



US Home Prices Climb for Seventh Straight Month

By Matt Twomey
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U.S. single-family home prices rose in August, the latest sign that the housing market is on the mend, a closely watched survey showed on Tuesday.

The S&P/Case Shiller composite index of 20 metropolitan areas gained 0.5 percent on a seasonally adjusted basis, in line with economists' forecasts.

It was the seventh straight month of increases, extending the longest continuous string of gains since prices were boosted by the homebuyer tax credit in 2009 and 2010.

The sustained good news in home prices "makes us optimistic for continued recovery in the housing market," David Blitzer, chairman of the index committee at S&P Dow Jones Indices, said in a statement.

"Even as we end the seasonally strong home buying period, the statistics are positive," said Blitzer.

On a non-seasonally adjusted basis, prices fared better, gaining 0.9 percent.

Prices in the 20 cities climbed 2 percent year-over-year, topping expectations for a 1.9 percent increase.

Robert Gray, managing partner of real estate private equity firm TerraCap Management, said the residential recovery bodes well for the commercial sector: "We think the commercial real estate market, including hotels, office complexes and some retail properties, will now start to recover. Those who missed the boat on the residential recovery would be wise to look into commercial real estate."

S&P 500 futures edged up following the data, but the stock market will be closed for a second day in a row in the wake of a powerful storm that hit the east coast.

Compared to a year ago, prices in Phoenix surged 18.8 percent, the fourth month in a row the hard-hit city has seen double-digit yearly gains, the report said.

Prices in Las Vegas — also one of the more distressed areas in the years since the end of the housing boom — were up 0.9 percent compared to a year ago, the first annual increase since January 2007.

Of the 20 cities in the index, three saw a yearly decline in prices, with Atlanta faring the worst, down 6.1 percent.