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Home Prices Reach Pre-Recession Peak

As multifamily housing values continue to rise so too do single family home prices. The national S&P CoreLogic Case-Shiller Index, which tracks home prices, reached a post-recession high of 184.8 in September, an index level last seen in July 2006.

On an annual basis, the index increased 5.5% in September, compared to a 5.1% gain the prior month. From the 2012 trough, average home prices across the nation have increased 37.9%.

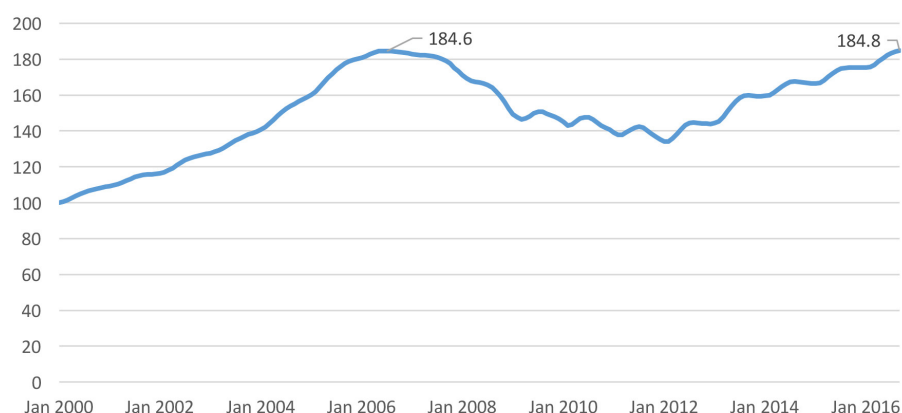
While certain cities surpassed their pre-recession peak years ago and some are still yet to reach 2006 levels, the recovery of the national average represents an important milestone for the housing market.

Leading markets were secondary cities that have also experienced strong rent growth in recent years. Seattle topped the Case-Shiller Index with 11.0% year-over-year growth, while Portland (10.9%) and Denver (8.7%) followed. These metros have seen significant economic and employment growth, strong population gains, specifically among Millennials, and offer relative affordability compared to other gateway and coastal cities.

Not only are home prices growing, but other real estate metrics such as housing starts and home sales have been on the rise as well. Housing starts jumped 25.5% in October to 1.3 million, marking the best rate of starts since August 2007.

Existing home sales increased 5.9% in October, reaching an annualized rate of 5.6 million, the highest pace since February 2007. The gains were widespread geographically, with sales

S&P CoreLogic Case Shiller Index



Source: Moody's Analytics