

AUSTIN AREA HOME SALES

## Central Texas home sales fall again, but stay ahead of national trends

By [M.B. Taboada](#)

AMERICAN-STATESMAN STAFF

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**Sales of Central Texas homes fell 10 percent in January, the seventh month in a row that year-over-year sales dropped. But prices rose, and Austin's market is in better shape than the nation overall.**

The 1,321 sales last month were a two-year low, based on data from the Austin Board of Realtors. . The median price rose 7 percent to \$187,000, contrary to a national trend of falling prices.

**Nationally, homes sales fell 22.4 percent in January, and the median price was down 5 percent, according to the National Association of Realtors. And the market is glutted, with 3.7 million homes for sale. That's up almost 20 percent in the past year. At current rates, it would take more than 10 months to sell everything.**

The number of Central Texas homes on the market increased by 24 percent to **8,727 active listings, a 4 1/2 month supply.**

With so much for sale and fewer buyers, it's taking almost three months to sell a house.

But real estate experts say the Austin market is more resilient than other markets across the country.

**Jim Gaines, research economist at the Real Estate Center at Texas A&M University, said the market was almost too tight last year, when there was about 3 months worth of homes for sale in January. He said that level "is almost unsustainable and probably not a good thing over a long period of time."**

**Although 2007 was the second-strongest year for Austin-area home sales, the national housing slowdown began affecting the market mid-year.** Investors stopped buying, and tougher mortgage standards locked out many first-time buyers and affluent buyers wanting so-called jumbo mortgages, those valued over \$417,000.

The sales drop is sharpest for homes priced lower than \$150,000. But sales rose for homes between \$170,000 and \$179,000 and between \$250,000 and \$500,000.

With mortgage rates below 6 percent, the overall local market is good for buyers, said David Davidson, a broker at RE/Max Heart of Texas. "They have a good selection, and they can negotiate a little bit."

With builders cutting back on home starts, he said, buyers who might have bought a new home may turn to the resale market, helping "absorb that extra inventory rather quickly."

Gaines said he expects sales to fall another 5 percent to 10 percent by year's end. He said sellers need to be more realistic in terms of price and how long their house will be on the market, and he questions whether part of the slowdown is because sellers don't want to lower prices.

**Sellers must "get real or be prepared to take longer to sell, and even then you'll take longer to sell with an adjustment," he said. "You have to deal with the market you're in, not the market you wish it to be or the market it was a year ago."**

[mtaboada@statesman.com](mailto:mtaboada@statesman.com); 912-2942

### **Region bests rest of U.S.**

Existing home sales in Central Texas fell 10 percent in January. But the region is doing better than the rest of the country, where sales are at a nine-year low.

#### **Central Texas**

#### **Nationwide**

##### January sales

1,321, down 10%

249,000, down 22.4%

##### **Median price**

\$187,000, up 7%

\$198,700, down 5.1%

##### **Months supply**

4.2 months, up 35%

10.1 months, up 55.4%

##### **Homes for sale**

8,727, up 24%

3.7 million, up 19.7%

Sources: Austin Board of Realtors, National Association of Realtors

**Courtesy of JB Goodwin**