

Low-end market drives rise in Santa Fe County home sales

By Bruce Krasnow

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Coleen Dearing describes the first half of 2014 as the “Come to Jesus Market” for Santa Fe home sellers.

Buyers who have long delayed putting their homes up for sale have realized that prices are not going to spring back to 2006-07 levels anytime soon, said Dearing, an associate with Coldwell Banker Trails West Realty and president of the Santa Fe Association of Realtors.

“I think people were waiting for the market to get better and that it would magically spring back to 2007 levels,” she said. “They have seen the writing on the wall — it’s not going to be overnight. It’s going to be years, perhaps a decade, before we see those levels, so they need to get motivated.”

More sellers are getting the message, as the number of closed sales in Santa Fe County increased 4.7 percent from a year ago — and the first five months of 2014 are showing an overall bump of 7 percent in closed sales, according to data released Thursday by the Santa Fe Association of Realtors. In terms of closed sales, the year is off to its best start since 2007.

More realistic pricing seems to be driving the volume, according to agents. And more low-cost homes under construction by groups such as Homewise are bringing prices down in Santa Fe, while higher inventory and a poor economy are keeping the lid on price appreciation.

The median sales price in the second quarter of 2014 fell 10 percent in the city, to \$270,000, and 8 percent in the county, to \$409,500, according to the Association of Realtors.

“We keep going up in terms of unit sales. What’s not happening is unit appreciation,” said Alan Ball, an associate broker at Keller Williams Realty in Santa Fe. “A seller might think the market is terrible. A buyer might think they have a lot to choose from.”



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Dave and Sidney Park, who are relocating to Santa Fe from Colorado Springs, Colo., tour a home on Twin Yuccas Lane on Tuesday. Luis Sánchez Saturno/The New Mexican

Ball, who keeps statistics on Santa Fe sales on his blog, said the lower median price shows how much stronger sales are at the lower end of the market. Those homes are selling faster, and that encourages neighbors who also want to sell.

A market report by Warren R. Sacks of Barker Realty shows 67 percent of the volume in the second quarter was below \$400,000.

Sacks expects 1 percent to 3 percent price appreciation this year, and that may well be the norm for several years until the state sees more job growth. “Values for the most part are going to remain fairly flat because we don’t have a lot of job creation,” he said.

Dearing agrees and sees a modest 1 percent price gain in the near term. But she also said the market has stabilized throughout the county, and there is no longer a reason for buyers to wait for lower prices — especially with the prospect of higher interest rates.

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