

Home prices falling in most major cities

By Derek Kravitz, Associated Press
 April 26, 2011

WASHINGTON — Home prices are falling in most major U.S. cities, and at least 10 major markets are at their lowest point since the housing bubble burst.

The Standard & Poor's/Case-Shiller 20-city index, released Tuesday, shows price declines in 19 cities from January to February. The index fell for the seventh straight month. Prices fell at a faster rate in 11 markets in February compared with the previous month.

High unemployment, stricter lending rules and fears that prices will fall further are among the reasons why few people are buying and selling homes. A record number of foreclosures are forcing down home prices in most metro areas, and prices are expected to keep falling through this year.

"There is evidence that potential sellers are holding their properties off the market, waiting for housing prices to stop falling," said Bricklin Dwyer, an analyst at [BNP Paribas](#).

- **STORY:** [Consumer Confidence Index rises in April](#)
- **STORY:** [Study: Underwater homeowners who walk are more credit savvy](#)
-

Detroit was the only market to show a monthly gain, although the Motor City is one of five cities where home prices are now below their January 2000 levels.

Prices in Atlanta, Charlotte, Chicago, Las Vegas, Miami, New York, Phoenix, Portland, Ore., Seattle and Tampa are all at their lowest point since 2006 or 2007, at the height of the housing boom. The cities with the steepest declines from January were Minneapolis, San Francisco, Chicago and Miami.

Case-Shiller home price index

Metro area	Feb. 2011 index	Chg. from Jan.	Chg. From 2010
Atlanta	99.47	-0.5%	-5.8%
Boston	149.86	-1.5%	-1.0%
Charlotte	110.21	-1.2%	-5.0%
Chicago	113.26	-2.2%	-7.6%
Cleveland	98.59	-0.8%	-2.9%
Dallas	113.86	-0.2%	-1.2%
Denver	121.26	-1.2%	-2.6%
Detroit	67.97	1.0%	-3.7%

Las Vegas	98.28	-1.0%	-5.0%
L.A.	168.25	-1.0%	-2.1%
Miami	138.44	-2.0%	-6.2%
Minneapolis	109.93	-3.1%	-8.3%
New York	165.19	-0.5%	-3.1%
Phoenix	100.81	-0.7%	-8.4%
Portland	133.66	-1.6%	-7.0%
San Diego	155.05	-1.3%	-1.8%
S. Francisco	129.96	-2.6%	-3.5%
Seattle	132.85	-1.9%	-7.5%
Tampa	128.38	-1.2%	-6.0%
Washington	181.33	-0.1%	2.7%
Composite	139.27	-1.1%	-3.3%

Source: Standard & Poor's and Fiserv

The indexes have a base value of 100 in January 2000; so a current index of 150 equals a 50% appreciation since January 2000 for a typical home in the metro area.

In many depressed markets, a significant percentage of buyers are really investors and private equity firms looking to cash in on cheap real estate.

The housing sector is struggling even while much of the economy is recovering slowly but steadily. Some of the worst declines in home prices are in cities hit hardest by unemployment and foreclosures.

Foreclosures are expected to rise to 1.2 million this year as many banks revisit thousands of foreclosure cases, spurred into action by federal regulators who have ordered top-to-bottom reviews of how foreclosures were carried out over the past two years.

"It's hard to sell when buyers have the leverage and foreclosures continue to create a gap between distressed sale prices and non-distressed sale prices," said Jonathan Basile, an economist at [Credit Suisse](#) Securities. More than 90% of homeowners say it's a bad time to sell their home, according to the Reuters/University of Michigan Survey of Consumers.

The Case-Shiller index measures sales of select homes in those cities compared to January 2000. For each of the 20 metro areas it studies, the index provides an updated three-month moving average price. By measuring the sales price of the same homes over time, the index attempts to gauge true market values.

Courtesy of JB Goodwin