

January Home Sales Start Year on Positive Note

Home sales in Dane County are starting off 2011 on a positive note – exceeding the past two January reports, and matching that of 2008. For the eight county region serviced principally by the SCWMLS, all counties but one met or exceeded last January's sales. This year will be a very interesting one for the housing market as it marks the first year since 2008 that no governmental housing stimulus programs are in place or expected.

The median sale price in Dane County was 4.8% ahead of last year for January, when it could be argued that the then existing tax credit was skewing the market into lower price ranges. On the other hand, the \$203,912 figure compares favorably with the average median prices for January since 2008 (\$203,200). Another notable figure in January was the decrease in new listings – down 22.7% from last year – and the lowest monthly total since 2002. Total active listings in the county are also down – approaching the inventory level of late 2005. Like Dane County, active inventories have fallen in all but Columbia and Green Counties, while Iowa County has remained at the same level as one year ago.

For the entire SCWMLS, the most popular price ranges for sales in January were between \$100,000 and \$200,000 (38% of all sales) and \$200,000 - \$300,000 (16% of all sales). It stands to reason that the most popular prices for active listings is the same: \$100,000 - \$200,000 (39%) followed by \$200,000 - \$300,000 (22%). For condominiums, 62% of all sales were under \$160,000 while 49% of active listings are \$160,000 and below.

When breaking down the figures in Dane County, single family homes sales accounted for 179 of the 222 total reported. The single family homes sales are the highest January total since 2007. The 43 condominium sales trailed last year by 5 but were ahead of 2009. Each category also showed a significant drop in new listings for the month - down 21.5% for single family homes and down 25.9% for condominiums.

These figures seem to support the general good news reported recently about the economy. We have just completed a positive Holiday selling season. Job creation is predicted to continue. The stock market has been on a steady climb. Auto sales along with manufacturing activity have improved. Inflation appears to be in check. And interest rates are still low (but showing signs of creeping up). Hopefully these are signs of growing consumer confidence – a confidence that will give buyers the courage to move forward while the tremendous home buying advantages are still here.

With all of this hopeful news, we must be reminded that the first half of 2011 may suffer by comparison to the first half of 2010. Because of the home buyer tax credit, over 60% of the total sales for 2010 took place in the first six months. The expectation is that without such stimulus plans in place to distort the timing of sales, 2011 will be the year to return to normalcy.