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U.S. Pending Home Sales Rose in May

BY ED FRANKL

The number of homes going under contract in the U.S. ticked up in May, as job gains and improved wages feed into the market, according to a monthly index.

The pending home sales index, a leading indicator of house sales based on contract signings, increased 1.8% on month in May, compared with a 6.3% decline in April, the National Association of Realtors said Thursday.

A consensus of economists polled by The Wall Street Journal had expected a fall of 0.5% in May.

Pending home sales rose 1.1% on year.

"Consistent job gains and rising wages are modestly helping the housing market," NAR Chief Economist Lawrence Yun said.

However, mortgage-rate fluctuations are the primary driver of home-buying decisions and impact housing affordability more than wage gains, Yun noted.

Pending home sales climbed on month in all four U.S. regions covered by the index.

They rose by 6% in the West, followed by smaller increases in the Northeast, South and Midwest, respectively.

Sales of existing homes sales also increased unexpectedly in May, NAR data showed Monday, though held near historically low levels.

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