



Median home prices in U.S. expected to dip in 2007, breaking 29-year trend

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For the first time in at least 29 years, the median price of an existing home in the United States is expected to drop this year.

The National Association of Realtors is forecasting that home prices will finish down about 1 percent this year at \$219,800. That would mark the first year-over-year drop since the NAR started tracking home values in 1968. In Austin, where the housing market has remained strong and bucked national trends, home values are rising.

The number of home sales also is expected to dip from 6.48 million in 2006 to 6.29 million in 2007, a drop of nearly 3 percent. Prices of new homes, at a median of \$246,400, are expected to remain steady.

The NAR predicts that sales will recover gradually over the second half of the year and prices will begin to edge up again sometime after that. In 2008, NAR is forecasting price gains of 1.4 percent for existing homes and 2.2 percent for new homes.

Courtesy of JB Goodwin