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Dallas-Fort Worth pre-owned home sales climb 18%

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By **STEVE BROWN** / The Dallas Morning News
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North Texas home sales jumped 18 percent in May, the third month in a row of double-digit annual gains.

Local real estate agents sold 7,119 pre-owned single-family homes last month, the highest monthly total so far this year. Through the first five months of 2010, sales of homes through real estate agents' Multiple Listing Service are up 12 percent over the same period last year, the Real Estate Center at [Texas A&M University](#) and the North Texas Real Estate Information Systems said Monday.

May home sales got a boost from the federal tax credit that provided up to \$8,000 to homebuyers who had a house under contract by the end of April. Now that the federal tax credit has expired, most analysts anticipate residential sales will cool off.

Indeed, pending home sales are down 23 percent in North Texas, indicating a slower sales pace ahead.

"There may be a few more tax credit sales that will close in June, but the impact will likely be less than the previous two months," said David Brown, who heads the Dallas office of housing analyst Metrostudy Inc. "We have seen new contracts have slowed in markets across the country with the expiration of the tax credit."

The median pre-owned home sales price last month was \$151,980, up 2 percent from a year earlier. The number of homes on the market last month was down 2 percent from a year earlier, according to the latest [MLS](#) reports.

In May, there was a 6.6-month supply of pre-owned single-family homes listed for sale in North Texas. A six-month inventory is considered a balanced market.

Any significant year-over-year declines in home sales probably won't show up until fall, since that's when the federal tax credits first began to boost home sales in 2009.

"Expect September, October and especially November numbers to look really bad by comparison to last year's when the credit was in full force for first-time buyers," said James Gaines, an economist

with the Real Estate Center at Texas A&M University. "Ironically, mortgage rates under 5 percent don't seem to be making much difference, except that we don't know how bad the market might look if rates were, say, around 8 percent instead."

Homebuilders said new-home sales began to slow in early May after the tax credits expired, said Ted Wilson of Dallas-based housing analyst Residential Strategies Inc.

"Builders remain hopeful that the job growth seen so far this year keeps coming and that sales continue their modest recovery in the second half of the year," he said.

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