



08/26/2008

Home prices at an all time low

Home prices across the nation reached record lows falling 15.4% in the second quarter. The current S&P/Case-Shiller national home price index is down 18.2% from its highest point which was in the second quarter of 2006. This second quarter record was considerably higher than the 14.2 % dive in the first three months of 2008.

Prices however, only faintly decreased from May to June falling 16.9% year-over-year for the 10-city index and 15.8% year-over-year for the 20-city index, according Case-Shiller.

Las Vegas, Miami, and Phoenix were among the hardest hit as prices plummeted by 28.6%, 28.3%, and 27.9% year-over-year. Phoenix had the largest month to month decline of any city index falling 2.9% from May to June.

There are cities that actually experienced an increase in home value amid an extremely fickle market. Both Denver and Boston had home values increase by 1.5% and 1.2% and have had for three consecutive months. Charlotte and Dallas alike have been experiencing a 1% increase in home values for the past four months.

Mike Larson, a real estate analyst with Weiss Research, stated "while year-over-year prices will continue to decline, sales of foreclosed homes will help moderate those losses", as reported by CNNMoney.com. Mr. Larson goes on to say "prices have fallen so much that you're starting to see sales improvement. People are snapping up a lot of distressed properties."