the worst annual slide in sales of previously owned homes in more than a decade.

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By Prashant Gopal, Bloomberg News (TNS).

The US housing slump stretched into a fifth month, sending a measure of prices down 2.5% from a peak in June.

Prices also fell roughly 0.3% in November from a month before, according to a

"As the Federal Reserve moves interest rates higher, mortgage financing continues to be a headwind for home prices," Craig Lazzara, managing director at S&P Dow Jones Indices, said in a statement. "Economic weakness, including the possibility of a recession, would also constrain potential buyers. Given these prospects for a challenging macroeconomic environment, home prices may well continue to weaken."

Prices are still higher than a year ago as homeowners benefit from the ripple effects of an extended pandemic boom that broke records in many parts of the US. Growth, however, has been slowing. Prices were up 7.7% annually in November, down from the 9.2% gain in October.

In recent weeks, borrowing costs have eased, with the average on a 30-year fixed mortgage dropping to 6.13% in late January, according to Freddie Mac. Brokerage and data company Redfin Corp. recently pointed to signs that buyer interest might be picking up again, with pending deals on the rise in December and other measures of demand climbing.

Realtor.com Senior Economist George Ratiu noted that the housing market has adjusted since November, with the number of homes for sale ticking up and price growth moderating even more.

"The demand-supply dynamics have placed buyers on a stronger footing at the start of 2023, providing them much-needed leverage at the negotiation table," Ratiu said.

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