

# Southland home sales still ultra-low; median price slips again

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La Jolla, CA--- Southern California home sales limped along last month at the slowest pace ever for a February, the result of a market crippled by uncertainty and credit constraints. The median sale price dropped by a record 17.6 percent from a year ago, a real estate information service reported.

A total of 10,777 new and resale houses and condos sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties in February. That was up 8 percent from 9,983 the previous month but **down 39 percent from 17,680 in February last year**, according to DataQuick Information Systems.

**Last month's sales total was the second-lowest for any month in DataQuick's statistics, which go back to 1988. The prior month's total of 9,983 was the lowest ever.** Since September, sales each month have been a record low for that particular month.

**Of the homes that resold in February, about one-third, 33.5 percent, had been foreclosed on at some point since January 2007.** A year earlier the figure was 3.5 percent. At the county level, the percent of homes resold in February that had been foreclosed on since January 2007 ranged from 25.3 percent in Orange County to **48.1 percent in Riverside County.**

"Sales remained extraordinarily low, and a significant portion of what did sell was in areas beset by foreclosure activity. That's where sellers are the most motivated and price cuts are largest. Mainly it's in the inland markets, often in newer suburbs, **where prices got pumped up artificially with the sort of crazy loans that no longer exist,**" said Marshall Prentice, DataQuick president.

"More difficult to glean from today's statistics is the exact status of more established neighborhoods, often near the coast or job centers, where foreclosures aren't a big problem but where sales are scant. We're anxious to see whether the government's recently announced higher conforming loan limits will have much impact on sales in these areas this spring and summer."

**The median price paid for a Southland home was \$408,000 last month, the lowest since \$402,500 in October 2004.** Last month's median was down 1.7 percent from January's \$415,000, and **down a record 17.6 percent from \$495,000 in February 2007.**

**Last month's median fell 19.2 percent shy of the \$505,000 peak** reached last spring and summer. The sharp decline in the median reflects two things: depreciation, especially in areas rife with foreclosures, and a substantial shift in the types of homes selling. Most notable in recent months is the big dropoff in sales of more expensive homes financed with "jumbo" mortgages.

Since the credit crunch hit in August, jumbo mortgages for over \$417,000 have become more expensive and harder to obtain. Sales financed with jumbo loans represented about 17 percent of Southland transactions last month, down from 39 percent a year earlier.

DataQuick, a subsidiary of Vancouver-based MacDonald Dettwiler and Associates, monitors real estate activity nationwide and provides information to consumers, educational institutions, public agencies, lending institutions, title companies and industry analysts.

The typical monthly mortgage payment that Southland buyers committed themselves to paying was \$1,821 last month, down from \$1,889 the previous month, and down from \$2,303 a year ago. Adjusted for inflation, the current payment is 18.0 percent lower than the spring of 1989, the peak of the prior real estate cycle. It is 28.0 percent below the current cycle's peak in June 2006.

Indicators of market distress continue to move in different directions. Foreclosure activity is at record levels, financing with adjustable-rate mortgages is at a six-year low. Down payment sizes and flipping rates are stable, non-owner occupied buying activity is increasing, DataQuick reported.

All Homes	#Sold Feb-07	#Sold Feb-08	Pct. Chng	\$Median Feb-07	\$Median Feb-08	Pct. Chng
Los Angeles	6,300	3,468	-45.0%	\$528,000	\$460,000	-12.90%
Orange	2,449	1,471	-39.9%	\$620,000	\$520,000	-16.10%
Riverside	3,057	2,147	-29.8%	\$410,000	\$325,000	-20.70%
San Bernardino	2,274	1,242	-45.4%	\$368,750	\$290,000	-21.40%
San Diego	2,863	1,954	-31.7%	\$480,000	\$415,000	-13.50%
Ventura	737	495	-32.8%	\$584,000	\$445,000	-23.80%
SoCal	17,680	10,777	-39.0%	\$495,000	\$408,000	-17.60%

Source: DQNews.com

**Courtesy of JB Goodwin**