

# May home sales up 4.2%

Median price rockets 15.4% to \$208,000 as supply remains tight

By Julie Schmit  
USA Today

Existing home sales improved in May but the supply of homes for sale remains tight — which isn't good news for buyers, the National Association of Realtors said Thursday.

Total existing home sales increased 4.2 percent to a seasonally adjusted annual rate of 5.18 million in May from 4.97 million in April, NAR said. That's the highest rate since November 2009 and almost 13 percent above year-ago levels.

Details from Thursday's report:

» **Supply stays tight.** The inventory of homes for sale, meanwhile,

dipped to a 5.1-month supply, down from 5.2 months in April. That means all the homes would sell in that time frame if no new supply was added and sales continued at May's pace. Realtors consider a six-month supply to be a balanced market between buyers and sellers.

Total housing inventory at the end of May was up 3.3 percent to 2.22 million existing homes for sale.

The supply is unlikely to grow unless home building ramps up an additional 50 percent, says Lawrence Yun, NAR chief economist.

» **Less than month on market.** Homes are also selling fast. The median time on market for all

homes was 41 days in May, down from 46 in April. Nationwide, 45 percent of all homes sold in May were on the market for less than a month, NAR says.

» **Median price jumps.** The national median existing-home price was \$208,000 in May, up 15.4 percent from a year ago. Median prices can fluctuate depending on the types of homes that sell month to month.

Tight supplies of homes for sale has helped drive price gains in many markets. As prices rise, more homeowners are likely to try to sell their homes.

When adjusted for seasonal factors, the inventory has risen for four straight months and is up 7 percent since January, says Jed Kolko, chief economist for real estate website Trulia.