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Annual real estate sales rise for 3rd straight month (CHARTS)

National median home price declines 3.5%

BY INMAN NEWS, THURSDAY, OCTOBER 20, 2011.

At a glance: Existing-home sales (September 2011):

| | |
|-----------------------------------|---------------------|
| Seasonally adjusted annual rate | 4.91 million |
| % change from Sep. 2010 | +11.3% |
| % change from August 2011 | -3% |
| | |
| National median price | \$165,400 |
| % change from Sep. 2010 | -3.5% |
| | |
| Unsold inventory (months' supply) | 8.5 |
| Share of all-cash buyers | 30% |
| Share of investor buyers | 19% |
| Share of first-time buyers | 32% |
| Share of distressed sales | 30% |

Source: National Association of Realtors.

Existing-home sales rose year over year for the third straight month in September, according to the latest monthly [report](#) from the National Association of Realtors.

Sales of single-family homes, townhomes, condominiums and co-ops increased 11.3 percent last month to a seasonally adjusted annual rate of 4.91 million. Existing-home sales have been rising by double digits on an annual basis since July. On a monthly basis, sales fell 3 percent in September, compared with a 7.7 percent rise in [August](#).

Nationwide, existing homes sold for a median \$165,400 last month, down 3.5 percent from September 2010. Distressed homes, typically sold at discount,

accounted for 30 percent of sales last month (18 percent were foreclosures, 12 percent were short sales), down from 35 percent a year ago, the report said.

Unsold inventory fell 2 percent in September to 3.48 million -- an 8.5-month supply at the current sales pace.

All-cash buyers, most of whom are investors, accounted for 30 percent of purchases last month, up slightly from 29 percent in September 2010, according to a separate NAR survey. Investors accounted for 19 percent of sales last month, up from 18 percent a year ago. First-time buyers made up 32 percent of sales, unchanged year over year.



"Existing-home sales have bounced around this year, staying relatively close to the current level in most months," said Lawrence Yun, NAR's chief economist, in a statement.

"The irony is affordability conditions have improved to historic highs and more creditworthy borrowers are trying to purchase homes, but the share of contract failures is double the level of September 2010. Even so, the volume of successful buyers is higher than

a year ago and is remaining fairly stable -- this speaks to an unfulfilled demand."

Eighteen percent of survey respondents reported contract failures last month, unchanged from August but up from 9 percent in September 2010.

"Contract failures are cancellations caused by declined mortgage applications, failures in loan underwriting from appraised values coming in below the negotiated price, or other problems including home inspections and employment losses," the report said.

Regionally, the Northeast was the only region to see existing-home sales rise on both a monthly and annual basis. Sales rose 2.6 percent month to month and 6.8 percent year over year to an annual level of 790,000 last month. The region's median price fell 3.3 percent year over year to \$229,400.

The Midwest saw sales rise the most on a yearly basis in September: up 17.2 percent, to 1.09 million. Sales dipped 0.9 percent compared to August. The region also saw the smallest median price slip compared to a year ago: 1.4 percent to \$137,400.

The South also saw a double-digit annual increase in sales last month: up 10.5 percent to 1.89 million. Sales fell 2.6 percent compared to August. The region's median price fell 3 percent year-over-year to \$144,400.

Though existing-home sales rose 10.7 percent year-over-year last month in the West, the region also saw the biggest decline in sales compared to August, an 8.8 percent decline to 1.14 million.

Yun attributed the decrease to lenders lowering mortgage loan limits in case sales didn't close before the expiration of higher conforming loan limits at the end of September.

The West also saw the biggest year-over-year price decline, -4.5 percent, to \$207,400.

In a separate [report](#), the California Association of Realtors reported sales of existing, single-family homes in the Golden State fell 2.1 percent month to month in September, but rose 4.1 percent year over year, to an annual rate of 487,940 units. The state's median price fell even more precipitously last month than in the region as a whole: down 8.3 percent to \$287,440.

Nationwide, sales rose on an annual basis in all price ranges last month, with homes under \$100,000 seeing the biggest jump, according to the NAR report.

