

# The Salt Lake Tribune

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## Bad, good news for housing

April home sales fewer than 2007, but up from March in S.L. County

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Nearly one-third fewer homes sold in Salt Lake County in April compared with the same month last year, while median prices managed a 2 percent increase to \$235,000, a new report shows.

There were 972 homes and condominiums sold last month, down from 1,399 homes and condominiums in April 2007, according to the Salt Lake Board of Realtors report released Tuesday.

In other parts of the country, declining home sales have led to median price declines, many of which have been deep. Some economists have predicted the Wasatch Front's real estate market could suffer well into 2010, with selling-price declines as deep as 20 percent.

But Realtor officials said Tuesday they believe that any downturn here will be comparably shallow and short-lived.

Board president Jillinda Bowers said April was the third consecutive month in which home sales increased in the county. Last year, sales started to slip in the summer, with January's total of 634 an eight-year low for monthly sales. April's total of 972 units sold is up from 934 in March and 746 in February.

"It appears to be a trend" of increasing sales, Bowers said.

Countering the Realtor's encouraging forecast is Gus Faucher, of Moody's Internet-based economic forecasting company Economy.com. He has predicted that the downturn could linger as long as early 2010.

Faucher expects prices in the Salt Lake metro area to fall from a peak last year as much as 20 percent over the next year and a half or so. Wells Fargo & Co. economist Kelly Matthews predicts a similar decline, but believes the market may turn around later this year or early 2009.

Bowers said Utah's comparatively strong job growth, population growth and low unemployment rate are helping the residential downturn be shallow and short-lived.

According to board statistics, 56 percent of all homes sold in April fetched less than \$250,000. "It's the upper-end homes that we are having trouble selling," Bowers said, noting that if there are significant price reductions, it will be in that price range.

Part of the problem in Utah and other states are tighter lending standards put in place after the subprime lending debacle, in which many people with less than perfect credit qualified for risky loans that have ended in default. While many people today are having greater difficulty getting loans and having to put more money down, many of those trying to get so-called "jumbo" loans - those for values above \$417,000 - are having the greatest difficulty and paying some of the highest rates.

Bowers said more restrictive lending standards have had a profound effect on home sales.

"Of course sales are down this year when compared to last year," Bowers said.

"Last year at this time anyone could get a mortgage loan," she said.

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For 2008 in Salt Lake County:

- \* **January** - 634, an eight-year low for monthly sales
- \* **February** - 746
- \* **March** - 934
- \* **April** - 972

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