

- NOVEMBER 24, 2009, 9:38 A.M. ET

Home Prices Post Monthly Gains

By [JOAN E. SOLSMAN](#)

U.S. home prices logged their fifth monthly increase in September, according to the S&P Case-Shiller home-price indexes, as prices also rose sequentially in the third quarter.

- [Sortable Chart: Home Prices, by Metro Area](#)

For the third quarter, the broader S&P Case-Shiller U.S. National Home Price Index, which is only released four times a year, posted an 8.9% decrease from a year earlier. It was up 3.1% sequentially. As of the third quarter, average home prices are similar to what they were in the autumn of 2003.

David M. Blitzer, chairman of S&P's index committee, noted the gains in the most recent month are more modest than during the seasonally strong summer months, as fewer cities saw month-to-month improvements in September than in August.

But both the 10- and 20-city composite indexes saw their annual declines ease into single-digits in September after 21 straight months with double-digit drops. Nine of 20 major metropolitan areas remained in double digits, with the Las Vegas area continuing to be hit the hardest. But all metropolitan areas except Cleveland saw improvement in their annual returns compared to the previous month.

The indexes showed prices in 10 major metropolitan areas fell 8.5% in September from a year earlier but rose 0.4% from August. In 20 major metropolitan areas, home prices dropped 9.4% on the year but rose 0.3% from the previous month.

Compared with the previous month, eight regions reported price increases in September. Month-to-month gainers were led by Minneapolis, last month's best performer, and Detroit, which both posted a 1.8% improvement. Cleveland again fared worse, falling 1.6%.

For the 18th straight month, every region posted year-over-year declines. Las Vegas again was the worst performer year-over-year, posting a drop of 29%. Phoenix followed with a decline of 22%. The best year-over-year performers were Dallas, again, and Denver, which both posted a 1.2% declines.

San Francisco and Washington have reported six consecutive months of positive returns. Chicago, Minneapolis, San Diego and the two composites were close behind with five consecutive months of positive returns.

The latest numbers come amid mixed data on the housing market. Monday, the Commerce Department said purchases of used homes surged in October to the highest level in two years, as a big tax credit and low prices and mortgage rates emboldened buyers. But the previous week, the department reported a surprise drop in October home building, which erased months of gains, on top of data showing new-home sales fell unexpectedly in September after five months of growth.

Courtesy of JB Goodwin