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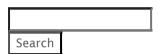## ECONOMIC DATA | ST. LOUIS FED

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The FRED® Blog

Building home price indexes

Federal, S&P/Case-Shiller, and Zillow housing measures

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Posted on February 10, 2022

Legend:
- Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-O
- S&P CoreLogic Case-Shiller U.S. National Home Price Index (right)
- All-Transactions House Price Index for the United States (right)

"Every spirit builds itself a house; and beyond its house, a world"

—*Nature*, Ralph Waldo Emerson (1803-1882)

Today, the FRED Blog considers a more down-to-earth version of Emerson's lofty concept: *How is a home price index built?* The FRED graph above starts us off by showing three headline indicators of U.S. home prices:

- The all-transactions house price index for the United States (in green), produced by the U.S. Federal Housing Finance Agency, measures quarterly changes in single-family home values. It uses sample data from repeated sales of the same property. It is not adjusted for seasonal changes in home values. First released in 1996, this index extends back to the first quarter of 1975.
- The S&P/Case-Shiller U.S. national home price index (in red), produced by Standard and Poor's Dow Jones Indices, measures monthly changes in single-family home values. It also uses sample data from repeated sales of the same property, although it considers only "arm's length" transactions (i.e., those where the

buyer and seller are separate parties). This index, like the previous one, is not seasonally adjusted. First released in 2006, this index extends back to December 1987.

- The Zillow home value index for all homes including single-family residences, condos, and co-ops in the United States (in blue), produced by Zillow, measures the typical dollar value of a composite of homes. It is produced monthly, using sample data from a proprietary estimate of a home's market value called a "Zestimate." This value is "smoothed seasonally adjusted" to account for changes in home values related to the calendar. First released in 2019, this index extends back to January 2000.

So. What does the graph tell us? All three indexes show a marked up-and-down cycle in the late 2000s and faster growth in home prices after 2020. In fact, despite their substantially different methodologies, the last two (monthly) indexes report very similar home price growth, almost 30%, between February 2020 and November 2021.

How this graph was created: Search for and select "Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs in the United States of America." From the "Edit Graph" panel, use the "Add Line" tab to search for and select "S&P/Case-Shiller U.S. National Home Price Index" and "All-Transactions House Price Index for the United States."

Suggested by Diego Mendez-Carbajo.