

APRIL 2012

Overview

Zillow's April Real Estate Market Reports, released today, show that home values increased 0.7 percent to \$147,300 from March to April (Figure 1). Compared to April 2011, home values are still down by 1.8 percent (Figure 2). This strong monthly appreciation follows March's encouraging data point, which also had home values appreciating at a healthy clip. In conjunction with rising home values, rents also rose significantly in April, appreciating by 1.6 percent from March to April. On an annual basis, rents across the nation are up by 3.2 percent (Figure 3).

Figure 1: U.S. Zillow Home Value Index

April 2012

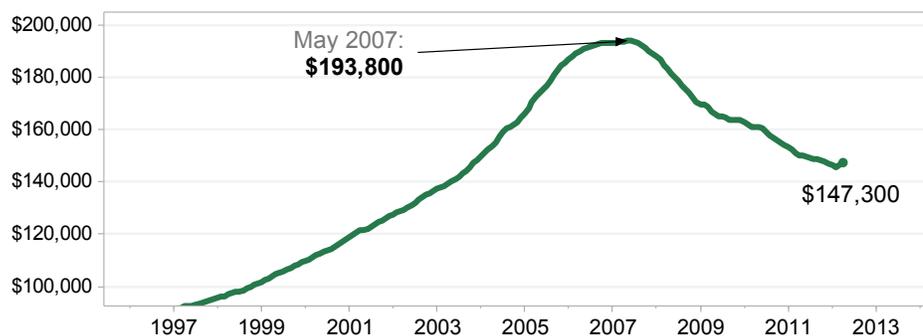
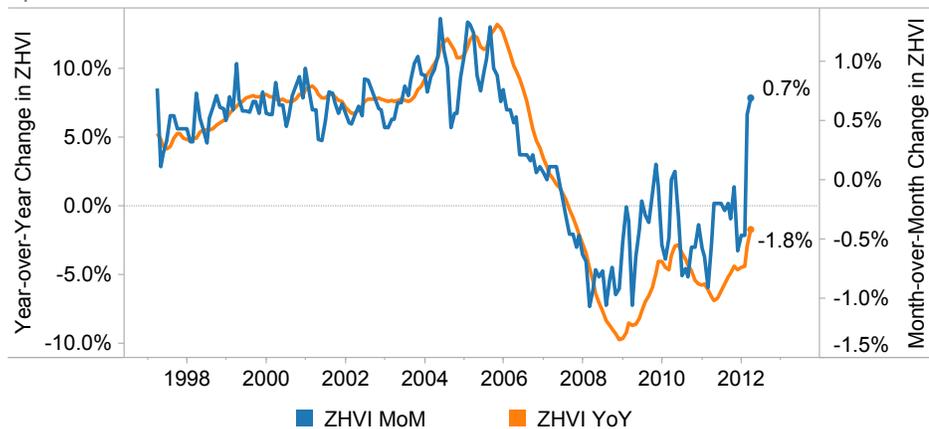


Figure 2: Change in U.S. Zillow Home Value Index

April 2012



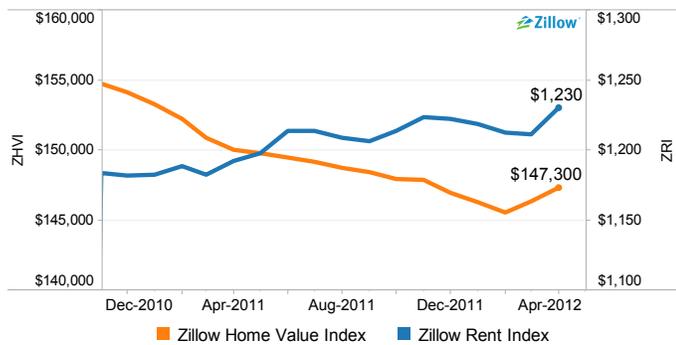
Highlights

- Eighty-eight markets of the 166 covered by the ZHVI reported monthly home value appreciation. Among the top 30 metros, 18 experienced monthly home value appreciation, including the hard-hit markets of Miami-Fort Lauderdale and Phoenix.
- National home values are down 24 percent since their peak in May 2007.
- The Zillow Rent Index (ZRI) shows year-over-year gains for over 78 percent of the metropolitan areas covered by the ZRI. Nationally, rents are up 3.2 percent annually.
- Throughout the housing recession, the bottom tier of homes in terms of value has performed worse than the top tier. This trend has now been reversed, with the bottom tier appreciating at a higher monthly rate than the top tier.
- The national housing bottom and eventual recovery are falling into place. Zillow still expects a national bottom in home values later this year.

