

## HOME PRICES IN U.S. FALL



Home prices in the United States are continuing to drop once again, despite posting small gains during the spring and summer months. This is added evidence that the housing market in the country will not recover any time soon. The survey of home prices was conducted by The Standard & Poor's/Case-Shiller index, which released the data on Tuesday. The data proved that home prices fell in September from August in 17 of the 20 cities tracked in the survey. This decline was the first after five consecutive months in which at least half the cities in the survey recorded gains each month. For the months of July to September, a separate index shows that home prices were mostly unchanged from the previous quarter. The chairman of the S&P's index committee, David M. Blitzer, claims that the steep home price decline of 2007 to 2009 is most likely over. He also said that home prices are down from the same time frame in 2010 and they do not show any signs of easing in the near future. "Any chance for a sustained recovery will probably need a stronger economy," Blitzer said. The largest monthly price declines occurred in San Francisco, Tampa, and Atlanta. Since the housing crisis began four years ago, Atlanta, Las Vegas, and Phoenix home prices fell to their lowest total. Blitzer says that the new record lows that occurred in those cities are very disturbing. Home prices increased in Portland, New York, and Washington. The recession officially ended two years ago, but Americans are still hesitant to purchase a home. Potential buyers are turned away by high unemployment numbers and poor job growth across the country. Sales have not even been aided by the lowest mortgage rates in the history of the country. There are some who cannot qualify for loans or who cannot make higher down payments. Those who have stable jobs and good credit continue to holdout before buying because they think prices will continue to drop. The sales of previously occupied homes will match the same numbers as last year, which were the worst in 14 years. The country began keeping records of new home sales 50 years ago, and those numbers are on pace to be the worst since then. "Despite record high affordability of real estate, the psychology of home buyers is still being weighed down by economic uncertainty, keeping them on the fence when it comes to buying homes," said Stan Humphries, chief economist at Zillow.com, which measures home values. Half of all United States homes are covered by the Case Shiller Index, which measures prices compared with prices from January of 2000. The index then creates a three-month moving average, with September's data being the latest available. As the country's banks resume millions of foreclosures, home prices will begin to fall once again. Bank foreclosures have been on hold for a year because of government investigations into lending practices for mortgages.

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