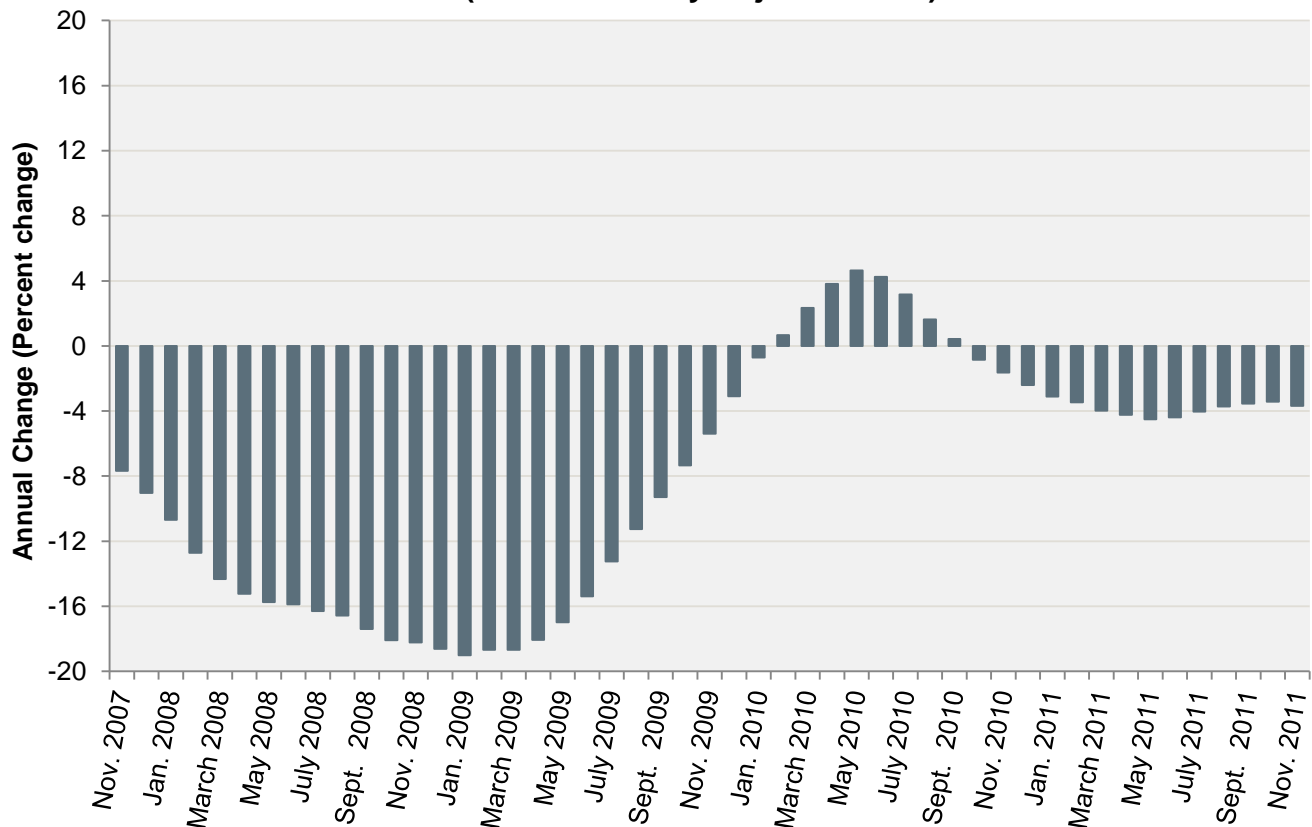


## U.S. Housing Prices Continue to Decrease but at a Slower Pace

Housing prices in the United States decreased in November 2011 according to the S&P/ Case-Shiller Composite 20 Index, which measures single-family home prices in the 20 largest urban centres in the United States. In November, this Index registered its fourteenth consecutive monthly decline, dropping by 3.7 per cent compared to the same month last year. This decrease in the 20-City Composite Index occurred at a slightly faster pace than in the previous month (-3.4 per cent in October 2011 over October 2010).

