

2009 Midyear review for the Single Family Real Estate Market in Columbia, MO.

By Bob Lawler

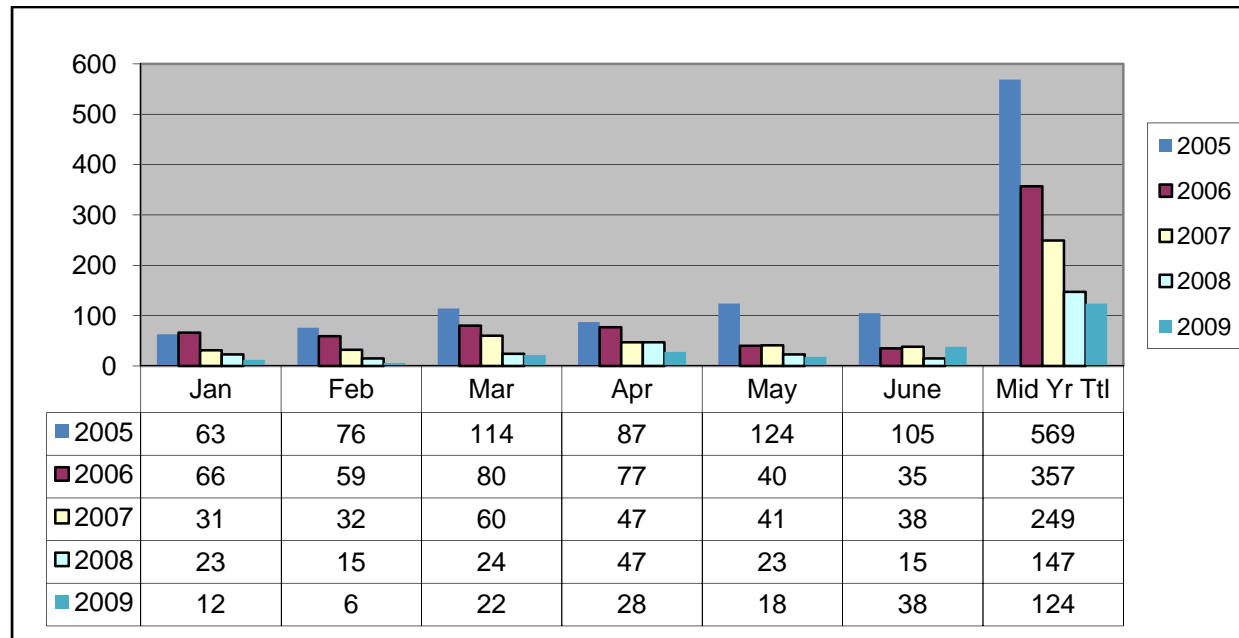
Included in this edition is a review of the first half of 2009 for the Columbia single family real estate market.

- New Construction Sales and Permit Activity (City of Columbia)
- Existing Single family home sales – New and Existing
- Pending Statistics
- Summary – 1st time home buyer stats, total sales volume, and commentary

Note: This report is for informational purposes only and intended for real estate professionals and/or investors. It is not an appraisal and not to be relied on for real estate investing. Information is not guaranteed. Please send comments or feedback to bob@rhlawler.com or call Bob at 573-268-3520.

New Construction Sales and Permit Activity (City of Columbia)

Midyear totals show continued low new construction activity. June of this year has the highest number of permits issued since April of 2008 and accounts for nearly 1/3 of permits for 2009.



(Note: The city reported 437 permits for 2007 vs. 381 in this report. The city report includes a student housing project with detached homes to be leased. Since these are not homes competing in the single family market, they were excluded from the results.)

Single Family New Construction

The following chart shows new single family construction activity within the city limits of Columbia. The SOLD data is the number of homes sold through the Columbia MLS in 7/1/2008-6/30/2009; ACTIVE data is the number of homes in that price range currently listed in the Columbia Board of Realtors MLS database as of 7/17/2009. Supply is the number of months it will take to sell the existing supply of homes based on the prior 12 months of sales.

