BUSINESS

Home price gains hit a lull

August sees 0.9 percent rise from July, but a 12.4 percent increase year over year

By Julie Schmit
USA Today

Home prices rose more slowly in August, reflecting the end of the summer selling season and higher mortgage rates, based on new data from market researcher CoreLogic.

Home prices in August were up 0.9 percent from July and 12.4 percent year over year, CoreLogic says.

"In addition to normal seasonality, the recent sharp rise in mortgage rates off their historic lows was a clear driver behind the slowdown," says Anand Nallathambi, CoreLogic CEO.

It anticipates "moderate gains" in home prices over the rest of the year, helped by the continued tight supply of homes for sale in many markets and the recent downward trend in interest rates, Nallathambi says.

Interest rates spiked sharply in May but have trended down since Sept. 18, when the Federal Reserve said it would not yet reduce its monthly purchases of government mortgage-backed securities and Treasury bonds, which have kept long-term interest rates low.

As of Thursday, the average rate on the 30-year fixed mortgage was at its lowest level since late July, averaging 4.32 percent, down from 4.5 percent the week before. A year earlier, it averaged 3.4 percent, Freddie Mac says.

Other home price watchers have also documented slowing home price appreciation.

When adjusted for seasonal factors, July home prices were up 0.6 percent from June, the smallest month-to-month increase since September 2012, Standard & Poor's Case-Shiller index showed last week.

BIGGEST GAINERS

In August, the states with the highest year-over-year home price appreciations were:

- **Nevada:** 25.9 percent.
- **California:** 23.1 percent.
- **Arizona:** 16.4 percent.
- **Wyoming:** 15 percent.
- **Georgia:** 14.8 percent.



Private data provider CoreLogic reported home prices in August rose 0.9 percent, reflecting the end of the summer selling season. AP