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## A new indicator for the housing market?

[Analysis of online search queries suggests home sales are poised to pick up this month.](#)

By Jane Wells

People pay good money for economic forecasts, but sometimes the best glimpse of the future might be right there on your Internet browser.

That's the theory behind a new prediction tool based on online search queries -- and it suggests the real estate market is getting better by the minute.

The prevailing wisdom is that sales of existing homes are declining sharply, and inventories are climbing. The National Association of Realtors reported last week that home sales posted an unexpectedly sharp drop in July, falling to their lowest level since January 2004. Home prices fell in all regions of the country save the South.

Statistics like these are greeted with hand wringing by homeowners and headlines predicting a hard landing for what's been the greatest housing boom in history.

But is that really the case?

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According to some Internet data miners, online search queries could be a better economic indicator.

Over the past five weeks, there's been a 42% increase in the number of Internet searches involving the phrase "homes for sale," according to Hitwise, a firm which measures Web traffic.

Hitwise examines search data from multiple search engines to try to predict everything from employment trends to the winner of "American Idol."

The company has been tracking searches related to real estate for a year, and it turns out that the queries are a good predictor of existing home sales.

Hitwise says there's a lag of about a month between a change in the number of real estate related searches and sales data. Search queries tapered off in February, foretelling the five-month drop-off in existing home sales that began in March.

The recent 42% jump in online queries about homes for sale could suggest that prospective buyers sat on the sidelines this summer waiting for home prices to fall and are now returning to the market.

"We don't actually suggest that you use these numbers to predict the magnitude of the change in direction," says Bill Tancer, general manager for global research at Hitwise. "What we know, though, is it does signal a change in direction."

Data on sales of existing homes in August will be released Sept. 25. If the numbers do indeed show an increase in sales, the Web search metric will take on added prominence.