Homes \$250,000 and under accounted for 70 percent of all existing-home sales.

| % Change in Sales from 1 Year Ago | | | | | | |
|-----------------------------------|----------|------------|------------|------------|-----------|-------|
| Region | \$0-100K | \$100-250K | \$250-500K | \$500-750K | \$750K-1M | \$1M+ |
| Northeast | 12.7% | 13.7% | 2.2% | 8.8% | 16.1% | 6.0% |
| Midwest | 17.4% | 18.0% | 4.9% | 10.7% | 3.4% | -7.5% |
| South | 18.4% | 12.9% | 4.6% | 9.1% | 8.4% | 9.8% |
| West | 42.4% | 16.4% | 6.7% | 2.2% | 11.5% | 3.5% |
| U.S. | 22.3% | 15.2% | 4.6% | 6.4% | 11.5% | 4.4% |
| | | | | | | |

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|---------------------------|----------|------------|------------|------------|----------|-------|
| | | | | | | |
| Sales Distribution | | | | | | |
| Region | \$0-100K | \$100-250K | \$250-500K | \$500-750K | \$750-1M | \$1M+ |
| U.S. | 25.5% | 44.6% | 21.4% | 5.4% | 1.6% | 1.5% |

Source: National Association of Realtors.

Among 19 metro areas tracked by NAR, all but two saw sales rise year over year in September. Miami-Ft. Lauderdale, Fla., saw the biggest jump (34.1 percent), followed by Minneapolis-St. Paul, Minn. (27.7 percent) and New Orleans (27.3 percent).

Median prices fell year over year in all but five metros. Atlanta saw the biggest decline (15.7 percent to \$94,000), followed by Miami-Ft. Lauderdale (11.8 percent to \$180,000). Only Indianapolis, New Orleans and San Antonio saw their median price rise more than 1 percent.

| September Metro Area Existing Single-Family Home Sales and Prices | | | | |
|--|--------------|-----------|--------------------------|-------|
| <i>*all data is unadjusted for seasonality</i> | | | | |
| | Median Price | | % Change from 1 Year Ago | |
| MSA | Sep-10 | Sep-11 | Price | Sales |
| Atlanta | \$111,500 | \$94,000 | -15.7% | 24.7% |
| Baltimore | \$246,700 | \$236,600 | -4.1% | 8.0% |
| Boston | \$348,800 | \$343,600 | -1.5% | 15.2% |
| Cincinnati | \$130,900 | \$123,400 | -5.7% | 13.7% |
| Dallas-Fort Worth | \$147,400 | \$147,600 | 0.1% | 17.3% |
| Houston | \$156,400 | \$157,800 | 0.9% | 18.8% |
| Indianapolis | \$118,900 | \$126,100 | 6.1% | 12.7% |
| Kansas City | \$137,900 | \$128,100 | -7.1% | 17.5% |
| Miami-Ft. Lauderdale | \$204,100 | \$180,000 | -11.8% | 34.1% |
| Minneapolis-St. Paul | \$171,100 | \$158,900 | -7.1% | 27.7% |
| New Orleans | \$146,500 | \$153,200 | 4.6% | 27.3% |
| New York-Northern New Jersey-Long Island | \$384,000 | \$382,000 | -0.5% | 0.4% |
| Philadelphia | \$225,200 | \$212,600 | -5.6% | 8.9% |
| Phoenix | \$134,700 | \$126,500 | -6.1% | 25.3% |
| Portland | \$237,000 | \$222,500 | -6.1% | 14.8% |
| San Antonio | \$143,600 | \$148,700 | 3.6% | 10.2% |
| San Diego | \$383,300 | \$364,200 | -5.0% | 6.2% |
| St. Louis | \$125,200 | \$121,000 | -3.4% | -5.7% |

| | | | | |
|------------------|-----------|-----------|-------|-------|
| Washington, D.C. | \$319,500 | \$319,300 | -0.1% | -5.9% |
| U.S. | \$172,400 | \$165,600 | -3.9% | 15.2% |

Source: National Association of Realtors.