

Home prices down in 90% of Bay Area ZIP codes

Carolyn Said, Chronicle Staff Writer

Sunday, November 9, 2008



[More...](#)

It's bad all over.

Home prices have declined in more than 90 percent of Bay Area ZIP codes over the past year, often by more than double digits, according to a Chronicle analysis.

And even the handful of ZIP codes where prices rose barely eked out single-digit increases for the most part.

"Prices are off virtually everywhere," said Andrew LePage, an analyst with MDA DataQuick, a San Diego research firm, which provided sales information culled from county records.

[<<Look up home prices by square foot.>>](#)

The analysis compared price per square foot paid for existing single-family homes during the three months ended Oct. 15 to the price paid in the same period last year. This metric was picked rather than median home prices, because the median can be skewed by the number of homes that change hands at the high or low ends of the market.

"The vast majority of Bay Area neighborhoods, even along the coast, have seen prices come down 10 to 20 percent from peak levels, and in many cases from year-ago levels," LePage said. "There are (a few) pockets of relative strength in higher-end areas, but they are not pockets of immunity. They are not shielded from the forces pushing down home prices across the Bay Area and the state."

Those forces are well known: the implosion of subprime mortgages that triggered a foreclosure onslaught; the credit freeze that has made getting a mortgage harder and more expensive; the vicious circle that declining home prices trigger more foreclosures and that foreclosures force down prices; and the economic crisis that is causing people to lose jobs and retirement savings.

More than 70 percent of Bay Area ZIPs saw prices fall by more than 10 percent - often by considerably more than that. The mid-range price decline on a per-square-foot basis around the nine counties was 17 percent.

"No ZIP code is an island," said Christopher Thornberg, a principal with Beacon Economics in Los Angeles. "These markets are linked. Of course the chaos on one end is going to affect somewhere else."

Randall Kostick, general manager of Zephyr Real Estate, one of the largest brokerages in San Francisco, agreed. "There is no housing market that is immune from economic forces," he said.

To be sure, because real estate is intensely local, there is significant variation among the levels of depreciation, even within the same city. For instance, Oakland had some of the best- and worst-performing ZIP codes in the Bay Area. Rockridge's 94618, where the square-foot price rose 7.5 percent (from \$531 to \$571), was one of only nine ZIP codes in positive territory. But in the city's flatlands, the story was entirely different. ZIP 94621 was the second worst in the whole Bay Area, down 63.7 percent to \$118 a square foot, compared to \$325 a year ago.

Not surprisingly, the areas where prices fell the furthest had the most homes that had been repossessed by banks. Price per square foot fell most drastically - by ranges up to 70 percent - in foreclosure-heavy suburbs and exurbs such as Richmond, Antioch, Vallejo, San Pablo, East Palo Alto and parts of Oakland. There's an obvious reason for the correlation: Banks want to hurry up and sell repossessed homes, so they offer them at fire-sale prices.

Richmond's 94801 ZIP, which includes the notorious Iron Triangle, had the steepest price plunge, a 68.8 percent drop from \$311 per square foot to \$97. The median price fell roughly in sync, down 72.2 percent from \$403,000 to \$112,000. In the first nine months of the year, a stunning 7 percent of all homes in the ZIP were foreclosed upon.

But it is noteworthy that even areas that are relatively immune to foreclosures experienced price drops.

AMBIEN CR is a treatment option you and your healthcare provider can consider along with lifestyle changes and can be taken for as long as your provider recommends. Until you know how AMBIEN CR will affect you, you shouldn't drive or operate machinery. Be sure you're able to devote 7 to 8 hours to sleep before being active again. Sleepwalking, and eating or driving while not fully awake, with amnesia for the event, have been reported. If you experience any of these behaviors contact your provider immediately. In rare cases, sleep medicines may cause allergic reactions such as swelling of your tongue or throat, shortness of breath or more severe results. If you have an allergic reaction while using AMBIEN CR, contact your doctor immediately. Side effects may include next-day drowsiness, dizziness, and headache. Its non-narcotic; however, like most sleep medicines, it has some risk of dependency. Don't take it with alcohol.

Please refer to the full prescribing information.

AMBIEN CR
ZOLPIDEM TARTRATE EXTENDED RELEASE
12.5 AND 12.5-RAS EXTENDED RELEASE TABLETS

Get your 7-Night Free Trial Offer →

Take the East Bay's Albany, known for its small-town ambience, good school system and Solano Avenue's mile-long array of restaurants and shops. Banks repossessed just seven homes in the first nine months of this year, or .014 percent of the housing stock. But prices there were down 9.9 percent from \$580 per square foot to \$522.

