

# *the* Real Estate Report

FALL 2011

BLAIRSVILLE REALTY

ISSUE 7



## First of all, some rare good news for our local real estate market.

More homes closed during the past quarter than we have seen since 2006. Although it may not seem much better, sales for both homes and land continue to be well above last year's levels. Home sales have increased by 23% year to year and lot sales rose by 32%. Just as encouraging, the median price for home sales has actually risen the last two quarters, possibly suggesting that a bottom has been found, or that they have at least stabilized. Inventory levels, or the number of both homes and lots for sale, also continue to decline. There were

around 750 homes on the market in October 2008 compared to just over 500 today. There are nearly half as many lots on the market today when compared to this time three years ago. We have 689 lots that are actively listed for sale, which is about 76 months worth of supply at the current sales rate of nine per month. Interest rates are also near an all-time low, hovering around 4% for a 30-year mortgage--if you can qualify for it. "If is the key word in that sentence.

**The news is not all good, however.** We are still facing the same problems as we have been for four or five years now, primarily foreclosures and very tight credit.

Instead of encouraging the leaders to work with their borrowers by restructuring their debts, the government continues to enforce

Some Rare  
Good News  
But Not All News  
Is Good!

more and more regulations. This eventually leads to more foreclosed properties, which will drive down prices, and the vicious cycle continues.



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### Bank-owned homes

continue to make up over a third of all residential sales in our MLS. The vast majority of these foreclosed homes were sold for \$150,000 or less. That is not to say that this only affects the lower end homes. The median price for homes sold during the third quarter was \$143,500, which was a slight gain for both the prior quarter and year to year.

**Hopefully**, the current trend will continue, and the median price will have bottomed out during the first quarter of this year at \$127,200. I think that the drop inventory is, for the most part, real. This may be partially responsible for the prices trying to stabilize. There is currently a 15-month supply of homes for sale when looking at all price ranges combined, and only eight months worth for homes under \$150,000. I'm sure that a lot of folks took their houses off the market because of the drop in prices, but very few homes have been built in the last four years.



## Union County Residential Sales From January 1-September 30, 2011

| PRICE               | ACTIVE          | U/C            | CLOSED           | AVG SALES PER MONTH | MSI         |
|---------------------|-----------------|----------------|------------------|---------------------|-------------|
| Under \$100,000     | 94 (16)         | 19 (9)         | 98 (59)          | 10.9                | 8.6         |
| \$100,001-\$150,000 | 80 (9)          | 19 (6)         | 83 (30)          | 9.2                 | 8.7         |
| \$150,001-\$200,000 | 119 (5)         | 13 (4)         | 47 (7)           | 5.2                 | 22.9        |
| \$200,001-\$250,000 | 64 (1)          | 5 (1)          | 21 (3)           | 2.3                 | 27.8        |
| \$251,000-\$300,000 | 45 (2)          | 8 (2)          | 19 (4)           | 2.1                 | 21.4        |
| \$300,001-\$400,000 | 43 (1)          | 5 (0)          | 17 (2)           | 1.9                 | 22.6        |
| \$400,001-\$500,000 | 23 (0)          | 0 (0)          | 5 (0)            | 0.6                 | 38.3        |
| \$500,001- +        | 40 (1)          | 0 (0)          | 6 (0)            | 0.7                 | 57.1        |
| <b>TOTALS</b>       | <b>508 (35)</b> | <b>69 (22)</b> | <b>296 (105)</b> | <b>32.9</b>         | <b>15.4</b> |
| % of Foreclosures   | 7%              | 32%            | 35%              |                     |             |

\*\*\* ( ) Denotes Number of Foreclosures

\* All data is compiled from the Northeast Georgia Board of Realtors Multiple Listing Service

## Foreclosures Still A Big Factor

**Foreclosures have been an even bigger factor in the lot market** accounting for 60% of all lots sold year to date in our MLS while making up only 5% of the active inventory. Twenty-six out of the 28 lot sales under \$10,000 were bank-owned. Prices are still on a steep slide, plummeting another 35% since last October. The median price has fallen to

\$15,000 from \$23,000 just a year ago. The median lot price has fallen by over 70% since peaking at \$51,000 back in 2006. The big drop in lot inventory was primarily not due to sales. Most of the subdivisions with unsold lots around the country are in state of what I would call purgatory: They either have been or will be foreclosed.

**Sales on Lake Nottely** haven't been too bad for numbers so far this year with 18 homes and seven lots selling on the lake. The homes ranged from \$180,000 to \$660,000, and the lake lots brought from just over \$64,000 to \$217,000.

**Fifteen commercial properties** also have sold with 13 of them being bank-owned. Two of the sales were businesses only, and three were vacant commercial lots ranging from \$25,000 to \$59,000.



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## Union County Lot Sales From January 1-September 30, 2011

| PRICE             | ACTIVE          | U/C           | CLOSED         | AVG SALES PER MONTH | MSI         |
|-------------------|-----------------|---------------|----------------|---------------------|-------------|
| Under \$10,000    | 14 (4)          | 0 (0)         | 28 (26)        | 3.1                 | 4.5         |
| \$10,001-\$15,000 | 75 (12)         | 7 (3)         | 20 (10)        | 12.2                | 34.0        |
| \$15,001-\$20,000 | 90 (8)          | 5 (0)         | 15 (5)         | 1.6                 | 56.0        |
| \$20,001-\$25,000 | 37 (2)          | 0 (0)         | 8 (4)          | 0.9                 | 41.0        |
| \$25,001-\$30,000 | 39 (0)          | 4 (0)         | 5 (2)          | 0.6                 | 65.0        |
| \$30,001-\$40,000 | 90 (7)          | 1 (0)         | 6 (4)          | 0.7                 | 128.0       |
| \$40,001-\$50,000 | 106 (0)         | 0 (0)         | 4 (1)          | 0.4                 | 265.0       |
| \$50,001-\$60,000 | 68 (0)          | 0 (0)         | 1 (0)          | 0.1                 | 680.0       |
| \$60,001-\$70,000 | 33 (0)          | 1 (0)         | 2 (1)          | 0.2                 | 165.0       |
| \$70,001- +       | 137 (0)         | 0 (0)         | 1 (1)          | 0.1                 | 1,370.0     |
| <b>TOTALS</b>     | <b>689 (34)</b> | <b>18 (3)</b> | <b>90 (54)</b> | <b>9.0</b>          | <b>76.0</b> |
| % Foreclosures    | 5%              | 17%           | 60%            |                     |             |

### In Closing,

the market does seem to be slowly crawling out of the hole that we have been in for many years now, but we are a very long way from seeing any daylight. The government is going to have to slow up the foreclosures by coming up with a real, practical plan that will allow all these underwater and distressed homeowners to refinance at today's low interest rates

before we see any true recovery. Housing and lending problems put us in this mess. Fixing it will lead us out.

Thanks again for reading, and we truly appreciate your business.

Robert Rogers  
Broker/Owner  
Blairsville Realty