



# Report: Home sales dip 10 percent

**Austin Business Journal - 3:01 PM CDT Monday, September 24, 2007**

Home sales in Austin continue to fall.

A total of 2,501 single-family homes were sold in August, down 10 percent from a year ago, according to the latest Multiple Listing Service report released Monday by the Austin Board of Realtors. The August sales figure is also down 5 percent from July, further proof of a market in decline.

Still, other factors are tempering the sales downturn. The median price for single-family homes rose 6 percent year-over-year to \$192,000 as the number of days homes sit on the market fell 3 percent to 58 days.

Pending sales dropped to 2,196, down 24 percent compared with last year as the number of new listings ticked up 16 percent.

Jack McDonald with RE/MAX Austin Associates says one thing he's noticed is that those moving to Central Texas from other parts of the country -- particularly places like California and Florida -- are having difficulty selling their homes and therefore are delaying purchases in Austin. However, McDonald says the dominant problem is the mortgage situation, which has taken a lot of potential buyers out of the mix.

"We're going to have to go back to doing real estate the way we used to," says McDonald, which means more FHA and government loans.

"We are seeing a slow down," says Tausha Carlson realtor and co-owner of Marathon Real Estate. "I think it's been so hot for so long it had to experience a slow down. But I don't think we're going to experience the crash that is happening in other markets like Las Vegas and Miami because we didn't have the tremendous rise that those places did."

Like McDonald Carlson says she's seeing a growing number of contingency offers, where buyers moving to the area agree to purchase a home here only if they can sell their existing one elsewhere.

But Carlson says even with the slowdown, she believes "Austin remains a healthy market overall."

The sales decline is also likely to mean a significant cutback in the ranks of agents operating in Austin. McDonald says the number of agents has grown tremendously during these boom years, but that's unlikely to be sustainable. "I think we need to be somewhere around 7,000 agents, and I think right now we've got about 11,000," he says.

**Courtesy of JB Goodwin**