

Prices Rise, Existing-Home Sales Decline in June

WASHINGTON, July 25, 2007 –

Sales of existing homes fell in June with some potential buyers staying on the sidelines, but prices rose modestly as inventories eased, according to the National Association of Realtors®.

[Total existing-home sales](#) – including single-family, townhomes, condominiums and co-ops – declined 3.8 percent to a seasonally adjusted annual rate¹ of 5.75 million units in June from a downwardly revised level of 5.98 million in May, and are 11.4 percent below the 6.49 million-unit pace in June 2006.

Lawrence Yun, NAR senior economist, said some consumers are uncertain. “Home buyers have been getting mixed signals about the housing market, which is causing some of them to hesitate,” he said. “Mortgage interest rates have risen recently, and tightening lending standards are continuing to hamper sales, but fewer risky loans will put the market on a healthier path. Although general buying conditions remain favorable for long-term home buyers, it appears some buyers are looking for more signs of stability before they have enough confidence to make an offer.”

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage was 6.66 percent in June, up from 6.26 percent in May; the rate was 6.68 percent in June 2006.

“Two bright spots in the June report are a decline in housing inventory and a modest gain in home prices,” Yun said. “Although we’ve seen seasonal month-to-month price increases over the past four months, this is the first time in 11 months that the median home price is higher than the year-ago price.”

The national median existing-home price² for all housing types was \$230,100 in June, up 0.3 percent from June 2006 when the median was \$229,300. The median is a typical market price where half of the homes sold for more and half sold for less.

Total housing inventory fell 4.2 percent at the end of June to 4.20 million existing homes available for sale, which represents an 8.8-month supply at the current sales pace, the same as a downwardly revised 8.8-month supply in May.

NAR President Pat V. Combs, from Grand Rapids, Mich., and vice president of Coldwell Banker-AJS-Schmidt, said that local market conditions vary widely. “Consumers should avoid making decisions based on what they hear about the national market because all real estate is local,” she said.

“There are pockets around the country where home sales are quite strong, so you really need to consult with a knowledgeable real estate professional about local market conditions – experience is one way Realtors® add value to the real estate transaction, and a reputable agent is your best resource to navigate the current market, whether it’s moving up or down,” Combs said.

Single-family home sales fell 3.5 percent to a seasonally adjusted annual rate of 5.01 million in June from a downwardly revised 5.19 million in May, and are 12.1 percent below the 5.70 million-

unit level in June 2006. The median existing single-family home price was \$230,300 in June, up 0.1 percent from a year ago.

Existing condominium and co-op sales dropped 6.3 percent to a seasonally adjusted annual rate of 740,000 units in June from 790,000 in May, and are 6.6 percent lower than the 792,000-unit pace a year ago. The median existing condo price³ was \$228,900 in June, up 2.6 percent from June 2006.

Regionally, existing-home sales in the South eased by 1.7 percent to an annual sales rate of 2.26 million in June, and are 11.4 percent below a year ago. The median price in the South was \$190,800, up 0.7 percent from June 2006.

Existing-home sales in the Midwest declined 2.8 percent in June to a level of 1.37 million, and are 8.1 percent below June 2006. The median price in the Midwest was \$171,700, which is 1.5 percent below a year ago.

Existing-home sales in the West dropped 6.8 percent in June to an annual pace of 1.10 million, and are 19.1 percent below a year ago. The median price in the West was \$340,000, down 0.4 percent from June 2006.

Existing-home sales in the Northeast fell 7.3 percent to a level of 1.01 million in June, and are 7.3 percent lower than June 2006. The median existing-home price in the Northeast was \$294,400, up 1.8 percent from a year ago.

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