

Cost of a house on the rise in California

By Hudson Sangree, Sacramento Bee

Home prices in the Sacramento region continued rising in September at rates that outpaced national gains and mirrored statewide increases in residential real estate values, CoreLogic reported Tuesday.

Across El Dorado, Placer, Sacramento and Yolo counties, home prices rose by an average of 6.9 percent in September compared with the same month a year before, the Santa Ana-based firm said in a monthly report.

California also saw a 6.9 percent price increase during the same period, it reported.

Excluding distressed properties – meaning foreclosures and short sales – home prices in the Sacramento area and the state both increased by more than 8 percent from September 2011 to September 2012, CoreLogic reported.

Nationally, house prices jumped by 5 percent in September from the same month a year ago. That was the largest price gain since 2006 and the seventh consecutive month of year-over-year gains, the firm said.

“Home price improvement nationally continues to outpace our expectations,” Mark Fleming, chief economist for CoreLogic, said in a news release.

Price increases have been especially strong in states such as California, Arizona and Florida that experienced dramatic boom-and-bust cycles, and in energy-rich states such as North Dakota. There are only a handful of states where prices continue falling, including New Jersey and Illinois, CoreLogic

said.

“Most states are exhibiting price increases,” Fleming said. “Gains are particularly large in former housing-bubble states and energy-industry concentrated states.”

The local, state and national markets are all improving because of short supply and increased demand, based partly on record-low interest rates.

“Home prices are responding to better market fundamentals, such as reduced inventories and improved buyer demand,” said Anand Nallathambi, president and CEO of CoreLogic.

“So far this year, we’re seeing clear signs of stabilization and improvement that show promise for a gradual recovery in the residential housing market.”