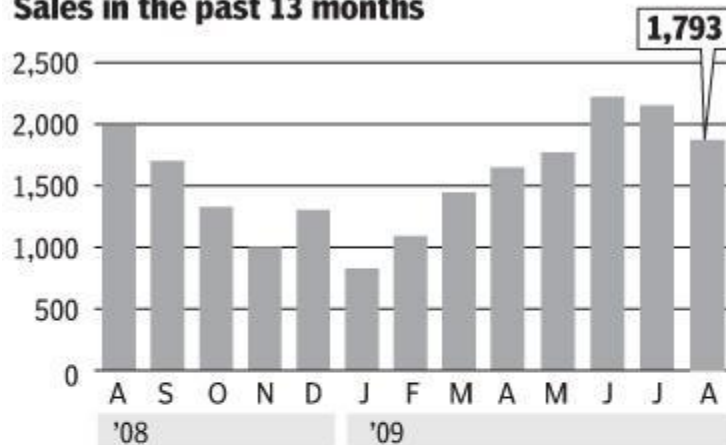
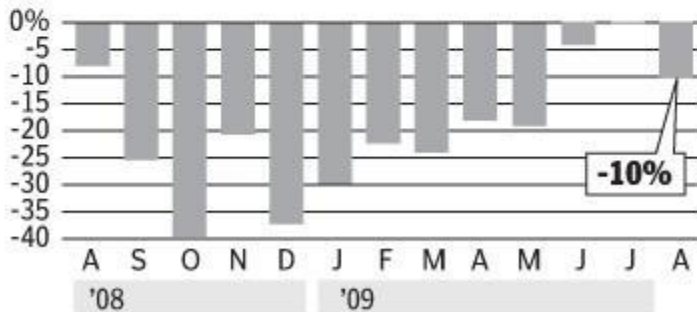


## Austin home sales report

### Sales in the past 13 months



### Change in monthly sales from a year earlier



Source: Austin Board of Realtors

AMERICAN-STATESMAN

## Area home sales taper off, but agents are hoping for tax-credit extension

AMERICAN-STATESMAN STAFF  
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Austin-area home sales fell 10 percent in August from a year earlier, the Austin Board of Realtors reported Friday. The 1,793 sales were down 11 percent from July, which was one of the best months for local home sales in the past year.

The median price in August fell 4 percent, to \$189,000.

"It's fairly normal for our market to slow down in autumn," said Jay Gohil, chairman of the real estate board. "Although we've been encouraged by stable home prices and volume in recent months, we are clearly not out of the woods completely."

In contrast to August's showing, sales pending to close in September were up 10 percent. If all 1,980 transactions are completed, September's sales total would be 18 percent higher than that of September 2008.

Gohil and other Austin-area agents said they're hoping the federal government extends an \$8,000 tax credit for first-time homebuyers that is set to expire Nov. 30.

Associations representing real estate agents, mortgage brokers and builders have been lobbying for an extension, saying the housing industry needs the help. Congressional leaders are pushing for a six-month extension of the credit.

The IRS said on Friday that 1.4 million buyers nationwide had taken advantage of the tax credit.

Matthew Sutter, a broker with the Sutter Team at Keller Williams Realty, said the credit has "made a huge impact" for people buying homes priced below \$200,000.

More than half of the sales this year have been for homes in that price range, according to Board of Realtors figures. Sutter said his office gets calls daily from people asking whether the credit will be extended.

Allowing the credit to be used toward a down payment — something not currently allowed — would be a further boost for first-time buyers, who might be cash-strapped, Sutter said.

Paul Borman, an agent with Avalar Austin Real Estate, said he can see the impact of the credit in pending sales, where contracts for homes priced below \$200,000 are running ahead of where they were at this time last year.

He said low mortgage interest rates — which are now just above 5 percent for 30-year loans — and rising consumer confidence also are helping sales.

He said two of his sales this month were for more than the asking price, and that there were multiple offers in both cases.

But he said buyers at all levels are having a harder time navigating the mortgage process because of tougher federal requirements on appraisals and paperwork.

"Lenders continue to scrutinize every minute detail, requiring very extensive documentation," he said.

He said some lenders had become too lax during the housing boom, handing out loans without requiring buyers to fully document their income, but "the pendulum has swung too far the other direction. Right in the middle would be a good place to be."

Ashley Hall, president of Barton Hills Mortgage, said the tax credit has prompted sales to a number of first-time buyers, especially younger married couples who might otherwise have waited to buy a house.

Hall said activity has picked up as the expiration date gets closer.

In order to qualify for the credit, buyers must close before Dec. 1. Given the amount of time it takes to process a mortgage application and take care of other pre-closing matters, that means buyers must have a house under contract at least a month ahead of the deadline, local brokers say.

**Courtesy of JB Goodwin**