

## **Mobile Housing Market Remains Healthy January, 2008**

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The Mobile Metro Housing Market is still performing well in a national market of extreme slowdown. The average sales price has increased from \$145,930 to \$160,213 for December, 2007, in a period of approximately two years. An important indicator of direction and strength in local prices, the most recent upward trend, reached \$159,892 in the third quarter, the **highest level ever!**

The important point for homeowners and potential buyers to remember is the steady upward growth in Mobile residential value contrary to overall national housing numbers. The trend in sales prices remains upward at 8.8 percent over the past two years which means that the average homeowner is growing wealthier. This emphasizes the old adage that “all real estate is local,” and local numbers should be used to explain local markets.

Considered to be one of the most important housing indicators, the Mobile average sales price-per-square foot increased a modest 2.3 percent from \$86 to \$88 over the past 12 months. The tremendous increase in demand from Katrina that caused rates of appreciation of 18-20 percent appears to be gone.

Other key local housing market indicators show that Mobile is feeling the impact of a credit squeeze national average number of properties sold has declined and the existing inventory has increased. A typical seller must wait longer to sell a property in a market with an increased number of properties for sale. The wait is longer, but the average final price is still strong.

Indicators of the future need for housing are positive. The unemployment rate remains low at 3.2 percent, and is likely to remain low given the projected increases in employment from growth and potential economic development projects. Also, the number of non-farm workers remains at its all-time high, and is projected to move to a higher number. Further, the 30-year fixed effective mortgage rate equals 6.44 percent which is among the lowest rate in the past two years. Other positive economic indicators tracked monthly and quarterly by the USA Center for Real Estate Studies are not causing the Mobile housing market to be slow. The cause has to be national factors, such as a restriction of credit.