

# Home prices falling faster in biggest US cities

Index nearly 30 percent  
below 2006 high

By Janna Herron  
THE ASSOCIATED PRESS

**NEW YORK**— Home prices are dropping in the nation's largest cities and are expected to keep falling next year, as fewer people purchase homes and millions of foreclosures come on to the market.

The Standard & Poor's/Case-Shiller 20-city home price index released Tuesday fell 1.3 percent in October from September.

All cities recorded monthly price declines. The last time that happened was in Feb. 2009.

Atlanta recorded the largest decline. Prices there fell 2.9 percent from a month earlier. Home prices in Washington dropped 0.2 percent in October, the second monthly decline after five straight increases.

Home prices in Dallas, Portland, Ore., Charlotte, N.C., Tampa, Fla. and Denver have fallen for four straight months.

The 20-city index has risen 4.4 percent from their April 2009 bottom. But it remains 29.6 percent below its July 2006 peak.

This year is on pace to finish as the worst for home sales in more than a decade. High unemployment and tight credit have kept people from buying homes, despite some of the lowest mortgage rates in decades.

Government tax credits gave the ailing industry a boost this spring. But they expired in April, and in recent months, home prices have begun to dip again.

Millions of foreclosures are forcing home prices down. Many people are holding off on making purchases because they fear the market hasn't bottomed out, analysts say.

Foreclosures likely will remain high for the next two years, said Mark Zandi, chief economist at Moody's Analytics.

Several lenders temporarily halted action after evidence surfaced that some used flawed foreclosure documents to take people's homes. Some banks have resumed foreclosures at a more measured pace.