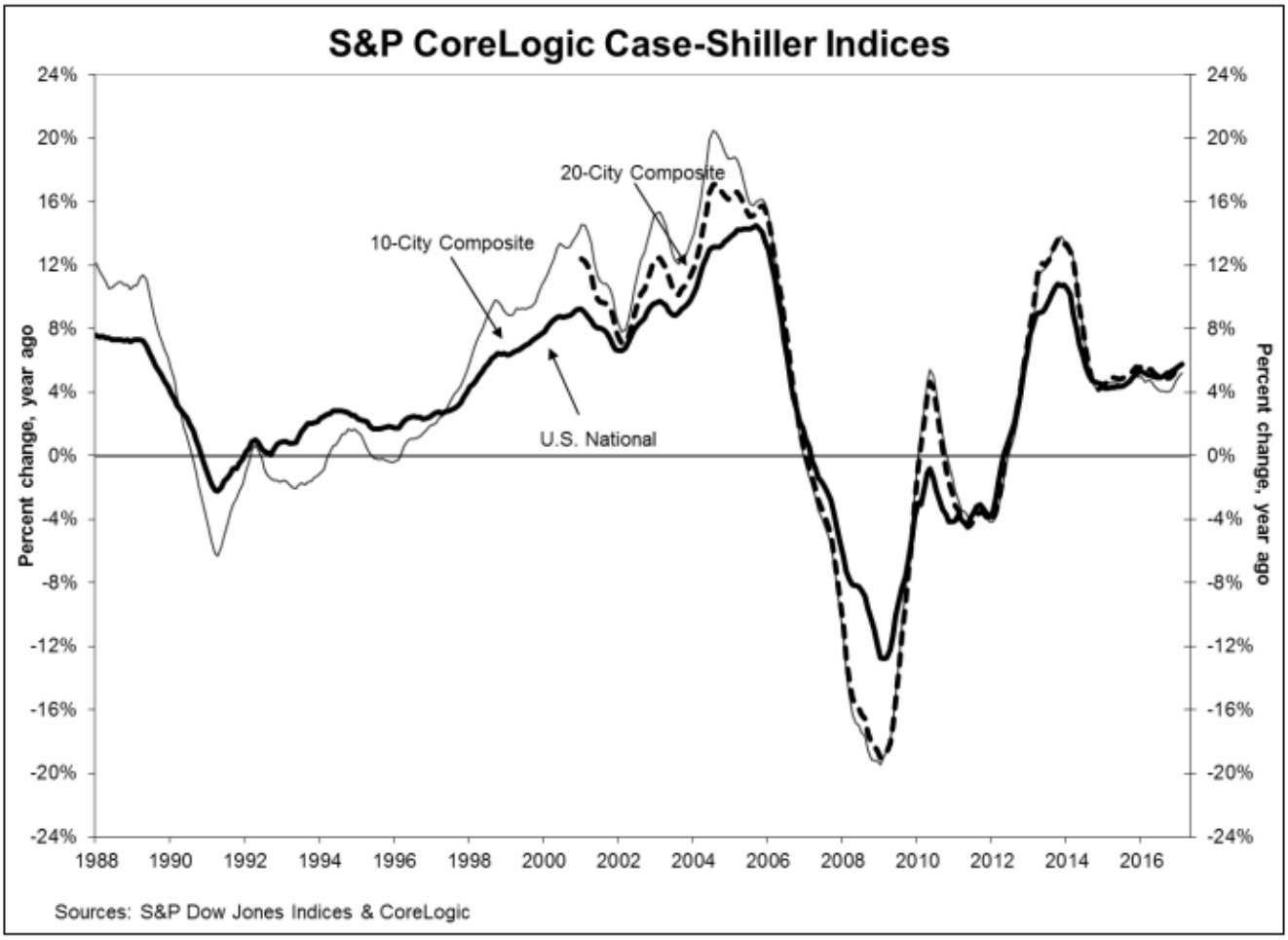
S&P/Case-Shiller: Home prices hit 32-month high

February's S&P/Case-Shiller Home Price Index numbers set a fourth consecutive all-time high — the highest HPI seen in a whopping 32 months.



February 2017's national index is 185.56, a 5.8 percent year-over-year increase from February 2016 and a seasonally adjusted 0.4 percent month-over-month increase.

"Housing and home prices continue to advance," said David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices in a statement.

"The S&P Corelogic Case-Shiller National Home Price Index and the two composite indices accelerated since the national index set a new high four months ago. Other housing indicators are also advancing, but not accelerating the way prices are," he added.

“As per National Association of Realtors sales of existing homes were up 5. percent in the year ended in March. There are still relatively few existing homes listed for sale and the small 3.8 month supply is supporting the recent price increases,” Blitzer said.

“Housing affordability has declined since 2012 as the pressure of higher prices has been a larger factor than stable to lower mortgage rates.”

10-City and 20-City composite

The 10-City and 20-City composite boasted 5.2 and 5.9 percent year-over-year gains respectively, and the cities of Portland, Seattle and Dallas led the way. Seattle reported a 12.2 percent year-over-year price increase, followed by Portland with a 9.7 percent increase.

Dallas shored up the end of the pack with a 8.8 percent increase, knocking Denver out of its spot.

The 10-City and 20-city composites reported 0.6 and 0.7 percent seasonally adjusted month-over-month increases, and only Tampa, Florida, reported negative monthly price changes.

Tempered excitement

Although the index is trending upward, Blitzer said economists, housing and real estate professionals must temper their excitement and remember that “rebounds” only last for a year or so.

“Housing’s strength and home building are important contributors to the economic recovery,” Blitzer said. “Housing starts bottomed in March 2009 and, with a few bumps, have advanced over the last eight years.

“New home construction is now close to a normal pace of about 1.2 million units annually, of which around 800,000 are single family homes. Most housing rebounds following a recession only last for a year or so,” he noted.

“The notable exception was the boom that set the stage for the bubble. Housing starts bottomed in 1991, drove through the 2000-2001 recession, and peaked in 2005 after a 14-year run.”

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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