

Home prices fall again, but rate of decline is smallest since February

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Home prices in the Dallas-Fort Worth area fell 1.9 percent in August from a year earlier, the smallest yearly decline since February, according to Standard & Poor's/Case-Shiller Home Price Index data released Tuesday.

Local pre-owned home prices had fallen about 3 percent in July over the previous year, with declines of 4 percent or more in the three months before that, according to the closely watched housing indicator.

Home prices in the Dallas-Fort Worth area have been falling year-over-year for 14 months, since federal housing tax credits expired in mid-2010.

Local home prices have firmed up a bit as the number of listings has declined in recent months, said Ted Wilson, a Dallas housing analyst with Residential Strategies Inc.

“There is some strengthening we’re seeing in pricing,” he said. “They’re baby steps, but there are some favorable signs. There’s not as much inventory, and lack of supply helps pricing.”

Still, Wilson said he generally expects a “pretty sluggish market” for the next couple of years. Stronger job growth would contribute to more rapid improvement, he said.

At the national level, a composite index of 20 cities dropped 3.8 percent in

August from a year earlier, according to the S&P/[Case](#) Shiller report. The annual decline in July was 4.2 percent. An index of 10 cities fell 3.5 percent in August after falling 3.9 percent in July.

Sixteen of 20 metropolitan areas showed some improvement on a yearly basis in August. Minneapolis recorded the largest annual drop, at 8.5 percent, although its rate of decline has improved the last three months. Detroit, up 2.7 percent, and [Washington, D.C.](#), up 0.3 percent, were the only two cities in which home prices rose over the last 12 months.

“In the August data, the good news is continued improvement in the annual rates of change in home prices,” Standard & Poor’s David Blitzer said in the report. “With 16 of 20 cities and both composites seeing their annual rates of change improve in August, we see a modest glimmer of hope with these data.”

The [Federal Housing Finance Agency](#) said Tuesday that its index of U.S. house prices showed a 4 percent decline for the 12 months ending in August, similar to the S&P/Case-Shiller result.

Some analysts said prices could fall more.

“We believe national home prices have further to fall,” wrote Michelle Meyer and Ethan Harris, economists with [Bank of America Merrill Lynch](#), in a report Tuesday. “We ... advise preparing for a string of weak home price data starting next quarter.”

The Case-Shiller indexes track the prices of specific single-family homes in each metropolitan area. The Dallas index covers 12 counties, including Dallas, Tarrant, Collin and Denton, said Dave Guarino, a spokesman for Standard & Poor’s.

Dallas home prices in August edged up 0.2 percent from July.

Dallas-area home prices are about 7 percent less than their peak in 2007, according to non-seasonally adjusted data from S&P/Case Shiller. The 20-city U.S. composite index is about 31 percent below its 2006 peak.

COMPARING CITIES

Changes in pre-owned home prices in August from a year earlier:	
Metro area	Change
Detroit	2.7%
Washington, D.C.	0.3%
Denver	-1.6%
Boston	-1.7%
Dallas	-1.9%
Charlotte, N.C.	-3.4%
New York	-3.4%
Los Angeles	-3.5%
Miami	-4.6%
Cleveland	-4.8%
San Francisco	-5.3%
San Diego	-5.5%
Chicago	-5.8%
Las Vegas	-5.8%
Tampa, Fla.	-5.8%
Seattle	-6.1%
Atlanta	-6.3%
Portland, Ore.	-7.6%
Phoenix	-7.7%
Minneapolis	-8.5%
20-city composite	-3.8%
SOURCE: S&P/Case-Shiller Home Price Indexes	