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REAL ESTATE UPDATE

SELLER'S MARKET

St. Louis ranks as one of the "five best places when selling a home"

BY OSCAR WATERS

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FORBES.COM RECENTLY CALLED ST. LOUIS one of the top five U.S. cities for selling a home.

According to an article on the website, while nationwide prices for existing homes keep falling and there is a glut of unsold new homes, not every market is following the national trend. There are still cities where sellers have the upper hand, and St. Louis is one of them.

"Price growth may not be extraordinary, and the St. Louis market has never been considered high flying," the Forbes.com article noted, using data from Moody's Economy.com and the National Association of Realtors, "but as it stands now, it is an excellent time to be a seller here."

To measure inventory glut, Forbes used the Economy.com and NAR data that tracked a market's current sales rate by projecting the amount of time it would take to sell off the excess housing stock at the current rate of sales. They also looked at the change in sales rate over the past year to measure the relative tightening or loosening of the market. Finally, a measure of price stability was applied to prevent the list from being a rundown of upstart markets.

Dennis Norman, president of the St. Louis Association of Realtors, had this comment about the report: "For starters, it doesn't surprise me that Forbes has put St. Louis in the top five. As I have stated in several interviews on the subject, our market here is much more stable, in good times and bad, than many markets throughout the

country. We don't see the huge 30-percent-plus, one-year gains during boom times like some areas have in the past, particularly in Florida and other coastal areas, however we also don't see the larger downward corrections when they come like these other markets do. Our 'ups and owns' in St. Louis are much more stable and consistent."

"It's also good to see St. Louis singled out in a positive way since we have been such a victim to all the negative press that is out there that is largely based on national statistics which are not accurate for St. Louis. I'm not saying that it is easy to sell a home right now in St. Louis, however houses that are priced appropriately are selling."

Norman added, "Stats and facts and figures that I think support what I am saying have been compiled from data in our MLS system, which includes data for the St. Louis Metro area as well as surrounding counties and some outstate and Illinois property in the system as well. According to the figures, homes and condos are selling, prices have increased, the only real negative in the market is the amount of listings for sale. There are a lot more listings now than over the past few years, so there is more competition for the sellers and homes must be in their best showing condition and priced right."

The number one city on the Forbes.com list is Raleigh, North Carolina. "Moderate growth and disciplined building over the past five years prevented the market from developing a significant glut," Forbes.com said. In the case of San

TOP 5

1. Raleigh, N.C.
2. San Francisco
3. Austin, Texas
4. San Antonio
5. St. Louis ✓

Francisco, which ranked second on the list, it is an issue of geography: There is little space for growth or new development. Austin, Texas, was number three on the list largely because of moderate housing growth from 2003 to 2005 and a job-growth economy." Number four is San Antonio, Texas, where disciplined new-home building and affordability kept the market moving and the potential buyer pool strong, Forbes.com said.

The best way to judge a buyer's versus a seller's market, concludes Forbes, is a simple supply-demand analysis of housing stock: At the current rate of sales, how long would it take to sell off the inventory of single-family homes or condos? If that measure comes back high, houses sit on the market longer. If it is low, the market is tightening, which is good news for the seller.

Total homes in the Metro St. Louis MLS system - 22,552
 Average days on market - 114
 Average list price - \$246,423

- Compiled from MLS statistics, including some outstate and Illinois properties