

Austin-area home sales, fueled by tax credit, soar in April

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Central Texas home sales jumped nearly 31 percent in April and pending sales were up almost 47 percent from a year ago as buyers rushed to beat the April 30 deadline for a federal income tax credit, the Austin Board of Realtors said Thursday.

"Although the tax credit has expired, we are entering a growing economic, real estate and seasonal cycle which we hope will continue to provide momentum to carry our market upward," board Chairman John Horton said.

The tax credit was \$8,000 for first-time buyers and \$6,500 for repeat buyers. For purchases in which a binding contract was signed by the end of April, qualified buyers have until June 30 to complete the sale.

The board reported that real estate agents sold 2,043 homes in April compared with 1,561 in April 2009. The median sale price was unchanged at \$190,700.

From January through April, sales are up 17 percent, the board said.

The amount of time homes were on the market fell 13 percent, to about 69 days, versus 79 days a year ago. The number of homes on the market in April — 10,749 — amounted to a 6½-month supply, making for a balanced market, the board said.

Sales of condominiums and townhouses also were strong in April; 213 sales amounted to a 63 percent increase from a year ago. Pending sales for condos and townhouses rose 70 percent.

"The significant increase seen in the condo and townhouse market can most likely be attributed to the first-time homebuyer tax credit," Horton said. "The median price for condos and townhouses is approximately \$30,000 less than the median price for a single-family home, and therefore, these properties can be a more affordable alternative for first-time buyers."

Horton said that although the tax credits have made it more attractive for some buyers to purchase now, "there are a lot of buyers who have been waiting to purchase until they were confident in the economy. Now that we are seeing recovery in the economy and real estate market, in combination with historically low interest rates, those potential buyers who have been on the fence are now taking the leap and entering the housing market."

Courtesy of JB Goodwin