Existing home sales slip a bit

Low inventory hurts market in March

By Julie Schmit
USA Today

Existing home sales fell unexpectedly in March, to an annual rate of 4.92 million, as low inventories of homes for sale continued to hold back the housing market's slow recovery.

Sales fell 0.6 percent from February's rate of 4.95 million, which was revised lower, the National Association of Realtors said. Economists had forecast March's rate would hit 5 million.

Tight supplies are affecting sales volumes in some markets. In California, March sales of single-family homes were down almost 5 percent year-over-year, the California Association of Realtors said.

The association blamed low inventories of homes for sale. In that state, the inventory fell in March to a 2.9-month supply, meaning they would all sell in 2.9 months if no more homes came on the market. Generally, realtors consider a 6-month supply to be a balanced market between buyers and sellers.

Home sales volumes in Phoenix fell 14 percent year-over-year in March, said researcher DataQuick.

Even if volumes fall in some places, prices continue to rise.

Nationwide, home prices were up 10.2 percent in February year over year.