REAL ESTATE

South Bay Indicators Giving Mixed Signals

By Erik Derr

The South Bay housing market showed signs last month it's still not ready to level off, while home sales throughout the Southland, as well as the overall state, posted modest gains. According to the South Bay Association of Realtors (SBAR), the median price of a single family home sold in the area was $549,000 in September, up 10.6 percent from September 2008. At $465,000, the condominium/townhouse median indicated a 9.4 percent jump from the same time last year.

The numbers of properties under contract last month --- in which sales agreements have been reached but escrow hasn't closed --- also grew from September 2008, with 22.5 more single family homes and 10.8 percent more condominiums and townhouses under contract. The monthly supply of inventory for single family homes was an estimated 2.4 last month --- a 70.7 percent decrease over September 2008. And the monthly supply of condominium/townhouses dropped to 2.8 in September, a decrease of about 60.6 percent from the same time in 2008. The number of average days on the market between September 2008 and last month grew about 1.5 percent for single family homes and decreased an estimated 3.8 percent for condominium/townhouses. "It looks to me with the slow but forward momentum it's showing homes in the South Bay's housing market are recovering," suggested William Helton, an office supply salesman from Hawthorne. "President Obama just announced the recession is over. The economy is growing again. So all of this shows the South Bay is on the right track too, right?"

Well maybe, said Sheri Fejeran of the SBAR. "The increased median home price combined with a drastically reduced inventory may suggest more stability in the South Bay housing market," she noted. On the other hand, "we still see fluctuation in different areas of the region." Fejeran explained last month's volume of unit sales throughout the South Bay dropped from the sales count in September 2008, but sales activity through much of 2009 generally trended upward. "Transactions volume remains down overall, while there are also intermittent increases in prices and in sales under contract for some parts of the South Bay," Fejeran added.

Numbers released in mid-October by San Diego-based market analyst MDA DataQuick suggested an estimated 40,216 new and resale single family houses and condo/townhouse units were sold statewide last month, an estimated 1.0 percent jump from 39,811 in August, but down 0.3 percent from 40,317 in September last year. The overall median price paid for a home in California was $251,000, down 11.3 percent from $283,000 in September 2008, but up 0.8 percent from $249,000 in August.

In Southern California, about 21,539 new and resale houses and condo/townhouses in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange traded hands last month. That was up 0.2 percent from 21,502 in August and 5.1 percent from 20,497 in September 2008.

The DataQuick study also noted September marked the 15th month in a row there was a year-over-year boost in Southland sales, although last month's was the smallest of those increases. The median price paid for a Southland home in September as well as August was $275,000, down 10.9 percent from $308,500 in September 2008. "There were more than just normal, seasonal forces at work in these September sales," said John Walsh, MDA DataQuick's president. He added "September… also got a boost from people opting to buy sooner rather than later to take advantage of the federal tax credit for first-time buyers." Indicators of distress continue to appear in various areas of the SoCal housing market, said Walsh. While lower-cost foreclosure resales have tapered off, sales of costlier homes have risen. September sales of $500,000-plus homes made up 21 percent of all single family home resales, up from 13.4 percent in January.

The financing for pricier homes appears to have improved in recent months, although the "jumbo" loans --- previously defined as above $417,000 --- many high-end buyers require remain comparatively expensive and hard to get.

Those so-called jumbos accounted for nearly 40 percent of all Southland purchases before the economic downturn hit two years ago. In September, such loans represented only 15.1 percent of all of the region's purchases. That was still better than the all-time low of 9.3 percent back in January. Jumbo sales claimed only 13.3 of the market a year ago. But high-end optimism abounds, according to real estate agent Kelly Evans, who serves the South Bay, particularly the high-end Torrance area known as the Hollywood Riviera.

"There are currently 29 single family homes for sale here in the Hollywood Riviera. They range from $530K (small fixer on PCH) to $3.5 million (house on the bluff above the beach!)," Evans wrote on her real estate blog last week. "That's not a lot of inventory, especially when you consider that only six months ago…there were 49 homes for sale. Our inventory has been selling."

Evans, a top-selling Re/Max agent who's been honored as one of the company's "Platinum Club" members since 2003 when she joined Re/Max, says her outfit currently has about 15 pending sales in the Riviera. Since July, she has seen 36 area houses sell, as compared to 24 the first six months of the year. "That's a 30 percent increase already," she said, "and the second half isn't even over." Expecting she'll sell over 50 homes by the end of the year, Evans asserts the growth proves the real estate market is improving

And though she admits "not many of the people who get an $8K tax credit for purchasing a first home were seen here in this specific neighborhood…people probably bought homes in less expensive areas and now those people who sold those homes can afford to move up to this neighborhood." Added Evans, "The stimulus package the government is backing is working." •

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Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
2. Sun 2:00-4:00	**1223 Ashmill St, Carson**	**3 Bd. 2.5 Ba.**	**$550,000**
Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
3. Sun 2:00-4:00	**4321 Crest Dr #A, MB**	**3 Bd. 2.5 Ba.**	**$1,599,000**
Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
4. Sun 2:00-4:00	**4323 Crest Dr #B, MB**	**3 Bd. 2.5 Ba.**	**$1,789,000**
Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
5. Sun 2:00-4:00	**4320 Highland Ave #C, MB**	**3 Bd. 2.5 Ba.**	**$1,859,000**
Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
6. Sun 2:00-4:00	**312 44th St #D, MB**	**4 Bd. 4.5 Ba.**	**$2,299,000**
Bill Ruane	Re/Max Beach Cities Realty		310-877-2374
7. Sun 2:00-4:00	**312 44th St #E, MB**	**4 Bd. 4.5 Ba.**	**$2,299,000**
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