

NAR: Single-family sales rate nears 10-year low

Median existing-home price drops 4.2% in September

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The sales rate for previously owned single-family homes dropped to its lowest level in about 10 years, and the price of resale single-family homes, condos and co-ops dropped 4.2 percent year-over-year in September, the National Association of Realtors [reported today](#).

The trade group also reported that the for-sale inventory of single-family homes reached 10.2 months in September, which was the highest level since February 1988 when it was 10.3 months. The inventory is a measure of how many months it would take to exhaust the for-sale supply of resale single-family homes at the current sales rate.

Total housing inventory, for single-family homes, condos and co-ops reached 10.5 months in September, which is up 43.5 percent compared to a 7.3-month inventory in September 2006.

The seasonally adjusted annual rate of existing single-family, condo and co-op sales dropped to 5.04 million in September, down 19.1 percent compared to September 2006 and down 4 percent compared to Wall Street expectations of a 5.25 million rate. The adjusted annual rate is a projection of a monthly sales total over a 12-month period, adjusted to account for seasonal fluctuations in sales activity.

It was the lowest rate for combined resale single-family and condo/co-op sales since the National Association of Realtors began reporting the property types together in 1999. The September single-family rate of 4.38 million was the lowest since January 1998, when it was 4.18 million.

The median sales price of existing homes dropped 4.2 percent to \$211,700 and the average sales price dropped 3.2 percent to \$257,800 in September compared to the same month last year, the Realtor group reported. It was the largest year-over-year drop in the monthly median price since October 2006 when the median price fell 4.3 percent.

Mortgage-market problems disrupted sales and prices, the National Association of Realtors reported, though prices rose in the Northeast and Midwest.

Existing-home sales for the third quarter reached an annual rate of 5.42 million, slightly higher than the group's expectations of a 5.38 million annual rate for that quarter.

Lawrence Yun, NAR senior economist, said in a statement that sales slowed "notably in higher-priced areas that rely more on jumbo loans," adding that "some of the cancelled transactions will move forward as buyers apply for other loans."

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage fell to 6.38 percent in September compared with 6.57 percent in August, and the rate was 6.4 percent in September 2006.

The seasonally adjusted annual rate of existing condo and co-op sales fell 14.7 percent in September compared to the same month last year, to 660,000 units. The median existing condo price was \$221,700 in September, up 1.4 percent compared to September 2006.

Regionally, sales of previously owned homes fell 27.8 percent in the West, 18.7 percent in the South, 16.2 percent in the Midwest and 13.5 percent in the Northeast in September compared to the same month last year.

[Existing-home sales statistics](#) are based on transaction closings, the association noted, and nearly 40 percent of multiple listing service data each month. The statistics typically are not subject to large prior-month revisions.