Home Values

The Zillow Real Estate Market Report covers 166 metropolitan areas (metros) of which 88 showed monthly home value appreciation. Among the top 30 metros, 18 experienced home value appreciation. The largest monthly decline among the top 30 metros took place in Atlanta, where home values fell by 0.7 percent from March to April. Leading the pack on the appreciation side are once again Miami-Fort Lauderdale and Phoenix, which experienced 1.6 percent and 1.9 percent home value appreciation, respectively. Overall, national home values are down 24 percent since their peak in May 2007.

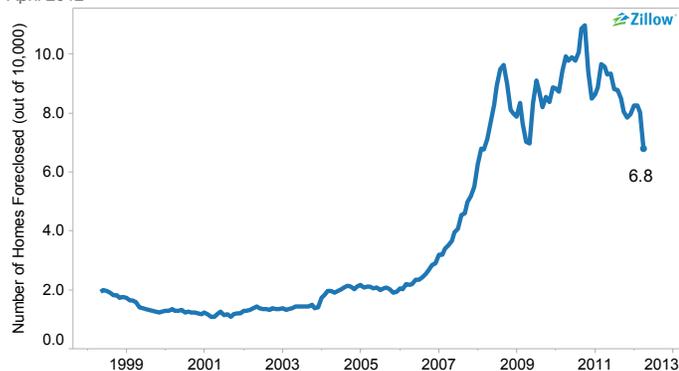
Figure 3: U.S. Zillow Home Value Index and U.S. Zillow Rent Index April 2012



Rents

The Zillow Rent Index (ZRI) shows year-over-year gains for nearly 78 percent of the metropolitan areas covered by the ZRI. The rental market remains strong, especially in markets that continue to experience consistent home value declines. For example, Chicago metro rents increased 7.4 percent over the past year.

Figure 4: U.S. Homes Foreclosed April 2012



Foreclosures

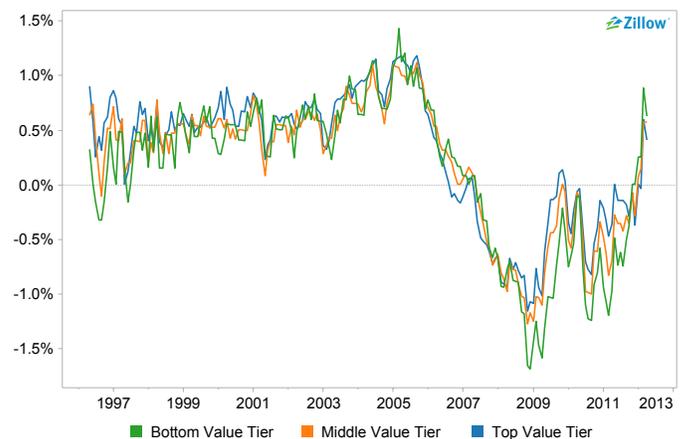
The rate of homes foreclosed continues to significantly decline in April with 6.8 out of every 10,000 homes in

the country being liquidated. We had been expecting an increase in foreclosure liquidations after the multi-state attorneys general settlement in February, however we are not yet seeing evidence of this in the data. Nationally, foreclosure re-sales slowed a bit, making up 19.1 percent of all sales in April (Figure 4).

Price Tiers

Throughout the housing recession, the bottom tier of homes in terms of value has performed worse than the top tier (Figure 5). This trend has now been reversed. The bottom tier is appreciating at a higher monthly rate than the top tier. Figure 6 shows the spread between the top and bottom tiers and the reversal of fates in the recent months.

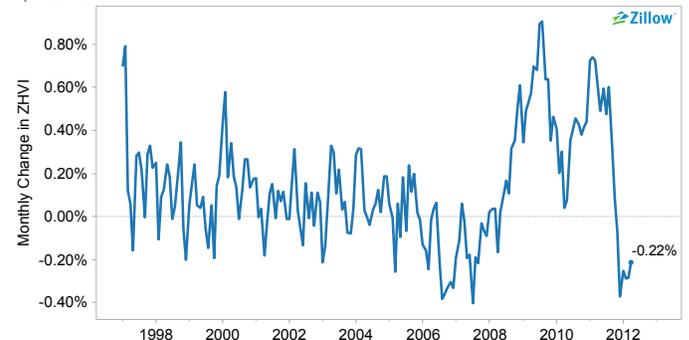
Figure 5: Monthly Change in Zillow Home Value Index by Home Value Tier April 2012



Outlook

As the ZIP code-by-ZIP code recovery takes hold, with many metropolitan areas already having hit bottom, the national housing bottom and eventual recovery are falling into place. We still expect a national bottom in home values later this year although there is substantial upside risk in this forecast given the bullish home value trends currently.

