

Housing

With mortgage rates falling to well under 4% and an inventory that continues to decline, the housing market has been steadily re-gaining the value lost during the Great Recession.

Over the four year span from January 2008 to January 2012, the City's median housing prices declined by 36.8%. For Calendar 2012, the average sales price was \$159,437, a gain of \$30,000 over the 2011 average price of \$129,149. The median sales price increased from \$80,000 in Calendar 2011 to \$118,950 in 2012.

In January of 2010, a 30 year conventional mortgage was available at 5.1%. Since then the rates have declined to a January 2013 low of 3.5%. The falling rates have helped reverse the falling home prices over the last two years. However, the additional scrutiny place on mortgage applicants has limited the pool of potential homebuyers that qualify for a mortgage, suppressing housing sales. That same scrutiny has also driven new foreclosures down.

Inventory continues to be constrained, aiding in the recovery of prices in the City's housing market. February active listings have fallen from a high of 5,117 in 2009 to 2,708 homes in 2013. While the housing supply has dwindled by 47% since February of 2009, the days on market for a house have also fallen, from 136 days in February 2009 to 96 days in February 2013. In six of the last nine months, the days on market has come in below 100 days. The last time days on market was below 100 was in October of 2007. As of February 2013, at the current rate of sales and inventory, it would take 7.7 months to sell all inventories assuming no other houses entered the market. This is compared to 1.3 years to clear the market in January of 2012.

