

A new townhouse takes shape at the Crossings adult community in Colonie, N.Y. January home prices made an 8.1 percent increase from December. MIKE GROLL/AP

January home prices best gains since '06

By Doug Carroll
USA Today

Home prices in January posted their best annual gains since summer 2006, a closely watched housing barometer shows.

January prices rose 8.1 percent, according to the Standard & Poor's/Case-Shiller Home Price Index for 20 leading cities.

The index, released Tuesday, showed a 6.8 percent year-over-year gain in December.

All cities posted gains in January. Phoenix, up 23 percent, led the way. New York, where prices rose 0.6 percent, ended a 28-month string of negative annual returns. Eight cities showed double-digit gains.

Since bottoming in March 2012, the 20-city index has climbed back to 2003 levels, Standard & Poor's says.

Nine cities showed month-over-month gains. The 20-city index rose 0.1 percent compared to December.

Existing home sales for February were the highest in more than three years, the National Association of Realtors reported last week.

NEW HOMES SALES SLIP

Sales of new homes dropped to a seasonally adjusted annual rate of 411,000 in February, the Commerce Department reported Tuesday. That is a decline of 4.6 percent from the January level of 431,000, which had been the strongest sales pace since September 2008.

» The decline in February still left sales 12.3 percent higher than a year ago.

» The median price of a new home sold in February was $246,800, up 2.9 percent from a year ago.