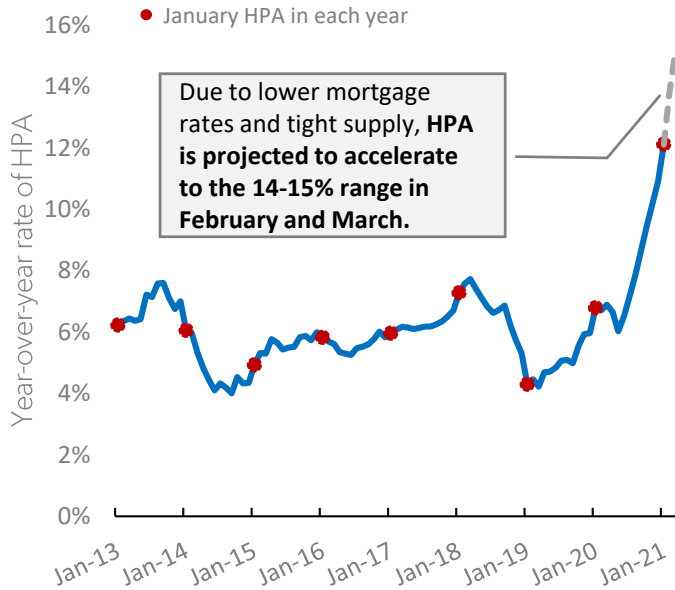




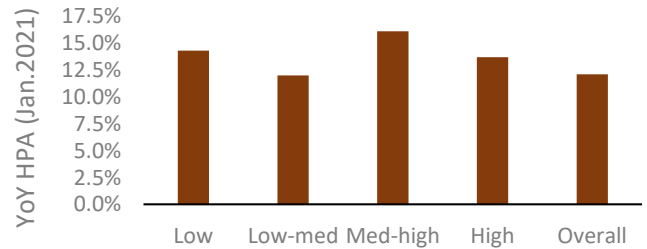
National Home Price Appreciation (HPA) Index – Jan. 2021

The U.S. housing market continues to heat up for all price tiers.

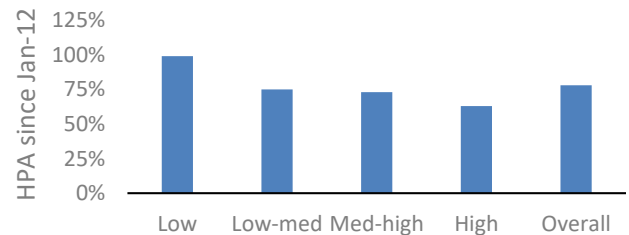
1 National HPA for January averaged 12.1%.
This is up from 10.9% a month ago and 6.8% a year ago.



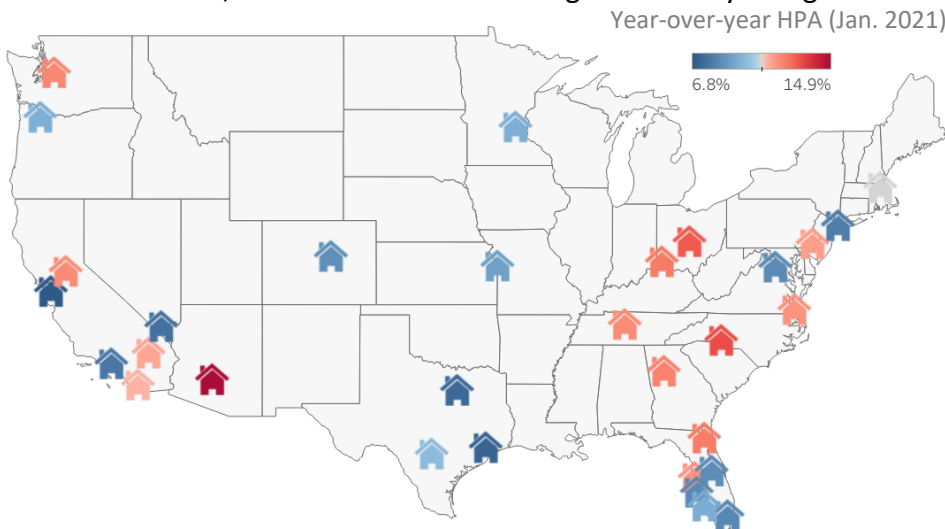
2 Low rates are driving high HPA growth across all price tiers.



