Group: Home prices rise 6%

By Julie Schmit
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Home prices rose 7.5 percent last year, the largest increase in six years, and will rise 6 percent in 2013, market researcher CoreLogic predicts in a new report.

The same forces that helped propel prices last year will be in play this year, including improved housing demand fueled by good affordability, fewer foreclosed homes for sale and a low inventory of unsold homes, the company said.

Total home sales increased 6 percent last year, to 4.2 million, marking the first increase since 2005, CoreLogic's data show.

The healthy jump in home prices in 2012 "was really a big surprise," from what many economists expected earlier in the year, said Patrick Newport, IHS Global Insight economist.

Stronger job growth would drive more housing demand as people living with friends and relatives move into their own homes, Newport said.

CoreLogic's price gain prediction is more bullish than some others.

Home prices will rise 3.1 percent in 2013, according to a December survey of 105 real estate experts and economists by real estate company Zillow.

Prices were helped last year by fewer distressed home sales. Sales of bank-owned homes fell more than 20 percent to 600,000, CoreLogic said.

HIGHER PRICES SHOULD BOOST LISTINGS

Rising home prices should encourage more sellers to list their homes for sale, CoreLogic said. The supply of homes for sale fell to 4.8 months in November, the National Association of Realtors said. That's the lowest level in more than seven years. Realtors consider a six-month supply to be a balanced market between buyers and sellers.