

Columbus and Harris County housing markets look for uptick in 2010 after 2009 slump

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Mary Hill has an experienced perspective on how tough the Columbus real estate market has been the last couple of years.

The Waddell Realty Co. agent has made a living selling homes for 36 years. She remembers some much rougher moments.

“Oh my goodness, if you were in the market when (interest rates) went up to 18 percent during the Carter Administration, ... can you imagine? The market was really bad then,” Hill said.

Certainly, interest rates now are at historic lows — less than 5 percent for some borrowers. There also are plenty of homes on the market for buyers looking to grab a piece of the American dream. And the icing on the cake can be found in federal tax credits of up to \$8,000 for first-time purchasers.

Despite all of that, 2009 proved to be a tough one for the Columbus and Harris County home markets. Across the Chattahoochee River, in Alabama, meanwhile, it was a banner year.

“Those markets are growing,” Howard Jefferson said of the Alabama communities of Fort Mitchell, Phenix City and Smiths Station.

Jefferson is a broker with Coldwell Banker/Kennon, Parker, Duncan & Key, a Columbus-based real estate firm that does business in Georgia and Alabama.

“There’s just more land available over there,” he said. “And we’ve got more buyers now that did not grow up in Columbus, and therefore, it doesn’t matter to them if they live in Fort Mitchell, Phenix City or Columbus.”

By the numbers

Multiple Listing Service data for Phenix City shows home sales rose to 759 units last year from 633 in 2008, an increase of 20 percent.

Sales in the unincorporated community of Fort Mitchell, about 15 miles south of Phenix City, jumped 30 percent, with 274 units sold last year compared to 211 the year before.

Many of the residents locating in Fort Mitchell have some sort of military connection. They are either Fort Benning soldiers, military retirees or civilians employed on the post.

The fact that property taxes are typically about a third of what they are in the city, along with Alabama's not taxing military pensions, makes it a much easier sell, Jefferson said.

The past year for Columbus, on the other hand, was a double-edged sword. Home sales were down, while prices did not plummet. Sales dropped 11.2 percent, according to the MLS stats, with 1,698 units sold in 2008, compared to 1,508 last year.

Harris County also was slower, with home sales sliding 8.4 percent. There were 261 homes sold last year in the mostly rural suburb just north of Columbus, compared to 285 in 2008.

The Harris County numbers pale in comparison to the pre-recession years of 2005 and 2006, when 498 and 493 homes, respectively, were snapped up by hungry buyers in a seller's market. The drop from 2005 to last year is 47 percent.

"Harris County has seen a huge shakedown," said Bob Patterson, a broker and owner of the Bob Patterson Group, a real estate company based in Hamilton.

He points to the numbers of agents now doing business in the county. There were four companies and 40 agents in the market at the beginning of 2009. There now are two firms and four agents, he said.

Bouncing back

Harris County and Columbus will bounce back, Patterson said, and sooner rather than later. The broker said he just had his best January in four years, although that was because of foreclosures and short sales. That's when a lender unloads property at a moderate loss rather than going through the time and expense of a foreclosure.

Shaping the home market this year will be the federal tax credit that has been continued into this spring for first-time buyers, plus a credit of up to \$6,500 for those who have owned a home previously, but are purchasing a new one.

There also is the movement of the U.S. Armor School from Fort Knox, Ky., to Fort Benning. The deadline for the relocation to be completed is September 2011. That means soldiers and civilians will begin moving here this year.

"It looks like the second quarter should be the first trickle, and the spigot should be wide open by the summer," said Patterson, who also is president-elect of the Columbus Board of Realtors.

Those factors and the realization that home prices have not fallen off a cliff like those in other areas of the country bode well for the Columbus market, the agents say.

A quick check of the MLS figures show the median sales price in Columbus last year is down only 3.8 percent from 2008. Harris County prices are off 9.6 percent year-over-year.

In Phenix City and Smiths Station, meanwhile, median sales prices are up 4 percent, with Fort Mitchell prices up 1 percent from 2008, but about 8 percent from 2007.

“I think in 2010 we’re going to start coming out of this,” said Hill. “People who have been putting it off are going to decide that they need to make a decision while they can get a good buy ... because if they have to sell for less, then they can buy for less.”

However, a rebound won’t be automatic, Patterson said. There’s still too much inventory locally, he said, while there also are plenty of potential sellers just waiting to leap back into market when prices fully stabilize and start climbing. That would push inventory even higher.

“It has been such a strong buyer’s market,” the broker said. “We may get back to some sort of equilibrium (in 2010), and then possibly in 2011 might start swinging back into a seller’s market.”

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LOCAL HOUSING MARKET STATISTICS

COLUMBUS

TOTAL UNIT SALES

2009: 1,508

2008: 1,698

2007: 1,922

2006: 2,521

2005: 2,276

MEDIAN LIST PRICE

2009: \$139,900

2008: \$146,000

2007: \$147,900

2006: \$144,900

2005: \$137,900

MEDIAN SALES PRICE

2009: \$137,700

2008: \$143,250

2007: \$145,900

2006: \$144,200
2005: \$137,000

MEDIAN DAYS ON MARKET

2009: 94
2008: 101.5
2007: 88.5
2006: 71
2005: 62

TOTAL MEDIAN SALES VOLUME

2009: \$231.2 million
2008: \$277.3 million
2007: \$319.4 million
2006: \$419.1 million
2005: \$358.6 million

HARRIS COUNTY

TOTAL UNIT SALES

2009: 261
2008: 285
2007: 397
2006: 493
2005: 498

MEDIAN LIST PRICE

2009: \$228,000
2008: \$249,900
2007: \$239,900
2006: \$232,000
2005: \$223,950

MEDIAN SALES PRICE

2009: \$215,000
2008: \$238,000
2007: \$235,400
2006: \$231,875
2005: \$222,900

MEDIAN DAYS ON MARKET

2009: 105
2008: 121
2007: 107

2006: 82
2005: 85

TOTAL MEDIAN SALES VOLUME

2009: \$60 million
2008: \$71.5 million
2007: \$101.7 million
2006: \$123.7 million
2005: \$119.4 million

PHENIX CITY/SMITHS STATION

TOTAL UNIT SALES

2009: 759
2008: 633
2007: 783

MEDIAN LIST PRICE

2009: \$146,900
2008: \$139,900
2007: \$136,500

MEDIAN SALES PRICE

2009: \$144,000
2008: \$138,500
2007: \$134,900

MEDIAN DAYS ON MARKET

2009: 110
2008: 105
2007: 96

TOTAL MEDIAN SALES VOLUME

2009: \$109.2 million
2008: \$90.8 million
2007: \$117.9 million

FORT MITCHELL

TOTAL UNIT SALES

2009: 274
2008: 211
2007: 169

MEDIAN LIST PRICE

2009: \$190,527

2008: \$189,990

2007: \$179,990

MEDIAN SALES PRICE

2009: \$193,875

2008: \$191,890

2007: \$179,495

MEDIAN DAYS ON MARKET

2009: 109

2008: 93

2007: 102

TOTAL MEDIAN SALES VOLUME

2009: \$51.7 million

2008: \$37.9 million

2007: \$28 million

Source: Multiple Listing Service