

Riot or not, homes are selling in Ferguson



7 HOURS AGO • BY JIM GALLAGHER JGALLAGHER@POST-DISPATCH.COM > 314-340-8390

What happens to the real estate market when a little suburb becomes the national epicenter for racially charged protest over police shootings; when the media send images of arrests, tear gas, looting and riot police worldwide?

In Ferguson, home sales slowed down. But they didn't stop. People are still buying houses in Ferguson.

They closed on 27 of them between Aug. 9, the day a Ferguson policeman shot Michael Brown to death, and last Monday. That's down from 40 in the same period last year, according to an analysis by MORE Realtors.

Sales are down 32 percent in Ferguson since the shooting, more than the 13 percent drop for all of St. Louis County, in what has been a down year for home sales across the region.

"I was shocked when I pulled the data. It doesn't really look that bad," said Dennis Norman, a partner in MORE.

As of last week, sales contracts were pending on 19 other Ferguson homes, although the deals had not yet closed. Unless problems develop, a sale normally closes roughly six weeks after a contract is signed.

Another eight homes have "contingent" contracts. A buyer has stepped up, but closing depends on solving a problem — sometimes the sale of the buyer's own house.

But it's not a normal market in Ferguson. Eleven homeowners have pulled their homes from the market since the trouble began. None did that during the same period last year, although there were a few withdrawals earlier this summer, before the protests and violence that followed Brown's death.

"If you don't have to sell right now, why would you sell in the midst of this? Let it calm down," said Norman, who grew up in Ferguson.

Still, roughly 70 homes remain for sale in the town of 21,000.

It's harder to tell what's happening to prices.

In the past 60 days — beginning in the midst of the August disorders — homes sold for an average price of \$61,554. That's up from \$60,184 in the previous 60 days, according to figures from Coldwell Banker Gundaker Realtors.

"There is no drastic effect that we can see," said Mark Cranmer, assistant manager of Coldwell Banker's North County office.

But average price is a troublesome measure, because individual homes vary widely, and the mix of those selling can differ by the month. For instance, the average price a year ago was about \$35,000 — weighed down by the sale of cheap foreclosures then on the Ferguson market.

Norman looks at price-per-square-foot, which has been trending down in Ferguson since before the shooting. That measure also has problems, because ignores home condition and neighborhood.

Some sellers are cutting prices, says Pearce Neikirk, a long-time Ferguson real estate agent. But that's not unusual for houses that have been on the market for a couple of months as sales slow in the fall. "We're not seeing any wholesale discounting," he said.

Homes sold since the troubles started have gone for 93 percent of the asking price, according to MORE Realtor's figures.

"We got a contract during the riots," said Rebecca O'Keefe. She sold her house on Chatelet Woods Drive on Aug. 18. That morning's front-page headline in the Post-Dispatch read, "Clashes, Chaos" and "Police again use tear gas on Ferguson protesters."

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The house was 2.7 miles from the burned out QuikTrip that symbolized the looting.

Were the buyers concerned by the upheaval? "Not at all," O'Keefe said.

The buyers were a couple in their 50s, with grown children living in Florissant and Creve Coeur. They knew the area and never mentioned the troubles.

They paid \$190,000 for a house with an asking price of \$199,000. The O'Keefes had paid \$240,000 nine years ago, when the housing bubble was building.

Rebecca and Matt O'Keefe were downsizing after their children left. They had bought a smaller home near Ferguson City Hall, where they can sometimes hear the protesters gathered nearby.

Their family has lived in Ferguson for generations. "We like Ferguson because we know Ferguson. We're very comfortable here," said Rebecca O'Keefe. "We would not live anywhere else."

They just bought a house for their son, a new college grad. They paid \$19,000 for a "total gut job," also in Ferguson.

Not all buyers are blasé about the troubles.

Norman, the real estate agent, just sold a house off Florissant Road in Florissant, just over the Ferguson city line.

“The concern I heard was; ‘Do I really want to spend \$180,000 in the Ferguson-Florissant School District?’ ” Norman reported. Buyers were worried that unrest in Ferguson, if it continued, would lower performance in the schools.

“Everyone is under the impression that, if the grand jury decision is not an indictment, it will be worse than before,” Norman said.

People buying in Ferguson tend to already live in north St. Louis County, real estate agents say. They know where the violence was, and where it wasn’t.

When Realtor Neikirk suggests visiting a Ferguson home, potential buyers want to measure distance. “They do want to know the proximity to where the trouble started,” he said.

August’s sometimes-violent protests and looting were concentrated on West Florissant Avenue, near two low-income apartment complexes. Much of the rest of Ferguson consists of middle-class suburban tract homes, most of them built in the 1950s and 1960s.

The protests have since spread beyond West Florissant Avenue — to the Ferguson Police Department headquarters and the Ferguson Farmers Market, as well as downtown Clayton, downtown St. Louis and the Shaw neighborhood. But those demonstrations have been mainly peaceful.

Some homeowners are nervous about putting their homes up for sale amid protest and worry. “They don’t want strangers in their houses right now,” said Beth Braznell, president of the St. Louis Association of Realtors.

Realtors normally want a four-month contract to list a house, because it normally takes nearly that long to sell one. But Neikirk, owner of his namesake Ferguson real estate firm, is taking shorter contracts for owners who aren’t sure about selling.

Neikirk is making changes as he goes. “We don’t have a rule book here. It’s hard to predict,” he said.

Braznell says her biggest fear is a spate of panicked selling. She worries that unscrupulous buyers may knock on Ferguson doors, warning home owners of falling prices and offering to buy them out cheap.

She saw the same phenomenon in her own Tower Grove neighborhood during a troubled period in the 1990s. “I’m very worried that homeowners in Ferguson will be taken advantage of,” she said.

Local real estate agents say they’ve seen none of that yet.

Neikirk, who has lived in Ferguson for 61 years, thinks his town will get past its troubles.

“Will this hurt us? Hell yeah, but it’s not going to polish us off,” he said.