

From the Los Angeles Times

Home sales tumble 20% in U.S.

The decline is from November 2006. But month-over-month transactions rise slightly.

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Nationwide sales of previously owned houses and condominiums fell 20% in November from the same month a year ago, according to data released Monday. But the month's sales were up slightly over October.

The National Assn. of Realtors saw the October-to-November rise as an indication that the housing market might be approaching a bottom. Lawrence Yun, the organization's chief economist, called the modest bump up in sales "a sign that the housing market is stabilizing."

Sales of existing single-family homes, condominiums and townhouses rose 0.4% in November from October, to a seasonally adjusted annual rate of 5 million units, the association reported. Prices for all types of homes dropped 3.3% in November from a year ago.

The nationwide declines in sales and prices were consistent with trends in California. The California Assn. of Realtors and the research firm DataQuick both reported last month that November home sales and prices slipped in the state from year-earlier levels.

The state realty organization had reported a 36% drop in statewide sales from the previous November, and a 12% year-to-year price drop. In Southern California, November sales fell 43% from the previous year and prices dropped 10% according to DataQuick.

DataQuick also reported a slight October-to-November sales pickup in Southern California. But DataQuick President Marshall Prentice cautioned that a single-month increase may not be significant: In 1994, November sales also rose from the previous month, but sales and price then resumed their declines in following months.

Despite the upbeat National Assn. of Realtors assessment, other economists continued to predict further weakening of the housing market.

"Every little wiggle does not mean the market is stabilizing," UCLA Anderson Forecast Director Edward Leamer said of the national October-November uptick. "We've got to take a few months before we know; one month does not a trend make," he said. Leamer does, however, think the sales volume of houses in Southern California may be bottoming out, but prices will continue to fall for about another year, he said.

Robert Shiller, a Yale economist who co-founded the widely cited Case-Shiller index of housing prices, said in an interview with the Times of London that housing prices in California and Florida could fall 35%. "There is a good chance this housing recession will go on for years," the newspaper reported Monday.

According to the Case-Shiller index, prices in 20 U.S. metropolitan areas have already fallen 7% since their peak in 2006. Los Angeles and Orange County prices have dropped 9% from their September 2006 peak, according to the index.

Los Angeles economist Christopher Thornberg, principal of Beacon Economics, has predicted a 30% drop in Southern California home prices from their peak. Of the latest national figures, he said: "What I want to know is: How many of those are foreclosures? That's not stabilization; that's the market getting worse."

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