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SELLER'S MARKET

Local housing demand, prices strongest in years, experts say **SANDRA GUY, PAGE 4**



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HEALTHY 'SPRING' IN HOUSING MARKET

After 'rock bottom' of 2012, median home prices highest since '08

BY SANDRA GUY
Staff Reporter

Home sellers in the Chicago area are finally getting their due, with faster sales, eager buyers and a healthy "spring" market emerging from the real estate bust, experts say.

A house that would have gotten three showings in the first week during the market crash could get 12 showings during its first week on today's market, said Steve Scheuring, a real estate agent for Baird & Warner's Oak Park-River Forest office.

Scheuring said the local housing market hit "rock bottom" in August 2012. Single-family homes locally lost 28 percent of their value, on average, between 2007 and 2012, he said. They have regained about half of their value.

"We call that [situation] good," Scheuring said.

A spring market, which essentially didn't exist during the crash, typically runs from late January until late May or mid-June, the experts say.

Greg Nagel, managing broker of Ask Nagel Realty in West Town, called the current market "a perfect storm of low inventory with strong demand due to historically low interest rates, resulting in a very strong sellers' market."

Nagel said the supply of residential properties is lower this year than last year. In Chicago, the supply is down by 9.3 percent in the first three months of this year compared with the same period in 2014, according to Midwest Real Estate Data Broker Metrics Statistics.

That has boosted demand, Nagel said, noting a recent open house for a two-bedroom, two-bath condo in Wicker Park attracted 40 brokers in two hours and five offers.

The seller took a cash offer above list price that set a price record for that size condo in the neighborhood — 5

percent higher than the highest price for that type of condo ever, Nagel said.

Nagel said he restricted access over the weekend to a River North condo that had attracted two "sight-unseen" offers prior to its open house.

Indeed, a report released Thursday by real estate company Re/Max showed March home sales activity in the Chicago metro area hit its highest level since 2006. In the seven-county metro area, 13 percent more home sales were completed in March — a total of 8,078 — than the 7,169 sales in March 2014 and just more than the 8,057 sales in March 2007. Re/Max analyzed multiple listing service sales data for Cook, DuPage, Kane, Kendall, Lake, McHenry and Will counties.

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Diane Lynch, Wheaton realty broker

Home prices were on a similar trajectory, with the median sales price for homes in the metro area in March reaching \$205,000, 16 percent higher than in March of last year and the highest March median sales price since 2008, according to the RE/MAX analysis.

Another factor that helped drive the median sales price higher was the continuing shrinkage in the percentage of transactions that involved short sales or foreclosures, so-called distressed homes. In March, distressed homes accounted for 28 percent of all sales in the metro Chicago area, compared with 37 percent of March sales a year earlier and 44 percent in 2012, the research showed.

Sales activity rose in six of the seven counties, led by Will County, which

had a 22 percent increase. Other gains were 14 percent in Cook, 9 percent in DuPage, 8 percent in Kane, 3 percent in Lake and 18 percent in McHenry.

The median sales price rose in all seven counties: 19 percent in Cook, 10 percent in DuPage, 22 percent in Kane, 7 percent in Kendall, 18 percent in Lake, 8 percent in McHenry and 10 percent in Will.

Chicago had a 15 percent increase in sales activity and an 11 percent gain in the median price, the RE/MAX report showed.

Diane Lynch, broker at Realty Executive Premier in Wheaton, said housing activity throughout the western suburbs is selling more briskly.

"We are way past the bottom ... and on the uprise," she said.

Lynch cited a two-bedroom, two-bath condo in Downers Grove that recently sold in six days for just \$90,000, below its \$329,000 asking price.

Even bigger, pricier properties are gaining strength.

A buyer looking to upgrade to a \$700,000 house picked three properties to review last week but the house all had been sold and put under contract since Monday, said Jane McClelland, president of the Oak Park Association of Realtors and owner of RE/MAX in the Village.

The local market is being helped by lower numbers of foreclosures and mortgages that interest rates will soon go down, McClelland said.

The breakthrough comes as the Federal Reserve's Beige Book — an every six-weeks update of economic conditions — showed near-historic low housing inventory in Chicago, particularly for homes in the lower price ranges, according to USA Today.

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