

U.S. home prices now posting biggest monthly drops since 2009

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Home prices in the U.S. have taken a turn and are now posting the biggest monthly declines since 2009.

Median home prices fell 0.98% in August from a month earlier, following a 1.05% drop in July, Black Knight Inc. said in a report Monday. The two periods mark the largest monthly declines since January 2009.

"Together they represent two straight months of significant pullbacks after more than two years of record-breaking growth," said Ben Graboske, Black Knight Data and Analytics president.

The housing market is [losing steam fast](#) with skyrocketing mortgage rates driving affordability to the lowest level since the 1980s. The Federal Reserve has sought to curb inflation, which has thrown cold water on the US real estate boom.

While prices are falling on a month-over-month basis, they're still significantly higher than a year earlier when the buying frenzy was going strong. Values were up 12.1% from a year earlier in August.

The sharpest correction in August was in San Jose, California, down 13% from its 2022 peak, followed by San Francisco at almost 11% and Seattle at 9.9%, the company said.