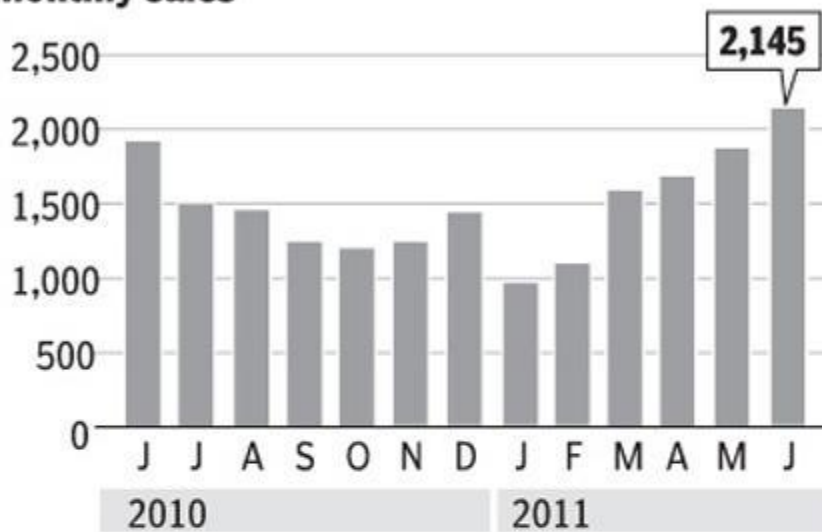


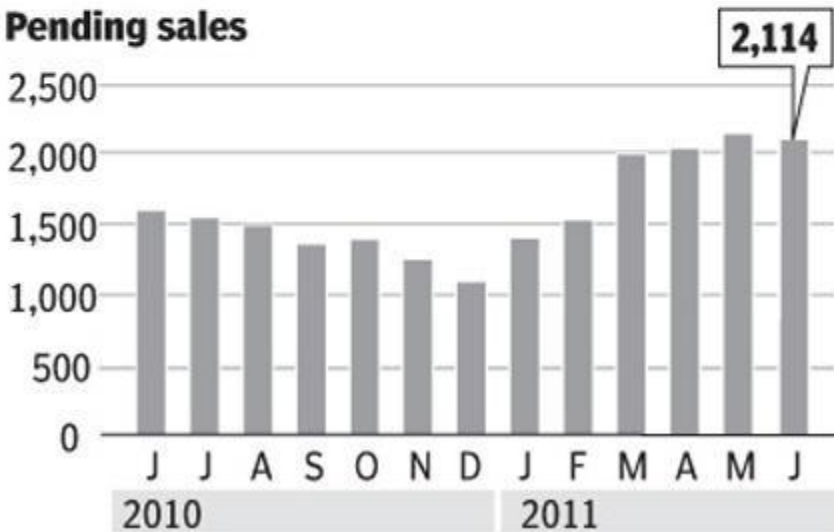
Austin-area existing home sales

June local home sales were up 9 percent over the same month last year.

Monthly sales



Pending sales



Source: Austin Board of Realtors

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http://www.statesman.com/business/real-estate/central-texas-existing-home-sales-up-9-percent-1629456.html?cxtype=rss_ece_frontpage

Central Texas existing home sales up 9 percent in June; median price still at \$205,000

By [Shonda Novak](#)

AMERICAN-STATESMAN STAFF
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Sales of existing homes in Central Texas climbed 9 percent in June, while the median price held steady at \$205,000 as the local housing market continued to buck the trend of slower sales nationally.

But even with the improved numbers, local experts say the housing market still faces challenges and won't fully rebound until consumers regain confidence and entry-level buyers have an easier time obtaining mortgages.

Buyers purchased 2,145 previously owned homes in June, compared with 1,962 in June 2010, the Austin Board of Realtors reported Wednesday.

"While (June) still felt the lingering effect of last year's homebuyer tax credits, we are now able to return to a typical month-to-month comparison to gauge the trends in the real estate market," said Judith Bundschuh, chair man of the Austin Board of Realtors. "Looking at the results, it's encouraging to see that the demand for homes is strong and that Austin-area homes continue to hold their value."

Homes in the Austin region spent an average of 75 days on the market, 7 percent longer than a year ago.

There were 18 percent fewer listings — 9,687 compared with 11,749 the previous June. Pending sales were up for the second month in a row, with the 2,114 homes in the pipeline to close, up 31 percent from a year ago.

Paul Smith, a real estate agent with Austin City Living, said that at June's sales pace Austin area has about a 4½-month supply of homes, making it currently a seller's market.

"People are moving to where there are jobs, and Austin is continuing to create jobs," Smith said. Low mortgage interest rates and the region's tightening rental market also are driving activity, he said.

But the market is not without challenges.

Eldon Rude, director of the Austin division of Metrostudy, which tracks the market, said one of the biggest is that tougher lending standards have made it harder for first-time buyers to obtain mortgages. He noted that many of the price categories under \$200,000 saw double-digit price declines through the first half of the year.

"The market will eventually see a surge in activity, if and when the first-time buyer can re-enter the market," Rude said.

The National Association of Realtors reported Wednesday that first-time buyers fell to a smaller share of the market in June, accounting for just 31 percent of sales, compared with about half of all sales typically.

And overall, fewer people in the U.S. bought homes in June, putting this year on pace to be the worst for sales since the housing bust as home sales fell 0.8 percent last month to a seasonally adjusted annual rate of 4.77 million homes.

That's well below the 6 million homes a year that economists say constitute a healthy housing market.

Through the first six months of this year, the sales pace is behind last year's 4.91 million homes sold — the weakest sales in 13 years. Sales have fallen in four of the past five years.

Locally, "Austin's housing market will continue to do somewhat better than the U.S. average, because of stronger — though not enormous — employment gains, and still-well-above-average population and household growth," said Ed Friedman, a director at Moody's Analytics who covers the Texas economy.

Despite those factors in its favor, consumer confidence still lags in the Austin region, Rude said.

"Demand is there, it's brewing, but it's not going to spill over into strong activity until consumer confidence turns around locally," he said.

Courtesy of JB Goodwin