

L.A. and O.C. home prices up 6.3%, outpacing national average

By Andrew Khouri

Home prices in Los Angeles and Orange counties rose 6.3% in June compared with a year earlier, according to a closely watched gauge released Tuesday.

The increase was greater than the 4.5% year-over-year pop seen nationally and represents a slight pick-up from May's reading, when prices rose 6.2% in the two counties, the Standard & Poor's/Case-Shiller index showed.

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The Southern California housing market has experienced a robust spring and summer this year, with sales hitting multi-year highs. Sales have been up nationally too, as sustained job growth has given more families the confidence to buy homes.

It's unclear, however, what effect the recent stock market drop will have on that confidence.

David M. Blitzer, managing director and chairman of the index committee at S&P Dow Jones Indices, said at the moment the stock market is "unlikely to do much damage." But that could change, he said.

"A full-blown bear market dropping more than 20% would present some difficulties for housing and for other economic sectors," he said in a statement.

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For now, rising sales and housing construction "point to a stronger housing sector," Blitzer said.

Indeed, the Commerce Department reported Tuesday that sales of new single family homes rose 5.4% from June to a seasonally adjusted annual rate of 507,000 in July.

Last week, the National Assn. of Realtors said sales of previously owned homes in July were at the highest level since early 2007.

The Case-Shiller data lag behind other real estate reports, but they are widely considered the most reliable reading on home values. The index compares the latest sales of detached houses with previous sales and accounts for factors such as remodeling.

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Update:

10:20 a.m.: This article has been updated with additional background on home sales.

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