

Charlotte's home price index falls to 2004 levels

By Christina Rexrode
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The Charlotte area's home price index hit its lowest level since late 2004, according to October data released today by the closely watched S&P/Case-Shiller index.

Five other cities- Atlanta, Miami, Tampa, Seattle and Portland, Ore. - hit their lowest levels since home prices started to fall in 2006 and 2007.

David Blitzer, chairman of the S&P's index committee, said the news signals that a double-dip recession is "almost here."

"There is no good news in October's report," he said.

Blitzer blamed a growing backlog of unsold homes, the end of tax incentives that encouraged first-time home buying, and general economic malaise. He also noted that of the six cities setting new lows, only two of them - Tampa and Miami - were "problem cities"

"I don't think I can conclude that Charlotte is about to have some massive collapse," Blitzer said. "What I sense is that after the rebound, we have people having difficulty qualifying for mortgages. And even though the economy seems to have improved in the last few weeks, back in October there was concern about where the economy was going."

Home prices decreased from September to October in all 20 cities that Case-Shiller follows. Only four cities- Washington, D.C., Los Angeles, San Francisco and San Diego - showed a home price increase compared to a year ago.

Overall, U.S. home prices are up about 4 percent since lows in spring 2009. But they're still down nearly 30 percent from peaks in the summer of 2006.

Tom Tousignant, branch manager of Fairway Independent Mortgage in the Ballantyne area, said would-be buyers are being scared off by uncertainty in Washington. "You never know what the future is, but maybe it's less certain now," Tousignant said. "It took until a week ago to figure out the tax code changes. People are scared to make big decisions."

The continued high unemployment rates aren't helping either, Tousignant said. The Charlotte area's unemployment rate was 10.2 percent in October, compared to 9.6 percent of North Carolina and nationwide.

Toni Henry, a Realtor at Cottingham Chalk Hayes in Charlotte, said October is normally a slow time of

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year for home sales. She said that some home sellers have "aggressively priced" their houses because they have "a realistic view of the market."

Henry said she expects January and February to be slow, followed by "a very active spring."



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