



**What's with the Dakotas? N.D., S.D. see existing housing sales level or grow last quarter of 2007**

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WASHINGTON -- Sales of existing homes fell in 45 states during the October-December quarter, with North Dakota and South Dakota bucking that trend, a real estate trade group reported today.

The fourth-quarter data from the National Association of Realtors underscore the breadth of the housing market's slump.

South Dakota was the lone state to show a sales increase. Existing home sales there rose 8.9 percent from the same quarter a year ago. Sales were unchanged in North Dakota. No sales figures were available for Idaho, Indiana and New Hampshire. Sales also fell in Washington, D.C.

Median home prices fell in more than half of the 150 metropolitan areas surveyed. Out of the 77 that experienced declines, 16 showed double-digit percentage drops, the trade group said. The largest price declines were found in Lansing, Mich., Sacramento, Calif., Jackson, Miss. and Riverside, Calif., which posted price declines of 17 to 19 percent.

Lawrence Yun, the trade group's chief economist, attributed the declines in median prices to mortgage market problems that mushroomed last fall, making loans more expensive for borrowers looking to take out "jumbo" mortgages larger than \$417,000, the maximum size of mortgages that government-sponsored mortgage companies Fannie Mae and Freddie Mac can purchase and market as securities.

"The continuing crunch in the jumbo loan market that began in August has disproportionately reduced the number of transactions in higher price ranges," Yun said in a statement.

Nationwide, existing homes sold at an annual rate of 4.96 million units in the fourth quarter, down 21 percent from the sales pace of the third quarter in 2006, the Realtors group said.

The states suffering the biggest drop in sales in the third quarter were Nevada, down 44 percent and Wyoming, down 42 percent. Other states with big declines were New Mexico, down 39 percent, Oregon, down 38 percent and Arizona, down 37.6 percent.

Mortgage lenders, would-be homebuyers and Wall Street investors alike have been grappling over the past year with the impact of rising defaults, the result of lax lending standards that were prevalent during this decade's housing boom. As defaults have risen, lenders have grown more cautious, which has allowed fewer buyers to qualify for home loans.