



HOUSE PRICES: SECOND QUARTER 2009

On a quarter-to-quarter basis, the all-transactions house price indexes decreased for Pennsylvania, Delaware, and New Jersey; declines were attributed mainly to refinancing appraisals.

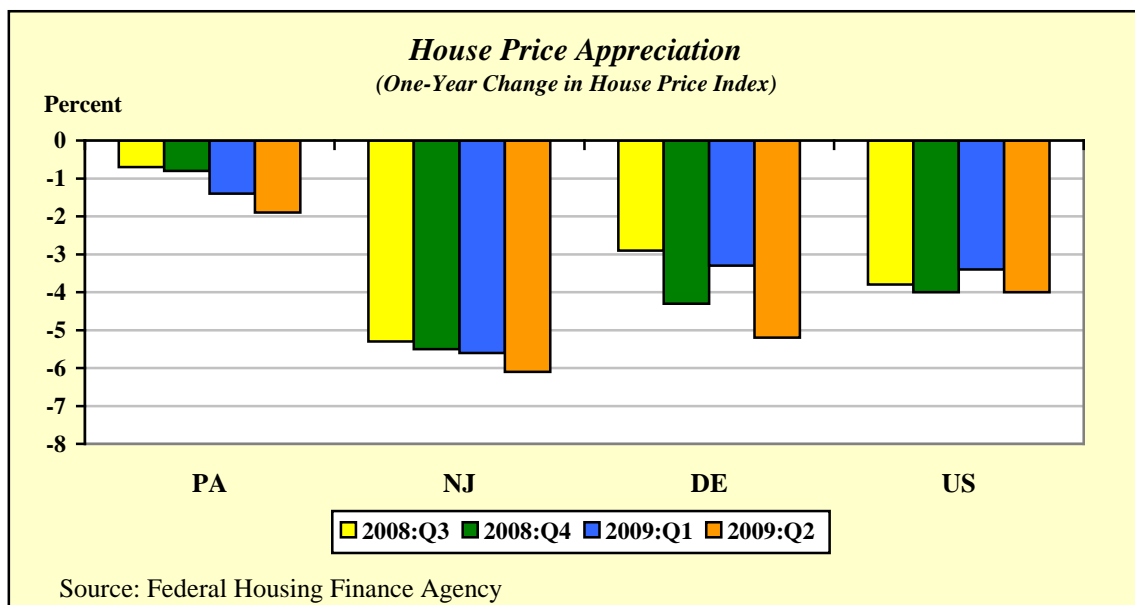
The Federal Housing Finance Agency (FHFA) reported that the U.S. all-transactions home price index (HPI), which includes both purchase prices and refinancing appraisal prices, declined 2.4 percent on a quarterly basis. Second-quarter results in the region were similar to national results: Pennsylvania's all-transaction index declined 1.3 percent, New Jersey's 2.9 percent, and Delaware's 3.0 percent. The purchase-only indexes, provided by the FHFA, showed much smaller declines than the all-transaction index for the nation, Delaware, and New Jersey; in Pennsylvania the purchase-only index increased quarter to quarter. This suggests that the downward price pressure (after improvements over the past two quarters) was due to refinancing activity rather than home purchases.

2ND QUARTER DATA: Percent Change in House Price Index (Quarter-to-Quarter)

Area	2008Q3	2008Q4	2009Q1	2009Q2
PA	-1.5	0.5	0.4	-1.3
NJ	-2.6	-0.3	-0.4	-2.9
DE	-1.9	-1.1	0.7	-3.0
US	-2.3	0.1	0.6	-2.4

Source: Federal Housing Finance Agency

In the second quarter, year-over-year rates of decline accelerated for the nation and the three states, as seen in the chart below.



Release Date: August 26, 2009

HOUSE PRICES: SECOND QUARTER 2009 (cont'd)

Over the past four quarters, 16 of the 24 metropolitan areas in our three-state region had declines in their all-transactions house price indexes. The largest decreases in the three-state region were in areas that are partially or wholly in New Jersey, while the majority of Pennsylvania's metropolitan areas had house price increases.

2ND QUARTER DATA: Metropolitan Area House Prices (Year-to-Year Change)

Metropolitan Area or Division	Percent	Metropolitan Area or Division	Percent
Allentown-Bethlehem-Easton, PA-NJ	-5.4	Newark-Union, NJ-PA*	-6.0
Altoona, PA	2.6	Ocean City, NJ	-6.3
Atlantic City, NJ	-7.3	Philadelphia, PA*	-3.1
Camden, NJ*	-6.0	Pittsburgh, PA	1.2
Dover, DE	-5.7	Reading, PA	-3.7
Edison, NJ*	-5.5	Scranton-Wilkes-Barre, PA	0.3
Erie, PA	0.7	State College, PA	1.5
Harrisburg-Carlisle, PA	-1.0	Trenton-Ewing, NJ	-6.7
Johnstown, PA	2.2	Vineland-Millville- Bridgeton, NJ	-8.2
Lancaster, PA	-0.9	Williamsport, PA	2.3
Lebanon, PA	0.7	Wilmington, DE-MD-NJ*	-5.4
New York-White Plains-Wayne, NY-NJ*	-6.3	York-Hanover, PA	-3.5

Source: Federal Housing Finance Agency

*Metropolitan Division

Media Contact: Katherine Dibling, 215-574-4119, Katherine.Dibling@phil.frb.org

Release Date: August 26, 2009

RESEARCH DEPARTMENT | FEDERAL RESERVE BANK OF PHILADELPHIA

Ten Independence Mall, Philadelphia, PA 19106-1574 | www.philadelphiafed.org