BUSINESS

Home prices rise in October

Housing market improves heading into winter

By Christopher S. Rugaber
Associated Press

WASHINGTON — U.S. home prices rose in most major cities in October compared with a year ago, pushed up by rising sales and a decline in the supply of available homes.

Higher prices show the housing market is improving even as it moves into the more dormant fall and winter sales period.

The Standard & Poor's/Case-Shiller national home price index released Wednesday increased 4.3 percent in October compared with a year ago. That's the largest year-over-year increase in two and a half years, when a homebuyer tax credit temporarily boosted sales.

Prices rose in October from a year ago in 18 of 20 cities. Phoenix led all cities with a 21.7 percent gain, followed Detroit, where prices increased 10 percent. Prices declined in Chicago and New York.

Home prices fell in 12 of 20 cities in October compared with September. Monthly prices are not seasonally adjusted, so the decreases reflect the end of the peak buying season. Still, the broader trend is encouraging.



A measure of U.S. home prices rose 6.3 percent in October compared with a year ago, the largest yearly gain since July 2006. The jump adds to signs of a comeback in the housing market. NAM Y. HUH/ASSOCIATED PRESS

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Money&Markets

October's new home sales

Economists project that U.S. sales of new homes surged last month to the highest annual rate in two years.

Modest job gains, a gradually improving economy, rising home values and mortgage rates near record-low levels have motivated more people to buy homes this year. Sales in October were up 17 percent from a year earlier. Look for the Commerce Department's report on November new-home sales today.

