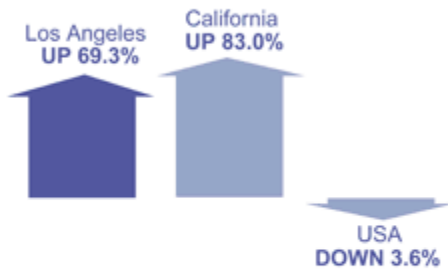


▪ **Location**
Los Angeles, California

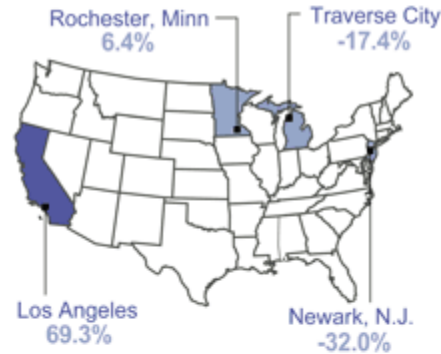
▪ **Monthly sales volume**

Change from one year ago:



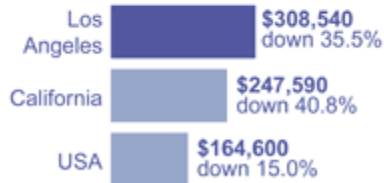
▪ **Comparing sales volume**

The four most-recent cities in the USA TODAY Close to Home series and their one-year change in monthly sales volume when originally published:



▪ **Median home price**

Change from one year ago:



Sources: California Association of Realtors, National Association of Realtors.

Lower home prices offer buying opportunity in Los Angeles

By Christine Dugas, USA TODAY

Home prices in Los Angeles have declined sharply, and it's unclear if they've hit bottom.

The median price in Los Angeles was \$308,540 in February, down from \$478,350 a year ago and \$616,230 in February 2007.

"The boom is over, but I don't know if the bust is over," says Betty Graham, president of Coldwell Banker Greater Los Angeles.

The well-documented surge in foreclosures has dragged down prices. Last year, the foreclosure rate in Los Angeles and Long Beach rose 113.5%, according to RealtyTrac.

Foreclosures have been partly caused by rising unemployment, says Jack Kyser, economist at the Los Angeles County Economic Development Corp. But the rate also has climbed because many homeowners got adjustable-rate mortgages they could barely afford, and then saw their interest rates reset much higher.

The potential good news: Many home buyers view the current market as an opportunity. In February, home sales in Los Angeles were up 69.3% from a year earlier.

Lower-cost homes and lower mortgage rates have driven the market as first-time home buyers zero in on foreclosed properties.

But even high-end property is starting to show some sales life. "In the last 30 days, we have had many negotiations going on in the above-\$3 million price range," Graham says.

Will it all stick? Who knows: The weak economy is making the future housing market hard to predict.

"Our economy is struggling right now," Kyser says. "But it's a mixed bag."

For example, the Los Angeles entertainment industry is doing well because of high box office sales, but tourism and travel are down, he says. And while there are plans for school-, highway- and bridge-construction projects, the housing-construction industry is still struggling mightily.

"There is a significant fear factor, and people are not certain about what is going to happen next," Kyser says.

Those who work in the real estate business are cautiously waiting to see how the rest of the year unfolds. But Graham is positive.

"I've been doing this for over 30 years," she says. "I can sense the pulse of the market, and it is improving."

The most expensive



Candy Spelling, widow of TV producer Aaron Spelling, is selling a French-chateau-style mansion on a 4.7-acre estate in the exclusive neighborhood Holmby Hills, adjacent to the Los Angeles Country Club.

Price: \$150 million

Bedrooms: 7

Bathrooms: 27

Size: 56,500 square feet

Features: Wine cellar and tasting room, bowling alley, library, three gift-wrapping rooms, a 17,000-square-foot attic with a beauty salon and a full-service staff wing, theatersize movie screen and professional projection equipment in an underground artwork vault, tennis court, reflection pond, pool and spa, and 18th-century- style garden.

Median-price home



This bungalow-style home, built in 1899, is on the market.

Price: \$309,000

Bedrooms: 5

Bathrooms: 2 full baths

Size: 1,675 square feet

Features: Vintage home, living room with fireplace, dining room, basement, ceiling fan, two-car garage