Price Range	NE			NW			SE			SW		
	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply
\$0-\$124,999	0	0	0.00	11	0	0.00	0	0	0.00	0	0	0.00
\$125,000-\$149,999	8	5	7.50	11	3	3.27	2	0	0.00	0	0	0.00
\$150,000-\$174,999	7	6	10.29	3	9	36.00	6	2	4.00	4	0	0.00
\$175,000-\$199,999	7	4	6.86	4	1	3.00	6	0	0.00	14	6	5.14
\$200,000-\$249,999	2	0	**	1	1	12.00	3	4	16.00	13	4	3.69
\$250,000-\$299,999	0	1	**	0	1	**	1	4	48.00	16	9	6.75
\$300,000-\$349,999	0	0	**	0	0	**	4	1	3.00	13	4	3.69
\$350,000-\$399,999	0	0	0.00	0	0	**	0	1	**	7	5	8.57
\$400,000-\$449,999	0	0	**	0	0	**	0	1	**	4	2	6.00
\$450,000-\$499,999	0	0	**	0	0	**	0	1	**	1	0	**
\$500,000-\$749,999	0	0	**	0	0	**	1	1	**	3	3	12.00
\$750,000-\$999,999	0	0	**	0	0	**	0	0	**	0	0	**
\$1,000,000+	0	0	**	0	0	**	0	0	**	0	2	**
Totals	24	16	8.00	30	15	6.00	23	15	7.83	75	35	5.60

** indicates there were not enough sales to determine a market

Single Family New Construction – Summary

Single Family New Construction mid 2008 vs. 2009 totals by area:

<i>NE</i>		
	<i>Mid2008</i>	<i>Mid2009</i>
<i>Sold</i>	47	24
<i>Active</i>	23	16
<i>Supply</i>	5.87	8.00

Northeast – Sales are down 48% with active listings down, slightly increasing the month’s supply.

<i>SE</i>		
	<i>Mid2008</i>	<i>Mid2009</i>
<i>Sold</i>	38	23
<i>Active</i>	28	15
<i>Supply</i>	8.84	7.83

Southeast – Sales are down 39% and active listings are lower, keeping supplies level.

<i>NW</i>		
	<i>Mid2008</i>	<i>Mid2009</i>
<i>Sold</i>	40	30
<i>Active</i>	37	15
<i>Supply</i>	11.10	6.00

Northwest – Sales have dropped 25% with a substantial drop in active listings, lowering the month’s supply.

<i>SW</i>		
	<i>Mid2008</i>	<i>Mid2009</i>
<i>Sold</i>	101	75
<i>Active</i>	56	35
<i>Supply</i>	6.65	5.60

Southwest – Sales are down 26%, new listings are down 38%, lowering the month’s supply.

Existing Home Inventory

The following chart shows existing inventory of single family homes within the city limits of Columbia. The SOLD data is the number of homes sold through the Columbia MLS from 7/1/2008 to 6/30/2009; ACTIVE data is the number of homes in that price range currently listed in the Columbia Board of Realtors MLS database as of 7/17/2009. Supply is the number of months it will take to sell the existing supply of homes based on the prior 12 months of sales.

Area Price Range	NE			NW			SE			SW		
	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply	SOLD	ACTIVE	Supply
\$0-\$99,999	20	10	6.00	4	1	3.00	1	0	0.00	6	0	0.00
\$100,000-\$124,999	55	23	5.02	37	6	1.95	5	0	0.00	20	4	2.40
\$125,000-\$149,999	69	39	6.78	45	20	5.33	25	17	8.16	50	12	2.88
\$150,000-\$174,999	37	30	9.73	32	18	6.75	20	18	10.80	63	23	4.38
\$175,000-\$199,999	18	16	10.67	9	8	10.67	11	5	5.45	61	44	8.66
\$200,000-\$249,999	11	12	13.09	6	7	14.00	2	11	66.00	86	49	6.84
\$250,000-\$299,999	1	1	**	0	0	0.00	2	6	36.00	58	33	6.83
\$300,000-\$349,999	0	0	**	0	0	**	0	2	**	25	28	13.44
\$350,000-\$399,999	0	0	**	0	0	**	2	2	12.00	12	29	29.00
\$400,000-\$449,999	0	0	**	0	0	**	1	0	0.00	10	19	22.80
\$450,000-\$499,999	0	0	**	0	0	**	0	3	**	4	14	42.00
\$500,000-\$749,999	0	0	**	0	0	**	1	1	12.00	6	17	34.00
\$750,000-\$999,999	0	0	**	0	0	**	0	1	**	0	5	**
\$1,000,000+	0	0	**	0	0	**	0	1	**	0	0	**
Totals	211	131	7.45	133	60	5.41	70	67	11.49	401	277	8.29

