Seasonal slowdown



Private data provider CoreLogic reported Tuesday that home prices rose in October, but the rate is slowing as winter is approaching — following a normal seasonal pattern. AP

Home price gains slow as winter approaches

But October delivered the 20th consecutive monthly year-over-year increase nationally

By Julie Schmit
USA Today

Home prices rose by only 0.2 percent in October from September, and virtually no growth is expected in November, market researcher CoreLogic says.

Still, prices were up 12.5 percent in October versus a year ago, marking the 20th consecutive monthly year-over-year increase nationally.

"House price appreciation has slowed as expected for the winter," said Mark Fleming, CoreLogic chief economist.

Normal seasonal patterns and higher mortgage rates since spring explain why prices are no longer rising as rapidly as they did in the spring and summer, CoreLogic said.

The slowing pace also reflects a market showing "some level of normality," Fleming said, as investors, who have been buying up distressed homes for months, make up less of the overall activity.

Year over year, the five states with the highest home price appreciation were Nevada, up 25.9 percent; California, up 22.4 percent; Georgia, up 14.2 percent; Michigan, up 14.1 percent; and Arizona, up 14 percent.

The CoreLogic report follows last week's release of the Standard & Poor's Case-Shiller 20-city index for September. It showed prices up 0.7 percent in September from August and 13.3 percent ahead of a year ago.

While 13 of 20 cities showed higher year-over-year growth rates than in August, 19 cities had lower monthly increases in September than August, Case-Shiller said.

Many economists expect home price appreciation to slow next year. CoreLogic expects 2014 prices to rise 6 percent to 8 percent next year versus a 10 percent to 12 percent rise this year.