New-home sales rebound in July

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WASHINGTON — mericans stepped up teir purchases of new omes in July, with sales trging in the Northeast. The Commerce Detrement says new-home tes rose 5.4 percent last onth to a seasonally ljusted annual rate of 17,000, recovering from slide in purchases in

Buyers have crowded to the housing market is year. Backed by solid b growth over the past to years and relatively w mortgage rates, sales new homes jumped 21.2 recent through the first df of 2015, although the vernment sales report volatile on a monthly sis

New-home purchases mbed 23.1 percent in e Northeast, with smallgains in the South and est. Sales slumped in e Midwest.

Housing is once again iving growth as the

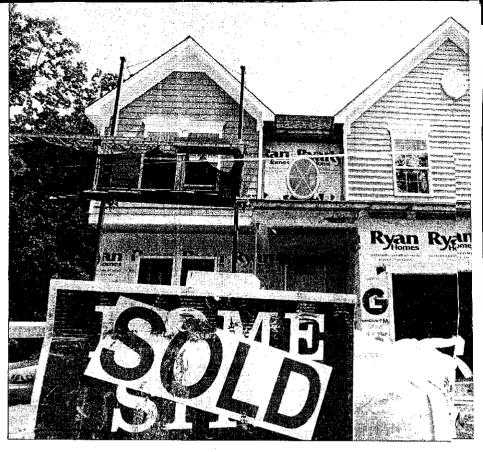
stock market has stumbled. Americans have felt more confident about their economic prospects, causing them to return to the housing market that initially sparked the Great Recession in late 2007. But supplies of new and existing homes have been tight, pushing up prices and limiting choices for would-be buyers.

There is 5.2 months' supply of new homes available, compared to six months in a healthy market. The shortage of listing has enabled the median price to rise 2 percent over the past 12 months to \$285,900.

Separately, Standard & Poor's/Case-Shiller 20city home price index has risen 5 percent in June from a year earlier.

Inventories are similarly tight among existing homes.

The National Association of Realtors said last week that sales of existing homes rose 2 percent last morth to a seasonally



A sold sign is displayed outside a new home under construction in Mechanicsville, released new home sales for July 2015 on Tuesday.

adjusted annual rate of 5.59 million, the fastest rate since February 2007. Sales have jumped 9.6 percent over the past 12 months, while the number of listings has declined 4.7 percent.

There are some signs that sales momentum might slow as more Americans are renting instead of buying. Real estate brokerage Redfin said its demand index fell in July for the fourth straight month, while real estate firm Zillow reported that rental prices are rising in many markets where home values are falling on a

month-over-month b Much of the addlition demand has emer'ged

a healthier jobs mark and low mortgage; rate Employers added 3.1 r lion jobs last year; and on pace to add 2.5 mill jobs this year.

th basis. litional ged for larket rates. 3.1 miland are million Borrowing costs have stayed about two percentage points below historical standards.

The average 30-year fixed rate was 3.93 percent last week, according to the mortgage giant Freddie Mac.