## New home sales reach 1-year high, trend is up

WASHINGTON (AP) — Sales of new homes rose in July for the third straight month to their highest level in more than a year, and analysts predicted lower mortgage rates and steady consumer confidence will continue to attengthen the housing markent.

The Commerce Department and Tuesday that sales of single-family homes increased 0.4 spenty adjusted annual rate of 710,000, highest since 722,000 in March 1994. New-home sales in the South were at a 10-year high, more than offsetting weakness.

more than offsetting weakness elsewhere. "Buyers and builders are feel-ing better about things than they did a couple months ago," said David Seiders, chief economist for

the National Association of Home Builders. "It's looking pretty good after some scary months."
While the scennery slowed to a standaill this year and records has shown only mixed signs of improving, the housing market has been a bright spot lately. Sales in June were 712,000, revised down from an earlier estimate of 728,000 but still 6.1 percent higher than May. Singlefamily construction had slowed considerably prior to late spring and the turnareund in mortgage rates. Fixed-rate, 30,vear mortgages were around 9 percent at the beginning of the year mortgages were around 9 percent dropping. They averaged 7.61 percent in July, up slightly from 7.53 percent the previous month.

The decline from their peak

translates into a savings for home owners of more than \$100 a month in the cost of a \$100,000 loan. Consumer confidence also has been a plus, analysts sald. The Conference Board, a business research group, sald Tuesday its monthly gauge of consumer sentiment slipped slightly to 101 in August but remains at a high level, Expectations for the future rose this month, the board said, citing stable, low unemployment and an absence of inflation.

"We should continue to see decent strength in the housing market," said David Berson of the Federal National Mortago Association, or Fannie Mae, a major source of home financing. "I think it will remain relatively strong as long as mortage or artes remain un-

4,603.44. Bond prices were little changed.

The Commerce Dopartment said sales of new homes in the South surged 225 percent in July to an annual rate of 359,000, the highest since March 1998. But they fell in other parts of the nation, deciling 13 percent in the West, to 221,000; 33.3 percent in the Northeast, to 62,000; and 6.9 percent in the Midwest to 123,000.

Despite the recent improve-

Despite the recent improve-

der 8 percent."

The stock market turned in a mixed performance with the economic reports having little apparent impact. The Dow Jones in dustrial average, recovering from a decline earlier in the session, galnod 14.4 points to close at 4,003.44. Bond prices were little changed.

chief economist National Association of Home Builders

ment, sales of new homes during the first seven months of 1905 were down 4 percent from the same period a year ago. At the end of July, the seasonally adjusted estimate of new houses for sale was 349,000, a six-month supply at the current sales rate.

nent, sales of new homes during he first seven months of 1995 rere down 4 percent from the mere down 4 percent from the ame period a year ago. At the end of July, the seasonally adjusted or seasonally adjusted down and half cost less. The National Association of Realtons, a two stades of a six month supply the current sales rate.

The median price of a new immere than a year.



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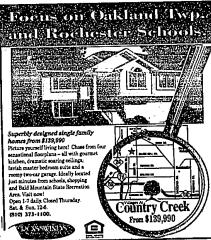
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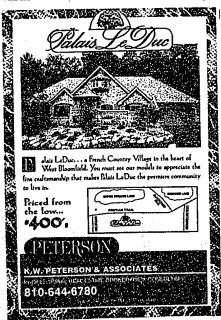
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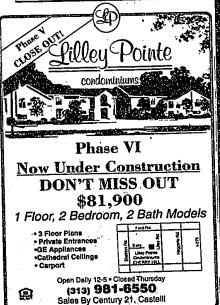
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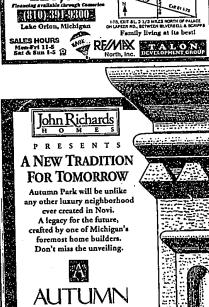












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