BUSINESS

Home values rise slowly in 1Q

Zillow: Prices up 0.5 percent from 4Q of 2012

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USA Today

National home price gains slowed in the first quarter after a big push late last year but remained at a boil in some markets, according to real estate website Zillow.

Zillow's first-quarter home value index was up 0.5 percent from the fourth quarter of last year, it said.

That was compared with a 2.1 percent jump in the fourth quarter from the third, Zillow said, and was the smallest quarter-to-quarter gain since the home price recovery began.

The slower rate is "indicative of a market that is slowly finding its natural level," said Stan Humphries, Zillow chief economist.

Year of growth persists

Home prices have rebounded more strongly in the past year than many expected, and the sometimes dramatic runups in value were never expected to be sustainable, he said.

A home value index kept by John Burns Real Estate Consulting shows national prices up 5.7 percent in the first quarter of 2013 over the first quarter of 2012.

That's slower than the 5.9 percent jump from the fourth quarter of 2011 to the fourth quarter of 2012.

"I was surprised by it. We're not getting any anecdotes that the market is slowing," said Chief Executive Officer John Burns.

Metros see dips

Zillow's data show seven of the nation's top 30 markets saw a decline in home values in the first quarter.

New York had a decline of 0.3 percent after three consecutive quarters of appreciation, Zillow's data show. Year-over-year, New York's prices were still up 1.2 percent.

Chicago saw the greatest depreciation, with values falling 1.4 percent in the quarter after a flat fourth quarter in 2012.