3 Historically, HPA in the lower price tiers has far outpaced HPA in the upper price tiers.



4 HPA varied significantly among the 40 largest metros in the US.
In all metros, HPA was at least 6% or higher from a year ago.



Highest HPA Metros

Phoenix, AZ	14.9%
Charlotte, NC	13.2%
Columbus, OH	12.9%

Lowest HPA Metros

San Francisco, CA	6.8%
Houston, TX	7.1%
Dallas, TX	7.3%

5 AEI expert commentary

“Home prices are responding to sharply lower interest rates and the lower months’ remaining inventory for new and existing homes, with all three series at the lowest levels in history.” – **Ed Pinto**

“Due to low mortgage rates, the med-high and high price tiers, which are more dependent on rates, are showing the strongest rates of appreciation. This is a trend reversal from earlier times, when the low tier was appreciating the fastest.” – **Tobias Peter**





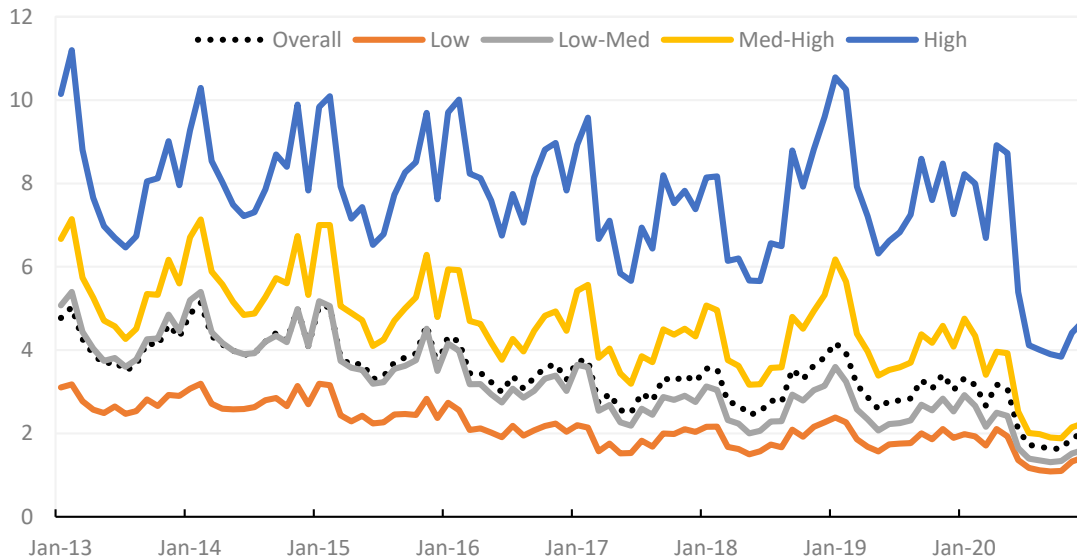
National Home Price Appreciation (HPA) Index – Jan. 2021

The U.S. housing market continues to heat up for all price tiers.



Months' supply has tightened significantly across the nation and all price tiers.

Months' supply stood at 2.0 months in Dec. 2020, which is down from 3.0 months in Dec. 2019.



Months' Supply

by Price Tier in December

	2019	2020
Overall	3.0	2.0
Low	1.9	1.4
Low-med	2.5	1.6
Med-high	4.1	2.2
High	7.3	4.7

Across the nation, 6 months' supply is generally considered the demarcation point between a buyer's and seller's market. The lower the supply, the faster the HPA and vice versa.

Source: Realtor.com, Zillow, and AEI Housing Center, www.aei.org/housing.

