

Realty Sales Strengthen, Prices Up Slightly

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Local real estate sales surpassed 120 units for the second straight month in July, with median sale prices increasing slightly, according to the latest report by the High Country Association of Realtors. The report said there were 124 homes worth \$29.6 million sold last month, as recorded by the High Country Multiple Listing Service, which tracks realtor assisted sales in Ashe, Avery and Watauga County. The median sale price was \$195,500, a small increase over the media price in June (\$195,000). It's also 3 percent higher than the median sold price through the first six months of the year (\$189,950).

Sales for the year are roughly even compared to last year at this time, with 680 sold in first seven months of 2013; 676 sold in 2012. Homes sold in July were on the market an average of 245 days. Another 437 homes were newly listed, the lowest such number in four months.

"We are expecting home sales to continue to rise in the third quarter of 2013, since the busiest months of the buying season are now upon us," said Laurie Phillips, executive officer of High Country Association of Realtors. As the housing market continues its slow improvement, state realtors are concerned with the impact of legislation recently signed by NC Governor Pat McCrory which limits deductions used by many homeowners.

Part of a comprehensive report of state tax laws, the legislation caps at \$20,000 itemized deductions for mortgage interest and property taxes. According to the Charlotte Business Journal, "Some legislators wanted to eliminate the deduction all together. The state Realtors group worries that next year the cap may be lowered to \$15,000 or \$10,000 – or be cut completely." Mark Zimmerman, legislative chairman for the North Carolina Association of Realtors, told WRAL-TV that a variety of factors – including home value, mortgage interest rate and property tax rate – could impact how much this will cost homeowners. In general, those who owe about \$300,000 or less on their mortgage will be able to take their full deductions, while those with more expensive homes and mortgages would start losing out on the tax break. "You can buy a little more home because you can deduct this," Zimmerman said, referring to mortgage interest. "Once you take that away, you're going to see pressure – downward pressure – on home values."

In other real estate news, average rates on fixes mortgage have changed little in the past few weeks. As of August 8, the average rate for a 30-year fixed mortgage was 4.4 percent, according to mortgage buyer Freddie Mac. That is a full percentage point higher than in early May, when rates neared record lows.

The average 15-year rate held steady at 3.43 percent.

For more information on the High Country Association of Realtors visit www.highcountryrealtors.org.