

Zillow study: Home value decline slows

By Tim Mullaney, USA Today

After years of pain and a market free fall that has shaved \$6.8 trillion off the value of the nation's 104 million homes, the decline in U.S. house prices may be nearly over.

U.S. homeowners lost \$681 billion this year, according to a study by real estate website operator Zillow that was released this week.

That's less than the \$1.1 trillion drop in value in 2010, let alone the \$2.7 trillion in losses in 2008, Zillow said. And a Zillow survey of 109 economists said U.S. home prices will stop falling late next year or early 2013, with the most optimistic quarter of economists predicting an 18 percent rebound by 2016.

The reason is that the economy is slowly turning around, as prices have come into balance with buyers' incomes and how much they'd pay to rent comparable homes, said David Blitzer, chairman of the index committee at Standard & Poor's, which publishes the S&P/Case-Shiller national home price index. The negatives are that consumer confidence is low, and there's an overhang of foreclosed homes whose owners will discount them for resale, economists said.

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