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UTAH HOME PRICES RISE FOR FIRST TIME SINCE '08
Median sales price increases nearly 3 percent from last April

SANDY — April marked the first rise in Utah's median home price in four years, according to a report released today from the Utah Association of Realtors. In April, the median price for homes sold was \$178,150, up 2.7 percent from \$173,500 in April 2011. This is the first year-over-year gain since April 2008.

“As inventory headed down during the first part of the year, buyers began competing with each other for properties,” said Lori Chapman, UAR president. “That competition for tighter supplies led to higher prices in April.”

The average sales price, which tends to fluctuate more, also increased 5.2 percent from last April. This year, the average price for all closed sales was \$237,029 compared to \$225,234 a year ago. This is the second month the average sales price has increased.

“While one or two months of data does not yet represent a trend, we are certainly encouraged by these numbers,” Chapman said. “If housing supply continues to be quickly absorbed, we can expect more reports like this. The key factors to watch will be interest rates, delinquencies on mortgages and how fast home builders put new units on the market.”

Since last year, the number of homes available for sale in Utah has dropped about 24 percent. The 20,119 properties for sale at the end of April represented a 6.9-month supply of inventory.

“A market balanced between buyers and sellers is typically in the six- to seven-month range,” Chapman said.

In some areas, supplies are even tighter, which has pushed up prices. In Uintah County, the median sales price rose from \$131,250 last year to \$182,000 this April — a nearly 39 percent increase. Their supply of inventory was at 4.4 months. In Salt Lake County, a five-month supply of inventory is coinciding with a 3.7 percent increase in the median sales price. Similarly, Washington County had 5.9 months of supply and a 9.5 percent rise in the median sales price.

With these conditions, sellers are seeing less downward pressure on their asking prices. In April, sellers received an average of 93.1 percent of their original list price. That's up nearly 4 percent from last year when they brought in 89.8 percent. This is the highest reading for the indicator since 2008.

The number of transactions is also growing. Utah home sales rose for the eleventh consecutive month in April, up 9.5 percent from last year. Utah Realtors sold 3,028 homes, townhomes and condominiums compared to 2,766 sales in 2011.

Among areas with at least 30 sales, the highest percentage increases were found in Iron (up 25.8 percent), Wasatch (up 25.7 percent), Weber (up 18.8 percent), Davis (up 17.2 percent) and Salt Lake (up 16.6 percent) counties.

Although both low- and high-end homes fared well, the price range with the strongest sales was the \$150,000-and-below category, where sales rose nearly 38 percent. The weakest segments were the \$300,001-to-\$500,000 and \$500,001-to-\$750,000 ranges. Homes priced above \$750,000 saw a 2.3 percent increase in sales.

Looking ahead, overall May sales should be strong as well. Contracts signed to buy properties, referred to as pending sales, rose about 19 percent from last year. Because it takes a month or two to close a transaction after a contract is signed, these pending sales predict closed transactions in the coming months.

Due to low interest rates, housing affordability remained high despite the price increase. In April, a Utah family making the median income had 172 percent of what is necessary to qualify for the median-priced home under prevailing interest rates. According to this measure, affordability is up more than 11 percent from last year.

Top 10 Counties for Percentage Increase of Closed Sales				
Rank	County	Sales April 2011	Sales April 2012	Percentage Change

1	Rich	2	8	+300.0%
2	San Juan	1	3	+200.0%
3	Sevier	9	24	+166.7%
4	Millard	2	5	+150.0%
5	Carbon	9	21	+133.3%
6	Kane	2	4	+100.0%
7	Sanpete	13	21	+61.5%
8	Daggett	2	3	+50.0%
9	Beaver	3	4	+33.3%
10	Iron	62	78	+25.8%
	Entire State	2,766	3,028	+9.5

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The Utah Association of Realtors serves more than 11,000 members and is the official trade association for real estate professionals in Utah. More information about Utah's housing market is available at UtahHousingTracker.com. More information about the Association is available at UtahRealtors.com.