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RE/MAX National Housing Report: Home prices and sales trend higher

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The national median home price rose for the third straight month in April, indicating that a housing recovery is strengthening in 2012. In the 53 metropolitan areas surveyed by the RE/MAX National Housing Report, median home prices were 3.2% higher than March and a solid 5.9% higher than April 2011. After 18 consecutive months of year-over-year price declines, February was the first month home prices experienced an increase. Now, March and April have followed suit creating a positive trend. The market continues to show strength with home sales 4.1% higher than April 2011. April becomes the 10th month sales have pushed higher than the same month a year earlier. Inventory, months supply and days on market are all trending lower. With current levels of sales and inventory, an expected up-tick in foreclosure properties could be absorbed if they come to market over a reasonable time frame.

"It's encouraging to see several improving economic and housing indicators, which are pointing to a continuing real estate recovery," said Margaret Kelly, CEO of RE/MAX, LLC. "While home prices are still low and interest rates remain at historically low levels, it's likely that many more potential homebuyers will leave the sidelines and jump into this market."

Closed sales transactions in April were just .1% higher than March, but 4.1% higher than April 2011. April is the 10th consecutive month to report home sales at a higher level than the previous year. It now appears that this season will be strong throughout rather than just a few good months at the beginning of the year. Of the 53 metro areas surveyed in April, 39 saw higher sales than one year ago, and of those, 18 saw double-digit increases including: Milwaukee, WI +38.4%, Albuquerque, NM +30.2%, Nashville, TN +26.2%, Providence, RI +21.7%, Des Moines, IA +21.4%, and Chicago, IL +19.8%.

Median Sales Price:

The Median Sales Price of homes sold in April was \$161,000. This price is 3.2% higher than the March median price and 5.9% higher than the median price seen a year ago. April is the third consecutive month in the last 21 months to experience a year-over-year increase. The April RE/MAX National Housing Report of 53 metro areas revealed that 43 metro areas saw price increases over last year, 12 posted double digit gains including: Phoenix, AZ +25.4%, Detroit, MI +25.4%, Miami, FL +24.0%, Denver, CO +15.0%, Omaha, NE 14.9%, and Tampa, FL +14.7%.

(Note: Median Sales Price is now being calculated as a straight median within and among all metro areas and is no longer being weighted)

Months Supply of Inventory - Average of 53 Metro Areas

The average Days on Market for all homes sales in the month of April was 96, a significant drop from the 101 days seen in March and also lower than the 98 average seen in April 2011. In a market with a dwindling inventory and increased sales, Days on Market is expected to fall. However, in the

last 12 months, the average Days on Market was recorded below 90 for only two months. July and September 2011 both reported 88. Days on Market is the number of days between first being listed in an MLS and when a sales contract is signed.

In the 53 surveyed metro areas, the inventory of homes for sale fell 3.7% from March and was 25.6% lower than the inventory of homes for sale in April 2011. Mostly due to fewer foreclosure properties coming to market, month-to-month inventories have now fallen for 22 consecutive months. At the current rate of sales, the average Months Supply is now 5.3, the same as March, but two months lower than the 7.1 supply a year ago. Months Supply is the number of months it would take to clear a market's active inventory at the current rate of sales. A six-month supply is considered a balanced market between buyers and sellers.

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