

Existing home sales drop more than 20% in July

Home sales slow in all prices ranges

The drop is concentrated at the high and low ends of the price spectrum. Figures are for January through July.

Price range	Sales in 2008	Percent change from same period in 2007
\$100,000-129,999	1,380	-30.6%
\$130,000-159,999	2,310	-21.4%
\$160,000-199,999	2,460	-11%
\$200,000-249,999	1,881	-5%
\$250,000-299,999	1,215	-16%
\$300,000-399,999	1,433	-10%
\$400,000-499,999	634	-22%
\$500,000-599,999	302	-28%
\$600,000-699,999	204	-13%
\$700,000-799,999	114	-19%
\$800,000-899,999	82	-15%
\$900,000-999,999	41	-39%
\$1 million and up	139	-33%

Source: Austin Board of Realtors

Linda Scott AMERICAN-STATESMAN

Drop in July is 13th consecutive; next 18 months may be bleak too.

By [Shonda Novak](#)

AUSTIN AMERICAN-STATESMAN

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Central Texas home sales declined for the 13th consecutive month in July, and a record 10,913 homes were on the market. The picture could worsen for the next 18 months before a turnaround comes, a veteran mortgage broker predicts.

Austin-area real estate agents sold 2,071 homes, down nearly 21 percent from a year ago, according to the Austin Board of Realtors. **From January through July, 12,971 homes were sold, an 18 percent drop compared with the same period last year.**

The year-to-date declines were evident in all price ranges, with the steepest drops at the high and low ends of the spectrum.

Sales were down 30.6 percent for homes priced between \$100,000 and \$129,999, and down 33 percent for homes costing \$1 million or more.

The drops were lowest for mid-price homes, with a 5 percent decline in sales between \$200,000 and \$249,999.

Rising foreclosures are adding to the housing troubles. In Travis County, foreclosure postings for the September auction are up 45 percent from last year. They're up 34 percent in Williamson County, according to Foreclosure Listing Service Inc. in Addison.

Still, experts continue to say that Austin's market is the envy of many other cities. **The median price continues to rise, up 3 percent last month to \$195,000.**

"Part of this is due to the fact that new home construction is down, and both new and existing inventories remain at pretty good levels, unlike some areas of the country that have seen inventories spike," said D'Ann Petersen, a business economist with the Federal Reserve Bank of Dallas. **The national figure was 11 months of supply in June compared with a 6.1-month supply locally.**

High home supplies across the country have economists worried about how long it will take for the housing market to recover.

In Austin, Ed Solter, a broker with Presidential Mortgage, shares that concern. With job growth in Central Texas cooling off, coupled with the specter of higher capital gains taxes, Solter thinks it could take another year and a half for the market here to improve.

That's similar to the time frame Texas economist Mark Dotzour predicted Tuesday in discussing when new-home construction might pick up again.

Job growth here has slowed from 5 percent a year ago to 2.1 percent in July. Dotzour thinks it could decline to 1.1 percent — a gain of 8,500 jobs — between now and next August.

"Job creation affects all price ranges, from CEOs down to Joe Janitor," Solter said.

On top of that, "with the recent sharp escalations in food and energy prices, coupled with overall gloomy news on the national economy, many potential buyers see little urgency to purchase a home in the current market," said Eldon Rude, the Austin director of Metrostudy, which tracks the housing market.

Solter said the supply of homes could mushroom even further if Congress were to approve in 2010 an increase in the capital gains tax, which both presidential candidates are proposing. Solter said an increase could prompt people to sell residential and commercial properties sooner rather than later, adding to supplies.

Some sellers are reducing prices as homes are sitting on the market longer — just over two months, on average, compared to a little less than two months a year ago, according to the Austin Board of Realtors.

Gay Puckett, an agent with JB Goodwin Realtors in Austin, is the second agent Richard and Roxanne Bailey have used to sell their newly painted, five-bedroom home on Flora Vista Loop in Round Rock. Richard Bailey thought the home would sell for about \$300,000 to \$310,000 in about 45 days, based on sales in late 2007. The Baileys, who have downsized to a smaller home, have now lowered the price to \$279,000 and are offering to pay \$5,000 in closing costs.

If they don't have a buyer by September, Bailey said they'll be forced to lease the house and wait for a year to try to sell it.

In Hyde Park, Janet and Richard Cunningham are eager to find a buyer for a two-bedroom condominium at 45th and Duval streets, where their daughter lived while attending graduate school. The Cunninghams have lowered the price to \$185,000 from \$190,000.

"Our agent is telling us the real estate market is just completely flat," Janet Cunningham said.

Courtesy of JB Goodwin