

U.S. home prices rose at a healthy pace in December compared with a year ago, driven higher by rising sales and a smaller supply of available homes, such as this house in North Andover, Mass. AP

Home prices jump 9.7 pct in January

Year-over-year leap biggest in 7 years

By Julie Schmit
USA Today

Home prices jumped 9.7 percent in January from a year before and are on track for similar increases for February, market watcher CoreLogic said. The gain marks the biggest year-over-year increase in almost seven years and the 11th consecutive monthly increase.

The increases, led by Western states, were broad. Only Delaware and Illinois experienced year-over-year price declines, down 0.1 percent and 0.4 percent, respectively, CoreLogic said.

Prices showed "strong growth during the typically slow winter season," said Mark Fleming, CoreLogic economist. "With these gains, the housing market is poised to enter the spring selling season on sound footing."

STATES NEARING PREVIOUS PEAKS

Given the home prices increases of last year, 14 states and Washington, D.C., are now within 10 percent of their previous peaks before the housing downturn, CoreLogic said. They include:

» South Dakota and Washington, D.C., are basically on par with previous peaks, CoreLogic's data show.

» North Dakota, Nebraska, Oklahoma, Iowa, Arkansas and Alaska are within 4 percent of their previous peaks.

» Kentucky, Kansas, New York, Vermont, Texas, Colorado and Louisiana are within 10 percent of their peaks.

The states with the fastest home price appreciation are largely those where the housing downturn hit the worst.

They are also markets where the supply of homes for sale has tightened rapidly in the past year given increased demand and fewer foreclosures.

In January, Arizona prices were up 20 percent year-over-year. Nevada posted a 17.4 percent gain. Idaho jumped almost 15 percent and California, 14.1 percent, CoreLogic said.

Overall, 22 states saw January prices up 6 percent or more from the year before.

They included the Western leaders but also states such as Michigan, West Virginia, Vermont, Virginia and South Carolina.

CoreLogic said prices will rise 9.7 percent on a year-over-year basis in February, too. They'll fall 0.3 percent in February from January reflecting a seasonal winter downturn, it said.

The Standard & Poor's Case-Shiller index showed prices up 7.3 percent last year, S&P said last week.