

# Existing-Home Sales Up 6.1% in March

By Jeffrey Sparshott and Kris Hudson



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A home for sale is seen in February in San Rafael, Calif. U.S. sales of previously owned homes rose to the highest level in 18 months in March, the National Association of Realtors reported Wednesday. Photo: Justin Sullivan/Getty Images

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WASHINGTON—Sales of previously owned homes rose to the highest level in 18 months in March, a sign the housing market is gaining strength after a slow start to the year.

Existing-home sales increased 6.1% last month from February to a seasonally adjusted annual rate of 5.19 million, the National Association of Realtors said Wednesday. That was the highest level since September 2013.

## U.S. Economy

Economists surveyed by The Wall Street Journal had expected March sales would increase to a pace of 5.03 million.

News Corp, owner of The Wall Street Journal, also owns Move Inc., which operates a website and mobile products for the National Association of Realtors.

The jump in March sales follows two lackluster months amid bad winter weather. The February sales pace was 4.89 million and January was only 4.82 million. But the latest figures suggest the mix of low mortgage rates, steady job creation and pent-up demand could push full-year sales to prerecession levels.

"The sector is coming back from its winter doldrums and most of the factors argue for even more improvement going forward," said Joel Naroff, president of Naroff Economic Advisors.

There are still factors holding back the market, including rising prices and limited inventories.

The median sale price for a previously owned home was up 7.8% from a year earlier to \$212,100 in March, NAR said.

"This price gain of near 8% is not healthy, considering people's incomes are only rising by 2%," said Lawrence Yun, NAR's chief economist.

At the current sales pace, it would take 4.6 months to exhaust the supply of existing homes on the market, NAR said Wednesday. Mr. Yun said a six-month supply is considered a more sustainable level.

More new homes are the key to boosting housing supplies. Official government figures suggest building activity has been subdued so far this year, though builders are upbeat.

**NVR** Inc., parent of Ryan Homes and other brands, on Tuesday said its 3,926 sales orders in the first quarter marked an 18% increase from a year earlier. And on Wednesday, D.R. Horton Inc., the largest U.S. home builder by homes sold, said its 11,135 orders in the quarter were a 30% gain from a year ago.

Both builders saw their price gains slow as they boosted sales volumes by selling a greater number of less-expensive homes.

D.R. Horton Chief Executive Officer David Auld said momentum from the builder's fiscal second quarter ended March 31 carried into April. "The spring selling season is in full swing," Mr. Auld said Wednesday on a conference call with investors. "During the second quarter, housing market conditions were healthy and relatively stable."

The Commerce Department is slated to disclose national figures for March new-home sales on Thursday.

Sales of existing homes account for roughly 90% of all home purchases in the U.S. March sales were up 10.4% from a year earlier.

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