

Experts: Market Stabilizing

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For those buying or selling a home, real estate analysts say 2010 could be a good year.

Homes in Fairfax and adjacent counties are more affordable than they have been in years, according to a recent study published by The Concord Group, an economic research firm based in Boston.

Last year, Northern Virginia home sales were down 31 percent from the market's peak in 2005, which served to keep homes affordable, according to the study. Additionally, about 2,700 homes were sold in 2009, which is about 85 percent lower than the 18,000 sold in 2005.

These statistics include a turnaround from previous years, which could mean more sales to come.

"We are likely to see increased sales volume and maybe minor price appreciation in 2010," said Jeffery Glew, a real estate analyst and co-author of The Concord Group's report. "For buyers, that means now is probably a very good time to buy -- if you can get the financing. For sellers, 2010 will be a friendlier year than the past couple.

"The housing market is more stable now. There is a sense that, although there are significant economic challenges ahead, the worst is behind us. This summer we will probably be seeing increased sales volume."

The biggest positive for counties such as Fairfax is homes are selling at higher prices than the last couple of years, said John McClain, deputy director of George Mason University's Center for Regional Analysis.

"People who are sitting on the sidelines waiting for the market to bottom out -- for the lowest prices -- they may be too late coming to the game," he said. "Prices are stabilizing to some extent, which is good for home sellers."

Some government-driven incentives played a key role in helping the market recovery, said Jill Landsman, spokeswoman for the Northern Virginia Association of Realtors.

"We believe that helped tremendously," she said of the \$8,000 tax credit for new home buyers, which was to expire in November 2009 but was extended to cover new home buyers through April 2010.

"Affordability is at an excellent point right now," Landsman said.

"You'll get the \$8,000 and the prices are good. Our Realtors are happy."

Another trend being seen in Fairfax and some neighboring counties is an increase in foreign property owners, who buy homes as a financial investment.

Agencies such as the Northern Virginia Association of Realtors are expanding their services to accommodate these investors, many of whom speak limited or no English.

"We bring in speakers to talk about how to succeed in a short sale, how to succeed in a foreclosure sale ... It's very industry specific," said Landsman of the programs NVAR offers for Hispanics, Chinese, Koreans and others.

Glew said, "There is relatively strong interest in the U.S. housing market among foreign investors based on the weak U.S. dollar and the belief that we are at or near the bottom in terms of prices and sales volume.

"The D.C. metro area is particularly interesting to investors -- domestic and international -- because of its strong economic outlook relative to other major metro areas."

Landsman said a contributing factor to this outlook could be the lower unemployment rates in the area.

"There is job growth here because the federal government is hiring," she said.

Glew said Fairfax County fared better than some of its neighbors to the west and south because of its job market and existing growth.

"Fairfax County is more built-out than other areas like Loudoun County. From a supply-side perspective, it didn't get as overheated during the housing boom," he said. "Its closer proximity to major employment nodes also supports price stability in the county."