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OFFICE OF THE CHIEF FINANCIAL OFFICER  
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***A key DC housing price index has rebounded back to 1.9% higher than its 2007 pre-recession peak***

***For the US as a whole, the comparable index hasn't yet recovered and is still 21.1% below its 2007 peak***

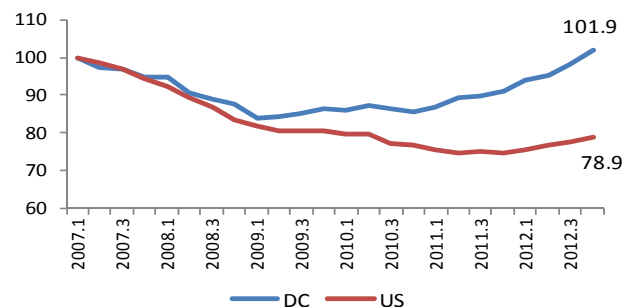
The Federal Housing Finance Agency (FHFA) calculates a Housing Price Index each quarter to measure the movement of single-family house prices in the District of Columbia and throughout the United States. The index measures the average price change in repeat sales or refinancing of the same properties.

According to data FHFA released in February, the price level for single family housing in the District of Columbia has recovered from the 16% loss incurred during the Great Recession. At the end of 2012 the price level was almost 2% higher than the prior peak which occurred in early 2007.

According to the FHFA price index, housing prices in both the District of Columbia and the US peaked in the first quarter 2007. From that time until the first quarter of 2009 the price index declined in both DC and the US by similar amounts: 16.0% in DC and 18.2% in the US. Since then, however, the DC index has risen 21.4%, with most of the increase accounted for by a 12.0% gain in 2012.

The contrast between house prices in DC and those in the US as a whole is striking. As DC prices began to recover during 2009, those in the US continued to fall even more. At the end of 2012 prices in the US were 21% below the 2007 peak. US prices continued to fall until the second quarter of 2011—more than 2 years after the DC index bottomed out. Over the past year, *(continued on p. 2)*

**Federal House Finance Agency price index for the  
value of single family houses in DC and the US:  
2007.1 to 2012.4  
(Index: 2007.1 = 100)**



***This briefing document was prepared by Stephen Swaim, DC Office of Revenue Analysis.***

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## DC housing prices, continued from p.1

the index for the US as a whole rose by 5.5%, about half of DC's 12.0 rate of increase in that year.

The FHFA data do not explain why the DC price index has recovered from the recession so much more rapidly than the US as a whole. However, the growth in the District's population, employment, and income over the past five years since the recession began, together with the relatively limited supply of housing that exists within the boundaries of the city, are certainly major contributors to the rise in prices.

—Stephen Swaim, DC Office of Revenue Analysis

Percent change in FHFA house price index for DC and the US: 2007.1 to 2012.4, divided into periods before and after 2009.1		
Jurisdiction	Period	
	2007.1 to 2009.1	2009.1 to 2012.4
DC	-16.0	21.4
US	-18.2	-3.5
Source: see table below		

### FHFA Housing Price Index for DC and the US: 2007.1 to 2012.4

Housing price index					Index numbers: 2007.1 = 100	
Year and quarter	DC		US		DC	US
	number	% change from same q of prior yr	number	% change from same q of prior yr		
2007.1	313.20		222.14		100.0	100.0
2007.2	304.11		219.27		97.1	98.7
2007.3	302.96		215.28		96.7	96.9
2007.4	296.94		210.04		94.8	94.6
2008.1	296.83	-5.2	204.78	-7.8	94.8	92.2
2008.2	283.94	-6.6	198.90	-9.3	90.7	89.5
2008.3	278.22	-8.2	193.38	-10.2	88.8	87.1
2008.4	274.07	-7.7	185.75	-11.6	87.5	83.6
2009.1	263.01	-11.4	181.64	-11.3	84.0	81.8
2009.2	264.20	-7.0	179.14	-9.9	84.4	80.6
2009.3	267.20	-4.0	179.00	-7.4	85.3	80.6
2009.4	270.42	-1.3	179.27	-3.5	86.3	80.7
2010.1	269.20	2.4	177.36	-2.4	86.0	79.8
2010.2	273.50	3.5	176.74	-1.3	87.3	79.6
2010.3	271.01	1.4	171.82	-4.0	86.5	77.3
2010.4	267.56	-1.1	170.52	-4.9	85.4	76.8
2011.1	272.25	1.1	168.02	-5.3	86.9	75.6
2011.2	279.89	2.3	166.12	-6.0	89.4	74.8
2011.3	280.66	3.6	166.96	-2.8	89.6	75.2
2011.4	285.11	6.6	166.17	-2.6	91.0	74.8
2012.1	293.73	7.9	167.74	-0.2	93.8	75.5
2012.2	298.50	6.6	170.78	2.8	95.3	76.9
2012.3	307.50	9.6	172.57	3.4	98.2	77.7
2012.4	319.22	12.0	175.28	5.5	101.9	78.9

Source: Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings). This index is a broad measure of the movement of single-family house prices. It measures average price change in repeat sales or refinancings on the same properties. This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. It is augmented by data on mortgages endorsed by FHA, and by county recorder data licensed from DataQuick Information systems.