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Home prices dip slightly, possible sign of stabilizing



By [Roger Showley](#) Union-Tribune Staff Writer

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APRIL HOUSING PRICES FOR SAN DIEGO COUNTY				Change
Median prices	April '08	March '09	April '09	April '08-'09
Resale houses	\$430,000	\$319,000	\$325,000	-24.4%
Resale condos	\$300,000	\$180,000	\$182,000	-39.3%
New homes/condos*	\$493,000	\$436,000	\$438,000	-11.2%
All combined	\$400,000	\$285,000	\$290,000	-27.5%
Sales				
Resale houses	1,707	1,928	2,207	+29.3%
Resale condos	768	888	987	+28.5%
New homes/condos*	334	204	181	-45.8%
All combined	2,809	3,020	3,375	+20.1%

*Excludes condos/condominiums
SOURCE: MDA DataQuik UNION-TRIBUNE

Online: For more on San Diego County home prices and sales for April, go to uniontrib.com/more/homesales

Southern California housing prices dropped only slightly last month, MDA DataQuick reported yesterday in the latest sign prices could be stabilizing.

But the latest figures also indicate how inactive the upper end of the market is, with only 20 percent of homes selling above \$500,000, half the market share of 2007.

DataQuick said the six-county region turned in a median price of \$247,000 in April, down \$3,000 from March and off 35.8 percent from year-ago levels. Two counties, San Diego and Ventura, reported higher medians; Orange, Riverside and San Bernardino were lower; and Los Angeles was unchanged.

Sales totaled 20,514 across the region, up 31.4 percent year-over-year, making this the most active April in three years. But the figure was still 18.2 percent below the average April since 1988.

“It's very good news,” said Esmael Adibi, economist at Chapman University. Low prices are “energizing” buyers to get off the fence, he said. “That is obviously the first step that we need to see before we get stabilization in the prices.”

Adibi said the bad news was the relatively low activity in high-priced home buying, caused by relatively high interest payments and economic difficulties facing would-be buyers.

“If you have money, you're not sure if it's the right time to buy expensive homes,” he said.

Robert Kleinhenz, an economist at the California Association of Realtors, said that in 2007 about 43 percent of all single-family resale homes were priced below \$500,000. In March the figure was 80 percent.

The market share shift came from lower prices attracting more buyers, while upper-end buyers “starved” for affordable loans and potential high-end sellers were reluctant to sell at a loss.

But he said the situation varies geographically, with high-cost coastal zones seeing very little activity and

inland, lower-cost markets doing better than usual.

“The obvious question is, has the market or home prices bottomed out,” he said. “It's a lot more difficult question to answer than it appears to be at first glance.”

Complicating the forecasts is the outlook for foreclosures and defaults. After a period of moratorium on foreclosures, lenders are now free to take back distressed properties.

“You've got to bear in mind that overall there's going to be a huge number of foreclosures coming down the pike in the future,” said Christopher Thornberg at the Beacon Economics consulting firm. “It's not over yet. It's way too early to call this thing over.”

Kleinhenz said that if foreclosures peak by year's end, it's possible that overall median prices might fall once again, as buyers scoop up bargains. But then there might be a sizable recovery and upswing next year, assuming the economy does not falter.

“It's likely to be the year of recovery pretty much throughout California,” he said.

Adibi said unemployment rates are likely to keep rising as job losses continue, but there are signs that the pace of losses may slow.

“If I'm correct, I'd say by the end of the year, we may see stability in the housing market,” he said. “If for some reason I'm wrong, and job loss intensifies and unemployment jumps up, those factors are very important in impacting the demand.”

Thornberg conceded that San Diego's year-over-year price decline is slowing as sales increase.

“I don't think you've hit bottom, but it is realistic to say things have been coming into the bottom,” he said. “This certainly does seem to indicate that's the direction we're going.”


Based on April's sales counts, he predicted, “I think home sales will be strong for the rest of the year, because there are deals to be had.”

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