US home sales up across country

BY MARTIN CRUTSINGER
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WASHINGTON — Americans are buying more homes in every region of the country, the latest indication that the housing market could be on the mend.

An increasing portion of those sales are from first-time buyers, who are critical to a housing recovery.

Sales of previously occupied homes rose 3.4 percent in April from March to a seasonally adjusted annual rate of 4.62 million, the National Association of Realtors said Tuesday. That nearly matches January's pace of 4.63 million — the best in two years. It is still well below the nearly 6 million that most economists equate with healthy markets.

A pickup in hiring and cheaper mortgages, combined with lower home prices in most markets, has made home buying more attractive. While many economists acknowledged that the market has a long way to go, most said the April sales report was encouraging.

"The trend in sales is upward, and we think it has a good deal further to go over the next few months as payrolls pick up further and mortgage availability improves," said Ian Shepherdson, chief U.S. economist for High Frequency Economics.

Sales rose last month from March in all regions of the country. They increased 5.1 percent rise in the Northeast, 3.5 percent in the South, 4.4 percent in the West and 1 percent in the Midwest.

And more first-time buyers entered the market. In April, they made up 35 percent of sales. That's up from 32 percent in March.

"First-time homebuyers are slowly making their way back," said Jennifer Lee, an economist at BMO Capital Markets. "That is still below the 40 percent-to-45 percent range during healthy times, but the highest in almost half a year."

The report measures completed sales. A sale typically closes a month or two after a buyer signs a contract to buy a home. But a growing number of buyers in recent months have been investors who pay cash, which speeds up the process.

Homes at risk of foreclosure accounted for 28 percent of sales last month. That's roughly in line with March sales but down from 37 percent of sales in April 2011.

The decrease in foreclosures helped boost the year-over-year median sales price in April. It rose to $177,400, which is 10.1 percent higher from the same month last year.

Rising home sales is the latest sign that the market could be starting to turn around nearly five years after the housing bubble burst.



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A sign advertises a pending residential real estate sale in Framingham, Mass., on April 26, 2012. The National Association of Realtors said the number of Americans who signed contracts to buy U.S. homes rose in March, the latest sign the battered housing market is slowly improving.