

# Bargains fuel rise in sales of homes

As U.S. market for existing homes improves, Atlanta's stays flat; financial turmoil may work against turnaround.

By DINA EL BOGHADY  
Washington Post

**Washington** — Defying economic trends, sales of existing homes rose in September as buyers in some of the hardest-hit real estate markets snapped up foreclosures at bargain prices, a real estate industry trade group reported Friday.

Sales of single-family houses, townhouses, condominiums and cooperatives rose 5.5 percent in September from the previous month to a seasonally adjusted annual rate of 5.18 million units, the highest level in a year, according to the National Association of Realtors.

They were up 1.4 percent from the same period a year ago — the first time since November 2005 that home sales have been above year-ago levels.

In the South, sales rose 2.2 percent.

"The sales turnaround which began in California several months ago is broadening now to Colorado, Kansas, Minnesota, Missouri and Rhode Island," Lawrence Yun, the group's chief economist, said in a statement.

Atlanta's resale market is pretty much flat, said Dick Hearin, senior vice president of market research for Coldwell Banker.

"Those markets that crashed the worst have probably bounced back," Hearin said. "I don't see any significant deterioration in the Atlanta market, but I don't see any significant upturn either."

Hearin's latest data, comparing August to August, showed a 26.7 percent decline in resales.

Despite the national upturn, turmoil in the world's financial markets this month may disrupt the momentum in the housing markets. Interest rates have climbed since last month, and price declines continue to put pressure on homeowners who want to refinance or sell.

Still, the low home prices seemed to lure buyers into the market last month. The median price of existing homes in September was \$191,600, meaning half the homes sold for more and half for less. That's down 9 percent from a year ago, when the median was \$210,500.

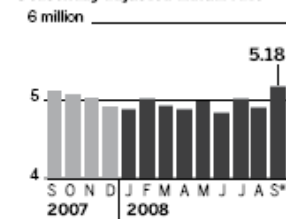
Foreclosures are dragging down prices. "Distressed sales are currently 35 to 40 percent of transactions," Yun said.

Low prices helped whittle down the bloated supply of homes for sale, which fell 1.6 percent to 4.27 million at the end of September. If sales continue at the same pace, that would leave a 9.9-month supply of homes, still well above the five- to six-month supply found in a healthy market. But the drop in inventory is the second monthly decline in a row since inventories peaked in July.

The biggest sales gains occurred in markets with

## HOME SALES

Sales of existing homes in millions of units:  
Seasonally adjusted annual rate



\*preliminary

Source: National Association of Realtors

Associated Press

frothy prices during the housing boom. The sharpest gain was in the West, where sales jumped 16.8 percent to an annual rate of 1.25 million. The median price in the West was \$253,600, down 18.5 percent from a year ago.

In the Midwest, sales increased 4.4 percent. Prices were down in both regions, by 4.1 percent and 7.9 percent respectively.

In all, 14 metro areas in the South, including hurricane targets Houston and New Orleans, saw sales drop from last September, according to The Associated Press-Re/Max Housing Report, also released Friday. But home sales rose in six Southern metro areas, including Washington, D.C.; Tulsa, Okla.; and Miami.

In fact, the real estate market is quietly humming along in Tulsa, where sales were up nearly 8 percent.

"We consider ourselves a little mecca of United States housing," said Doug Horton, president of Northeast Oklahoma Real Estate Services.

Atlanta Journal-Constitution staff writer Kevin Duffy and The Associated Press contributed to this article.