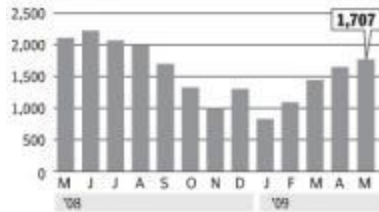
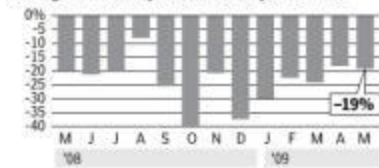


Austin home sales report

Sales in the past 13 months



Change in monthly sales from a year earlier



Source: Austin Board of Realtors

Linda Scott AMERICAN-STATESMAN

Housing market still down but picking up, local Realtors chairman says

By Shonda Novak

AMERICAN-STATESMAN STAFF

Friday, June 19, 2009

Central Texas home sales were down 19 percent in May from a year ago, but the market has picked up momentum from the beginning of the year thanks to low mortgage rates and a healthy supply of homes, the chairman of the Austin Board of Realtors said.

The 1,707 sales in May were the most since August, when 1,993 homes were sold. The median sales price dipped 1 percent from a year ago, to \$193,000.

There were 2,132 sales pending to close in June, down 1 percent from a year ago.

"While we still aren't completely out of the water, we're starting to dry off," said Jay Gohil, chairman of the real estate board. "Factors such as the local economy and job growth are promising for both sellers and buyers."

Tom Polk, a broker associate with Stanberry & Associates, said he thinks the market hit bottom a few months ago "and it has stabilized since then, and now we're seeing signs that our market is starting to get warmer," partly because sales are picking up in the lower price ranges.

"Historically, once the lower price ranges start selling, then the medium and higher ranges" follow, Polk said.

Polk said the \$8,000 tax credit for first-time buyers is helping to push some of those buyers into the market. He said some prospective buyers are still on the sidelines, thinking prices will fall more, but he doesn't think they will.

Despite May's sales decline, Polk said "empirically, out there in real life, I'm seeing a lot of sales" and contracts from Cedar Park and Leander to Kyle and Buda.

Polk said most of the price reductions he's seeing are in the \$400,000 to \$500,000 range.

In the Eanes school district, Polk said, one home listed for \$400,000 was taken off the market because of competition from other properties priced in the mid- to upper-

\$300,000 range.

Now, the lowest priced house in the neighborhood is \$399,900.

Polk said, "It indicates that if prices haven't gone up, they're should be going up soon because all the lower-priced ones have been snapped up."

Jim Gaines, a research economist with the Real Estate Center at Texas A&M University, agreed with Gohil that "we aren't out of the woods yet."

"People are still nervous about the economy and their jobs, and the lending is still very conservative for mortgages," he said.

Gaines predicted that the year will end with home sales comparable to those in 2002 and 2003, during the tech industry bust. Just under 18,000 homes sold in 2003.

He said the Austin area median price will end the year down somewhere between 1 and 5 percent.

Earlier this week, a report from Wells Fargo economists said that the Austin economy is "on the mend" and poised for a gradual recovery in 2010. However, the report said that the housing sector remains weak and will lag the overall recovery.

Gaines said what remains to be seen is whether in 2010 "we'll have that much of a rebound, or if it's going to be flat."

"We haven't seen any reason yet to anticipate a very sharp recovery, but we hope that it will flatten out, not get any worse and slowly recover," he said.

Courtesy of JB Goodwin