

Housing Market Continues to Disappoint

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By [Charlie Herman](#) : Business and Economics Editor



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In the New York City region that includes northern New Jersey and parts of Long Island, sales were down nearly 30 percent from April of last year. Prices, however, only fell a by little more than one percent.

A flurry of housing reports Thursday, and the market is not looking very healthy.

"Given the great affordability conditions, job creation and pent-up demand," said Lawrence Yun, chief economist with the National Association of Realtors in a statement, "home sales should be stronger."

But they aren't.

The realtor trade association said existing home sales fell 0.8 percent from March to April to an annual rate of 5.05 million.

Compared to a year ago, sales are down 13 percent. It is worth remembering, however, that homes sales got some extra juice last year thanks to the first-time home buyer tax credit which was in effect at the time.

"The housing market remains extremely weak," said Patrick Newport, an economist with IHS Global Insight. "The good news is that it is not getting any worse. The bad news is that it is not getting any better"

Just as sales fell from a year ago, so too did prices. The median price was \$163,700, down 5 percent from a year ago. The drop was due in part to the large volume of homes sold that were at risk of foreclosure. Distressed homes, as they are called, accounted for 37 percent of all sales in April.

"Home prices also continued to slide, mostly because of the preponderance of distressed sales in the market," said Diane Swonk, chief economist with Mesirow Financial.

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One possible explanation for the drop in sales in the New York area: the weather. This winter had multiple storms with heavy snowfalls that could have had an impact on home purchases.

The results from the realtor group closely track housing statistics also released Thursday from the Furman Center for Real Estate and Urban Policy at New York University. In their of sales in the four boroughs -- excluding Staten Island -- in the first three months of this year, the center found that sales fell 26 percent compared to the same time a year ago. Sale prices fell two percent.

The story is slightly different for each of the boroughs. Manhattan saw a 29 percent drop in sales in the first three months of this year compared to same period a year ago. Prices actually rose 2.5 percent

It was a different story in the Bronx, Brooklyn and Queens where sales and prices both fell. In the Bronx, sales fell 27 percent and prices dropped 8 percent. In Brooklyn, sales were down 21 percent and prices were off by nearly than 6 percent. And in Queens, sales fell 27 percent and prices declined by 3 percent.

If all this bad news wasn't enough, the number of homeowners at risk of losing their homes to foreclosure actually rose.

The Mortgage Bankers Association said 8.3 percent of homeowners with a mortgage were at least one payment late in the first three months of this year, a slight increase from the end of 2010.

While that number is still lower than the record 10 percent from the first three months of last year, that difference could be due to banks slowing down the foreclosure process after investigations into the paperwork revealed significant errors or malfeasance. As those issues are resolved with state and federal regulators and attorneys general, the pace of foreclosures could pick up in the months ahead.

In New York City, the Furman center found similar numbers. Foreclosures increased from the end of last year by nearly 5 percent. Compared to a year ago, however, foreclosures were down more than 10 percent.

More than half of the nearly 9,000 homeowners were in some stage of foreclosure in New York City are in Queens and Brooklyn.

But it's not all bad news. If you are looking to buy a home -- and can get a mortgage -- fixed interest rates are at their lowest point for 2011. Freddie Mac said a 30-year fixed rate loan is now 4.6 percent.

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