

Home sales along Wasatch Front fall

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Sales of existing homes and condominiums in Salt Lake County fell in May by a third, compared to the same month last year, a new report shows.

A total of 1,056 existing homes and condos in Utah's most populous county changed hands in May, the Salt Lake Board of Realtors said, compared with 1,581 in May 2007.

Although sales were down, the median sales price held steady, at \$235,500, virtually unchanged from a median of \$235,384 in May 2007, the board said.

The board's home-sale data covers little new construction, although new home sales also were down, by an even larger margin.

Builders took out permits for the construction of 436 homes along the Wasatch Front in May, down 65 percent from May 2007, according to Construction Monitor, a service that tracks building activity throughout the West.

Several economists have predicted that falling sales along the Wasatch Front eventually will give way to falling home prices. Predictions range from a total "correction" of about 10 percent to as much as 20 percent from the peak of the market at the end of last year to the bottom, which some believe could come as late as 2010.

James Wood, director of the University of Utah Bureau of Economic and Business Research, considers a overall correction of 20 percent to be "very unlikely" but thinks there is a 50-50 chance of a correction of 5 to 10 percent.

Wood said a lot depends on how Utah's economy holds up, and how much of a problem foreclosures become.

Foreclosures are up in Utah, but they have yet to reach the epic proportions of a number of other states.

For their part, officials for the Salt Lake Board of Realtors say they doubt that selling prices will fall by much. They point to the fact that although sales of homes and condos in Salt Lake County are down year-over-year, they have increased every month since February.

Ryan Kirkham, president-elect of the board, sees that as a sign of improvement in the market. "I'd be really surprised if prices overall fall by very much."

Some neighborhoods, however, will do better than others. Those most vulnerable to falling prices are those with a lot of new construction or a lot of high-end homes, he said.

The most robust segment of the market remains homes priced less than \$300,000. Nearly three-quarters of the homes and condos that sold in May were listed at less than that amount.

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