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California housing market bounces back in February

LOS ANGELES
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Local Guides

- Realtors claim that sales were up 2.4 percent year over year
- "It's an encouraging sign, nevertheless, as we head into the spring home-buying season"



As the increase in home prices slows, sales have picked up around much of California, according to a new report Monday from the California Association of Realtors.

February did see existing home sales and median home prices increase from both January and a year earlier, says the report.

Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 368,160 units in February, according to information collected by CAR from more than 90 local Realtor associations and MLSs statewide.

Sales in February were up 4.7 percent from a revised 351,480 in January and up 2.4 percent from a revised 359,600 in February 2014. The year-over-year increase was the largest observed since December 2012. The statewide sales figure represents what would be the total number of homes sold during 2015 if sales maintained the February pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

"While February's statewide improvement in the housing market was moderate, it's an encouraging sign, nevertheless, as we head into the spring home-buying season," says CAR President Chris Kutzkey. "On the supply side, housing inventory improved overall with active listings growing at a faster pace of 5.3 percent when compared to last February. Regionally, both active listings in Southern California and Central Valley

increased moderately from last year, while housing supply declined 10 percent in the Bay Area."

The median price of an existing, single-family detached California home was essentially flat from January's median price, inching up from \$426,660 in January to \$428,970 in February. February's median price was 5.5 percent higher than the revised \$406,460 recorded in February 2014.

While the statewide median home price is higher than a year ago, the rate of increase has narrowed significantly since early 2014, the Realtors say. The median sales price is the point at which half of homes sold for more and half sold for less; it is influenced by the types of homes selling as well as a general change in values.

"The California housing market regained some traction in February as sales activity improved on a year-over-year basis for the second time in three months," says CAR Vice President and Chief Economist Leslie Appleton-Young. "At the state level, the market is moving in the right direction as the growth of sales continues its upward trend and home prices start stabilizing. At the regional level, however, the San Francisco Bay Area continued to be hampered by constrained inventory and low housing affordability."

Here are CAR's figures for Central Valley counties' median prices in February, the change from a year earlier and the rate of sales change from a year earlier. Not all markets are covered by CAR. The Realtors did not supply numbers of homes sold; a small number can be indicated by a wide swing in the percentages.

- Sacramento, \$283,960; up 9.1 percent; up 11.5 percent
- Fresno, \$210,320; up 15.4 percent; up 5.8 percent
- Kern, \$215,000; up 10.3 percent; down 10.2 percent
- San Joaquin, \$270,750; up 15.2 percent; down 1.8 percent
- Stanislaus, \$237,690; up 10.4 percent; down 2.5 percent
- Tulare, \$172,140; up 5.4 percent; up 15.9 percent
- Merced, \$168,750; no price change; up 10.7 percent
- Madera, \$217,500; up 25.8 percent; down 43.1 percent
- Butte, \$247,320; up 13.6 percent; up 33.7 percent
- Kings, \$196,000; up 7.4 percent; down 19.3 percent

The median number of days it took to sell a single-family home in California shortened in February, down from a 52.4 days in January to 47 days in February but up from 40.1 days in February 2014.

According to CAR's housing market indicator measuring sales-to-list price ratio, properties are again generally selling below the list price, except in the San Francisco Bay Area, where a lack of homes for sale is keeping sales prices in line with original asking prices. The statewide measure suggests that homes are selling at a median of 97.7 percent of the list price, down slightly from a ratio of 98.2 percent at the same time last year.

The Bay Area is the only region where homes are selling above original list prices due to constrained supply with a ratio of 104.2 percent.



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