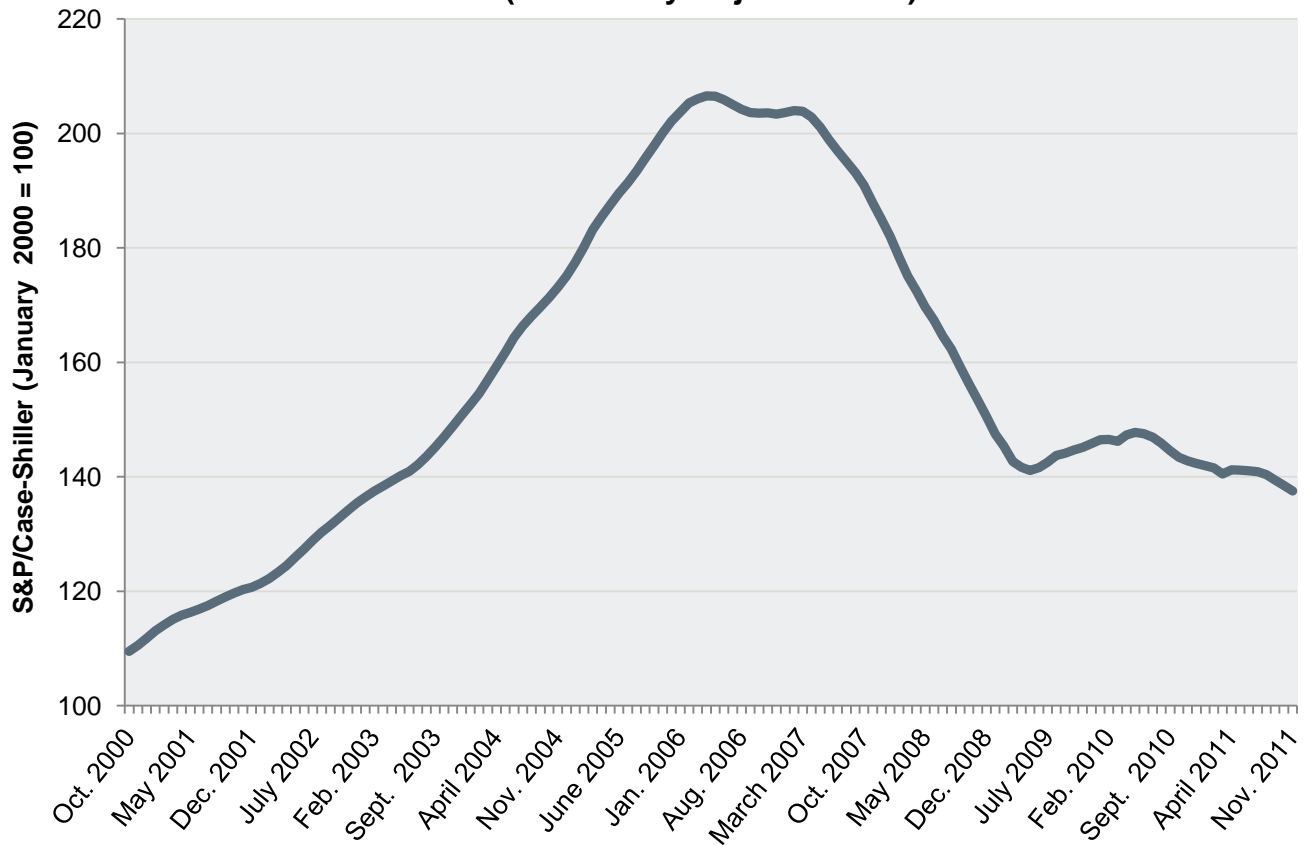
**Change in U.S. Home Prices  
S&P/Case-Shiller Index (20-City Composite)  
(Not-Seasonally Adjusted Data)**



Source: Standard & Poor's & FiServ

Despite continued low interest rates and stronger than expected economic growth in the U.S. in the fourth quarter of 2011, home prices continue to fall. Among the 20 urban centres that make up the S&P/Case-Shiller Index, 19 posted a decrease in home prices in November 2011.

**U.S Home Price Levels Measured by the  
S&P/Case-Shiller (20-City Composite)  
(Seasonally-Adjusted Data)**



Source: Standard & Poor's & FiServ

To view the official Standard & Poor's press release, [click here](#).

## Details About S&P/Case-Shiller Home Price Indexes in the United States

The S&P/Case-Shiller indexes measure, each month (the last Tuesday of each month with a two month lag), the evolution of single-family home prices in the 20 largest metropolitan areas in the United States (Composite 20) and in the 10 largest metropolitan areas in the U.S. (Composite 10). A national index is also published on a quarterly basis. The reference date for these indexes is the month of January 2000 (January 2000=100); thus, a value of 150, for example, means that the price of a typical house in the specified area has increased by 50 per cent since January 2000.

The different S&P/Case-Shiller indexes are calculated using the repeat sales methodology. This methodology measures the evolution of prices by collecting data on actual sale prices of single-family homes in a specific region. When a home is resold, months or years later, the new sale price is matched to its first sale price. These two data points are called a "sale pair". The difference in the two sale prices is measured and recorded. The same operation is repeated for all sale pairs in a region and they are then aggregated into one index. The goal is to ensure that time is the main factor behind the price change, and not other characteristics (size, quality, age, location, etc.), which may vary if we were to compare sales of different properties.

### S&P/Case-Shiller Home Price Indexes in the United States and the Resale Market in Québec

The evolution of property prices in the United States is a good point of comparison with the evolution of property prices in Canadian and Québec real estate markets.

Also, because of its potential influence on the evolution of Canadian consumer confidence, the evolution of prices on the American real estate market may have an effect on the real estate market in Canada and Québec. For example, a sharp decrease in prices on the U.S. real estate market may have a negative influence on the evolution of Canadian consumer confidence, as Canadian consumers may be concerned that home prices will decrease in Canada as well.