

Central Valley Business Times

California median home price soars past \$400,000

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- Highest since December 2007
- Home sales up 9.0 percent in April from March



California single-family home and condominium sales were up 9.0 percent in April 2015, according to a new report Wednesday from PropertyRadar Inc. of Trickee.

The increase in sales volume was predominantly due to a 9.2 percent gain in non-distressed property sales that accounted for 83 percent of total sales, the report says.

On a year-over-year basis, sales volume was up 5.8 percent from 34,995 in April 2014 to 37,009 in April 2015.

Regionally, year-over-year sales were up 3.6 percent across the nine Bay Area counties and 11.0 percent in Southern California. But sales fell 3.4 percent in Central California.

“For the second consecutive month, California property sales were higher than a year earlier,” says Madeline Schnapp, director of economic research for PropertyRadar. “Year-over-year growth in sales ground to a halt in September 2013. While it is still too early in the year to say the California real estate market is off to the races, healthy job growth in the past 18 months combined with pent-up seasonal demand certainly worked to drive sales higher during the past two months.”

The median price of a California home was \$405,000 in April, a gain of \$12,000, or 3.1 percent from \$393,000 in March, according to PropertyRadar’s data. On a year-over-year basis the median price was up 8.0 percent from \$375,000 in April 2014.

“For the second consecutive month, the median price of a California home was significantly higher,” says Ms. Schnapp. “Despite high prices, buyers are still stepping up to the plate to purchase homes. With the Federal Reserve on tap to raise short-term interest rates as early as September, potential homebuyers may be worried that the current environment of near record low interest rates may not last.”

Foreclosure starts -- Notices of Default -- were up 2.5 percent from March but were down 7.3 percent in the past 12 months. Foreclosure sales jumped 19.2 percent for the month and were up 27.7 percent from the February 2015 low.

“The rise in foreclosure sales may be a sign that financial institutions are pushing to liquidate their foreclosure inventory to take advantage of high prices,” says Ms. Schnapp.

But sellers shouldn’t do the happy dance just yet, she says.

“We shouldn’t get too excited about the pop in March-April sales which are typically elevated,” says Ms. Schnapp. “If current trends continue however, we might start to hear the word ‘bubble’ bandied about the water cooler.”

