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## On the House: Housing prices still falling locally



By Al Heavens  
Inquirer Real Estate Columnist

We are a few weeks into the spring selling season, as measured from its start on the Sunday after the Super Bowl. But unlike last spring, and the one before that, the government isn't dangling tax credits in front of buyers to get them into houses.

In addition, because of the endless supply of distressed properties for sale, home prices continue to fall. In the eight-county Philadelphia region, prices have dropped 16 percent since the housing downturn began here at the end of the third quarter in 2007.

As recently as two weeks ago, Kevin Gillen, vice president of Econsult Corp. of Philadelphia, was predicting further slips, 5 percent to 7 percent, before a turnaround in the second half of the year - although, as Gillen and others point out, the Philadelphia market hasn't seen the precipitous drops experienced by other metropolitan areas.

Nor does it have comparable levels of distressed sales, but that's not saying there are none here. It's just that in the Philadelphia market, unlike California, Nevada, Florida, and Arizona, the volume of such sales is not large enough to depress prices the way it has in those hard-hit places.

Small comfort for those couples nearing or just past retirement who have lived in their houses for 30 years, paid off their mortgages and other loans, and have been dreaming about moving to over-55 communities in the suburbs, or condos in Center City, or cottages at the Jersey Shore.

Those folks had been counting on the huge amount of equity they had amassed simply by staying in one place. Now, real estate agents, appraisers, and lenders are telling them, there isn't as much equity as there was a month or two ago.

ive deferred selling until times are better - the so-called inventory for sale just as it starts to come down to

st says that prices have dropped 16 percent since third-e drop in the median price regionwide.

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Even if your neighborhood's prices are down 16 percent, there is more to a successful sale than price alone.

Here's an example: A five-bedroom suburban Colonial, built in the early 1970s, is listed for sale at \$234,900. The owners spent considerable time and money getting the house ready for sale, about four months and several thousand dollars.

It has been on the market about 50 days - albeit during a terrible winter - and has had just three showings, including an open house that was attended by just one person.

In an "e-showing report" the real estate agent offered as feedback, the agent began by saying that the data show that sales in this particular suburban county had dropped 16 percent year-over-year.

All three prospective buyers readily acknowledged that "the price was right" and that the house showed well.

One prospect commented, however, that the house was "too blah." Another said the property was "nice" and that initially they were very interested, but added that "we think there are others that better meet our needs."

The agent calls the listing *timeless*, a euphemism for *boring*, and had originally suggested a kitchen remodel costing \$7,500 - not to boost the sale price, but to sell the house period. Don't expect to get the money back, the agent warned.

Yes, there are some signs that real estate's troubles are easing. But normal? Well, that seems very far away.

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#### On the House:

Inquirer real estate writer Alan J. Heavens is the author of "Remodeling on the Money" (Kaplan Publishing). His home improvement column appears Fridays in Home & Design.

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"On the House" appears Sundays in The Inquirer. Contact Alan J. Heavens at 215-854-2472, [alheavens@phillynews.com](mailto:alheavens@phillynews.com) or Twitter: @alheavens.

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