



Amy Sancetta / Associated Press

Contract worker Tony Wolf, left, carries a for-sale sign post to co-worker Glen Anderson, who was digging the hole for the sign, outside a home in Chagrin Falls, Ohio.

Low-end homes lift April sales

By Alan Zibel

Associated Press

WASHINGTON — Buyers who were brave enough to dive into the market for a bargain-priced house helped provide a modest boost to sales last month.

Sales of inexpensive foreclosures and other distressed properties have even sparked bidding wars in cities such as Las Vegas, Phoenix and Miami. But the market for high-end properties is at a standstill, mainly because it remains difficult to get mortgages for expensive homes.

"We're looking at a dual market right now," said Sherry Chris, chief executive of Better Homes and Gardens Real Estate.

The National Association of Realtors said Wednesday that home sales rose 2.9 percent to an annual rate of 4.68 million in April from a downwardly revised pace of 4.55 million in March. Sales were 4.6 percent below April 2008, without adjusting for seasonal factors.

Compared with January, the lowest point in the housing recession, April sales were up nearly 4 percent. But compared with the peak in September 2005, sales are still down 35 percent.

And the sales have not kept pace with foreclosures, which are rising at an alarming pace. Foreclosed properties help drag down the median sale price to \$170,200.

Affordability brought Rogelio Gonzalez, 44, back into the Miami market. Gonzalez sold his five-bedroom home in 2007 for \$485,000 and has been renting since. Now, prices have dropped to where he wants to buy a foreclosure in the \$150,000 range, but he's finding plenty of competition.

"Since I sold at the high point, I was waiting until I could buy at the lowest point," Gonzalez said. "I've been in open houses and I've run into eight, 10, 15 people looking for houses."

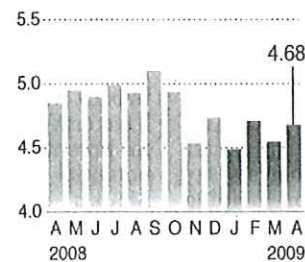
Foreclosures and other distressed sales made up about 4 percent of transactions in April, according to the Realtors group.

In Phoenix, Floyd Scott, broker-owner of Century 21 Arizona-Foothills, said roughly 7 percent of sales in his area are from distressed buyers. But that can't last forever, he said, because "we're running out of inventory."

Nationally, however, the number of unsold homes at the end of April rose almost 9 percent from a month earlier to nearly 4 million.

Home sales

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



Source: National Association of Realtors.

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