

California September Home Sales Increased 2.1%, Median Home Price Declined 7.3%

Home sales increased 2.1 percent in September in California compared with the same period a year ago, while the median price of an existing home declined 7.3 percent, the California Association of REALTORS® (C.A.R.) reported last week. *Locally* though, our home sales *decreased* by 19 percent in September compared with the same period a year ago and our median price declined by 22 percent, according to our year-to-year statistics using our multiple listing service statistical program and excluding out-of-area listings.

“The market’s momentum continued in September as many home buyers took advantage of the federal tax credit for first-time home buyers,” said C.A.R. President James Liptak. “The success of the federal tax credit is clear. Nearly 70 percent of first-time home buyers report that the tax credit was ‘the most important’ or a ‘very important’ factor in their decision to buy a home.

“C.A.R. is calling for the U.S. Senate to swiftly adopt the Dodd-Lieberman-Isakson amendment, which would extend the federal tax credit through June 30, 2010, remove the first-time buyer requirement and extend the credit to all home buyers, and increase the qualifying income limits so more families are eligible for the credit.”

Closed escrow sales of existing, single-family detached homes in California totaled 530,520 in September at a seasonally adjusted annualized rate, according to information collected by C.A.R. from more than 90 local REALTOR® associations statewide. Statewide home resale activity increased 2.1 percent from the revised 519,530 sales pace recorded in September 2008. Sales in September 2009 increased 0.6 percent compared with the previous month. Although, statewide sales were up, *locally* we saw a decrease from 36 sales in August to 26 sales in September.

The statewide sales figure represents what the total number of homes sold during 2009 would be if sales maintained the September pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

The median price of an existing, single-family detached home in California during September 2009 was \$296,090, a 7.3 percent decrease from the revised \$319,310 median for September 2008, C.A.R. reported. The September 2009 median price rose 1.1 percent compared with August’s \$292,960 median price. The *local* September median price was \$200,000 with August’s median price a bit higher at \$201,200.

“A new milestone was reached in September, when five C.A.R. regions reported positive year-to-year increases in the median price, the first such increase since January 2008,” said C.A.R. Vice President and Chief Economist Leslie-Appleton-Young. “September also marked the seventh consecutive month of month-to-month increases in the statewide median price and the first single-digit decline in the year-to-year median price since October 2007, after 22 consecutive months of double-digit decreases.

“Efforts by the government to stimulate housing and the economy clearly are impacting the market. Sales have exceeded 500,000 homes for 13 consecutive months, and now are 33.1 percent higher on a year-to-date basis compared with 2008,” added Appleton-Young.

Highlights of C.A.R.’s resale housing figures for September 2009:

- C.A.R.’s Unsold Inventory Index for existing, single-family detached homes in September 2009 was 4.2 months, compared with 6.5 months (revised) for the same period a year ago. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.
- Thirty-year fixed-mortgage interest rates averaged 5.06 percent during September 2009, compared with 6.04 percent in September 2008, according to Freddie Mac. Adjustable-mortgage interest rates averaged 4.59 percent in September 2009, compared with 5.14 percent in September 2008.
- The median number of days it took to sell a single-family home was 33.6 days in September 2009, compared with 46.2 days (revised) for the same period a year ago.

Statewide information from C.A.R. (October 26, 2009).

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