

Pending Sales of Existing U.S. Homes Exceed Forecasts With 10.4% Increase

By Alex Kowalski – Nov 30, 2011 9:00 AM CT

The number of Americans signing contracts to buy previously owned homes rose more than forecast in October as buyers took advantage of falling prices and low borrowing costs.

The [index](#) of pending home sales increased 10.4 percent, the biggest gain since November 2010, after falling 4.6 percent the prior month, figures from the National Association of Realtors showed today in [Washington](#). Economists forecast a 2.0 percent increase, according to the median estimate in a Bloomberg News survey.

While [mortgage rates](#) near record lows are helping some buyers purchase housing that's growing more affordable as prices drop, 9 percent joblessness and tight lending standards are keeping others out of the market. A new wave of foreclosures may augment the property oversupply, triggering further slides in value and delaying an industry recovery.

"Any improvement in sales and building activity in the housing market is welcome," Ellen Zentner, senior U.S. economist at Nomura Securities International Inc. in [New York](#), said before the report. "While there has been no impetus for a renewed downturn in housing, there's been no impetus as of yet for a turn upward."