Of 189 ZIPs where at least 20 homes were sold in the time period, only nine, or 4.7 percent, saw prices increase in the period. Even after factoring in ZIPs where fewer homes traded hands doesn't make a big change. In all 236 ZIPs, just 24, or 10 percent, experienced price appreciation. All the ZIPs where prices rose were in affluent areas. The ones that were excluded for too few sales were in such places as Sea Ranch, Ross and Atherton, where just a handful of homes were sold.

"I think it's incredibly impressive for any ZIP to be up at all," LePage said.

One of the few standouts was the 94114 ZIP in San Francisco, home of Noe Valley, where houses go for well over a million dollars, designer strollers clog the sidewalks, posh shops peddle handmade ethnic tchotchkes, and the Google bus regularly cruises the streets.

But even that ZIP didn't enjoy the double-digit appreciation that became de rigueur during the real estate boom. Instead Noe Valley prices were up 6.8 percent year over year, from \$893 a square foot to \$954.

Thornberg said the drops are a natural consequence of prices getting grossly overinflated during the real estate bubble.

"Home prices in California have to fall 40 percent to 45 percent just to get back to its historic levels of unaffordability," he said. "If it's 45 percent overall, for the upper-price areas, that might mean a 25 percent to 30 percent drop; for the lower-priced areas, 60 percent to 65 percent."

To see how the value per square foot has changed over the past year in your ZIP code area, go to www.sfgate.com/webdb/sqfthomeprices/

94114

Noe Valley's housing market is a rarity - prices are up, and Adam Woollerson is happy to have paid 5% over the asking

Adam Woollerson and Lindsay Clark went house-hunting in Noe Valley four years ago and then again this summer. It was a whole different ballgame this time around.

"Back then, on one property we bid 40 percent over asking; we were one of 28 bids, and we were ninth on the list," said Woollerson, a project manager at Levi Strauss.

Now there are fewer rivals who are ready, willing and able to bid on homes that go for a median price of \$954 a square foot, up 6.8 percent from last year. (The sales median was \$1.32 million.)

This time, Woollerson and Clark, a value recovery manager for Goodwill, found a two-story Edwardian with parking and knew right away it was the house for them. As one of three offers, they ended up buying the house for \$1,525,000, 5 percent over the asking price.

Their experience shows that Noe Valley, one of only a handful of ZIPs where prices on a per-square-foot basis rose year over year, still has sufficient cachet to bring in multiple offers. But it's still nothing like the go-go days.

"Any property that has any abnormalities or anything unusual is just a really hard sell, whereas before people would have said, 'That's all right, we can fix it,' " said Duncan Wheeler at Zephyr Real Estate, who was the couple's Realtor. "If there is one thing wrong with these houses, they sit for a really long time."

Near the top

-- Noe Valley in San Francisco median price per square foot: \$954*

-- Change from 2007: +6.8%

-- Rank out of Bay Area 189 ZIPs: 5th best

-- Foreclosure rate: .05%**

*From July 15-Oct. 15

**% of all homes in the ZIP repossessed by banks in the first 9 months of 2008

94550

There are signs Livermore's housing market is getting healthier, but Phil Fleming has to sell now to pay for his father's care

When he was in college in 1959, Phil Fleming worked one summer for a construction crew building a house in Livermore for his dad, also named Phil. Now the elder Fleming, 92, a retired engineer from Lawrence Livermore National Laboratory, has had to move to a nursing home.

Phil Fleming, who lives in Colorado, is putting the home on the market this week for \$495,000 to help pay for his father's care, which costs about \$7,500 a month.

Does he feel trepidation about selling in the current market?

"I think I would be really dumb not to," Fleming said. "We have to take the hand that is dealt us. This is not the opportune time, but it happens to fall at the time that Dad needs the nursing care."

The three-bedroom, two-bath rancher is listed at \$495,000, in line with the current median sales price for Livermore's 94550 ZIP code. Prices there have fallen 16.9 percent compared to last year, which puts it squarely in the mid-range of Bay Area price changes.

Fleming has spent the past month having a slew of work done to make the home more appealing to buyers: fresh paint, new landscaping, new carpets - repairing all the little things.

There are some signs that the Livermore market is getting healthier. Fleming's agent, Pam Cole of Re/Mac Accord, noted that there are 218 homes now on the market, 80 fewer than a year ago.

