

WHERE HOMES ARE SELLING FASTEST (Business Week)

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But even real estate in the best Zip Codes are spending longer on the market than in 2007

Houses in Sunnyvale, Calif., home to companies such as Juniper Network, AMD, and Yahoo!, are typically on the market for 66 days, making it the fastest-selling real estate market in the country. That's the good news. The bad news is that listings a year ago in the affluent Silicon Valley suburb normally sold after just 31 days on the market.

Even in the fastest-selling Zip Codes in the country, that trend is repeated over and over again. Nothing is selling as fast as it once did as buyers hold off, waiting for prices to drop even more. In some areas the median days on the market have extended beyond weeks into several months. In fact, after searching the nation for communities where homes were selling the fastest, it became clear that not a single Zip Code has eluded the housing slump. But some places are doing better than others. A lot better.

After Sunnyvale, Austin, Tex., another high-tech center, comes in second at 68 days. The third-fastest-selling Zip is the Scripps Ranch neighborhood of San Diego, a wealthy inland market where listings were typically 70 days old, a span that would have been unthinkable during the real estate boom.

Worst-Hit Housing Market

Yet these seem positively alacritous in comparison with Miami, one of the nation's worst-hit housing markets, where typical listings are close to a sluggish six months, according to Altos Research, the Mountain View (Calif.) firm that helped us come up with our list of the fastest-selling markets in the U.S. "It was remarkable that it was so difficult to find markets moving very quickly at all," said Altos Research CEO Michael Simonsen said. "These are, in general, some of the healthier markets in their area. At least, there is some consistent demand. Although, in historical terms, it's still light."

Even the best areas are a long way from the peak of the real estate market in 2005, when buyers had to act fast because homes were typically snatched up in four weeks, according to the National Association of Realtors. Listings in the fastest-selling markets are also taking much longer to sell than they did a year ago when the credit market was just beginning to tighten. In Sunnyvale, for example, the days on the market for a typical listing increased by 47% during the past 12 months. "Lenders have gotten more conservative after years of loose lending," said Irvine (Calif.) real estate consultant John Burns. "This shouldn't be surprising -- every single market in the country has been negatively impacted."

Hurting Neighborhoods

Middle-income neighborhoods are suffering the most, said Ken Gold, director of the Ohio State University Fisher College of Business Center for Real Estate Education & Research. Sellers of expensive homes can find buyers because the wealthy aren't affected as much by the credit squeeze. And first-time home buyers are finding bargains as home prices slide.

Gold said the places where homes are selling the fastest are established, affluent communities close to jobs, restaurants, stores, and services. These days, buyers don't want to live far from job centers, especially in an uncertain economy, he said. "Mature areas, which have higher incomes and higher-priced homes are as good as gold," he said.

Gold might have a point. The communities on our list were relatively wealthy and close to jobs -- neighborhoods such as the Circle C master-planned community in southwest Austin; Scripps Ranch in San Diego, 77094, one of Houston's wealthiest Zips on the city's western edge; and Venice, Calif., where the median asking price for a home is \$1.399 million.

Robust Texas Zips

The communities were also in areas with relatively strong economies. With the Texas economy booming thanks to high energy prices, three Texas Zips made the list: Houston, Austin, and Plano. Other cities with relatively strong economies also ranked high, including Portland, Ore., Seattle, and Salt Lake City.

An exception is San Diego, which has seen job losses increase and the economy weaken largely because of the housing crisis. That has damaged housing-related businesses and consumer spending. Kevin Wunderly, a Realtor with Avalar San Diego, said he isn't surprised the Scripps Ranch Zip made the list. Sales have slowed in the past year because of tight credit. But the number of homes on the market isn't large and hasn't grown much. Homeowners in the affluent neighborhood don't feel as much pressure to sell as homeowners in poorer, foreclosure-heavy neighborhoods because they have the means to ride out the downturn, he said. "A lot of people are waiting on the sidelines."

Jay Carter, a Realtor with Livinginaustin.com, said the 78749 Zip Code in southwest Austin is one of the hottest he has seen. It's a high-end neighborhood surrounded by scenic hills, but it's just a 5- or 10-minute drive to downtown. "Sellers are not having nearly the heartburn that you're seeing in a lot of areas of the country," Carter said. "They consider themselves very fortunate."

The 10 Fastest-Selling Housing Markets in the U.S.

1. Sunnyvale, Calif. 94087

Days on the Market (DOM): 66 days

Median Price: \$1.031 million

Annual Asking Price Change: -0.4%

Annual DOM Change: 46.6%

2. Austin, Tex. 78749

Days on the Market (DOM): 68 days

Median Price: \$250,693

Annual Asking Price Change: -0.9%

Annual DOM Change: 19.0%

3. San Diego, Calif. 92131

Days on the Market (DOM): 70 days

Median Price: \$771,025

Annual Asking Price Change: -9.7%

Annual DOM Change: 14.7%

4. Plano, Tex. 75075

Days on the Market (DOM): 75 days

Median Price: \$185,589

Annual Asking Price Change: -2.8%

Annual DOM Change: 9.9%

5. Portland, Ore. 97202

Days on the Market (DOM): 77 days

Median Price: \$395,877

Annual Asking Price Change: -1.1%

Annual DOM Change: 27.7%

6. Houston, Tex. 77094

Days on the Market (DOM): 77 days

Median Price: \$351,803

Annual Asking Price Change: 6.7%

Annual DOM Change: 13.7%

7. Wakefield, Mass. 01880

Days on the Market (DOM): 79 days

Median Price: \$429,485

Annual Asking Price Change: -7.3%

Annual DOM Change: 3.7%

8. Seattle, Wash. 98117

Days on the Market (DOM): 86 days

Median Price: \$535,020

Annual Asking Price Change: -0.9%

Annual DOM Change: 34.2%

9. Littleton, Colo. 80130

Days on the Market (DOM): 90 days

Median Price: \$378,420

Annual Asking Price Change: 6.6%

Annual DOM Change: 79.9%

10. Atlanta, Ga. 30340

Days on the Market (DOM): 91 days

Median Price: \$217,285

Annual Asking Price Change: 5.5%

Annual DOM Change: 21.9%

Editor's Note: The ranking was based on the age of the average active home listing in each Zip Code on Aug. 22. The highest-ranked Zips had listings with the fewest "days on the market" (DOM). In cases where communities of relatively fast-selling real estate were clustered together, the best Zip Code in that area was chosen. The selected Zips had average and median DOM of no fewer than 101 days. The Zips were ranked based on the median DOM. The asking price is based on a 90-day rolling average ending Aug. 22. The annual DOM change compares the days on the market on Aug. 22 to a year earlier.

Source: Altos Research

Gopal writes about real estate for BusinessWeek.com in New York.

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