

# October's Increases Suggest a Reversal in Home Price Slump

By: Jann Swanson | Thu, Dec 5 2019, 1:13 PM

After slowing for 17 months, home price gains rose 3.8 percent in July and then held nearly flat in August according to Black Knight's Home Price Index. Now the first tranche of price data for October **seems to indicate a rapid shift into an acceleration of gains.**

The company says the rate of annual price gains during the month was 4.25 percent. This is growth of 0.35 percent from the 3.9 percent annual appreciation in September and the largest month-to-month change since July 2013. **The annual increase is also the largest in nine months.**

The September to October change was 0.33 percent, also notable as it is nearly six times the long-term (five-year) average increase for October and the largest increase in any October since 2005.

The company says these numbers reflect home sale activity for the month after interest rates dropped below 3.5 percent for the first time since October 2016. That **pushed home affordability to its strongest level in nearly two years.**

Hard to know if the reversal in price trends will continue, but **Freddie Mac is forecasting that rates will remain below 4 percent for the next two years.**

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