

Existing-Homes Sales Stable In July

WASHINGTON, August 27, 2007 -

Existing-home sales were essentially unchanged in July, with increases in the West and Northeast offset by a decline in the Midwest, according to the National Association of Realtors®.

[Total existing-home sales](#) – including single-family, townhomes, condominiums and co-ops – slipped 0.2 percent to a seasonally adjusted annual rate¹ of 5.75 million units in July from an upwardly revised pace of 5.76 million in June, and are 9.0 percent below the 6.32 million-unit level in July 2006.

Lawrence Yun, NAR senior economist, said the market is holding on despite temporary mortgage disruptions. “Home sales probably would be rising in the absence of the mortgage liquidity issues of the past two months,” he said. “Some buyers with contracts have been scrambling when loan commitments did not materialize at the last moment, while other potential buyers are simply waiting for the mortgage market to stabilize.

“The rise in sales and prices in the Northeast region on a fairly consistent basis in recent months is promising because this was the first region that underwent sales and price weakness after the boom. Now, it appears that it will be the first region to climb back, indicating that other regions could follow a similar path.”

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage was 6.70 percent in July, up from 6.66 percent in June; the rate was 6.76 percent in July 2006. Last week, Freddie Mac reported the 30-year fixed rate dropped to 6.52 percent.

The national median existing-home price² for all housing types was \$228,900 in July, down 0.6 percent from July 2006 when the median was \$230,200, the highest monthly price on record. The median is a typical market price where half of the homes sold for more and half sold for less.

Total housing inventory rose 5.1 percent at the end of July to 4.59 million existing homes available for sale, which represents a 9.6-month supply at the current sales pace, up from an upwardly revised 9.1-month supply in June.

[NAR President Pat V. Combs](#), from Grand Rapids, Mich., and vice president of Coldwell Banker-AJS-Schmidt, said that mortgages are available for the majority of potential buyers. “For buyers able to qualify for conventional financing, there are ample opportunities in the current market,” she said. “Availability and pricing of conventional loans are reasonable, and FHA-insured mortgage applications have been rising as low- and moderate-income buyers seek alternatives to subprime loans. If buyers are in it for the long haul, now can be a good time to get into your home.”

Combs added it’s important to boost FHA’s viability. “NAR is advocating for a stronger FHA to help creditworthy borrowers who may be trapped in subprime loans with unfavorable terms,” she said.

“We’d also like to see the elimination of prepayment penalties, which can trap borrowers in mortgages they can no longer afford.”

Single-family home sales slipped 0.4 percent to a seasonally adjusted annual rate of 5.00 million in July from an upwardly revised level of 5.02 million in June, and are 9.3 percent below the year-ago pace of 5.51 million units. The median existing single-family home price was \$228,600 in July, down 1.0 percent from July 2006.

Existing condominium and co-op sales rose 1.4 percent to a seasonally adjusted annual rate of 750,000 units in July from 740,000 in June, but are 7.5 percent below the 811,000-unit level in July 2006. The median existing condo price³ was \$230,600 in July, up 2.4 percent from a year ago.

Regionally, existing-home sales in the West rose 1.8 percent in July to an annual pace of 1.12 million, but are 15.2 percent below a year ago. The median price in the West was \$349,400, up 0.9 percent from July 2006.

Existing-home sales in the Northeast increased 1.0 percent to a level of 1.02 million in July, but are 2.9 percent lower than July 2006. The median existing-home price in the Northeast was \$290,900, up 5.9 percent from a year ago.

Existing-home sales in the South were unchanged at an annual rate of 2.26 million in July, but are 10.7 percent below a year ago. The median price in the South was \$186,300, down 3.2 percent from July 2006.

Existing-home sales in the Midwest fell 2.2 percent in July to a level of 1.35 million, and are 5.6 percent below July 2006. The median price in the Midwest was \$173,800, which is 1.8 percent below a year ago.

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