

Barclays analyst sees housing rebound coming in 2012

Posted By [KERRI PANCHUK](#) On December 5, 2011 @ 11:34 am | [No Comments](#)

Barclays Capital ([BCS](#)^[1]: 11.84 **-0.67%**) analyst Stephen Kim predicts a housing recovery buoyed by improving jobs numbers and the fact prices for nondistressed homes will have stabilized without government support.

"In the absence of a government homebuyer incentives, prices for non-distressed home sales have stabilized for almost a year," Kim said. "This is the most important trend in the housing industry right now, and we are amazed at how little attention it has been getting from the media and the street. This stability on the part of nondistressed prices has occurred despite a very high share of distressed activity and continued declines in overall prices."

Barclays said recent economic data — including higher job creation in November, housing starts and improved homebuyer traffic — point to some improvement potential in the sector.

In mid-2010, the federal homebuyer tax credit expired, leaving the housing market without training wheels for the first time since the 2008 economic meltdown. Yet, prices in some housing markets remained stable on the back end.

With its new outlook in the market, Barclays upgraded **D.R. Horton's** ([DHI](#)^[2]: 12.68 **+0.56%**) stock to buy and raised price targets for D.R. Horton, **Lennar** ([LEN](#)^[3]: 19.27 **-0.05%**), **Toll Brothers** ([TOL](#)^[4]: 21.30 **+2.70%**) and **Meritage Homes** ([MTH](#)^[5]: 22.92 **+1.01%**).

At the same time, the investment bank raised its 2012 earnings-per-share estimates for D.R. Horton, Lennar, Meritage Homes, **Pulte** ([PHM](#)^[6]: 6.48 **+1.41%**) and Toll Brothers, while lowering its estimates for **KB Home** ([KBH](#)^[7]: 8.23 **+4.31%**).

"Thus, the key to timing housing's recovery depends primarily on when these first-time buyers decide it is safe to buy a house," Kim concluded.

Write to [Kerri Panchuk](#)^[8].

Article printed from HousingWire: <http://www.housingwire.com>

URL to article: <http://www.housingwire.com/2011/12/05/barclays-analyst-sees-housing-rebound-coming-in-2012>

URLs in this post:

[1] BCS: <http://finance.yahoo.com/q?s=BCS>

[2] DHI: <http://finance.yahoo.com/q?s=DHI>

[3] LEN: <http://finance.yahoo.com/q?s=LEN>

[4] TOL: <http://finance.yahoo.com/q?s=TOL>

- [5] MTH: <http://finance.yahoo.com/q?s=MTH>
- [6] PHM: <http://finance.yahoo.com/q?s=PHM>
- [7] KBH: <http://finance.yahoo.com/q?s=KBH>
- [8] Kerri Panchuk: <mailto:kpanchuk@housingwire.com>

Copyright © 2009 HousingWire. All rights reserved.