

## Home values level off, sales slow, but Oldham escapes worst of housing market crash



By John Foster

Oldham Era  
July 2, 2008

At least we're not in California. Home sales have slowed, housing prices have leveled off, but it seems Oldham County has escaped the worst of the housing market crash that has adversely affected much of the country in the last year.

As the United States experiences home depreciation for the first time in 13 years, home values in Oldham County have only leveled off.

Oldham County Property Valuation Administrator Ron Winters reassessed the northern half of the county in the last year. He is reluctant to talk in terms of averages because that angers any homeowner assessed above that average.

The assessments he sent in May contained the smallest increase in 20 years, but it was still an increase. He said some homes remained level in value but zero homes decreased in value due to the current housing market.

He said the housing market downturn in the last year is overdue in Oldham County.

"We've been gangbusters for more than 20 years out here," Winters said.

Statistics provided by the Greater Louisville Association of Realtors show from 1997-2007, home owners and realtors enjoyed — except for at tax time — yearly home value increases of more than 5.5 percent a year.

In the last year, that increase has leveled off.

From January to May 2007, 358 homes sold in Oldham County at an average price of about \$275,000 and a median price of \$229,000. In the same period of 2008, the number sold slowed down to 267 homes at a slightly lower price — an average of about \$273,000 and a median price of \$225,000.

Building permits for new housing units issued by Oldham County Planning and Zoning have been on a steady decline since the 2003 peak of 831. In 2007, less than half that amount were issued — 339, the lowest total this decade, and this year is on pace for fewer than 200, according to Planning and Zoning statistics.

Another indicator of the slowdown is the number of homes on market. At a given point in time in May 2007 there were about 490 homes on market in Oldham County, according to GLAR.

In May 2008, there were about 680 houses available.

Looking on the bright side, Semonin realtor Lee Hamilton said that makes it a great time to buy, with so many listings, competitive pricing and the current low interest rates. He said a home is still a good investment as long as the buyer pays attention the details of the sale.

Realtor Patrick Pollard said there are good buys out there, but “the steals that people are wanting are not always out there.”

He said right now there are not as many casual buyers looking at homes — who he calls “looky-loos.” That helps him, since he knows he is mostly dealing with serious buyers right now.

Pollard said all the media attention to housing market crashes around the country has people in Oldham County worried.

“If everyone did what the media says, the housing market would be shot,” he said. His sentiment was echoed by Winters and by Greater Louisville Association of Realtors Executive Vice President Lisa Stephenson.

She said the 10 percent depreciation in California and Florida does not carry over to Louisville.

“Just because it’s sunny and 80 degrees in California doesn’t mean it’s sunny and 80 degrees here,” she said.

The big picture

Nationally things are worse than locally.

A report released by the Office of Federal Housing Enterprise Oversight in November stated that for the first time in 13 years, home values actually decreased that quarter — by .4 percent, with the states such as California and Florida that experienced the greatest appreciation over the last decade, experiencing some of the greatest declines.

Kentucky has remained much more stable.

For the state, home appreciation peaked in 2005, at about 6 percent appreciation.

Appreciation is now at the lowest levels since 1991, with about 2.8 percent appreciation. The city of Louisville has appreciation consistent with the rest of the state. The office does not keep separate data for Oldham County.

Kentucky is faring much better than states like California and Florida, which currently have 10.5 and 8 percent yearly depreciation.

As recently as 2006, California and Florida were experiencing 26 percent appreciation.

Beyond consumer confidence, Winters believes a factor that is slowing down Oldham County's market is high gas prices. He said people are looking at buying homes closer to Louisville. Those who could borderline afford a home in Oldham County now probably couldn't afford the cost of the commute, he said.

He said the other thing that is slowing down sales is the difficulty to get credit compared to a couple years ago. Those with bad credit are finding it more difficult to be approved for financing a home as they were.

"Some of the companies doing pretty creative financing are not around anymore," Stephenson said.

Hamilton said a number of people selling their home to get out of adjustable rate mortgages or avoid foreclosure has softened the market.

Foreclosures in Oldham County have risen sharply in the last two years. Master Commissioner Doreen Goodwin oversees the sale of foreclosed properties at the courthouse. The number of homes that made it as far as her office in 2008 is already more than the total from 2005. That year, she saw 89. She saw 124 in 2006 and 140 in 2007. As of June 10, she has already seen 99, she said.

Although foreclosures affect the mortgage market, they don't necessarily affect home values, Winters said.

When one or two homes foreclose in a neighborhood, nothing negative happens to the property values of surrounding homes, he said, unless the grass starts to get too tall and the home turns into an eyesore.

The problem starts when 20 or 25 homes foreclose in a neighborhood. As far as he knows, no subdivision has had more than two or three homes foreclose at time.

Despite all this slowdown, the market has not ground to a halt. After all, 267 homes sold through May. Pollard said this has been his best year of selling so far. Hamilton said if a home is priced correctly, it still has a good chance of selling.

Take for example Andrea Shaw.

All the news reports of the difficult national housing market had her worried. She knew of people who had their homes on the market for two years, or at least several months.

"I was afraid I wouldn't be able to sell my home," she said.

At the beginning of April she listed her ranch-style home in Woodland Lakes subdivision in La Grange. She priced it a couple hundred dollars less than other similar homes in the neighborhood.

To her surprise, she had an offer in four days. She counter-offered and sold her home.

She said she is happy to sell her house so fast, but realizes if she could have waited a couple years, she could have sold her home for a better price.

"I probably would have done better in two to three years when the market got better," she said.

E-mail us about this story at: [jfoster@oldhamera.com](mailto:jfoster@oldhamera.com).

---

Copyright [www.oldhamera.com](http://www.oldhamera.com). All rights reserved.

---