

March May Have Been Our “Bottom” in the Market; Prices and Sales Increasing

According to recent reports and forecasts by housing analysts, the three-year descent in home prices appears to be at an end. These analysts looked at eight cities where prices increased over the last few months and stayed virtually flat in 20 major cities for the first time since early 2007. Looking at our local sales I wasn't sure if our figures would match those seen nationwide. At first glance, I didn't think our area was experiencing the same result. However, after further review, I believe we are.

Last year at this time, our median residential sales price was approximately \$294,000. This year, we are now at \$192,500. At the beginning of the year, the median sales price was \$215,000. It went down to as low as \$166,500 in March and up to \$170,000 in April. The high this year was in June at \$222,500. Thus, it does appear that we may have hit our low in March and April and prices could very well be coming back up again. This may indeed have been our *bottom*.

It does appear the median sales price in California is stabilizing. June marked the fourth consecutive month of rising home prices and the second largest gain on record for the month of June, based on statistics dating back to 1979.

One explanation for the increase in median prices is the rise in demand from buyers, especially first timers taking advantage of the \$8,000 federal tax credit, which expires in December. Another factor in the market's resurgence is the prevalence of foreclosures, which makes up about a third of all existing home sales. "Although another surge of foreclosures is expected later this year, demand remains strong, so the market may be able to absorb more distressed properties without significantly impacting the median price," said the California Association of REALTORS® Chief Economist Leslie Appleton-Yong.

These lower prices are great for buyers. For residential sellers, the silver lining here is the increase in sales. From January through July of last year, we had 123 residential sales. So far this year, we've had 190 residential sales in our mountain and foothill area as reflected in our Yosemite Gateway Association of REALTORS® Multiple Listing Service (MLS). Last July we had 16 sales, this year we had 27. However, we saw a more dramatic difference in the beginning of the year. Last year in January we had 14 sales; this year we had 40. Last year in February we had 14 sales; this year we had 47. Last year in March we had 18 sales; this year we had 56. In April of last year we had only 20 sales, this year we had 57.

Of the 190 residential sales we've had this year: 127 of them were at or less than \$250,000; 15 listings were between \$250,000 and \$300,000; 22 listings were between \$300,000 and \$350,000; 10 listings were between \$350,000 and \$400,000; 7 listings were between \$400,000 and \$450,000; 5 listings were between \$500,000 and \$650,000; and 4 listings between \$700,000 and \$1.65 million.

The median number for days on market for all our mountain and foothill properties is 198 days. The residential median is 118 days and land is 279 days. Land sales have decreased significantly.

Last year from January through July we had 43 land sales. During that same time this year, sales are at 23. The month with the most sales was in June with 7. Sixteen of the 23 sales took place during April, May, and June. We do have 8 lands listings now in escrow.

The average sales price for homes sold in 2009 through July 31, based on number of bedrooms, is as follows: 1-bedroom home, \$110,666; 2-bedroom home, \$191,684; 3-bedroom home, \$223,343; 4-bedroom home, \$318,230; and 5 or more bedroom home, \$340,128.

Comparing our 2008 end-of-the-year active listing numbers with our current active listings (as of August 2, 2009), we have similar figures with the greatest spread in residential with 413 active listings at the end of 2008 compared to 404 now. Land is now at 320 listings, manufactured homes in a park at 30, commercial at 25, and business opportunities at 1.

For a more thorough breakdown by category or by area, please contact your local-area REALTOR®.

Beverly Scott, President
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