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Double-digit gains are norm

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The Wasatch Front real estate market reached new heights in 2006, bolstered by strong job and population growth in a state with one of the nation's hottest economies. Strong demand for homes pushed the inventory of available properties down to historic lows, leaving many sellers awash in multiple offers and forcing buyers to offer above asking price.

Median selling prices in every single ZIP Code area along the Wasatch Front tracked by the Salt Lake Board of Realtors increased from 2005 to 2006, most by double digits and many by 20 percent or greater, according to data released Friday by the board.

For Salt Lake County, the median selling prices rose 21.3 percent from 2005 to 2006 to \$225,000. Utah County logged a similar increase of 21.7 percent to \$212,900.

Tooele County had the next-highest gain of 18.4 percent to \$161,000, followed by Davis County, up 14.9 percent to \$197,500, and Weber County, up 11.5 percent to \$144,975.

The market was good for many sellers, such as Mark Hansen of Alpine who decided to try to sell his \$650,000 home without a real estate agent and save about \$39,000 in real estate commissions.

"I thought, why not? There's pretty big demand here for upper-end homes," he said.

Hansen ended up getting the price he wanted, and his home was under contract within several weeks.

While the market is expected to continue to be strong this year, most real estate agents agree that this year will be a bit slower than 2006 - especially the spring and summer buying season.

Salt Lake City real estate agent Babs De Lay said while she is expecting this year to remain a seller's market, "Sellers are going to have to wake up and not be so greedy," she said. "They may actually have to do something - like de-clutter or paint their home - to sell it."

It may take longer to sell a home, she said, and those who go the for-sale-by-owner route may have less success this year than in 2006.

While appreciation will continue on in the double digits, she said, there will be vastly fewer examples of homeowners seeing the values of their properties rising by staggering

amounts such as 20 percent to 40 percent or more in just one year. She predicts appreciation more in the range of 10 percent in most areas this year.

Salt Lake Board of Realtors President Gary Cannon said the market for properties priced at \$250,000 or less will continue to be strong this year, with many sellers in that price range continuing to receive multiple offers.

But sellers with homes priced at \$400,000 to \$800,000 will be less likely to get multiple offers and may have to accept less than they may have wanted, he said.

That projected slowdown makes Neill and Janie Clark glad they sold their home in Cottonwood Heights over the summer.

Their home sold in just six days, which paved the way for their move to Kennecott Land's Daybreak Community in South Jordan to be closer to their daughter and her family.

When the Clarks moved to Utah nearly nine years ago from California, Utah was in the midst of a buyer's market. While it was a favorable time to buy, the value of their home barely budged for several years.

"It's been really nice to see the market turn around," Neill Clark said.

Salt Lake City real estate agent Trela Bird said while she thinks the market will slow down this year, Utahns are not facing anything near what has been seen by people in neighboring states where real estate markets have come crashing down to earth.

"We're still seeing some multiple offers in certain price ranges. And while home prices aren't going to increase nearly as much as they did last year, they are still going to increase," she said. "Overall, it's still going to be a very good market."

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