** indicates there were not enough sales to determine a market

Area Price Range	<i>Central</i>		
	<i>SOLD</i>	<i>ACTIVE</i>	<i>Supply</i>
\$0-\$99,999	67	45	8.06
\$100,000-\$124,999	22	8	4.36
\$125,000-\$149,999	16	9	6.75
\$150,000-\$174,999	17	10	7.06
\$175,000-\$199,999	10	8	9.60
\$200,000-\$249,999	10	5	6.00
\$250,000-\$299,999	2	5	30.00
\$300,000-\$349,999	5	2	4.80
\$350,000-\$399,999	4	1	3.00
\$400,000-\$449,999	0	0	**
\$450,000-\$499,999	1	2	**
\$500,000-\$749,999	1	3	36.00
\$750,000-\$999,999	0	1	**
\$1,000,000+	0	0	**
Totals	155	99	7.66

The Central area sales were down 26% with more active listings raising the months supply.

Central		
	Mid2008	Mid2009
Sold	209	155
Active	91	99
Supply	5.22	7.66

** indicates there were not enough sales to determine a market

Existing Home Inventory - Summary

The following charts show Mid-2008 vs. Mid-2009 total sales volume and month's supply:

NE		
	Mid2008	Mid2009
Sold	204	211
Active	146	131
Supply	8.59	7.45

Northeast – The northeast remained steady from mid-2008 to mid-2009. Mid 2007 sales volume in the NE was substantially higher at 347 homes sold in the prior 12 month period.

NW		
	Mid2008	Mid2009
Sold	144	133
Active	68	60
Supply	5.67	5.41

Northwest – Sales in the northwest were down by 8%, active inventory is also lower, keeping the month's supply steady.

SE		
	Mid2008	Mid2009
Sold	113	70
Active	61	67
Supply	6.48	11.49

Southeast – Sales were down significantly in the SE by 38% with an increase in active listings, and the month's supply is up.

