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Median home prices fell nationwide in 3Q

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A real estate group says home prices fell in eight out of every 10 U.S. cities in the third quarter of this year as heavily discounted distressed sales made up 30 percent of all deals.

But home sales continued their climb, with quarterly sales outpacing the second quarter and the previous year's figures, the National Association of Realtors said Tuesday.

The median sales prices of existing homes declined in 123 out of 153 metropolitan areas compared with the same period a year ago. Prices rose in the other 30 cities.

The national median price clocked in at $177,900, or 11 percent below the third quarter last year.

"The decline in the national median price has moderated recently, and a shrinking supply of unsold inventory suggests we are getting closer to price stabilization in many areas," said Lawrence Yun, the group's chief economist, in a statement. "But we need a steady stream of financially qualified buyers to further reduce inventory and get us to a self-sustaining market."

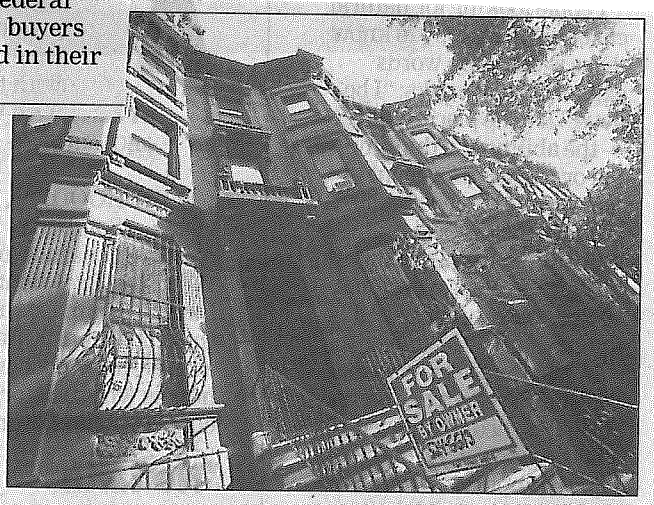
Prices in Fort Myers, Fla., plunged 40 percent to $98,000 from a year ago, the worst in the nation. Las Vegas saw its median price tumble almost 35 percent to $138,500 year-over-year.

The largest price gain, by contrast, was in Cumberland, Md., where prices jumped 19 percent to $122,100. Davenport, Iowa, followed with an increase of 14 percent to $115,600.

The federal tax credit of up to $8,000 for first-time homebuyers helped boost sales in the third quarter. U.S. home sales grew in 45 states from the second quarter, with 28 states posting double-digit gains.

Total quarterly sales hit a seasonally adjusted annual rate of 5.3 million, up more than 11 percent from 4.76 million in the second quarter.

President Barack Obama signed a bill last week extending and expanding the federal tax credit. Now, buyers who have owned in their current homes for at least five years are eligible for tax credits of up to $6,500. First-time homebuyers — or anyone who hasn't owned a home in the last three years — would still get up to $8,000. To qualify, buyers have to sign a purchase agreement by April 30, 2010, and close by June 30.



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A Brooklyn brownstone building is for sale by its owner in New York.