

Home for sale: U.S. house prices continue to climb

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National home prices will rise as much as 22 percent in the next five years, says a professor at the University of Michigan's Ross School of Business.

Under current [economic conditions](#), commonly used house price indices, like the Case-Shiller 10, Case-Shiller 20 and UFA 100, will increase between 8.5 percent and 22 percent cumulatively by 2017, says Dennis

Capozza, U-M professor of finance and real estate and a founding principal of University Financial Associates, a risk-management firm that forecasts mortgage and consumer loan performance.

UFA's newly released five-year nominal house price forecast for the third quarter of 2012 shows that [prices](#) will continue to rise for the UFA 100, a broad based composite index of 100 U.S. cities—although recovery will be slow for the larger metro areas in the Case-Shiller 10 city composite.

"UFA's nominal, five-year house price forecasts are solidly positive at both the state and metro area levels," said Capozza, the Dykema Professor of [Business Administration](#). "This confirms that for lenders, homebuyers and investors in the residential real estate and mortgage markets it is once again safe in most [metro areas](#) to go back in the water."

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[www.bus.umich.edu/FacultyBios/... Bio.asp?id=000119678](http://www.bus.umich.edu/FacultyBios/...Bio.asp?id=000119678)

Provided by University of Michigan

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