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Homes Sales Drop after Tax Credit Expires

Economic analysts predicted an increase in home sales following the deadline of the government offered tax credit in April. Instead analysts discovered a 2.2% reduction in the number of homes sold in May compared to the number of homes sold in April. Total number of existing homes sold in April was an estimated 5.79 million and approximately 446,000 new homes. Roughly 5.66 million existing homes and 300,000 new homes were sold in the month of May.

Although current numbers reflect a decrease in home sales the number of units sold, both new and existing, is still up 19.2% from this time a year ago.

The slight 2.2% drop in sales may however be a promising sign. According to USA Today, economic forecasters are saying "May's figures could mean sales this summer and beyond won't plunge."

The National Association of Realtors' chief economist, Lawrence Yun, stated that an accurate assessment of today's housing market is possible only after the market has stood on its own for a period of time without any stimulus.

