

Home sales slow, listings surge

Record 11,749 on market; cautious optimism hinges on improving jobs figures.

By [Shonda Novak](#)

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Central Texas' housing market slowed in June, with sales down 4 percent from a year ago and the number of homes on the market climbing to a record 11,749 listings, the Austin Board of Realtors reported Tuesday.

The listings were up 16 percent from a year ago, even as the number of sales in the pipeline to close in July dropped 23 percent, to 1,610.

Sales of new and existing homes nationwide have slowed with the expiration of a federal tax credit for buyers. Although mortgage rates remain below 5 percent, many real estate experts question whether home sales can maintain momentum without the tax credits.

"No mystery — just like anything in sales. Run a special one month on refrigerators, cars, mattresses or houses, take the special off, and the next month sales of that same item are slow," said Robin Curle, an agent with JB Goodwin Realtors. "Why? You made two months of sales in the last month of the special. And some folks were waiting to see if the 'special' would come back."

Curle said she is optimistic about the market, given the region's improving jobs picture.

Charles Heimsath, an Austin real estate consultant, said that although he is not concerned about the market eventually regaining strength, he doesn't think "we're out of the woods yet."

"Pending sales are the most important leading indicator, and with pending sales off by 23 percent, I am concerned about maintaining sales momentum into the fall months," said Heimsath, president of Capitol Market Research.

In addition, the surge in the number of homes in the market raises the possibility of homes taking longer to sell, Heimsath said. Listings are up partly because buyers "are less willing to sell at a discount" and are holding firm on prices.

John Horton, chairman of the real estate board, said the slight dip in sales last month from a year earlier "shows there is life for Austin real estate after tax credits."

He noted that it took an average of 70 days to sell a house, a number that has fallen for six months in a row.

The median sales price last month rose 4 percent, to \$208,750.

Despite the sales decline, the total dollar volume of real estate sold — nearly \$554 million — increased 6 percent from a year ago, mainly because of increased demand for properties in higher price ranges, Horton said.

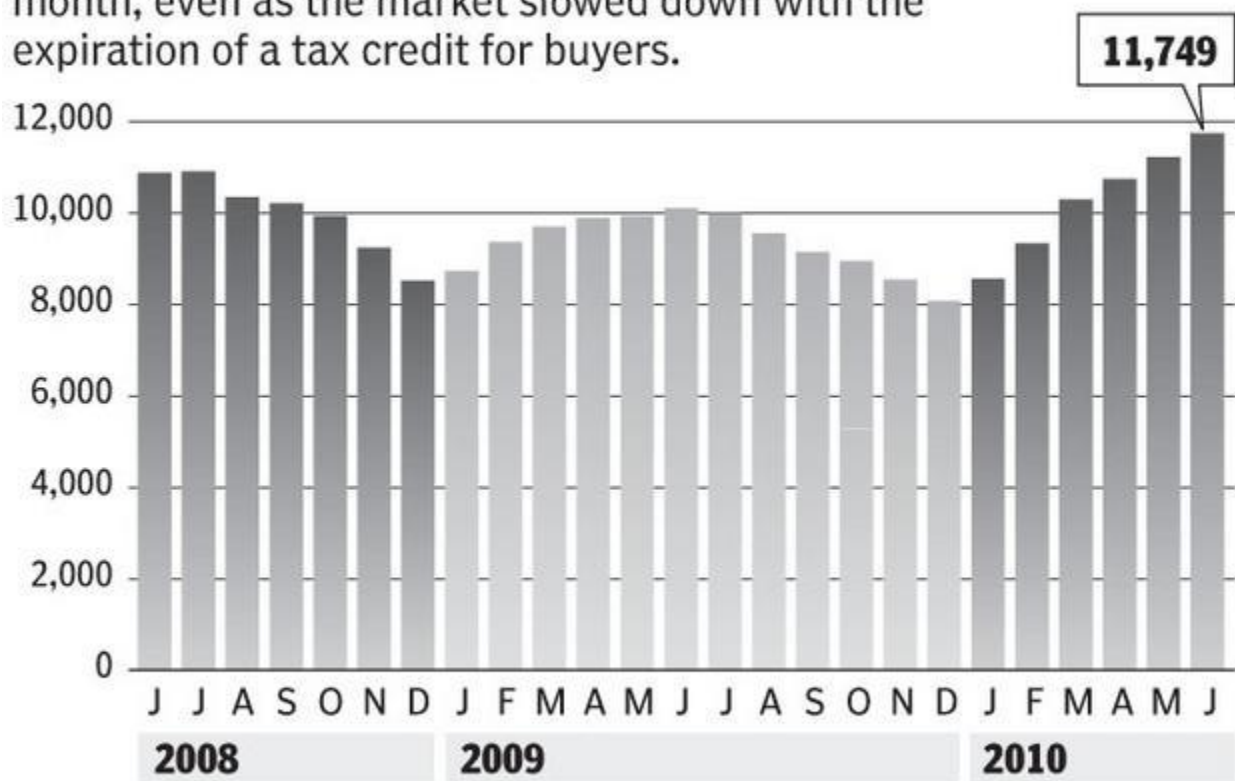
"The federal tax credits were most successful in getting first-time homebuyers into the real estate market, with most purchasing 'entry-level' homes," Horton said. "This helped existing homeowners purchase 'move up' homes, which in turn helped spur activity in higher price ranges."

Curle said with experts projecting that the region will gain 9,700 new jobs this year and 17,100 in 2011, "the one factor that is slowing us is the uncertainty going on in Washington."

"They are creating so many new agencies and programs — business is having a hard time figuring out how much all of this is going to cost," she said. "Hard to expand when you don't know what all the new rules are — and the costs."

Surge in number of homes for sale

Listings of existing homes for sale hit a record last month, even as the market slowed down with the expiration of a tax credit for buyers.



Source: Austin Board of Realtors

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Courtesy of JB Goodwin