

Market News

The real estate recovery seems to have started back in mid-2012. The nominal price, real price, price to rent seems to have fallen to the late 90s level, essentially wiping out the gains realized post-2000. Also, with a lack of construction activity in the past 5 years, supply shortage is now spurring, which is incredible considering how speculators were wondering if we would see a double dip, just a year ago. Also, as the prices appreciate, over 2 million Americans, according to LA Times, have risen from the negative equity territory, allowing them to sell their homes, which should spur existing home sales. We could anticipate a continued real estate recovery, until a bomb falls either in Europe, Japan, or even the US with a sequestration effect.

Case-Shiller Composite 20 Index	
Month	YoY Change
Jan-12	-3.9%
Feb-12	-3.5%
Mar-12	-2.6%
Apr-12	-1.7%
May-12	-0.5%
Jun-12	0.6%
Jul-12	1.1%
Aug-12	1.9%
Sep-12	2.9%
Oct-12	4.2%
Nov-12	5.5%
Dec-12	6.8%

Courtesy: Case-Shiller; calculatedriskblog.com