

Real Estate Market Trends: Sales Surge, Prices Recover

Strongly improving real estate market trends reported today gave stocks a lift. How long can the housing recovery maintain its robust pace?

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Homes sales are soaring, while prices recovered ground lost in December, according to reports on the latest real estate market trends released today. The news is good, but experts question how long the housing recovery can maintain such a robust pace.

New home sales rose by more than 15 percent in the month of January to a seasonally adjusted annual rate of 437,000, nearly 29 percent higher than the 339,000 pace for January 2012, according to Commerce Department data released today. The most dramatic annual gains were more than 60 percent for the West and 54 percent for the Northeast.

Despite improving new home sales, [home builders have lowered their short-term outlook](#) for real estate market trends.

The value of single family homes across the nation rose 7.3 percent in 2012 due to strong gains in the second and third quarters that more compensated for a decline in the fourth quarter, according to S&P Dow Jones Indices. The annual increase brings prices back to levels last seen in the autumn of 2003. "Home prices ended 2012 with solid gains" David M. Blitzer, chairman of the Index Committee, said in a statement. Price movements, combined with other real estate market trends suggest that "while housing is on the upswing, some of the strongest numbers may have already been seen."

Markets showing the strongest annual gains include Phoenix, Dallas, Denver, Minneapolis, Atlanta and Detroit, according to the S&P.

In other real estate market trends, [foreclosure activity is slowing](#).

Home prices, as measured by the Federal Housing Finance Agency, rose 0.6 percent in the month of December and 1.4 percent in the fourth quarter of 2012. The FHFA House Price Index tracks homes purchased with Fannie Mae and Freddie Mac mortgages. When adjusted for inflation, prices gained 3.7 percent in the fourth quarter of 2012, compared to the fourth quarter of 2011.