# Homebuilder sentiment at highest point in year

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NEW YORK — The National Association of Home Builders said Monday its housing market index rose in August to the highest point in more than a year, as homebuyers hurried to take advantage of a federal tax credit before it expires.

The Washington-based trade association said Monday the index rose one point to 18, a level not seen since June 2008.

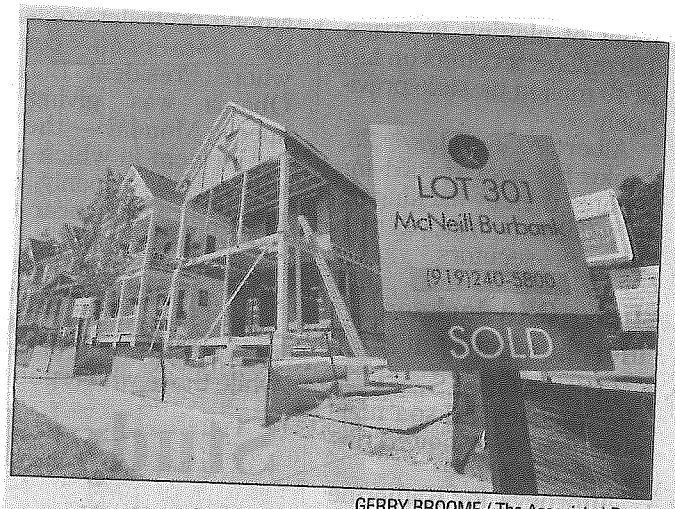
The federal tax credit that covers 10 percent of a home price up to $8,000 for first-time buyers is set to expire at the end of November.

To qualify, single buyers must earn less than $75,000, for couples the cap is $150,000. The trade group is lobbying Congress to extend the tax credit for another year and to offer it to all buyers, regardless of income.

The reading for current sales conditions was unchanged at 16, while traffic by prospective buyers rose three points to 16. The index for expected sales over the next six months jumped four points to 30, signaling that builders think the worst of the housing slump is over.

Sales of new homes have risen for the past three months in a row, and financial results for homebuilders were also better than expected in the latest quarter.

The report reflects a survey of 474 residential developers nationwide, tracking builders' perceptions of market conditions. Index readings lower than 50 indicate negative sentiment about the market. The last time it was above 50 was in April 2006.




GERRY BROOME / The Associated Press

New housing construction rises in the Briar Chapel community near Chapel Hill, N.C.