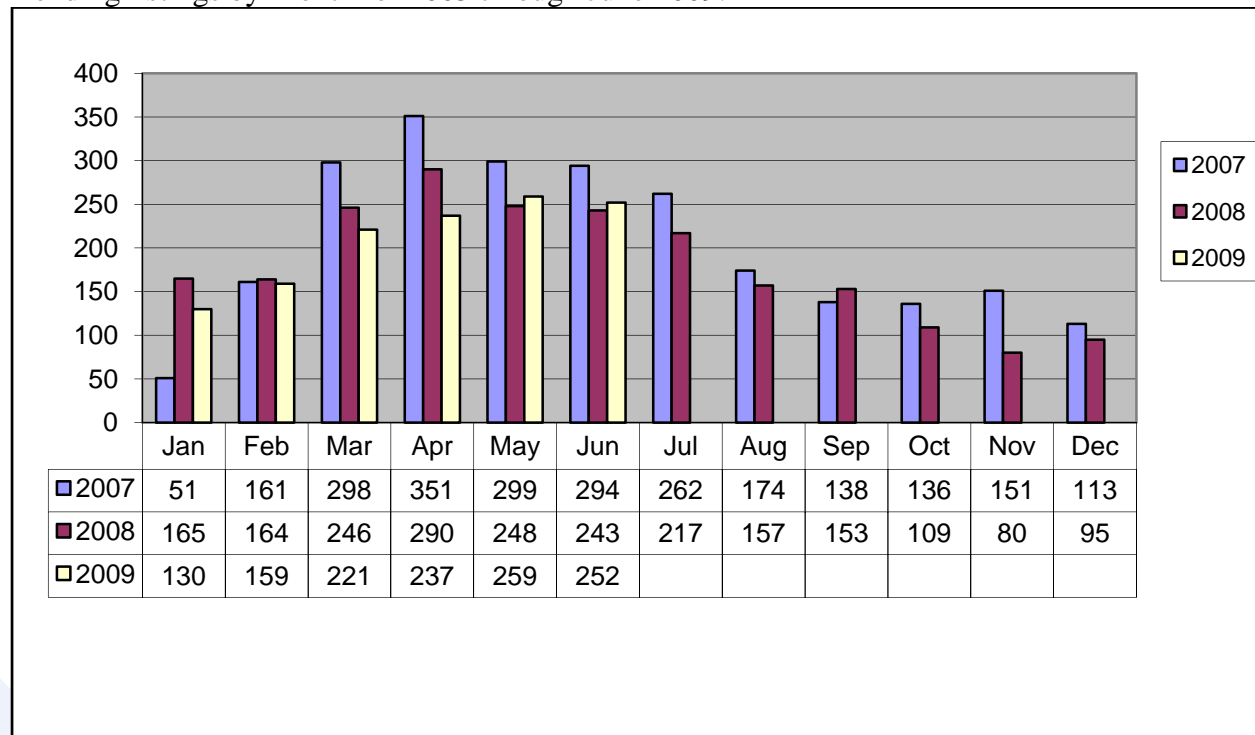
SW		
	Mid2008	Mid2009
Sold	373	401
Active	295	277
Supply	9.49	8.29

Southwest – The southwest sales of existing homes were up by 8% and active listings down 6%, lowering the month's supply.

Pending Statistics

The chart below shows the number of listings in the entire MLS that went under contract each month. Pending sales help provide a more up to date look at the market. The number of homes that went under contract the 1st half of 2008 was 1,356 and the 1st half of 2009 was down by 7% at 1,258.

Pending listings by Month for 2005 through June 2009:



Summary

The real estate market in Columbia may be best described as fragile. The \$8,000 first time home buyer incentive has given a lift to the market as 15% of the sales in the Columbia MLS were noted as having used the incentive. Continued low interest rates have helped the market but have been more of an incentive to refinance vs. buying a home for current home owners. The first time home buyer incentive is set to end on December 1st of this year and the home must be purchased on or before that date. The current real estate market recovery is largely based on the 1st time home buyer incentives and low interest rates; changes to either could lead to a depressed market similar to the second half of 2008.

The market for moving up may have never been better. The first time home buyer incentive has put a lot of buyers in the market for homes under \$150,000 and these supplies are low, and homes in good condition have sold quickly. Sellers of these homes may be moving up. There has been some improvement in the \$150,000 to \$250,000 range, but it is a buyer's market. The market begins to slow for homes over \$350,000. Homes over \$350,000 will need more than a first time home buyer incentive to increase the demand as these home sales will be driven by jobs, low interest rates and confidence in the real estate market. Slow job recovery will keep this market at a low level for the remainder of the year as higher unemployment numbers are predicted over the latter half of 2009.

New lending rules will slow the sales process and may negatively affect some sales. Real estate professionals will need to pay close attention to the new closing timeline.

Below are the sales statistics from the Columbia MLS for sales of all residential properties in Boone County for the first half of 2008 vs. 2009.

1st half of	Total	Total List Volume	Median List Price	Average List Price	DOM	Total Sold Volume	Median Sold Price	Average Sold Price	List to sale %
2008	1,075	\$188,071,127	\$149,900	\$174,949	87	\$183,187,600	\$148,000	\$170,407	96%
2009	899	\$154,630,640	\$152,000	\$172,002	90	\$149,604,568	\$149,000	\$166,412	94%
2009 vs. 2008	(176)	\$ (33,440,487)	\$ 2,100	\$ (2,947)	3	\$ (33,583,032)	\$ 1,000	\$ (3,995)	-2%
	-16%	-18%	1%	-2%	3%	-18%	1%	-2%	