

**S&P/Case Shiller 20 MSA Index – Q2 2009**  
**Looking Under the Hood at the Underlying Data**

**A Tale of Seven Cities**

The CS-20 MSA Index and its sub indices for the month of June 2009 led much of the financial marketplace to conclude the deterioration in home prices has come to an end. As we pointed out in our report of August 20, 2009<sup>1</sup>, there is still a reasonable likelihood that the housing market is only 75% of the way towards ultimate stability. The Q2 data, especially the seasonally unadjusted June month-over-month data for various cities and for the national index, highlighted what was a very regionally-based improvement in the volume of sales (in favor of those markets that have declined in price the most, relative to peak bubble values), while possibly masking considerable softness and the prospects for continuing price deterioration in other regions and for the nation as a whole. Seven of the 20 MSA's surveyed in the contributed disproportionately to the positive results and saw significant increases in sales volume from the period one year earlier, while the remaining 13 saw decreased sales. Not surprisingly, the seven included the cities that bubbled nearly twice as much as all the others in the index and have come down most in price from the bubble's peak in 2006. The following table sets for the tale of these seven cities, and the others. The table should be useful in helping to track future data over the coming months.

S&P/Case Shiller 20 MSA Analyzed Subgroups	<b>The Seven Cities</b> AZ-Phoenix, CA-Los Angeles, CA-San Diego, CA-San Francisco, FL-Miami, FL-Tampa, NV-Las Vegas	<b>The Other Thirteen</b> CO-Denver, DC-Washington, GA-Atlanta, IL-Chicago, MA-Boston, MI-Detroit, MN-Minneapolis, NC-Charlotte, NY-New York, OH-Cleveland, OR-Portland, TX-Dallas, WA-Seattle
Percentage of 20 MSA Total Market Size	36.40%	63.60%
Percentage of Q2/2009 S&P/Case Shiller Sales	48.33%	51.67%
Weighted Average Change in Number of Sales Q2/2009 vs. Q2/2008	+29.32%	-21.96%
Weighted Average YOY Price Decline – 6/2009 vs. 6/2008	20.71%	12.47%
9-Year Weighted Average Bubble Era Appreciation – July 1997 to June 2006	220.8%	113.42% <sup>2</sup>
Weighted Average Price Decline from Peak to June 2009	43.68%	22.43%
Weighted Average Sales Volume in Q2/2009 as a % of Sales Volume in Q2/2005	60.67%	44.94%

<sup>1</sup> [http://www.westwoodcapital.com/opinion/images/stories/reconstructing\\_american\\_home\\_values\\_alpert\\_082009.pdf](http://www.westwoodcapital.com/opinion/images/stories/reconstructing_american_home_values_alpert_082009.pdf)

<sup>2</sup> Dallas data measured from January 2000 as it was not in the index prior to that date.

## 2005 - 2009 Case Shiller Matched Pairs - Q2 2008 = 100

