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Fiserv Case-Shiller Home Price Insights: For Many U.S. Markets, the Return to Peak Home Prices Will Be a Long, Slow Road

Bubble-era home prices won't be seen again until 2025 or beyond in California, Florida, Arizona and Nevada

BROOKFIELD, Wis., Apr 08, 2010 (BUSINESS WIRE) -- [Fiserv, Inc.](#) (NASDAQ: FISV), the leading global provider of financial services technology solutions, today released an analysis of home price historical trend data and forecasts for more than 375 U.S. markets based on the [Fiserv^{\(R\)} Case-Shiller Indexes^{\(R\)}](#), which is owned and generated by Fiserv, data from the [Federal Housing Finance Agency \(FHFA\)](#) and [Moody's Economy.com](#).

The Fiserv analysis indicates the markets that experienced the greatest price bubble, including certain metro areas in California, Florida, Arizona and Nevada, won't see home prices return to peak levels until 2025 or later. That represents an unprecedented market cycle that will last a full generation from the top of the market in 2006-2007. Many other markets, including major urban centers in the Northeast and industrial Midwest, may need to wait a decade or more until prices return to their market peaks.

"Nationally, Fiserv Case-Shiller data points to a further seven percent decline in home prices through the end of this year, with a prolonged recovery beginning early in 2011. In many markets, the emphasis is on the word 'prolonged,'" said David Stiff, Chief Economist, Fiserv. "We see several powerful forces in the market that will severely hinder the housing recoveries of many metro areas, particularly in the hard-hit states of California, Florida, Arizona and Nevada. It will take these markets 15 or more years before home prices climb back to their peaks."

While the bubble markets have received the greatest attention, there are other dynamics affecting the pace of home price recovery in other regions. High levels of unemployment associated with the recession and the steep decline in manufacturing jobs has reduced housing demand and prices in many metro areas in the industrial Midwest, including Michigan, Indiana and Ohio. Such markets, at the epicenter of job losses in manufacturing, are not expected to return to peak levels for at least five years, and potentially more than a decade.

A protracted recovery in home prices is also expected in many urban neighborhoods where predatory lending was most rampant. There, home prices rose rapidly from very low levels during the bubble years. These markets include neighborhoods in cities such as Minneapolis, Memphis and Chicago.

"The picture is not uniformly grim," Stiff continued. "In fact, our analysis projects that some markets are poised for a relatively fast recovery, including some areas that never experienced large declines in prices. Markets that could see prices come back within the next few years include Pittsburgh, Pennsylvania; Columbia, South Carolina and several metro areas in Texas, Washington and upstate New York."

Stiff also reiterated a number of trends that have defined the housing market in recent months, including signs of strength that emerged in the third and fourth quarters of 2009. Home sales grew dramatically, jumping from 4.5 million units in January to 6.5 million units in November 2009, the highest gains since 2006. This was attributed to lower prices, almost record-low mortgage interest rates, and the \$8,000 tax credit for first-time home buyers. Another factor that temporarily slowed the erosion of home prices has been the financial institutions' inability to effectively sell homes with distressed mortgages.

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 is calculated with the Fiserv proprietary Case-Shiller indexes, supplemented with data from the FHFA. The Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

Detailed home price data and information on the Indexes can now be found at the new Fiserv Case-Shiller website at www.caseshiller.fiserv.com. At that site, users can get the latest housing news and find detailed information and home price

forecasts for 381 U.S. markets.

Metro Area	Prices Reached Peak in	Prices Expected to Reach Trough in	Prices Expected to Return to Previous Peak in	Change in Home Prices (Peak to Trough)
Austin, TX	2008:Q4	2010:Q4	2016:Q1	-4.8%
Baltimore, MD	2007:Q1	2010:Q4	2016:Q3	-21.6%
Columbus, OH	2006:Q2	2011:Q2	2014:Q4	-12/7%
Fort Worth, TX	2009:Q1	2010:Q4	2013:Q2	-3.5%
Indianapolis, IN	2008:Q1	2011:Q3	2013:Q2	-5.0%
Jacksonville, FL	2006:Q2	2011:Q2	2020:Q2	-39.3%
Kansas City, MO	2007:Q2	2011:Q3	2013:Q3	-6.6%
Louisville, KY	2008:Q2	2010:Q4	2012:Q4	-2.3%
Milwaukee, WI	2007:Q2	2011:Q4	2017:Q4	-15.0%
Nashville, TN	2007:Q2	2011:Q3	2018:Q3	-9.9%
New Orleans, LA	2007:Q3	2011:Q4	2014:Q1	-10.1%
Orlando, FL	2006:Q2	2011:Q2	After 2039	-59.9%
Philadelphia, PA	2007:Q2	2010:Q3	2013:Q1	-10.2%
Raleigh, NC	2008:Q3	2010:Q4	2013:Q2	-4.9%
Sacramento, CA	2005:Q4	2010:Q2	After 2039	-54.8%
Salt Lake City, UT	2007:Q4	2010:Q3	2016:Q1	-18.1%
San Antonio, TX	2009:Q1	2010:Q4	2012:Q4	-2.4%
San Jose, CA	2007:Q1	2010:Q4	2023:Q1	-41.7%
St. Louis, MO	2007:Q1	2011:Q3	2014:Q4	-11.1%
Tucson, AZ	2006:Q1	2010:Q4	2020:Q1	-36.8%

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. Ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry, Fiserv celebrated its 25th year in 2009. For more information, visit www.fiserv.com.

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