"It's all about supply and demand; if we have fewer homes (for sale), that's very good," she said.

Within the 94550 ZIP, 73 for-sale homes, about one third of the total, are short sales (being sold for less than is owed on the mortgage) or bank-owned foreclosures. Such homes tend to drive down prices for everyone. While that's hardly a happy statistic, it's down from 40 percent a few months ago, Cole said.

In the middle

-- Livermore median price per square foot: \$290*

-- Change from 2007: -16.9%

-- Rank out of 189 Bay Area ZIPs: 96th best

-- Foreclosure rate: 1.05%**

*From July 15-Oct. 15

**% of all homes in the ZIP repossessed by banks in the first 9 months of 2008

94806

Housing values in this San Pablo and Richmond ZIP code are in the cellar, but Vicki Barthell hangs tough on her asking price

Vicki Barthell has had her home on the market since mid-2006, shortly after her husband died.

"I want to get out from under the big house payment, get the load off my back and get into a mobile home," said Barthell, 67, who had to go back to work as a call center operator despite battling ovarian cancer.

A couple of years ago, the three-bedroom, two-bath house with a separate cottage was appraised at \$600,000 and that's what Barthell started off asking. Now the price is \$512,500.

That's high for the 94806 ZIP, which comprises all of San Pablo and a bit of Richmond, where Barthell lives. The median sales price there is \$221,750. The per-square-foot price has fallen 40.7 percent since last year.

Has Barthell considered cutting the price to bring it more in line with the area?

"I'm standing firm," she said. "I'm not going to give it away. It's more than the average house for this area: I have a big backyard, landscaped with a gazebo; I have a huge entertainment patio; my husband did everything custom in the house."

Barthell is competing with some extremely motivated sellers - the banks that own half of all the homes for sale in her ZIP code, and the borrowers who are desperate to unload their homes as short sales (selling for less than is owed on the mortgage).

Out of 396 homes currently for sale in the 94806 ZIP, only 49 - 12.4 percent - are regular owner sales, according to Carylon Dopp, a Realtor with Security Pacific Real Estate who works in the area. Half of the homes for sale are bank-owned foreclosures; slightly more than a third are short sales

Barthell's Realtor, Gary Torreta of Security Pacific Real Estate, said there have been no offers in the 14 months he has been the listing agent.

"If they're not in line price-wise, even with a nice property, it's a daunting task, to say the least," he said. "If this were bank-owned, they would have this property on the market for \$300,000 to \$350,000."

But Barthell doesn't want to hear that. "It will sell because people are taking the flyers," she said. "As soon as this economy turns around, I know it will sell."

- Carolyn Said

Near the bottom

-- San Pablo/Richmond median price per square foot: \$185*

-- Change from 2007: -40.7%

-- Rank out of Bay Area 189 ZIPs: 170

-- Foreclosure rate: 5.34%**

*From July 15-Oct. 15

**% of all homes in the ZIP repossessed by banks in the first 9 months of 2008

Bay area snapshots

94114

Noe Valley still has sufficient cachet to bring in multiple offers. This summer, Adam Woollerson purchased a two-story Edwardian for 5 percent over the asking price. **A13**

94550

Livermore prices have fallen 16.9 percent compared to last year. But Agent Pam Cole, who is listing Phil Fleming's three-bedroom, two-bath rancher for \$495,000, says things are looking up. **A13**

94806

San Pablo and Richmond's per-square-foot price has fallen 40.7 percent since last year. Vicki Barthell has had her home on the market since mid-2006. **A12**

Methodology

The analysis compared existing single-family homes that closed escrow between July 15 and Oct. 15 to those that closed escrow during the same time period last year. That is the most recent three-month period for which data are available. Sales data were culled

from county records by MDA DataQuick, a San Diego research firm.

A total of 236 Bay Area ZIP codes are included in the database online at www.sfgate.com/webdb/sqfthomeprices/

However, the primary analysis looked only at the 189 ZIP codes where at least 20 homes changed hands during the three months because it's difficult to draw reliable conclusions for ZIPs with fewer transactions.

The analysis used median price per square foot, rather than median sales price, as the determining factor. That's because the median sales price can be heavily skewed by which homes sell. For example, if a greater proportion of high-end homes change hands, the median price appears higher.

E-mail Carolyn Said at csaid@sfgate.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/09/MNHQ13TF13.DTL>

This article appeared on page **A - 1** of the San Francisco Chronicle

San Francisco Chronicle Sections © 2008 Hearst Communications Inc. | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)