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Fiserv Case-Shiller Home Price Insights: After Five Years of Record Declines, U.S. Home Prices Begin To Stabilize

- | 75 percent of U.S. metro areas expected to see stable prices by end of 2011
- | San Diego, Washington, D.C., and San Francisco home prices have stabilized
- | Minneapolis, New York City and Portland, Ore. will stabilize by end of 2011

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV) today released an analysis of home price trends in more than 375 U.S. markets based on the [Fiserv® Case-Shiller Indexes®](#). The indexes are owned and generated by Fiserv, the leading global provider of financial services technology solutions, and data from the [Federal Housing Finance Agency \(FHFA\)](#).

In the third quarter of 2010, U.S. single-family home prices saw an average decrease of just 1.5 percent over the year-ago quarter, as a growing number of metro area housing markets begin to stabilize after five years of record home price declines. Fiserv and Moody's Analytics report that home prices have already leveled out in one out of four metro areas. They estimate that price stability will characterize 75 percent of U.S. metro markets by the end of this year and 100 percent of markets by the end of 2012.

Even as metro markets stabilize, the Fiserv Case-Shiller data analysis indicates a slow recovery in home prices with many false starts, especially in markets with large amounts of foreclosed properties.

"Large supplies of foreclosed properties will continue to be the biggest downside risk for home prices and metro area housing markets," said David Stiff, chief economist, Fiserv. "Foreclosure activity declined at the end of 2010, but sales activity of bank-owned homes increased. In bubble and crash markets, the uncertain timing and volume of bank liquidated properties will cause home prices to bounce around their lows for many years."

Expected stabilization in specific markets include:

- | Markets where prices have already stabilized include San Diego, Washington, D.C., and San Francisco
- | Markets where prices will stabilize by the end of 2011 include Minneapolis, New York City and Portland, Ore.
- | Markets where prices will not stabilize until 2012 include Miami, Phoenix and Las Vegas.

Data from the Fiserv Case-Shiller showed that improved housing affordability is luring many buyers into the market, as the huge decline in home prices and low mortgage interest rates have reduced the cost of owning a home to pre-bubble levels. Other factors, however, are dampening demand.

"Since a significant number of households no longer have access to mortgage credit, improving affordability does not necessarily translate into sustained housing demand in every metro market," added Stiff.

The Fiserv Case-Shiller Indexes forecast that average single-family home prices will fall another 5.5 percent over the next 12 months, with steep home price declines expected to continue in markets that have been hurt most by the housing crisis. These markets, including many in Florida, California, Nevada and Arizona, will begin seeing prices stabilizing throughout this year and through the end of 2012. Factors weighing on the housing market continue to include chronic high unemployment and the large number of distressed properties that remain in many of the bubble markets.

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 in this report is calculated with the Fiserv proprietary Case-Shiller indexes, supplemented with data from the FHFA. The historical home price trends highlighted in this release are for the 12-month period that ended September 30, 2010. One-year forecasts are for the 12 months ending on September 30, 2011. The Fiserv Case-Shiller home price forecasts are produced by Fiserv

and Moody's Analytics.

More information on the Indexes can be found at the Fiserv Case-Shiller website at www.caseshiller.fiserv.com.

Representative home price data for major U.S. markets:

Metro Area	Population (2009)	Change in Home Prices (2007:Q3 to 2010:Q3)	Change in Home Prices (2009:Q3 to 2010:Q3)	Forecast Change in Home Prices (2010:Q3 to 2011:Q3)
United States	307,006,550	-24.7%	-1.5%	-5.5%
Austin, TX	1,705,080	2.7%	-0.5%	-0.4%
Baltimore, MD	2,690,890	-17.1%	-2.3%	-1.8%
Columbus, OH	1,801,850	-7.5%	-1.5%	-2.8%
Fort Worth, TX	2,121,230	1.6%	-0.2%	-1.2%
Indianapolis, IN	1,743,660	-1.9%	-0.2%	-3.5%
Jacksonville, FL	1,328,140	-32.2%	-7.1%	-6.6%
Kansas City, MO	2,067,590	-4.2%	-0.6%	-2.0%
Louisville, KY	1,258,580	0.5%	0.5%	-1.6%
Milwaukee, WI	1,559,670	-10.9%	-2.2%	-0.7%
Nashville, TN	1,582,260	-6.3%	-0.4%	-2.6%
New Orleans, LA	1,189,980	-6.1%	-2.5%	-5.3%
Orlando, FL	2,082,420	-46.7%	-6.5%	-14.0%
Philadelphia, PA	4,012,570	-8.4%	-1.0%	-2.3%
Raleigh, NC	1,125,830	-2.0%	-2.4%	-0.5%
Sacramento, CA	2,127,360	-38.0%	-1.2%	-8.3%
Salt Lake City, UT	1,130,290	-14.6%	-2.8%	-4.4%
San Antonio, TX	2,072,130	0.5%	-1.3%	-1.9%
San Jose, CA	1,839,700	-26.6%	6.9%	-8.3%
St. Louis, MO	2,852,910	-7.6%	-1.2%	-4.0%
Tucson, AZ	1,020,200	-33.0%	-7.3%	-2.8%

Additional Resources:

- | Fiserv Case-Shiller - www.caseshiller.fiserv.com
- | Federal Housing Finance Agency (FHFA) - <http://www.fhfa.gov/>
- | Fiserv Case-Shiller Indexes: Metro Area Home Price Stabilizing Chart - <http://www.flickr.com/photos/fiserv/5405374239/>

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. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit www.fiserv.com.

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Media Relations:

Julie Nixon
PR Manager
Fiserv, Inc.
678-375-3744
julie.nixon@fiserv.com

or

Additional Contact:

Wade Coleman
Director, Public Relations

Fiserv, Inc.
678-375-1210
wade.coleman@fiserv.com

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