



## Home sales show surprising strength in Dec.

Existing home sales rise as inventory and prices fall

BREAKING NEWS

**The Associated Press**

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WASHINGTON - Sales of existing homes posted an unexpected increase last month, closing out the worst year for the U.S. real estate market in more than a decade on a surprising up note.

The National Association of Realtors said Monday that sales of existing homes rose 6.5 percent to an annual rate of 4.74 million in December, from a downwardly revised pace of 4.45 million in November.

The results were better than expected. December's sales had been forecast to fall to a pace of 4.4 million units, according to Thomson Reuters.

Buyers were taking advantage of dramatically lower prices, especially in distressed markets like California, Florida and Nevada, where foreclosures have swamped the market.

The nationwide median sales price plunged to \$175,400, down 15.3 percent from \$207,000 a year ago. That was the lowest price since May 2003 and the biggest year-over-year drop on records going back to 1968.

"The economy just simply cannot recover as long as home prices continue to decline," said Lawrence Yun, the trade group's chief economist, who called on lawmakers to include tax credits for home buyers in the economic recovery package being considered by Congress.

For all of 2008, there were 4.9 million existing home sales, down more than 13 percent from a year earlier, and the lowest total since 1997.

And another encouraging sign — the number of unsold homes on the market in last month fell nearly 12 percent to 3.7 million. At the current sales pace, it would take 9.3 months to sell all the properties, down from 11.2 months in November.

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