



This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your

colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit [www.nytreprints.com](http://www.nytreprints.com) for

samples and additional information. [Order a reprint of this article now.](#)

---

July 26, 2011

# U.S. Housing Prices Rise Slightly, but Remain Weak

By CHRISTINE HAUSER

Home prices in the United States rose slightly for the second consecutive month in May, but the real estate market still has a long way to go before a recovery, analysts said on Tuesday.

The private [Standard & Poor's/Case-Shiller](#) index, a closely watched measure of home prices, was up 1 percent compared with April, according to the broadest measure of data tracking 20 cities. Prices rose in 16 of the cities; they fell in Detroit, Las Vegas and Tampa, Fla., and were unchanged in Phoenix.

Separately, in Census Bureau data from the Commerce Department for June, the median sales price for a new home increased 5.8 percent in June to \$235,200. Prices rose 7.2 percent year over year, the agency said. Sales of new single-family houses in June were at a seasonally adjusted annual rate of 312,000, according to estimates, a rise of 1.6 percent from June 2010.

The rise in May for Case-Shiller came after the index edged up a fractional 0.6 percent in April, which was the first time prices were higher in eight months.

But the trend in the 20-city composite index, while positive, was attributed to seasonal factors, and analysts were hesitant to read too much into one or two months of data. Demand is typically stronger in the spring, and continued weakness was evident in other barometers of housing health, such as

contract cancellations, tightened lending standards and sales of new homes in June.

“We have now seen two consecutive months of generally improving prices; however, we might have a long way to go before we see a real recovery,” said David M. Blitzer, the chairman of the index committee at S.& P. home price indexes. “Sustained increases in home prices over several months and better annual results need to be seen before we can confirm real estate market recovery,” he said in a statement released with the survey.

The data showed that prices in Detroit, Las Vegas and Tampa reached new lows, down nearly 50 percent or more since the peaks of 2005-6, the survey shows.

The overall index in May was down compared with May 2010, by 4.5 percent. That reflected a decline in prices in 19 of the 20 metropolitan areas when compared with the previous year.

The District of Columbia was the area with the only annual price increase, while Minneapolis, where home prices were up 2.6 percent in May and 0.1 percent in April, had the biggest fall in prices from May last year, with an 11.7 percent drop.

Barbara T. Jandric, the president of Edina Realty in Minneapolis, said that the drop from last year reflected prices of many foreclosed homes. But in recent months the profile of houses being sold was starting to grow sounder, with fewer foreclosure sales as a percentage of the whole.

“We still have quite a few of those sales in our market, but we see that we maybe hit our peak,” she said.

In addition, the firm has noticed more buyers on the higher end of the market, she said.

“So for the first time in many, many years, in that segment of the market we are seeing shortages of listings,” she said. “For us, it is another glimmer of hope that the market is really slowly, slowly trying to come back.”

Analysts said that the spring uptick started in April and was likely to dwindle by October, when weak

demand typically drags down home prices.

In addition, other variables in the economy are deflating hopes for a housing rebound, including a struggling jobs market in which the unemployment rate is at 9.2 percent and consumer confidence is at depressed levels, said Chris G. Christopher Jr., senior principal economist for IHS Global Insight.

“Things do not look very favorable on the housing front since the employment situation has taken a turn for the worse in May and June,” he said in a research note. “Going forward, the Case-Shiller indexes are likely to post increases during the home-buying season, and then turn down again.”



More in Economy (1 of 22 articles)

OPEN

## **Economix: Which Is in Worse Shape, U.S. or Europe?**

[Read More »](#)