

Year ends strong for Southland home sales

By Mike Nolan January 26, 2012

Strong finish

Several Southland communities saw strong year-over-year gains in sales of existing homes in the fourth quarter of 2011 compared with 2010, raising optimism that real estate markets are starting to stabilize. Among the biggest gainers were:

Midlothian — 4Q sales up 71 percent compared with 2010

Park Forest — Up 63 percent

Blue Island — Up 58 percent

Oak Lawn — Up 54 percent

Crete — Up 52 percent

Evergreen Park — Up 44 percent

Orland Park — Up 20 percent

Source: Mainstreet Organization of Realtors

While 2011 was an anemic year overall for sales of existing homes in the Southland, real estate observers point to a strong finish for the year that they hope carries over into 2012.

There were 6,407 existing single-family homes sold last year — one of the lowest totals in years and nearly half the record 12,200 homes sold in 2004. Also, home prices continued to slump, with the median sale price last year in the south and southwest suburbs falling more than 8 percent to \$120,199.

But giving encouragement to real estate agents were strong year-over-year sales increases in the final three months of last year compared with 2010.

Some Southland communities saw double-digit sales gains in the fourth quarter, according to the Mainstreet Organization of Realtors. Statewide, December marked the sixth straight month of year-over-year sales increases, the Illinois Association of Realtors said.

“Buyers are finding deals that are simply too good to pass up, and that coupled with stronger consumer optimism is making this an excellent way to start 2012,” Loretta Alonzo, a Realtor in LaGrange Park and president of the IAR, said in a news release.

Last year's Southland sales stats weren't all doom and gloom, as some communities saw healthy percentage increases in home sales compared with 2010 — Blue Island, Crete, Mokena and Palos Heights were among the biggest gainers.

Still, most Southland towns continued to watch home values slide. For instance, the median sale price in Blue Island last year was down a whopping 44 percent compared with 2010. The median price in Mokena was unchanged.

To get a sense of how far home values have fallen, consider that at the end of 2007, prior to the collapse of financial markets, the median home sale price in the Chicago market was \$254,000. The median price — where half sell for more and half for less — last year was \$163,000.

Prices remain soft primarily because of huge numbers of foreclosed properties on the market, and they're likely to continue depressing prices, according to Geoffrey Hewings, an economist at the University of Illinois at Urbana-Champaign.

In the Illinois Association of Realtors' report on 2011 sales, Hewings notes that housing forecasts for the first three months of this year "suggest that sales volume will be significantly higher" compared with the first quarter of 2011 but that sale prices will be lower.

"Until these foreclosed properties and additions expected in 2012 clear the market, sustained upward movement in prices will be unlikely," Hewings said.