



U.S. home sales suggest housing bottom near

WASHINGTON (Reuters) – Pending sales of existing U.S. homes rose in March for a second straight month, a private survey showed on Monday, supporting views the housing market was close to hitting a bottom.

The National Association of Realtors Pending Home Sales Index, based on contracts signed in March, rose 3.2 percent to 84.6. February's pending home sales index was slightly revised down to 82.0 from 82.1. Compared to the same period a year ago, pending home sales rose 1.1 percent.

Economists polled by Reuters had forecast pending home sales to be flat in March.

NAR chief economist Lawrence Yun attributed the rise in signed contracts for home purchases to first-time buyers taking advantage of favorable affordability conditions, including an \$8,000 tax credit.

"We need several months of sustained growth to demonstrate a recovery in housing, which is necessary for the overall economy to turn around," said Yun.

The collapse of the U.S. housing market and the accompanying credit crisis dragged the economy into recession in December 2007, and analysts are watching home sales for signs of when the economic downturn might end.

The NAR's Housing Affordability Index edged down to 166.7 in March from a record 174.4 in February due to higher home prices in March. The index was 30.8 percentage points higher than a year ago.

Courtesy of JB Goodwin