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Home prices remain attractive to new buyers

According to an industry report released Tuesday the average price of an existing home dropped during the month of November. While the S&P/Case-Shiller index declined only 0.2 percent from October to November the average home price is down 5.3 percent from this same time last year. Despite the drop the year-to-year decline is starting to slow.

“While we continue to see broad improvement in home prices as measured by the annual rate, the latest data show a far more mixed picture when you look at other details,” said David M. Blitzer, spokesman for Standard & Poor's. “Only five of the markets saw price increases in November versus October.”

Home prices saw the most decline in Charlotte, Las Vegas, Seattle and Tampa while prices have increased in Los Angeles, Phoenix, San Diego and San Francisco. Many analysts believe that home prices will continue to remain low, encouraging new home buyers to enter the market.

Blitzer doesn't expect a recovery soon saying, “On balance, while these data do show that home prices are far more stable than they were a year ago, there is no clear sign of a sustained, broad-based recovery.”