Southland home sales highest in eight months

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La Jolla, CA--- Southern California home sales surged last month to the highest level since August as bargain shoppers took advantage of price slashing. Although some higher-end costal markets also posted gains, the swell in transactions mainly reflects more sales of homes under $500,000 in inland areas where depreciation and foreclosures have been greatest, a real estate information service reported.

A total of 15,615 new and resale houses and condos sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties in April. That was up 21.9 percent from 12,808 the previous month but down 19 percent from 19,269 in April last year, according to DataQuick Information Systems.

Sales from March to April have risen on average 1.2 percent since 1988, when DataQuick's statistics begin. Although last month's sales total was the highest for any month since August 2007, when 17,755 homes sold, it was still the weakest April since April 1995, when 15,303 homes sold, and the second- lowest April on record. Last month was 38 percent below the April average of 25,311 sales.

Post-foreclosure homes continued to play a major role in the Southland market. Of all the homes that resold in April, 37.5 percent had been foreclosed on at some point in the prior 12 months, compared with a revised 35.8 percent in March and 4.6 percent a year ago. Across the six-county area, "foreclosure resales" ranged from 26.9 percent of resale activity in Orange County to 52.7 percent in Riverside County.

Last month's upswing in sales was most pronounced for homes priced under $500,000, which accounted for two-thirds of the Southland's sales gain over March. Riverside County, the epicenter of Southland foreclosure activity and price declines, posted the region's only year-over-year sales increase â€“ that county's first in two years.

Zip codes showing relatively large annual gains in sales of existing houses included those in San Jacinto and Lake Elsinore in Riverside County, Victorville in San Bernardino County, Lake Forest and Anaheim in Orange County, Lancaster in Los Angeles County and Chula Vista in San Diego County.

"Quite a few more buyers stepped off the sidelines last month to snap up homes at substantial discounts relative to the market's short-lived peak," said Marshall Prentice, DataQuick president. "It's no surprise, given the magnitude of the price declines in inland areas and the fact sales have been so amazingly low for so long. We continue to look for evidence of a sales bounce in the mid-priced and higher-end markets along the coast. If the higher conforming loan limits are making a difference in those areas it's certainly not a large one, at least not as of the end of April."

The median price paid for a Southland home was $385,000 last month, unchanged from March but down 23.8 percent from the peak median of $505,000 in April 2007. That peak was reached several times last spring and summer. Last month was the first in eight months that the median did not decline on a month-to-month basis.

The median has plunged for two reasons: depreciation, especially in inland markets, and the sharp dropoff in the past eight months of home sales financed with so-called jumbo mortgages, which until recently were defined as loans above $417,000.

Before the credit crunch hit in August 2007, nearly 40 percent of Southland sales were financed with jumbo loans. Last month jumbos accounted for 15.1 percent of Southland sales â€“ about the same as in March.

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 $1,716 last month, down from a $1,816 the previous month, and down from $2,356 a year ago. Adjusted for inflation, the current payment is 18.3 percent lower than the spring of 1989, the peak of the prior real estate cycle. It is 33.1 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	Apr-07	Apr-08	% Chng	Apr-07	Apr-08	% Chng
Los Angeles	7,225	5,016	-30.6%	$540,000	$435,000	-19.40%
Orange	2,682	2,166	-19.2%	$629,000	$500,000	-20.50%
Riverside	2,987	3,186	6.7%	$409,000	$295,000	-27.90%
San Bernardino	2,049	1,667	-18.6%	$370,000	$265,000	-28.40%
San Diego	3,436	2,809	-18.2%	$490,000	$400,000	-18.40%
Ventura	890	771	-13.4%	$572,000	$445,000	-22.20%
SoCal	19,269	15,615	-19.0%	$505,000	$385,000	-23.80%

Source: DQNews.com Media calls: Andrew LePage (916) 456-7157 or John Karevoll (909) 867-9534