

## [Real Estate Newsline dated January 15, 2010](#)

By Mame Kwayie

The San Antonio Board of REALTORS® hosted its 2010 Housing Forecast on January 5 at the Omni Colonnade Hotel in San Antonio, Texas. Over 500 local real estate industry professionals were in attendance to gain insight to recent market trends and possible future developments in the housing market. After breakfast and a brief welcome from Marietta Alba, the 2010 SABOR Chairman of the Board, the morning kicked off with a presentation by San Antonio Mayor, Honorable Julian Castro. Castro's speech underscored an optimistic outlook for the city. "San Antonio will continue to be a community that works together to create a globally competitive city," the Mayor said. Dr. Mark Dotzour, Chief Economist Research Director from the Texas Real Estate Research Center and the second speaker of the morning, predicted that the newly extended homebuyer's tax credit will thrust home buying forward in the first half of 2010. "There is no reason in my mind not to buy a house today," Dotzour said. "Mortgage rates are low and there's the homebuyer tax credit on top of that. If you have a vacation scheduled between now and July 1st, cancel it," Dotzour jokingly advised REALTOR® members, implying that a busy buying season is ahead. Dotzour highlighted that consumer confidence should see an increase in the coming months, but noted that the personal savings rates have an inverse relationship with consumer confidence levels. "People begin to save when they fear they are going to lose their jobs," Dotzour said. The presentation also illustrated the savings and consumption patterns of most Americans. "Americans don't like to save money for very long," Dotzour pinpointed while discussing a dip in personal consumption expenditures in 2009. "This period represents an unprecedented hiccup. People stopped buying. But we don't delay gratification very long. People will start spending again."

Bob Gardner, CEO of Legacy Mutual Mortgage, provided an in-depth analysis of the local market. Gardner stated that an increase in sales can be expected for 2010, estimating sales numbers will be upwards of 18,000 for the year. Gardner was optimistic about homes in the under-\$200,000 price range, stating that these properties will continue to fair extremely well. "For homes in this price range, values will increase, demand will be strong, and sales will lead to economic recovery in the coming months," Gardner said. Gardner, who gathered research statistics from the SABOR Multiple Listings Service, also noted that homes priced under \$200,000 accounted for 76% of the housing market in 2009. Gardner also stated that in 2010, the industry can expect price stability to curb foreclosure woes. "Frankly, I've been shocked by how stable our prices have been. Because home prices have been stable, I think it'll help solve some of the foreclosure issues," Gardner said. Signs of turnaround for homes under \$200,000 were evident even toward the end of 2009. November 2009 saw 1,157 sales in that price range – only a four percent decrease from November 2006, a year that saw a record number of home sales at 22,621. "November 2009 numbers were close to the biggest November we've ever had," Gardner said. Representing 22% of the market share in November 2009, the number of sales for homes priced between \$200,000 and \$499,999 was up 46% from November 2008 numbers. The number of homes sold at or above \$500,000 was down 8% from November 2008. Homes in this price range represented 2% of the market share in November 2009. For homes priced at \$1 million and above, Gardner's outlook was less optimistic, as homes in that price range were the only ones to have demonstrated an increase of supply, having gone from a 44-month supply to a 61-month supply since 2008. "Things will get worse before they get better," Gardner observed. "I don't see a turnaround in the \$1 million-plus market until 2011."

Mario Hernandez, president of the San Antonio Economic Development Foundation, reported on the job growth in San Antonio and highlighted that San Antonio has the number one metropolitan economy in the nation. "Jobs, jobs, jobs," Hernandez replied when asked for a one-sentence summary of his 2010 predictions for the local economy. Hernandez also mentioned that recent city advancements, such as the river expansion, the continued development of retail outlets like La Cantera and The Rim, and local branch openings of major companies like Medtronic will help to propel San Antonio's economy forward. "Medtronic will generate an estimated \$470 million dollars a year. That will be a tremendous gamechanger for San Antonio." Hernandez observed that 4857 jobs were brought to San Antonio in 2009. "San Antonio added jobs in 2009, while the number of jobs in Texas and across the country was declining," Hernandez said.

As the program concluded, Dotzour, Gardner, and Hernandez fielded audience questions and provided closing remarks. Dotzour's advice to REALTORS® in 2010 is to "serve people and help them solve their problems. It doesn't matter if the market is red-hot or not. Treat people well, and they'll tell their friends. That'll set you up to participate two or three years from now when the market is red-hot again."