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## Communities show surplus of homes on market

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BY [DAVID GARBE](#) Staff Writer

Besides the one about location, one of the best truisms of the real-estate world is that every housing market is local.

Because of that, news reports about plunging sales of new and existing homes nationwide might mean almost nothing in the Fox Valley. So how is the picture shaping up for this summer?

Maybe not quite so rosy as previous years, but not as bad as elsewhere.

"We're not being hit like some of the other areas in the country are," said Dee Rechenmacher, a Realtor with Pilmer Real Estate and president of the Aurora Tri-County Association of Realtors.

The vast flow of people moving west into Kendall and Kane counties have insulated the area, although there's no denying things have slowed even here, she said. For example, the city of Aurora saw closings on just 550 homes in the first quarter of this year, 20 percent fewer than the first quarter last year.

"This time last year, I had many multiple-offer situations," Rechenmacher said, referring to cases where more than one buyer was willing to purchase a house. That hasn't happened yet this year, even though the traditional home-buying season is well under way.

That doesn't mean houses are doomed to languish on the market for months, she said, but "sellers have to get realistic with their pricing."

Buyers now have the upper hand in the market, agreed real-estate expert Chip Wagner of the Headrick-Wagner Appraisal Group in Naperville, mostly because there are fewer buyers than there were last year.

"The investors pretty much left the market once the interest rates started creeping up," Wagner said. And the entire Fox Valley area is now over-supplied with homes.

Supply statistics are often expressed by calculating how many months it would take the number of homes available today to sell given current purchasing rates. A three- to four-month supply indicates a healthy balance between supply and demand, said Wagner, whose company collects detailed statistics for the entire Chicago region.

According to that data, almost everywhere in the Fox Valley has more than a six-month supply at the moment, with the only exceptions being the DuPage portion of Aurora and the village of Montgomery.

The over-supply is more pronounced on the outer edges of today's suburban sprawl in places like Sugar Grove and Yorkville, where the number of homes for sale greatly exceeds what the market currently demands.

In theory, the glut of homes in those fringe areas should lead to slower growth as homebuilders slow construction. That happened noticeably in Sugar Grove, which has seen only half as many new homes as were expected during the past 16 months.

But the pattern hasn't held true in much of Kendall County.

Perhaps buoyed by the area's status as the second-fastest-growing county in America, developers nearly doubled their building permit requests last year in Yorkville.

The city now has more than a 12-month supply of houses on the market. Realtors said that level of supply makes for intense competition on prices, between new and existing homes, with the latter often being forced to sell for little more than owners originally paid.

Nevertheless, the growth that seems to have dried up elsewhere remains strong in Kendall.

So far this spring, developers have announced plans for subdivisions on more than 600 acres of southeastern

Kendall that have been incorporated as a far-flung portion of Joliet. Wagner predicted that would mean the strong buyers' market "isn't going away anytime soon," especially in high-growth areas.

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