

## Market Conditions

Existing-home sales bounced back strongly in September with first-time buyers driving much of the activity, marking five gains in the past six months, according to the National Association of Realtors®.

Existing-home sales – including single-family, townhomes, condominiums and co-ops – jumped 9.4 percent to a seasonally adjusted annual rate of 5.57 million units in September from a level of 5.09 million in August, and are 9.2 percent higher than the 5.10 million-unit pace in September 2008. Sales activity is at the highest level in over two years, since it hit 5.73 million in July 2007.

Lawrence Yun, NAR chief economist, said favorable conditions matched with a tax credit are boosting home sales. “Much of the momentum is from people responding to the first-time buyer tax credit, which is freeing many sellers to make a trade and buy another home,” he said. “We are hopeful the tax credit will be extended and possibly expanded to more buyers, at least through the middle of next year, because the rising sales momentum needs to continue for a few additional quarters until we reach a point of a self-sustaining recovery.”

Regionally, existing-home sales in the Northeast increased 4.4 percent to an annual level of 950,000 in September, and are 11.8 percent higher than September 2008. The median price in the Northeast was \$234,700, down 7.0 percent from a year ago.

Existing-home sales in the Midwest jumped 9.6 percent in September to a pace of 1.25 million and are 7.8 percent above a year ago. The median price in the Midwest was \$147,600, which is 1.0 percent below September 2008.

In the South, existing-home sales rose 9.0 percent to an annual level of 2.06 million in September and are 10.8 percent higher than September 2008. The median price in the South was \$153,500, down 7.6 percent from a year ago.

Existing-home sales in the West surged 13.0 percent to an annual rate of 1.30 million in September and are 5.7 percent above a year ago. The median price in the West was \$219,000, which is 15.0 percent below September 2008.

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