



Southland Home Sales off Bottom

La Jolla, CA---The core trends of Southern California's 2008 housing market were on prominent display in December: Low-cost inland foreclosures sold briskly, builders had their worst month in decades, expensive markets remained in wait-and-see mode and lenders continued to hold back on making 'jumbo' home loans, a real estate information service reported.

A total of 19,926 new and resale homes sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties last month. That was up 19.2 percent from 16,720 for November, and up 50.5 percent from 13,240 for December 2007, according to MDA DataQuick.

While sales from September 2007 through last summer were at the lowest in at least two-decades, they've been up off the bottom ever since. Last month was the fifth-slowest December in DataQuick's statistics, which go back to 1988. December a year ago was the all-time slowest, followed by 1995, 1990 and 1991. An average December had 25,277 sales, and the strongest was in 2003 when 36,865 Southland homes sold.



The number of resale houses sold in Riverside County almost tripled on a year-over-year basis, from 1,238 in December 2007 to 3,617 last month. Just under 70 percent of Riverside County resales were foreclosure homes. The trend is similar in San Bernardino County. Home sales in Southland metro and coastal prestige markets are down from a year ago.

Regionwide, foreclosure resales accounted for 55.7 percent of December's resales activity, up from 54.7 percent in November, and up from 24.3 percent in December 2007.

A total of 1,813 newly-built homes were sold in December, easily the lowest number for that month in DataQuick's statistics. The December average since 1988 is 4,926. In December 2005 a total of 8,723 new homes were sold.

"The builders are in a holding pattern, staying alive until the market recovers. Mortgage interest rates last month were near record lows. Of course, that doesn't mean much if the money isn't actually being lent. It does look like the spigot is being opened a little bit, at least for low-cost home purchases," said John Walsh, MDA DataQuick president.



The most active lenders to Southland home buyers right now are Countrywide, Bank of America and Wells Fargo. MDA DataQuick will report more extensively on the home financing market next month.

The median price paid for a Southland home was \$278,000 last month. That was down 2.5 percent from \$285,000 for November, and down 34.6 percent from \$425,000 for December a year ago. The median reached \$505,000 in mid 2007.

In today's market, the drop in the median overstates the decline in home values. The more affordable inland markets with most of the discounted foreclosures account for a large share of today's sales, while homes in the upper half of the market are not selling well, and are under-represented in the statistics. When jumbo loans of more than \$417,000 were readily available in early 2007, they accounted for just under 40 percent of all home purchases. Last month they accounted for 12 percent.

MDA 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 \$1,239 last month, down from a revised \$1,380 for the previous month, and down from a revised \$2,060 for December year ago. Adjusted for inflation, current payments were 43.9 percent below typical payments in the spring of 1989, the peak of the prior real estate cycle. They were 54.0 percent below the current cycle's peak in July 2007.



Indicators of market distress continue to move in different directions. Foreclosure activity waned in early fall but is edging higher again and remains near record levels, while financing with adjustable-rate mortgages is at an all-time low, as is financing with multiple mortgages. Down payment sizes and flipping rates are stable, non-owner occupied buying activity appears flat overall but is above-average in some markets, MDA DataQuick reported.

All homes	Sales Volume			Median Price		
	Dec-07	Dec-08	%Chng	Dec-07	Dec-08	%Chng
Los Angeles	4,430	5,848	32.0%	\$470,000	\$320,000	-31.90%
Orange	1,731	2,580	49.0%	\$565,000	\$397,000	-29.70%
Riverside	2,503	4,435	77.2%	\$355,000	\$209,000	-41.10%
San Bernardino	1,518	2,862	88.5%	\$315,000	\$180,000	-42.90%
San Diego	2,468	3,325	34.7%	\$430,000	\$300,000	-30.20%
Ventura	590	876	48.5%	\$525,250	\$338,000	-35.60%
SoCal	13,240	19,926	50.5%	\$425,000	\$278,000	-34.60%

Source: MDA Data Quick