

# Monday, May 5, 2008

## [Breaking News: Sales Rebound Stalls in April](#)

A weak performance in April has stalled what appeared to be a rebound for sales of Chicago condos.

Based on sales closed on the Multiple Listing Service, now operated by **Midwest Real Estate Data (MRED)**, compared to the first four months of 2007, the number of city condos closed January 1 through April 30 is down 24%, median sales price is up 11% and total transaction dollar volume (on which commissions are based) is down 8%.

So, after being down just 4% in March, dollars generated by condo sales have returned to the same negative level, on a percentage basis, they were on February 29 (down 8%).

Now down 24%, units closed were down 36% at the end of January, 24% in February and 18% in March.

**Bottom line: Year to date, Chicago condo sales are down 8%.**

On the MLS, at least, there is still no sign of a surplus of inventory. Units listed to date are down 18%, year over year. Only 4% more units are for sale than in March. And average days on market are down 4%. Supply at the end of April is up just 3% over where it was a year earlier, at 9.4 months. (Supply of Miami condos is [reported](#) being at 61 months!)

*For the numbers on which these percentages are based, see the City Condo Market widget in the right-hand column of this blog. For additional data, click the DETAILS button on that widget. (The ANALYSIS button links to this post.)*

Asked to comment on the April statistics, [Rubloff's Mario Greco](#), one of the city's Top 10-selling condo agents--who closes roughly one condo a day--offered these observations:



"What I've experienced so far in 2008 is not what the numbers are saying at all. I have seen an uptick in showings, contracts and closed sales across all price points--from \$200,000 to north of \$2 million.

"My inventory has shrunk and my market times have gotten smaller, compared to 2007. Other agents I've spoken to have been experiencing the same thing.

"What is happening," Mario explains, "is that new sellers are coming on the market at

more realistic prices and selling quicker than the still-stubborn 2007 holdover sellers. That said, many 2007 sellers have adjusted their price to where it should have been in 2007 and the market time attached to their listing is causing people to buy the newer listing anyway."

Another Top 10 condo agent, **Koenig & Strey's [Art Collazo](#)**, offers similar insights on the current market, along with advice for both buyers and sellers:



"My biggest challenge today is responding to negative reports in the media," Art says. How does he respond? "By not letting them affect me."

Overly pessimistic coverage in the media sets up unrealistic expectations among buyers. Despite what the "comps" show, buyers think they can buy condos for much below market value, Art adds. (Comps are comparables, the documents agents prepare for sellers to show how the sold prices of similar units compare to the unit being placed on the market.)

"In this market," says Art, "the biggest mistake buyers make is focusing too much on getting the lowest price and too little on the comps. They need to focus more on the overall quality and value of the property itself."

"The biggest mistake sellers make," he added, "is not pricing their units in line with the current market. They, too, need to pay more attention to the comps."

**Jim Merrion**, Regional Director of **RE/MAX Northern Illinois**, adds this note on the increase in median sales price:



"While condo market activity pretty much mirrors the direction of the overall housing market, there has been a remarkable burst of activity in condos priced at \$700,000 or more this year. MRED reports sales of attached homes that cost \$700,000 or more were up 67% in April, compared to the same month last year."

"For the first four months of the year," Jim adds, "sales in that price range were up 48% from the same period in 2007. That increase in activity at the top end of the market helps explain why the median sales price of all condos sold during the first four months of 2008

rose 11%."

***Has our condo market bottomed?** On unit sales, the jury is still out. What is encouraging--for agents and sellers, at least--is that the median sales price year to date (\$320,000) is still 8% above the median for all of 2007 (\$297,000). So any talk of lower overall condo prices in Chicago is misguided.*

For another view of Chicago's condo market, see **Dennis Rodkin's** in-depth report and analysis on Chicago magazine's [Web site](#).