Figure 6: Spread in monthly home value appreciation between top and bottom tiers April 2012



National Summary

	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012
ZHVI (\$)	149,700	149,400	149,100	148,700	148,400	147,900	147,800	146,900	146,200	145,500	146,300	147,300
MoM	-0.2%	-0.2%	-0.2%	-0.3%	-0.2%	-0.3%	-0.1%	-0.6%	-0.5%	-0.5%	0.5%	0.7%
YoY	-6.9%	-6.8%	-6.2%	-5.8%	-5.2%	-4.9%	-4.5%	-4.7%	-4.6%	-4.4%	-3.0%	-1.8%
Change from Peak	-22.8%	-22.9%	-23.1%	-23.3%	-23.4%	-23.7%	-23.7%	-24.2%	-24.6%	-24.9%	-24.5%	-24.0%
ZRI (\$)	1,197	1,213	1,213	1,208	1,206	1,213	1,223	1,222	1,218	1,212	1,211	1,230
MoM	0.4%	1.3%	0.0%	-0.4%	-0.2%	0.6%	0.8%	-0.1%	-0.3%	-0.5%	-0.1%	1.6%
YoY							3.4%	3.5%	3.0%	2.0%	2.5%	3.2%
Homes Foreclosed (out of 10,000)	9.3	9.3	8.8	8.8	8.5	8.0	7.8	7.9	8.2	8.2	8.0	6.8

Largest 25 Metropolitan Statistical Areas Covered by Zillow (Data for April 2012)

	ZHVI (\$)	ZHVI MoM	ZHVI YoY	Peak Month	Change from ZHVI Peak	ZRI (\$)	ZRI YoY	Homes Foreclosed (out of 10,000)
New York, NY	334,000	0.0%	-4.4%	2006-06	-26.2%	1,947	-	0.5
Los Angeles, CA	381,300	-0.2%	-4.9%	2006-05	-38.1%	2,226	3.8%	7.4
Chicago, IL	155,900	0.2%	-8.7%	2006-06	-37.4%	1,461	7.4%	-
Dallas-Fort Worth, TX	121,600	-0.2%	-1.1%	2007-10	-15.3%	1,268	0.9%	7.3
Philadelphia, PA	184,400	-0.3%	-3.8%	2007-06	-19.8%	1,475	14.9%	3.1
Washington, DC	302,900	0.2%	0.3%	2006-02	-29.2%	2,002	5.5%	3.9
Miami-Fort Lauderdale, FL	143,600	1.6%	2.9%	2006-05	-53.2%	1,583	4.1%	-
Atlanta, GA	106,900	-0.7%	-7.8%	2007-06	-39.2%	1,113	0.5%	-
Boston, MA	304,700	0.2%	-1.6%	2005-09	-19.7%	1,853	2.9%	-
San Francisco, CA	455,900	-0.2%	-3.7%	2006-04	-34.9%	2,405	8.1%	7.2
Detroit, MI	73,200	0.4%	-0.5%	2005-12	-52.7%	990	6.8%	-
Riverside, CA	179,800	0.7%	-2.8%	2006-05	-55.3%	1,540	-0.9%	14.8
Phoenix, AZ	130,600	1.9%	5.7%	2006-03	-53.3%	1,125	0.6%	17.5
Seattle, WA	250,200	0.4%	-4.5%	2007-07	-33.7%	1,587	5.1%	5.0
Minneapolis-St Paul, MN	163,000	-0.1%	-4.2%	2006-04	-31.9%	1,381	8.4%	8.4
San Diego, CA	338,100	0.5%	-3.2%	2005-10	-36.7%	2,080	2.0%	6.9
Tampa, FL	105,600	0.7%	-2.4%	2006-06	-51.7%	1,162	3.3%	-
St. Louis, MO	122,100	0.0%	-3.9%	2007-03	-21.3%	1,079	0.5%	-
Baltimore, MD	212,200	0.0%	-3.2%	2006-06	-25.0%	1,615	10.2%	2.4
Denver, CO	208,000	0.8%	2.0%	2006-05	-9.8%	1,432	2.1%	6.9
Pittsburgh, PA	107,800	0.0%	1.3%	2012-03	0.0%	996	5.8%	2.5
Portland, OR	207,700	0.3%	-2.4%	2007-06	-26.4%	1,344	4.0%	6.3
Sacramento, CA	201,100	0.1%	-5.1%	2005-11	-52.2%	1,417	1.3%	14.3
Orlando, FL	114,900	0.8%	-2.4%	2006-05	-55.5%	1,191	3.7%	-
Cleveland, OH	107,200	-0.4%	-2.6%	2005-12	-24.5%	1,062	5.5%	8.4

