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## New home sales on the rise locally, nationally

By Alan Zibel  
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WASHINGTON — New home sales in June posted the fastest increase in more than eight years as buyers took advantage of bargain prices, low interest rates and a federal tax credit for first-time homeowners.

While home prices are still falling, the figures released Monday were another sign the housing market is finally bouncing back.

Earlier this month, the government reported that new home construction rose to the highest level since last fall. And data out last week showed home resales rose almost 4 percent in June, the third straight monthly increase.

June was a good month locally for BrackenChase Builders Inc., which builds houses in Leon and Wakulla counties and closed on six houses during that period. "It's looking like July is going to be even better," company owner David Hanselman said.

"People are beginning to see that there is opportunity in the market and they are starting to take advantage of it," said Hanselman. "The product under \$200,000 is where most of the interest is. That is typically homes that are 1,800 square feet or less."

Nationally, new home sales rose 11 percent in June to a seasonally adjusted annual rate of 384,000, from a May rate of 346,000, the Commerce Department reported Monday.

Shares of big home builders soared on the news, with Beazer Homes USA up by more than 13 percent and Hovnanian Enterprises rising 8 percent in afternoon trading.

Home prices are still down. The median sales price of \$206,200 was down 12 percent from \$234,300 a year earlier and off nearly 6 percent from \$219,000 in May.

Matt Brandman, president of Beazer's Northwest Florida Division, said his Tallahassee business saw a significant uptick in June and the months leading up to that. There is more customer traffic and consumers who are house-hunting are more serious about their intentions. "There are more people who are building rather than buying an inventory home," he said.

"We are definitely seeing positive signs. My glass is half full," Brandman said.

In addition to lower prices, buyers are rushing to take advantage of the federal tax credit, which covers 10 percent of the home price or up to \$8,000 for first-time buyers. Home sales need to be completed by the end of November for buyers to take advantage, Hanselman said.

June's results were the strongest sales pace since November 2008 and exceeded the forecasts of economists surveyed by Thomson Reuters, who expected a pace of 360,000 units. The last time sales rose so dramatically was in December 2000.

David Dowdy, general contractor for builder Tallahassee Homes LLC, said he expects a continued steady pace. "Right now, the forecast is moderate, and very conservative," he added.

For many buyers new homes are the best option. "The reason people are building custom homes today is that they can get exactly what they want, rather than have to settle for what's out there," said Dowdy, who has been a home builder for 15 years.

- Democrat Business Editor Dave Hodges contributed to this story.
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