

A zero net energy home is listed for sale in New Paltz, N.Y. Private data provider CoreLogic reported Tuesday that home prices rose 11.9 percent for June compared to a year ago. AP

Home prices jump 11.9 percent in June

Increases from month-to-month beginning to slow down; differences may be seasonal

By Julie Schmit
USA Today

Home prices rose in June for the 16th consecutive month nationwide but at a slower pace than in recent months.

Market researcher CoreLogic says June home sales prices were up 11.9 percent year-over-year and up 1.9 percent from May.

But that's a slower month-to-month rise than 2.6 percent in May from April and the almost 2.8 percent increase in April from March, revised figures show.

CoreLogic senior economist Molly Boesel says the differences are probably seasonal, as price gains frequently pick up in the spring.

The 1.9 percent month-to-month increase "is still a good month," Boesel says.

Pace of prices slows

Other data point to slowing increases, which many economists have predicted given the strong price appreciation of the past year.

When adjusted for seasonal factors, asking prices for homes in July dropped 0.3 percent.

That marks the first month-over-month decline since November 2012, show new information from real estate website Trulia.

Asking prices rose 3.3 percent in the three months ended in July, compared with a 4.2 percent jump in the prior three months, Trulia says.

The slowdown in asking prices in July could be the "start of the return to normal price gains," says Jed Kolko, Trulia economist.

Tight supply persists

In the first six months of this year, home prices in the U.S. appreciated 10 percent, CoreLogic says. That's the fastest pace since 1977.

Kolko says rising mortgage interest rates, expanding inventory and declining investor interest in home purchases are contributing to a slowdown in price gains.

The latest Freddie Mac data show the average rate on a 30-year fixed-rate loan at 4.39 percent, up from 3.55 percent a year ago. Higher rates make homes less affordable.

In June, the supply of existing homes for sale edged up to 5.2 months from five months in May, the National Association of Realtors says. That's how long it would take for all of the homes to sell if no more properties came on the market.

Generally, Realtors consider a six- to seven-month supply as a balanced market.