

Mid-South follows trend as U.S. July home sales surge 7.2 percent

By Don Wade (Contact), Memphis Commercial Appeal

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Home sales spiked 7.2 percent in July — the largest monthly increase in a decade — and Mid-South agents are seeing similar results.

Between that report released Friday by the National Association of Realtors and Federal Reserve Chairman Ben Bernanke's optimistic remarks at an annual Fed conference in Wyoming, the Dow Jones industrials shot up 155 points, closing above 9,500 for the first time since Nov. 4.



Brad Luttrell/The Commercial Appeal

Steven Ivy cleans up around a construction site Friday in DeSoto County, where sales of new homes in July were the best of the year.

While the national report was strong, brokers say the local market is even stronger.

"We saw a better increase than that," said Sue Stinson Turner, managing broker at Crye-Leike's Germantown office on Forest Hill-Irene, referring to her office, which had a sales volume increase of about 30 percent from July 2008. "Pendings have been up, closings have been up, inventory's going down."

DeSoto County and Northwest Mississippi also have seen summer sales reach the highest level all year, said Donnie Chambliss III, president of the Home Builders Association of North Mississippi.

"Sales for July were over sales for June, and sales for June were the best month of the year," he said. "Literally, it is safe to say that the last two months have been the best of the year for home sales."

Nationally, encouragement also is drawn from the fact that this was the fourth straight monthly increase, and NAR chief economist Lawrence Yun said the housing market has "decisively turned for the better."

The Memphis Area Association of Realtors' most recent data showed June sales up 11 percent from May, but down 18.5 percent from June 2008. The median sales price was \$110,000, up 16.4 percent from May and up 1.5 percent from May 2008.

Inventory stayed flat at 10,013.

"Memphis was a little behind sliding into the downturn and we'll probably be a little later on the upswing," said Glenn A. Moore, incoming MAAR president.

Linda Sowell, managing broker at Sowell & Co. in Memphis, said their business is picking up.

"I'm not sure if it's seasonal or the \$8,000 tax credit (for first-time home buyers)," she said. "Part of it might be that sellers are being more realistic."

The federal government's tax credit for first-time home buyers — 10 percent of the purchase price up to \$8,000 -- is expiring; sales transactions must be completed by Nov. 30, meaning buyers probably ought to have contract offers in before October.

The end of that popular program could create some headwinds for the industry as first-time buyers have fueled the surge in sales, accounting for one out of every three home sales.

Chambliss also pointed to the HOME grant program in the county as to why home sales are growing in DeSoto.

The HOME grant program is a federal initiative that provides as much as \$28,750 for the initial home purchase, which would not have to be repaid as long as the buyer lives in the home for 10 years.

DeSoto County has distributed 16 HOME grants totaling \$500,000 to residents in the county.

Meanwhile, sale prices continued to suffer throughout the nation, and a huge reason is that sales of foreclosures and other troubled properties accounted for about one-third of all July transactions.

July's national median existing-home sales price for all housing types was \$178,400 — a 15.1 percent reduction from July 2008.

Sowell, however, was also encouraged by something that happened on Thursday.

"One of our agents got two offers on one house," she said. "That hadn't happened in a long time."

