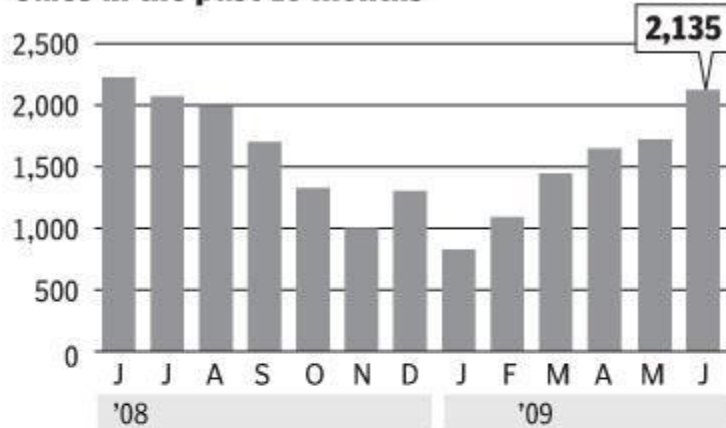
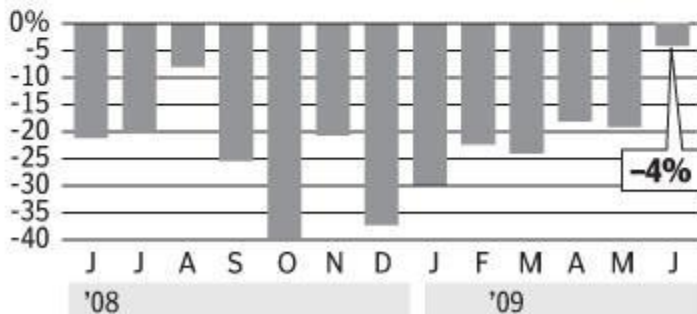


Austin home sales report

Sales in the past 13 months



Change in monthly sales from a year earlier



Source: Austin Board of Realtors

Linda Scott AMERICAN-STATESMAN

Austin home sales hit highest level in a year

By Claudia Grisales
AMERICAN-STATESMAN STAFF
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Austin-area sales of existing homes hit the highest level in a year last month, according to figures Monday from the Austin Board of Realtors.

Last month, 2,135 single-family homes were sold in the area, down 4 percent from a year earlier. That was the smallest decline since a 2 percent drop in July 2007, when the market began to soften amid an emerging national mortgage crisis.

This year, sales were down 19 percent in May and 18 percent in April from a year earlier.

Pending sales — those in the pipeline to close in July — were up 4 percent, to 2,084.

"We've seen the year-over-year gap in sales volume close steadily throughout 2009, and that momentum continues this month," said Jay Gohil, chairman of the Board of Realtors.

Jim Gaines, research economist for the Real Estate Center at Texas A&M, said there's not yet a clear signal that the Austin market has hit bottom.

"That's the \$64 million question," he said.

He said Texas is seeing more signs that the recession has landed with full force, such as a weakening job market — including in Central Texas — and falling sales tax revenue.

But there is growing evidence nationwide that the housing market is starting to stabilize. Combined, sales of new and existing homes hit an annual rate of 5.1 million in May, the highest level this year.

In Central Texas, the market is benefiting from low mortgage rates and a healthy supply of homes for sale. Another strong incentive: an \$8,000 federal tax credit for first-time buyers who close on a home before Dec. 1.

But the market faces a long climb back. Home sales last month were down 23 percent from June 2007.

Mark Sprague, Austin partner for Residential Strategies Inc., which tracks the housing market, said the Austin market appears to be improving.

As fewer developers build homes and the number of available lots continues to shrink, it will mean more demand for existing homes, he said.

"Resales are a little better," Sprague said. "I'm cautiously optimistic."

Sprague reiterated that the Austin market has not slumped as deeply as the national market. The median home price in Austin last month was \$199,900, unchanged from a year ago. Nationwide in May, the latest data available, prices were down 15 percent from a year earlier.

Mortgage broker Ashley Hall said June was a busy month for her firm, with a large percentage of homebuyers looking to move to Austin from destinations such as California and Arizona.

"We have seen a great deal of activity," said Hall, president of Barton Hills Mortgage.

Hall said her firm saw purchases increase about 15 percent in June. Of those, 60 percent were buyers moving from other cities or states, and 40 percent were previous customers moving to bigger or better homes. The average purchase price was in the \$450,000-to-\$500,000 range, with a few sales over \$1 million.

Tom Polk, a broker associate with Stanberry & Associates, said June's figures finally reflect what he's been seeing in his own business.

Polk said he's also received interest from prospective homeowners looking to move to Austin as well as investors.

"It's about time," he said. "There is a distinct change in activity and attitude out on the street."

Courtesy of JB Goodwin