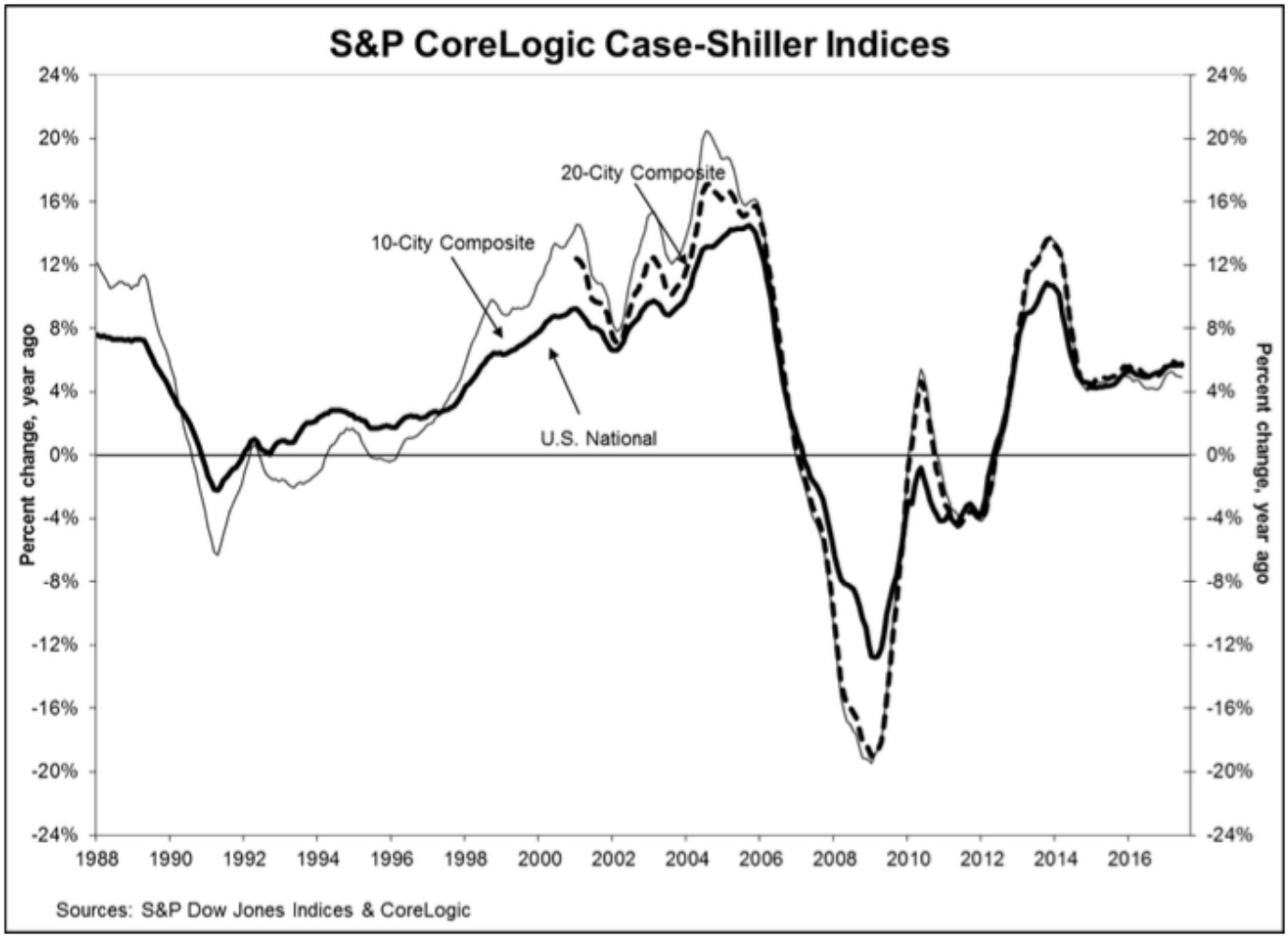
Case-Shiller: Home prices ascend up, up and away

June's S&P/Case-Shiller Home Price Index shows that home prices are continuing to ascend — impacting affordability and the overall robustness of the housing market.

June 2017's national index comes in at 192.60, a 5.8 percent year-over-year increase from June 2016 and a seasonally adjusted 0.9 percent month-over-month increase.



“The trend of increasing home prices is continuing,” said S&P Dow Jones Indices managing director and chairman of the index committee David M. Blitzer in a statement. “Price increases are supported by a tight housing market. Both the number of homes for sale and the number of days a house is on the market have declined for four to five years.”

“Currently the months-supply of existing homes for sale is low, at 4.2 months,” he added. “In addition, housing starts remain below their pre-financial crisis peak as new home sales have not recovered as fast as existing-home sales.

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“Rising prices are the principal factor driving affordability down. However, other drivers of affordability are more favorable: the national unemployment rate is down, and the number of jobs created continues to grow at a robust pace, rising to close to 200,000 per month.

“Wages and salaries are increasing, maintaining a growth rate a bit ahead of inflation,” Blitzer concluded. “Mortgage rates, up slightly since the end of 2016, are under 4 percent. Given current economic conditions and the tight housing market, an immediate reversal in home price trends appears unlikely.”

10-City and 20-City composite

The 10-City and 20-City composite boasted 4.9 percent and 5.7 percent year-over-year gains, respectively, and the cities of Portland, Oregon; Seattle, Washington; and Dallas, Texas; led the way. Seattle reported a 13.4 percent year-over-year price increase, followed by Portland with an 8.2 percent increase.

Dallas shored up the end of the pack with a 7.7 percent increase.

The 10-City and 20-City composites reported 0.9 percent and 0.7 percent seasonally adjusted month-over-month increases, and no city reported a negative monthly price change.

About S&P/Case-Shiller U.S. National Home Price Index

The S&P/Case-Shiller U.S. National Home Price Index is a composite of single-family home price indices that is calculated every month; the indices for the nine U.S. Census divisions are calculated using estimates of the aggregate value of single-family housing stock for the time period in question.

The nine divisions are:

- New England
- Middle Atlantic
- East North Central
- West North Central
- South Atlantic
- East South Central
- West South Central
- Mountain
- Pacific

CoreLogic serves as the calculation agent for the S&P/Case-Shiller U.S. National Home Price Index.

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