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CAPITAL REGION

Housing sales fall, but not far

Market drops 1% as prices still climb

BY JAMES SCHLETT
Gazette Reporter

Realtors in the greater Capital Region ended their first post-housing-boom year with anything but a bust, achieving their second-highest number of annual sales on record, even as that total declined for the first time in nine years.

Coming off a 14-year boom that peaked in 2005, closed single-family home sales regionwide slid last year to 10,387. That was 1 percent less than 2005's record of 10,508 sales and far less than the 6 percent drop area real estate officials had been bracing for, according to statistics released Monday by the Greater Capital Association of Realtors.

Last year's decline in sales marked the first time since 1997 sales have fallen from the previous year. Sales that year dropped 1 percent to 6,391. Over the same period, the change in home values ranged from down 1 percent in 1997 to up 14 percent in 2004. That rapid increase in home values has been pegged as one of the leading causes of the demise of the boom that started in 1991, according to GCAR.

"It certainly wasn't a slow market, though it did slow toward the end of the year," said GCAR Chief Executive Officer James Ader.

The slowdown in sales came partly as a result of sellers' reluctance to back away from prices that buyers deemed too high in the post-boom market. By late summer, markets nationwide were in the midst of a pricing correction, which saw monthly home values depreciate for the first time in years. Nonetheless, by year's end, the region's median sale price was \$189,000, up 5 percent from \$180,000 in 2005. The median sale price in 2005 was 13 percent higher than in 2004, by comparison.

The housing slowdown was most pronounced in Albany and Saratoga counties, which both experienced a 7 percent decline in sales last year.

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