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## San Antonio housing market is still moving forward, Realtors say

San Antonio Business Journal - by [Tricia Lynn Silva](#)

The year was 1978. D'Ann Harper had just become a licensed Realtor and was beginning her career in the local housing market.

At the time, the interest rate for a mortgage was 8.25 percent.

"Then I saw it rise to 10, then 13 percent," recalls Harper, who is the owner of one of San Antonio's largest residential real estate firms, **D'Ann Harper Coldwell Banker Realtors**. "All of the sudden, (the interest rate) was 15, then 17 percent, then it was 17.5 percent."

And yet, people in San Antonio were still buying homes.

"If we could do it then, why shouldn't people buy a home today. San Antonio has so much good going for it," Harper says.

Today, many U.S. housing markets are suffering through a heavy hangover in the wake of a long-running party that featured record-breaking sales at double-digit appreciation.

Even San Antonio's housing industry has cooled since the heydays of 2005, 2006 and 2007, Harper and other housing market veterans say.

But with federal policies in place to help homeowners, record-low interest rates, the city's still-affordable housing climate and relatively healthy job market, now is the time for people to be buying homes, Harper contends.

And the people appear to be listening.

"Homes in San Antonio are still moving," Harper adds. "Properties are still selling."

### It's a wonderful market

Over the course of 2007, Harper's firm reported a total of 4,799 home sales — earning the company the No. 2 spot on the Business Journal's most recent list of Largest Residential Real Estate Brokerages.

For 2008, the firm reported a total of 4,078 sales.

"Heck yeah! We're doing darn good," Harper says. "Listen, we have a wonderful market (in San Antonio)."

In fact, the trend line is pointing up for 2009 — at least from some vantage points.

In just a little over a month's time — Jan. 22 to Feb. 27 — attorney-turned-Realtor Jason Glast says he sold three high-end homes in San Antonio. The estates ranged in price from \$2.4 million to \$2.9 million, says Glast, who works with locally based **Phyllis Browning Co.**

Paving the way for those high-end deals, Glast says, are the lenders. After being what he calls "overly conservative" for much of 2008, many lenders are now shifting into a higher gear, though cautiously.

"Now, they are appropriately conservative," Glast adds.

Another sign of the optimism beginning to show in the local market is the decision by a behemoth real estate network to expand its presence here.

Parsippany, N.J.-based **Century 21** Real Estate LLC recently announced that before year's end it will add four new offices in San Antonio.

"This is a great market for us," says Craig Leonard, chief operating officer for Century 21.

"The (housing) market is not bad in every part of the country," adds Jim Gillespie, president and CEO of **Coldwell Banker Real Estate** LLC, which is also headquartered in Parsippany. "San Antonio is an excellent real estate market right now."

San Antonio, according to John Thurman, the owner of locally based Heart of Texas Realty, is blessed with the three things that matter in real estate: "location, location, location."



CATHERINE DOMINGUEZ

Despite some bumps, San Antonio remains a top housing market, says local industry vet D'Ann Harper of D'Ann Harper Coldwell Banker Realtors.

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“The earth doesn’t shake. The wind doesn’t rip the trees out of the ground, and the taxes are reasonable,” Thurman says. Given San Antonio’s temperate climate, low cost of living and quality leadership, it’s “no wonder companies want to bring people to the city,” Thurman adds.

### **A lifestyle, not a lottery**

Until the bottom fell out of the home market last year, a home purchase was too often viewed like a short-term money making venture, Gillespie says.

Those days are gone, he adds.

Also gone are many of the speculators that artificially inflated demand in many markets, including San Antonio.

“Now, people are buying a home — something to live in — not just a house, or an asset,” Glast says.

“You have to look at buying a house as a lifestyle investment, not a lottery ticket” Gillespie says. “It is a long-term purchase.”

“Homes get sold because of a (life-changing) event,” Leonard adds.

“You have to ask yourself, ‘What are you buying a home for?’” adds Bev Thorne, senior vice president of marketing for Century 21. “Real estate is local; it’s also individual.”

Though local Realtors see reason to be optimistic about the future course of the local housing market, the current picture is marked by sobering figures.

According to the latest report by the **San Antonio Board of Realtors** (SABOR), a total of 1,097 sales were reported over the course of this past February — a 26 percent decline from the 1,467 homes sold over the same month in 2008.

Meanwhile, new-home construction starts in greater San Antonio have fallen off by more than 50 percent over the last two years, according to research compiled by Jack Inselmann, vice president of the U.S. Central Division of Houston-based **Metrostudy** — a leading housing research firm.

Over the 12 months ended Dec. 31, 2006, construction began on 19,098 new homes. Two years later, a total of 8,719 annual home starts were recorded in the market.

On the plus side, the slowdown in construction has helped to keep San Antonio’s housing-inventory growth in check, which avoids the consequence of the market becoming dangerously overbuilt, Inselmann adds.

The trade-off, however, is a decrease in the amount of work for home builders and other trades that make their living off this market.

“Companies were building up for 20,000 homes a year, and now we’re doing less than that,” said Inselmann in a recent Business Journal story. “There’s a ripple effect across quite a few industries. It’s no fun doing less business.”

However, local Realtors are hopeful that federal housing-market fixes advanced by the Obama administration could go a long way toward stabilizing the nation’s housing market. Provisions of the American Recovery and Reinvestment Act of 2009 (the stimulus bill) include tax credits for home buyers, raising the maximum loan limit for FHA-insured mortgages, and a foreclosure prevention plan designed to help homeowners in financial straits stay in their homes.

Such measures could not only help first-time home buyers, they also could go a long way toward easing the fear that has left many people “on the fence” about the decision to buy a house, Harper says.

And as demand for homes ticks up, so too will the need for new homes — creating more work for the builders and allied industries that have struggled of late, Harper adds.

“Are things tight? Absolutely,” says Leonard of the residential real estate industry. “But out of every challenge there is equal opportunity.”