

## **Fiserv Study Says Markets Are Improving**

Fiserv on Monday released a report that analyzed housing financial data from fourth quarter 2009, which seemed to suggest real estate could be improving.

“Optimism that a sustainable economic recovery is underway and is driving increases in home prices across many U.S. metro areas. More and more, consumers have confidence that buying a home doesn’t mean catching a falling knife,” says David Stiff, chief economist for global financial technology firm Fiserv.

Among the conclusions of the report were:

- California markets collapsed about one year before much of the rest of the U.S., creating increased affordability. Year-over-year prices are up in eight of 28 California metro areas and prices have increased from recent lows in 24 of 28 metro areas. The strongest rebounds were in coastal markets, including the Bay Area, Los Angeles, Orange County, and San Diego, where there are decreasing levels of foreclosed homes. Markets in the interior have also experienced a price bounce, mainly due to strong investor demand.
- In Washington, D.C., home prices were up 5.2 percent year-over-year. Since the market bottomed in early 2009, prices in this metro area have risen more than 9 percent. Washington boasts a relatively strong local economy with 6.8 percent unemployment compared to 9.9 percent for the U.S. The earlier rapid decline in prices also substantially improved affordability.
- Ohio and Michigan, two states hit hard by the recession and loss of manufacturing jobs, are seeing signs of stabilization. Housing is very affordable across metro areas in these states. There is less uncertainty about the future of the U.S. auto industry and jobs in auto and auto parts manufacturing have been increasing since December 2009.
- Other markets where investor purchases of foreclosed homes have dominated housing sales are also coming back into balance. This includes metro areas such as Minneapolis, Detroit, and Memphis, where recent sales have included more regular, non-distressed homes.

*Source: Fiserv (06/14/2010)*