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VeroFORECAST: Future HPI Shows Stability & Slight Improvement

Veros' quarterly markets update shows CA and NV dominating bottom five performing markets.

Santa Ana, Calif. – Jan. 5, 2012 – Veros Real Estate Solutions (Veros), an industry leader in enterprise risk management, collateral valuation services and predictive analytics, has announced its VeroFORECAST real estate market forecast for the 12-month period ending December 1, 2012.

The quarterly report indicates that the national housing recovery will continue to be gradual and slow without any significant changes in markets. Analysts and consumers can expect up to a four percent appreciation in the strongest markets and five to six percent depreciation in challenged markets. Veros' Future HPI once again shows consistency and a slight improvement in its quarterly results at 1.3 percent depreciation, compared to 1.7 percent depreciation from the 3Q 2011 projection.

VeroFORECAST shows that areas of Fargo and Bismarck, forecasted to grow at 3.5 percent and 3.3 percent, top the housing market for strongest appreciation due to a low unemployment rate in North Dakota of 3.5 percent, a growing population and strong demand for oil and agriculture. The Washington D.C. market, including Virginia and Maryland, follows closely and is forecasted to grow at 2.9 percent due to a strong employment base of government jobs. Housing supply is lower here than it has been in the past five years.

Bakersfield, Calif. leads the bottom housing markets for the second consecutive quarter and is forecasted to depreciate at a 6.8 percent rate (compared to a 5.5 percent decline in 3Q 2011). Unemployment at 15.1 percent (compared to a national rate at 8.6 percent) and a high foreclosure/mortgage delinquency rate continues to keep pressure on pricing. The Reno-Sparks, Nev. area follows closely with a 5.7 percent forecasted depreciation caused by a 12.8 percent unemployment rate and stubbornly high housing inventory. Unemployment continues to remain a key discriminator between the top and bottom 10 markets.

Projected Five Strongest Markets*	Forecast
1. Fargo, ND-MN	3.5%
2. Bismarck, ND	3.3%
3. Washington-Arlington-Alexandria, D.C.-VA-MD-WV	2.9%
4. Honolulu, HI	2.8%
5. Anchorage, AK	2.1%

Projected Five Weakest Markets*	Forecast
1. Bakersfield, CA	-6.8%
2. Reno/Sparks, NV	-5.7%
3. Las Vegas/Paradise, NV	-5.3%
4. Sacramento-Arden-Arcade-Roseville, CA	-5.2%
5. Fresno, CA	-5.2%

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The strongest areas in the United States can be found in the Great Plains, including regions in North Dakota, Texas, South Dakota, Nebraska, Louisiana and Iowa. As noted above, The Washington D.C. area that includes Virginia and Maryland looks particularly strong. Additionally, Alaska and Hawaii are continuing their upward trend. Although some Florida and Arizona markets are still showing weakness, there is marked improvement in many of their regions.

Some of the hardest hits markets during the downturn are showing some surprising strength, but still are not showing significant increases. "Miami is forecast to see flat prices in the next 12 months, which is far better than the 10 percent depreciation of the recent past," said Eric Fox, vice president of statistical and economic modeling for Veros.

According to Fox, New York will be fragmented with areas of New York City's housing market projected to do well, but outlying areas, such as New Jersey or upstate New York, not expected to fare so well.

 "Overall, the recovery in the housing market is in line with our previous forecasts as it is limited to just a few markets and is taking a long time to occur," said Fox. "The good news is that many markets are no longer expected to be radically declining. We continue to be consistent in saying that the recovery will be a lengthy and gradual one."

Markets demonstrated are for residential real estate in major metro areas (typically greater than 250,000 residents) among single-family homes in the median price tier.

About Veros Real Estate Solutions
Veros Real Estate Solutions, a proven leader in enterprise risk management and collateral valuation services, uniquely combines the power of predictive technology, data analytics and industry expertise to deliver advanced automated decisioning solutions. Veros products and services are optimizing millions of profitable decisions throughout the mortgage industry, from loan origination through servicing and securitization. Veros provides solutions to control risk and increase profits including automated valuations, fraud and risk detection, portfolio analysis, forecasting, and next-generation collateral risk management platforms. Veros is headquartered in Santa Ana, Calif. For more information, please visit www.veros.com or call (866) 458-3767.

Forecasts Available for Additional U.S. Markets Upon Request

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