



## Rapidly Rising Inventory, Home Price Pressures in Store: Altos Research

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Real estate data provider [Altos Research](#) says its newest housing market report confirms what the company has been saying for some time: the mini “boom” of this spring was created by seasonal demand, with some extra help from the federal homebuyer tax credits.

“Now that those are gone, buyer activity has all but come to a standstill,” Altos said in its [Real-Time Housing Market Update](#) released to the press Monday.

The analysts at the California-based firm warn that the industry should brace for rapidly rising inventory and continued home price pressures in August and into the fall of 2010.

The Altos 10-city composite of home prices is already showing signs of pricing weakness, the company reports. Its latest market data show that home prices dropped 0.63 percent across the 10 major markets included in the

composite reading during the month of July, to an average of \$474,946.

(Altos’ 10-city composite includes Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, and Washington D.C.)

The Altos Research 10-city composite index shows that, nationally, more than a third of all homes listed for sale reduced their prices in July 2010. The company says asking prices for homes actually fell in 19 of the 26 total markets it tracks, with the most significant declines in Miami (3.37 percent), Washington, D.C. (4.14 percent), and Phoenix (5.14 percent).

At the same time, inventory across the board is rising steadily, with 22 of 26 major markets showing increases. According to Altos’ study, the sharpest inclines were in Phoenix and Washington, D.C., up 5.07 percent and 5.67 percent, respectively.

“Inventory levels are similar to last year at this time, but were declining then and are increasing now,” Altos said in its report.

The company notes that although mortgage rates are at all-time lows, buyers still aren’t being swayed to make purchases. Altos says the increases in inventory nationwide show that demand simply isn’t there.

“As the market continues to correct itself, and as we head into the seasonally weak fall and winter months, expect more increases in inventory, and likely deepening declines in asking prices,” according to Altos’ analysts.

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