HOME PRICES BUMP UP 0.1 PERCENT IN NOVEMBER

But 2013 totals expected to be strong

By Christopher S. Rugaber
Associated Press

WASHINGTON — U.S. home prices barely rose in November from the previous month, and year-over-year gains slowed, reflecting declines in sales in the fall.

Real estate data provider CoreLogic said Tuesday that prices increased just 0.1 percent in November from October. That's down slightly from October and far below August's 0.9 percent gain.

The figures aren't adjusted for seasonal patterns, such as cold winter weather that typically slows sales. Home prices have risen a healthy 11.8 percent from a year ago, CoreLogic said. But that's the smallest yearly gain since March.

Rising home prices and higher mortgage rates held back sales at the end of last year. Existing home sales fell from September through November.

But overall, 2013 represented the best year for housing since the financial crisis. Once December's figures are released, home prices will likely have risen 11.5 percent last year, according to Mark Fleming, CoreLogic's chief economist. That would be the biggest gain since 2005.

And sales of existing homes should reach 5.1 million in 2013, the National Association of Realtors forecasts. That would be up 10 percent from the previous year and the most since 2006. It's still below the 5.5 million generally associated with healthy housing markets.

Most economists expect sales and prices to keep rising this year, but at a slower pace.

A measure of signed contracts suggests sales are already starting to level off. The Realtors' group said last week that its index of pending home sales ticked up slightly in November after falling for five straight months.

Economists blame higher mortgage rates for dragging down sales. The average rate on a 30-year mortgage rose last week to 4.53 percent from 4.48 percent the previous week, the third straight gain.



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RATES ON THE RISE

Mortgage rates jumped about 1.25 percentage points from May through September, peaking at 4.6 percent. That increase occurred after Federal Reserve Chairman Ben Bernanke indicated the Fed would start to slow its bond-buying program before the end of the year. The purchases are intended to lower long-term rates and spur more borrowing and spending.