SALES OF EXISTING HOMES RISE 2.4% IN JULY

Figures are up for 4th-straight month

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Existing-home sales climbed last month to their fastest pace since September, providing further evidence that the housing market is bouncing back after a sluggish first half of the year.

Sales rose 2.4% to a seasonally adjusted annual rate of 5.15 million and have increased for four straight months, the National Association of Realtors said Thursday. The total slightly beat analysts' estimates, though sales remain 4.3% below the year-ago level.

NAR chief economist Lawrence Yun attributed the solid sales to growing housing inventories and moderating price increases. Those factors "are giving prospective buyers less hesitation about entering the market," he said.

Single-family home sales increased 2.7% last month, while condominium and co-op sales were unchanged.



CHRIS O'MEARA, AP

Home sales in Florida and the rest of the South led last month's growth.

Earlier this week, the government reported that housing starts also increased sharply in July.

The homes-for-sale inventory rose 3.5% to 2.4 million, which represents a 5.5-month supply. A six-month supply is considered balanced.

"This is exactly the sort of pattern we want to see," economists Patrick Newport and Stephanie Karol of IHS Global Insight said in a research note. "A virtuous cycle in which a wide variety of inventory entices buyers into the market, and a sufficient number of them turn out to bid up home prices, thus prompting sellers to continue to list their homes."

The housing market also reached a milestone as the stock of distressed homes — including foreclosures and short sales — fell to 9% of all sales, the first time they've slipped to single digits since the Realtors group began tracking the figure in fall 2008. In 2009, troubled sales represented 36% of all sales.

The share of first-time home buyers rose for the second straight month to 29%, though they remain below the 40% considered normal.

First-time buyers have been hampered by more stringent criteria for credit scores and down payments.

The South led the overall gains, with sales in the region rising 3.4%. Sales increased 2.6% in the West and 1.7% in the Midwest. They were unchanged in the Northeast.