

Austin-area existing home sales up 32 percent in July

<http://www.statesman.com/business/real-estate/austin-area-existing-home-sales-up-32-percent-1761103.html>

By [Shonda Novak](#)

AMERICAN-STATESMAN STAFF

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July's double-digit increase in home sales in Central Texas doesn't mean the housing market has come roaring back, but it does remain in healthy shape, local experts and real estate agents say.

July sales of Austin area existing homes were about 32 percent higher than the same month in 2010, the Austin Board of Realtors said Thursday.

The Board of Realtors said 1,973 homes were sold in July, compared with 1,499 in July 2010. The median sales price for July fell 11 percent, to \$196,750, indicating more sales of lower-priced homes, the board said.

Part of the leap in sales is attributable to home sales falling off sharply for several months starting last July after federal homebuyer tax credits expired, said Eldon Rude, director of the Austin market for housing-tracker Metrostudy.

Still, the higher sales indicate stability in the local market, Rude and other experts say.

"Record low mortgage rates and affordability, stable values, and good job creation continue to be a blessing to the Austin market," said Mark Sprague, director of business development for Mission Mortgage in Austin.

Job growth, coupled with "increasing population and household growth and an extremely tight rental market all indicate that we're moving toward a period with more demand," Rude said.

The picture was bleaker on the national front, where home sales fell 3.5 percent in July to a seasonally adjusted annual rate of 4.67 million homes, the National Association of Realtors said Thursday. The national median price fell in July to \$174,000.

Rude noted that home prices in Central Texas have generally been flat in recent years, unlike the volatility in pricing many other areas of the country experienced.

That bodes well for the market's long-term stability, Rude said.

But appreciation "is always a catalyst for more sales activity, both for resales and new homes. And until demand exceeds supply in this market, home prices will not begin to rise and buyers and sellers will not be as motivated to act," Rude said.

Local real estate consultant Charles Heimsath said the Austin homebuyer "seems to be playing that fence-sitter game of 'hide and watch.'"

"Very few buyers currently have the need to purchase that is driven by a robust economy and rapidly rising home prices," Heimsath said.

Those who are buying are facing a shrinking inventory of homes. There were 9,393 homes on the market, 20 percent fewer than a year ago.

"It is all about declining supply and increasing demand and incredibly low interest rates, said Gary Gentry, an agent with Keller Williams and owner of the Gentry Group Inc.

"We are already experiencing true supply shortages in certain areas and resultant multiple offers; in a multiple offer situation, offers are frequently above asking price."

John Rosshirt, an associate broker with Stanberry & Associates in Austin, said July was his best month since the downturn.

"Of the five (sales) I closed last month, four had multiple offers," Rosshirt said. "Yes, inventory is down and people are moving to Austin every month." Rosshirt said sellers who have ample equity in their homes "are pricing at a level they will sell quickly so they can do what is next for them, including getting a great deal" on their next purchase.

Year-to-date through July, the local board reported 11,240 sales, the same amount as were sold in the first seven months of 2010.

Rude said that although the basic factors driving housing demand are improving in Austin, "recent gloomy economic news, coupled with strict mortgage underwriting standards, remain strong headwinds for our market regaining a strong footing."

"Ultimately, what will drive demand and more activity is some upward movement in home pricing," Rude said.

Byron "Buddy" Schilling, president of JB Goodwin Realtors in Austin, said prices are trending up slightly in the area because "supply is low and demand continues up ." He predicts that the area will finish 2011 with a median price up about 3 percent. Year-to-date through July, the Austin-area median sales price was up 1 percent.

"My feeling is rich people are still buying and are less worried about the economy than the average buyer.

"Of course, the stock market could impact that trend," Schilling said.

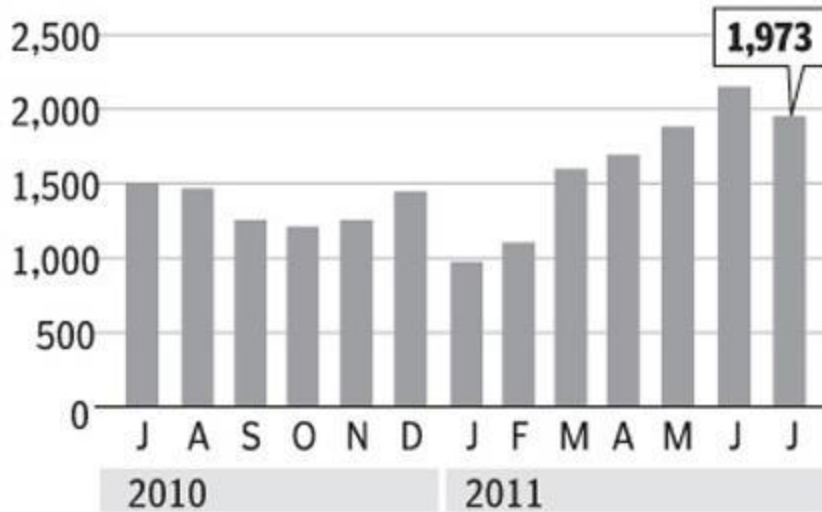
Sprague said that "nice, steady growth of values and population make Austin affordable for most compared to the rest of the nation."

"The home or apartment you look at today will be gone tomorrow — a trend Austinites are not accustomed to," Sprague said.

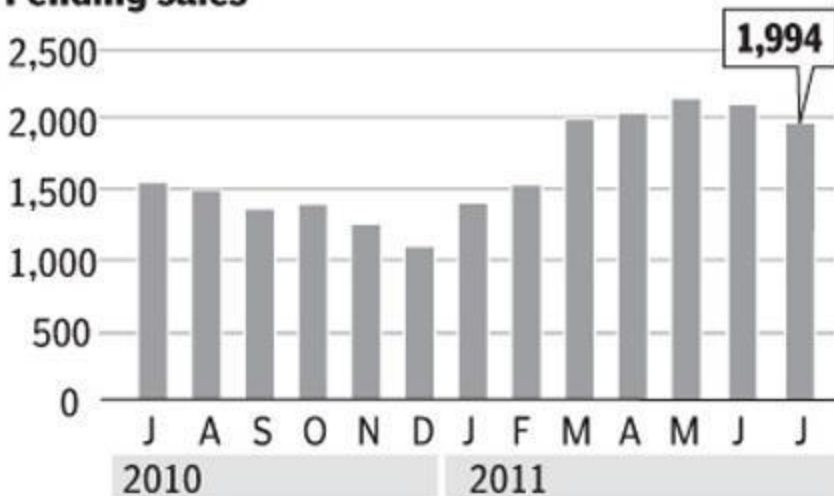
Austin-area existing home sales

July local home sales were up 32 percent over the same month last year.

Monthly sales



Pending sales



Source: Austin Board of Realtors

Linda Scott AMERICAN-STATESMAN

Courtesy of JB Goodwin