Zillow Home Value Index (ZHVI)	The Zillow Home Value Index is the median Zestimate® valuation for a given geographic area on a given day and includes the value of all single-family residences, condominiums and cooperatives, regardless of whether they sold within a given period. The ZHVI at the national level is calculated as the median Zestimate of all homes in the US. It is expressed in dollars.
Zillow Rent Index (ZRI)	The Zillow Rent Index is the median Rent Zestimate (estimated monthly rental price) for a given geographic area on a given day, and includes the value of all single-family residences, condominiums, cooperatives and apartments in Zillow’s database, regardless of whether they are currently listed for rent. It is expressed in dollars.
Foreclosure Re-sales / REOs	The percentage of sales in a given geography that were foreclosure re-sales (a sale of a home that occurred within 12 months after the home was foreclosed). This metric captures mostly bank-owned sales. Reported monthly and compiled from data dating back to 1998. Each data point is a weighted average of the value in the prior three months (with the most recent month weighted highest). The historical percent of foreclosure re-sales is re-computed twice a month.
Homes Foreclosed	Also referred to the foreclosure liquidation rate. The number out of 10,000 homes in a given geography that have been foreclosed on in a given month. A foreclosure is when a homeowner loses their home to their lending institution or if it is sold to a third party at an auction. Reported monthly and compiled from data dating back to 1998. Each data point is a weighted average of the value in the prior three months (with the most recent month weighted highest). The historical percent of homes foreclosed is re-computed twice a month.
Sold for Loss (%)	The percentage of homes in a given geography that sold for less than the previous purchase price. This excludes foreclosed homes and sales and the consecutive sale of the foreclosed home. Reported monthly and compiled from data dating back to 1998. Each data point is a weighted average of the value in the prior three months (with the most recent month weighted highest). The historical percent of homes sold for a loss is re-computed twice a month.
Peak Month	The month that recorded the highest Zillow Home Value Index to date. For the United States, the peak month was May 2007.
Change from Peak	The percentage change from the month that recorded the highest Zillow Home Value Index to the current month.

About Zillow Real Estate Market Reports

The Zillow Real Estate Market Reports are a monthly overview of the national and local real estate markets. The reports are compiled by Zillow Real Estate Research. For more information visit www.zillow.com/research. The data in Zillow’s Real Estate Market Reports is aggregated from public sources by a number of data providers for 276 core-based statistical areas dating back to 1996. Mortgage and home loan data is typically recorded in each county and publicly available through a county recorder’s office.

About Dr. Stan Humphries, Zillow Chief Economist

Humphries is in charge of data and analytics. He spearheaded the creation of the Zestimate, its algorithm and, in turn, the Zillow Home Value Index. Humphries has a Bachelor of Arts from Davidson College, a Masters of Science in Foreign Service from Georgetown University, and a Ph.D. in Government from the University of Virginia.

About Dr. Svenja Gudell, Zillow Senior Economist

Gudell helps oversee negative equity valuations, forecasting and foreclosure research, among other research topics. She is also involved in research collaborations with other organizations and academics. Gudell holds a Ph.D. in Finance from the University of Rochester, a Masters of Arts in Economics from New York University and a Bachelor of Arts from the University of Rochester.

About Zillow, Inc.

Zillow (NASDAQ: Z) is the leading real estate information marketplace, providing vital information about homes, real estate listings and mortgages through its website and mobile applications, enabling homeowners, buyers, sellers and renters to connect with real estate and mortgage professionals best suited to meet their needs. In addition, Zillow operates an industry-leading economics and analytics bureau led by Zillow’s Chief Economist Dr. Stan Humphries. Dr. Humphries and his team of economists and data analysts produce extensive housing data and research covering more than 150 markets at Zillow Real Estate Research. Zillow, Inc. operates Zillow.com®, Zillow Mortgage Marketplace, Zillow Mobile, Postlets® and Diverse Solutions™. The company is headquartered in Seattle.

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