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High-end home sales surge in Dallas area while humble abodes sit

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The housing downturn has lost its hold on the Dallas area's priciest neighborhoods.

Home sales in the affluent Park Cities area are up 41 percent so far this year – the first year-over-year increase in more than four years.

Sales are also strikingly higher in [North Dallas](#) – up 28 percent – and in Westlake, where pre-owned home purchases through the first nine months of 2010 are running a third higher than in the same period last year.

The inventory of homes for sale in these higher-priced neighborhoods has also fallen.

But at the other end of the spectrum, where there's more affordable housing and lots of distressed properties to pick from, the home sector shakeout roils on.

Sales this year are down 25 percent in [DeSoto](#) , 17 percent in [Cedar Hill](#) and 16 percent in Lancaster.

Overall sales are down about 4 percent in the 45 residential districts where *The Dallas Morning News* tracks housing market conditions each quarter.

Median prices in North Texas are up about 2 percent this year from 2009, according to statistics from the [Real Estate](#) Center at [Texas A&M University](#) and North Texas Real Estate Information Systems.

With sales still down and the economy just huffing along, why are high-end homes taking off? What do affluent buyers know that the rest of North Texas homebuyers haven't figured out?

"Those that have money are buying because they think this may definitely be the time in terms of pricing," said Dr. James Gaines, an economist at the Real Estate Center. "And a lot of people who have money can't figure out where else to put it.

"They're looking around and thinking in the long run they might just as well put their money in a house they can live in and enjoy."

Mortgage hurdles

But buyers looking for low- and moderate-priced homes often don't have the cash and credit to take advantage of the market, Gaines said.

"Some of those buyers are still people having a tough time qualifying for any mortgage money out there," he said. "They might not have the credit score or the down payment, which is hurting that end of the market."

Cedar Hill real estate agent Robby Setser, who sells homes in several southern Dallas County markets, says qualifying for a mortgage is an obstacle for some buyers.

"It's still pretty tough, and they are running the borrowers through the wringer," Setser said. "If you can qualify for a loan, you can get some amazing buys and low payments on your home."

"I'm not sure why everything is stagnant right now."

Housing analyst Ted Wilson of Residential Strategies said the sales slowdown in moderate-priced neighborhoods doesn't mean buyers aren't out there.

"There is not a lack of interest in those markets," he said. "But with higher down-payment requirements and credit scores, it's a challenge to buy there."

The end of federal tax credits aimed at first-time buyers also reduced sales in many neighborhoods.

Cash is king

In the high-priced markets, cash is king, and markdowns are the order of the day.

"If you look at it, what's moving tends to be the more aggressively priced homes in those affluent areas," Wilson said. "People are definitely bargain-shopping."

Dallas real estate agent David Nichols, who sells homes in Park Cities and North Dallas neighborhoods, said it's still a buyers' market, even with the lower inventories.

"It is a price-driven market," said Nichols, who works for Allie Beth Allman & Associates. "This has affected the overall value of homes in both the Park Cities and Preston Hollow but has also dramatically increased sales in these areas, which is good."

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