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### **US property market showing strong signs of recovery**

There have been some interesting developments in recent months in the US housing market with many regions seeing strong sales and price increases leaving analysts talking about a sustained recovery.

US economists expect home prices to rise by a total 2.3% during 2012, and overall have become more bullish on home prices than they were in the second quarter.

The latest Zillow Home Price Expectations Survey report, which questions economists, real estate experts and investment and market strategists, predicts steadily increasing home values and Zillow said that this is evidence that there is a true recovery in the nation's housing market.

The most optimistic quartile of panelists predicted a 4.4% increase in 2012, on average, while the most pessimistic predict an average increase of 0.3%.

Along with this come figures from the National Association of Realtors, the US's largest real estate trade organisation, which show that existing home sales continued to improve in August and the national median price rose on a year on year basis for the sixth straight month.

Like the UK, the US is experiencing a bit of a lending drought but it is still further on the road to recovery than the UK. Indeed the NAR said that residential property sales could be 10% stronger if loans were easier to come by.

Inventories in many parts of the country are broadly balanced, favouring neither sellers nor buyers. However, the West and Florida markets are experiencing inventory shortages, which are placing pressure on prices and Miami in particular seems to be leading the recovery with a flush of foreign buyers taking advantage of what they regard as bargain prices.

Overall in the US the national median existing home price for all housing types was \$187,400 in August, up 9.5% from a year ago, the NAR figures show. The last time there were six back to back monthly price increases from a year earlier was from December 2005 to May 2006. The August increase was the strongest since January 2006 when the median price rose 10.2% from a year earlier.

Even although property values in US cities took a hit last month, falling by 0.1%, such a minor blip isn't a cause for concern, according to Zillow. It is the first time that city prices have fallen in nine months but they are still up on a year on year basis, seeing an increase of 1.7% since August 2011.

And it is only some cities that are seeing price falls such as Chicago, New York and Boston. Others such as Phoenix and Miami are on an upward trend.

Indeed, pending home sales in Miami are continuing at record high levels, up 15% year on year during the month of August, according to the Miami Association of Realtors. This is on top of strong sales last year too.

It must be remembered that increased pending sales are an indication of increased future sales. The next lot of housing stats are due out towards the end of this month and they will make fascinating reading.

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