



Existing home sales rose 3.4 percent in April to a pace of 4.62 million units, a hopeful sign that the weak housing market is improving, economists and the National Association of Realtors said. HEIDI HEILBRUNN /STAFF

# Seller's house market returns in some areas

By Julie Schmit  
USA TODAY

Multiple offers and bidding wars have returned to some housing markets amid shrinking supplies of homes for sale.

The dwindling inventories — driven by a mix of reluctant sellers, fewer foreclosure re-sales and rising demand — are spreading as the housing market gains strength.

The number of homes for sale in April hit a 6.6-month supply, down from 9.1 months a year ago, the National Association of Realtors says. A six-month supply is considered a healthy market.

Some markets have fallen below that. Last month, nine of 18 leading markets tracked by real estate brokerage Redfin had less than a three-month supply. That means it would have taken three months to sell all of the listed homes at April's sales pace.

Those markets included the

San Francisco Bay Area, Phoenix, Denver and Washington, D.C. A year ago, only Phoenix had such a low inventory, Redfin's data show.

"Multiple offers are definitely the norm," says Rick Turley, president of Coldwell Banker Residential Brokerage for the San Francisco Bay Area. At one point this month, 80 percent of the properties that his agents were working to buy or sell had multiple offers, Turley says.

Unlike the days during the housing bubble, house shoppers are more likely to go to the sidelines after making three or four offers, he says.

"We're seeing a significant number of people step back from multiple bids," says Glenn Kelman, Redfin CEO. "They say, 'I'm not going to make the mistake people made in 2006.'"

Compared with a year ago, supplies are tighter in every price category in 47 of 50 top U.S. markets, according to real estate website Zillow. Leaner

supplies of lower-price homes are especially evident in some markets.

In Phoenix, San Francisco and Las Vegas, the number of lower-price homes for sale has dropped 64 percent, 53 percent and 50 percent, respectively, in the past year, Zillow's analysis found. That's a bigger drop than what's occurred for higher-price homes in those markets, Zillow's data show.

Tight inventories will push up prices, encouraging more people to list homes, Zillow economist Stan Humphries says.

Plenty are waiting. "Every Realtor knows divorced couples living in the same house because they're waiting for higher prices," says Remax Realtor Kathie Shandro in Denver.

Many people lack enough home equity to buy again, CoreLogic economist Mark Fleming says. CoreLogic says 45 percent of mortgage holders have less than 20 percent home equity.