.8% | -8.6% | -5.2% |
| Salt Lake City, UT | 1,150,349 | -19.0% | -5.0% | -2.7% |
| San Antonio, TX | 2,110,905 | -0.3% | 0.5% | -1.7% |
| San Jose, CA | 1,863,711 | -22.5% | -4.1% | -4.7% |
| St. Louis, MO | 2,855,378 | -10.7% | -7.5% | -2.5% |
| Tucson, AZ | 1,027,226 | -30.5% | -11.6% | 0.5% |

Additional Resources:

- Fiserv Case-Shiller - www.caseshiller.fiserv.com
- Federal Housing Finance Agency (FHFA) - <http://www.fhfa.gov/>
- For a presentation on the best and worst markets for the next two years, visit - <http://slidesha.re/piy8M9>

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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