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Some markets show signs of spring thaw

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Real estate

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If potential home buyers are holding back because they're apprehensive about the market, sellers don't seem to be shy at all: Listings continue to pour onto the Chicago market.

A quarterly analysis by a Naperville firm shows the number of single-family homes for sale rose to 49,640 on April Fool's Day from about 40,000 on New Year's Day, a 24.3 percent bulge.

That there's an oversupply isn't exactly a surprise, but the report is one more reminder that the market has its work cut out for it. Sales just aren't keeping up.

Not that there aren't positive signs: One might be in "pending sales," or signed purchase contracts. Those were up in February and March in the city and surrounding counties, according to Headrick-Wagner Appraisal Group, which conducted the analysis for clients and industry professionals.

The report said DuPage County saw the biggest recent gains, with pending sales growing to 1,074 on April 1 from 667 Feb. 4, a 61 percent increase. At the low end, but still positive, was Chicago, where pending contracts were up about 19 percent in the period.

The appraisers took those numbers as an indicator that though the spring market, traditionally the busiest, is a far cry from what it was a year ago, it may be gaining traction.

What might be putting it there is the apparent realization by sellers that they could stand to aim a little lower in price: Headrick-Wagner says the average asking price on April 1 was 5.6 percent lower than a year earlier.

Those who closed their sales in the first quarter did manage to keep the price trend on the plus side: The average sale price was 3 percent higher than one year before.

"We have witnessed many home prices that have declined in the past year, but generally speaking, our values are holding up," the report said. "Areas susceptible to these declining values seem to have a strong new construction presence or are in the upper price brackets."

Some submarkets are clearly outperforming others, and the key is affordability, the report said. It cited two dozen suburbs where the number of homes for sale in a lower price bracket would be considered in short supply.

Exhibit A for market schizophrenia was Naperville, where there's a four-month supply of homes priced less than \$500,000, which would be considered an undersupply by industry standards.

But when the price shifts to \$500,000 to \$1 million, so does the supply—to 7.7 months. Go over \$1 million and it's 22 months. Your Naperville mansion priced above \$2 million might sit there 96 months.

Location, location

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Even cave dwellers were choosy about their real estate, according to a study by British archaeologists.

They studied more than 400 caves in Britain and concluded that the inhabitants between 4,000 and 2,000 B.C. had five real estate criteria.

They tended to prefer caves with larger entrances, deeper passages, at higher altitudes, with entrances facing east or west and a level area outside the entrances. Not a word about granite countertops.

Hear Mary Umberger on WBBM-AM 780 at 6:21 p.m. and 10:22 p.m. Thursdays and Fridays and 7:20 a.m. Saturdays and Sundays.

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