

# Contracts to buy homes rose

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WASHINGTON — The number of Americans who signed contracts to buy homes rose for a second month in June. But the gain was not enough to signal a rebound in the weak housing market.

The National Association of Realtors said its index of sales agreements

for previously occupied homes rose 2.4 percent in June to a reading of 90.9. A reading of 100 is considered healthy. The last time the index reached that level was in April 2010, the final month buyers could qualify for federal credit.

Contract signings are typically a reliable indicator of where the housing market is headed. That's because there's usually

a one- to two-month lag between a sales contract and a completed deal.

But the Realtors group says a growing number of buyers have cancelled contracts ahead of closings after appraisals showed the homes were worth less than they bid. A sale isn't final until a mortgage is closed.

Homes are now the most affordable they've been in

years. But bargain prices and super-low mortgage rates have done little to boost sales. Economists say it could be several years before the nation's housing market recovers.

Mixed reports on the struggling housing market → an increase in contract signings, a rise in home prices, slumping sales of re-sold homes and huge numbers of foreclosures in

## in June

waiting — have left many economists puzzled. But one thing is clear: the market won't see a significant recovery this year.

"In absolute terms this is a very depressed level, and with prices in most areas either still declining or flat, there is little incentive for buyers to be aggressive," said Joshua Shapiro, chief U.S. economist at MFR Inc.