

Existing-home sales improve in January

by Bend_Weekly_News_Sources

Sales of existing homes rose in January, reaching the highest level in seven months, according to the National Association of Realtors.

Total existing-home sales -- including single-family, townhomes, condominiums and co-ops -- increased 3.0 percent to a seasonally adjusted annual rate of 6.46 million units in January from an upwardly revised pace of 6.27 million in December. Sales were 4.3 percent below the 6.75 million-unit level in January 2006.

David Lereah, NAR's chief economist, said observers shouldn't overreact to the sales gain, or to other short-term effects. "Although we're expecting existing-home sales to gradually rise this year, and buyers are responding to the price correction, some unusually warm weather helped boost sales in January," he said. "On the flip side, the winter storms that disrupted so much of the country in February could negatively impact the housing market.

"Although the data is seasonally adjusted, these weather events are unusually large -- many transaction closings were postponed in February, and home shopping was essentially shut down for about a week in many areas," he said. "We shouldn't be surprised to see a near-term sales dip, but that will be followed by a continuing recovery in home sales."

Total housing inventory levels rose 2.9 percent at the end of January to 3.55 million existing homes available for sale, which represents a 6.6-month supply at the current sales pace -- unchanged from the revised December level. Supplies peaked at 7.4 months in October. "Inventories are looking better, but price softness should continue until spring when the market is expected to become more balanced," Lereah said.

The national median existing-home price for all housing types was \$210,600 in January, down 3.1 percent from January 2006 when the median was \$217,400. The median is a typical market price where half of the homes sold for more and half sold for less.

Single-family home sales rose 3.5 percent to a seasonally adjusted annual rate of 5.69 million in January from an upwardly revised 5.50 million in December, but were 4.2 percent below the 5.94 million-unit level in January 2006. The median existing single-family home price was \$209,200 in January, down 3.5 percent from a year earlier.

Existing condominium and cooperative housing sales slipped 0.1 percent to a seasonally adjusted annual rate of 767,000 units in January from a downwardly revised pace of 768,000 in December. Last month's sales activity was 5.7 percent below the 813,000-unit pace in January 2006. The median existing condo price was

\$222,200 in January, up 0.5 percent from a year ago.

Regionally, existing-home sales in the West rose 5.6 percent to an annual pace of 1.32 million in January but were 9.6 percent lower than a year ago. The median price in the West was \$321,300, down 4.6 percent from January 2006.

In the Midwest, existing-home sales increased 4.8 percent in January to a level of 1.53 million, and were 0.6 percent lower than January 2006. The median price in the Midwest was \$162,600, which is 3.5 percent below a year ago.

Existing-home sales in the South rose 2.0 percent to an annual sales rate of 2.54 million in January, but were 7.3 percent below a year ago. The median price in the South was \$174,600, which is 1.7 percent below January 2006. Existing-home sales in the Northeast were at a level of 1.07 million in January, unchanged from December, and were 5.9 percent higher than January 2006. The median existing-home price in the Northeast was \$260,700, down 1.2 percent from a year earlier.

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