

September Existing-Home Sales Ease, Setting State for Stable Market

by Bend Weekly News Sources

Existing-home sales eased last month, as did the number of homes available for sale -â€“ indicating the housing market is stabilizing, according to the National Association of Realtors® (NAR).

Total existing-home sales -â€“ including single-family, townhomes, condominiums and co-ops -â€“ dipped 1.9 percent to a seasonally adjusted annual rate of 6.18 million units in September from a level of 6.30 million in August, and were 14.2 percent below the 7.20 million-unit pace in September 2005, which was the third strongest month on record.

According to the Central Oregon Association of Realtors, the number of homes sold in Bend decreased 19.32% from 3rd quarter 2005 to 3rd quarter 2006. For the same time period, the average sales price increased 25.09 percent to \$404,972 and the median sales price increased 30.25 percent to \$351,016. The average home sold in Bend during 2006 3rd quarter was on the market 130 days, an increase from 119 in 2005.

David Lereah, NAR's chief economist, said stabilizing sales should build confidence in the housing market. -â€œConsidering that existing-home sales are based on closed transactions, this is a lagging indicator and the worst is behind us as far as a market correction -â€“ this is likely the trough for sales,â€• he said. -â€œWhen consumers recognize that home sales are stabilizing, weâ€™ll see the buyers whoâ€™ve been on the sidelines get back into the market, and sales will be at more normal levels in the wake of the unsustainable boom that we saw last year.â€• He noted sales already are improving in some areas.

Total housing inventory levels fell 2.4 percent at the end of September to 3.75 million existing homes available for sale, which represents a 7.3-month supply at the current sales pace.

NAR President Thomas M. Stevens from Vienna, Va., said the industry is encouraged that the number of homes on the market is starting to decline. -â€œIt appears we have passed a cyclical peak in terms of the number of homes on the market,â€• said Stevens, senior vice president of NRT Inc. -â€œThe good news is that fewer new listings are coming online. A stable sales pace is expected to draw down the number of listings to a supply balance that will support positive price growth within a few months. Taking the long view is always

the best way to approach housing decisions, and right now, buyers are in a very favorable market.â€•

With the market in transition, the national median existing-home price for all housing types was \$220,000 in September, which is 2.2 percent below September 2005 when the median was \$225,000. The median is a typical market price where half of the homes sold for more and half sold for less.

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage was 6.40 percent in September, down from 6.52 percent in August; the rate was 5.77 percent in September 2005.

Single-family home sales slipped 1.6 percent to a seasonally adjusted annual rate of 5.42 million in September from a pace of 5.51 million August, and were 13.8 percent below the 6.29 million-unit level in September 2005, which was the second highest month on record. The median existing single-family home price was \$219,800 in September, down 2.5 percent from a year earlier.

Existing condominium and cooperative housing sales fell 3.2 percent to a seasonally adjusted annual rate of 763,000 units in September from 788,000 in August, and were 16.0 percent less than the 908,000-unit pace in September 2005. The median existing condo price³ was \$219,800 in September, which is 2.8 percent lower than a year ago.

Regionally, existing-home sales in the South rose 0.4 percent to an annual sales rate of 2.52 million in September, but were 9.0 percent below September 2005. The median price in the South was \$184,000, down 1.6 percent from a year ago.

Existing-home sales in the Midwest eased 2.8 percent in September to a level of 1.39 million, and were 13.7 percent lower than a year ago. The median price in the Midwest was \$169,000, which is 2.3 percent below September 2005.

In the West, existing-home sales declined 3.1 percent to an annual pace of 1.25 million in September, and were 23.8 percent lower than a year earlier. The median price in the West was \$332,000, down 4.3 percent from September 2005.

Existing-home sales in the Northeast fell 3.7 percent to a level of 1.03 million in September, and were 13.4 percent below September 2005. The median existing-home price in the Northeast was \$259,000, down 5.1 percent from a year earlier.

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