

News

Realtors: Local market sluggish in 2008

[Print Page](#)

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**BY BRIAN BISHOP
STAFF WRITER**

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The Bradford County Register and Recorder's Office keeps records of the total number of deed transfers in the county. In 2005, they recorded 2,259 deed transactions, 2,222 in 2006, 2,033 in 2007, and 2,071 in 2008.

Samantha Elliot Krepps, a spokesperson for the Pennsylvania Realtors Association, stated that the year-to-date median home sale price for Pennsylvania from November 2008, the latest data available at the time of the interview, was down 1.5 percent from 2007. Total sales in Pennsylvania were down around 24 percent from 2007, she said.

Linda Moon, of the Bradford Sullivan Realtors Association, stated that locally, sales were down around 20 percent from 2007. The average price of a home in Bradford County was around \$112,000, Moon said.

Steve Westbrook, owner/broker of NY Penn Real Estate, called the market a "little soft," stating that the number of sales he has seen is down about 15 percent from 2007. Westbrook attributed the falling volume of sales to a lack of inventory, stating that the number of houses on the market is currently "way down," although there has been an influx in the last month or two, which he said is typical for this time of year.

Inventory is down because the local area doesn't have the amount of properties available versus other areas, Westbrook said. The lack of inventory is also propounded by the lack of higher level homes in the area, Westbrook stated. People generally buy "up" into a more expensive price range than what they currently own, he said, and with those higher level homes unavailable, people tend to stay put, he said.

While sales volume has decreased dramatically, prices are not that far off, Westbrook said. People who are in the market to buy a house should do it, he said, and sellers should not feel uncomfortable selling a home, either.

Sarah Dunn, associate broker with Henry Dunn Real Estate, said that she hadn't seen a dramatic decrease in prices in the area. She added that there were more bank foreclosures in the area than in previous years. The local area tends to not see the high ups and downs in property values that other areas witness, she said.

Dunn commented that she had seen a decrease in property values from last October, although she hadn't done any studies on pricing. She added that people seem to be afraid and worried to buy a house right now.

Dunn was hopeful about the situation locally, stating that Bradford County has a good employment base. Dunn also stated that the area had a lot of good buyers, and that interest rates are low for those taking on mortgages.

"If you want to buy a house, I think you still can," Dunn said.

Valerie Raupers, of Coldwell Banker Real Estate, said that the real estate market is definitely down, but not as bad as some make it out to be. Raupers pointed out that while the market is slow right now, interest rates are as low as she has seen them in 14 years in the business, depending on credit score.

The slowdown in the real estate market became really noticeable at the end of August, when a lot of creative financing options disappeared, she said.

Raupers said the market was slow everywhere, but worse in other parts of the country. Raupers attributed part of the reason for the slow market to the unstable employment situation many people face currently. There are a lot of people "on the fence," she said, who just aren't sure of their employment situation.

JoAnne Kizer, broker for JoAnne Kizer Real Estate, said that while 2008 was an off year, 2009 has so far gotten off to a decent start for her company, with activity in both their Sayre and Towanda offices.

Kizer stated that the recent interest in natural gas drilling in the area has both helped and hurt her company. It has led to a rise in the going price for land, but also has led to a decrease in the volume of properties coming on the market, she said, as people are tending to hold on to property they otherwise would have put up for sale. The total volume of sales was down in 2008 over 2007, Kizer said.

As gas drilling companies move in to the area in force, Kizer expects to see a rise in demand for housing, but that hasn't happened yet, she said.

Another trend Kizer said she noticed recently connected to gas exploration is properties being sold without the mineral rights. A few properties are on the market right now without mineral rights, although Kizer didn't think any properties had been sold without mineral rights yet.

Kizer was unsure how selling land without the mineral rights would affect the price of land, as the phenomenon was too new to determine. Once some sales start to take place, the effect of mineral rights on land prices can be determined, Kizer said. While this type of sale is just starting to happen locally, land has been sold without mineral rights for some time in other places, such as Texas.

Land sales without the mineral rights attached might become the "wave of the future" in our area as gas development increases in the area, Kizer said.

Kizer said she hadn't seen a large drop in home prices locally, although houses did tend to stay on the market a bit longer. The local area never had the great appreciation that happened in other areas, so now the area isn't seeing the great depreciation in prices that those other areas have seen, she explained. The local market doesn't typically follow national trends, Kizer said, as it is somewhat isolated. The small size of the market, along with the lack of a high demand for housing, contributes to the isolation of the local real estate market. Local banks have also been more conservative than banks elsewhere, Kizer said.

Kizer said that her outlook for 2009 was to stay positive, although her company had to catch up from last year's slower business. Kizer remarked that interest rates were "unbelievably good" currently, and that she couldn't remember rates being this good in her career.

Brian Bishop can be reached at (570) 888-9652; or e-mail: bbishop@thedailyreview.com

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