

Homes selling faster as buyers outpace supply

Julie Schmit, USA TODAY | 7:08a.m. EDT March 17, 2013



(Photo: David Zalubowski, AP)

Homes sold faster last month than in any February since 2007 as eager buyers met a tight supply of homes for sale, industry figures show.

Homes were on the market for a median of 98 days last month, down from 123 days in February 2011, according to Realtor.com. That means half the homes listed for sale in February were on the market for less than 98 days and half for more than that.

Even 98 days is long for many markets.

In Oakland, homes spent just 14 days on the market last month before they went under contract or were pulled off for other reasons, Realtor.com data show. In Sacramento — just 21 days.

"Things are flying off the market," says Barbara Hendrickson, of Red Oak Realty in Berkeley, Calif., near Oakland.

While eight of the 10 fastest-moving markets were in California, Denver and Seattle made the top 10, too, with median market times of 28 and 33 days, respectively, Realtor.com says.

Nearly all of the markets with low median market times are also seeing big declines in homes listed for sale.

The average dropoff was 48% from a year earlier in the markets with the greatest declines in supply. Most were in California. That compared with a 16% drop for 146 metropolitan regions for which Realtor.com has listing data.

But some metropolitan areas outside of California are also seeing fast sales, the Realtor.com data show.

In 18 non-California cities, the median number of days on the market was less than 60. Those included Phoenix, Washington, D.C., Detroit, Minneapolis, Atlanta, Dallas, Orlando and Fort Lauderdale.

Phoenix has led the home-price recovery, with prices up 23% in December vs. a year earlier, according to the Standard & Poor's Case-Shiller index.

The Phoenix market has been helped by strong investor demand for homes. Atlanta is now seeing a surge of investors, too, as is Orlando, local Realtors say.

With such fast-moving markets, buyers and sellers are less likely to see price reductions on properties and more multiple offers, says Curt Beardsley, vice president with Move, which operates Realtor.com.

In Oakland, for instance, two out of three single-family homes that sold in February drew multiple offers, says Aman Daro, marketing director for Red Oak Realty.

Buyers are also more likely to waive home-inspection contingencies to better compete for homes, says Gerhard Ade, Seattle-area real estate broker with RSVP Real Estate.

He recently had a listing priced at \$225,000. It got 12 offers and sold for \$235,000 to a buyer who waived the home inspection and paid cash.

Cash buyers accounted for 28% of existing-home buyers in January, the National Association of Realtors says.

Cash buyers are often investors. Their presence in a market can be especially tough for first-time buyers, who usually need a loan to buy. Sellers typically prefer cash offers.

Nationwide, the inventory of homes for sale fell in January to a 4.2-month supply, almost an eight-year low, the National Association of Realtors says. Its data show all homes were on the market in January for a median 71 days, down from 99 days a year earlier.