

Existing-Home Sales Tumble 8%

By TOM BARKLEY

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WASHINGTON -- Demand for previously owned homes slid more than expected in September amid continued problems in the mortgage market, with single-family sales hitting their lowest sales pace in nearly 10 years.

Overall home resales declined to a 5.04 million annual rate, an 8.0% decrease from August's downwardly revised 5.48 million annual pace, the National Association of Realtors said Wednesday.

The August existing-home sales level came in well below Wall Street expectations for a 5.25 million rate.

The 5.04 million pace is the lowest since the association started accounting for combined single family and condo sales in 1999. Based on single-family sales of 4.38 million, the September figures are the weakest since January 1998.

"The credit freeze in August definitely impacted sales in September, particularly the jumbo [loan] side, so we have seen a large sales decline in the upper end of the market," NAR senior economist Lawrence Yun said.

The median home price was \$211,700 in September, down 4.2% from \$220,900 in September 2006. The median price in August this year was \$224,400.

Mr. Yun said conditions in the jumbo loan market have improved, so he still expects 2007 to rank as the fifth-best year in terms of existing home sales. **Prices are expected to ease about 1.5% from record high of last year of \$221,900.**

Inventories of homes rose 0.4% at the end of September to 4.40 million available for sale, which represented a **10.5-month supply at the current sales pace**. There was a 9.6 month supply at the end of August, revised down from a previously estimated 10.0 months.

Existing-home sales tumbled in all regions. Sales dropped 7.0% in the Midwest, 10.0% in the Northeast, 9.9% in the West, and 6.0% in the South.

The average 30-year mortgage rate was 6.38% in September, down from 6.57% in August, according to Freddie Mac.