

California home sales remain robust, hold at nine-year high

By JANIE HAR Associated Press

Sales of California homes remained robust in July, with the number of houses and condos sold hitting a nine-year high for the second month in a row, a research firm reported Wednesday.

CoreLogic Inc. reported an estimated 46,065 new and existing single-family homes sold in California in July. That's up 14.4 percent from last July, and maintains strong sales recorded in June, indicating that the state may well be climbing out of last decade's fiscal downturn.

The statewide median sale price increased 6.4 percent from last July to \$415,000, the same as in June, and the highest for any month since November 2007, when the median price was also \$415,000.

Andrew LePage, a research analyst with CoreLogic, said the three key factors for strong sales are job growth, consumer confidence and low interest rates, factors echoed by other analysts.

"So we don't know what holes there are in the future, but this is evidence that the recovery is continuing and ongoing," said Christopher Palmer, assistant professor of real estate at the Haas School of Business.

Home sales in June and July nearly hit a sales peak reached in September 2006, before the national housing bubble burst, when 46,464 homes were sold.

Supplies, however, remained thin in July. The California Association of Realtors on Tuesday reported a 3.3-month supply of single-family homes for sale, below a normal supply of five to seven months.

There was only a two-month supply in the San Francisco Bay Area, where sales in the notoriously limited San Francisco and San Mateo markets actually decreased from the previous July. The median price in those counties, popular with Silicon Valley workers, hovers around \$1 million.

Overall, however, home sales in the Bay Area hit a 10-year high for the month of July, increasing 10 percent from the previous year for a total of 9,245 condos and houses sold in the nine-county area.

Growth was strong in inland counties where homes are considered more affordable. For example, Contra Costa County, east of San Francisco, saw a 19 percent increase in home sales; the median sale price is just under \$500,000.

Jennifer Branchini, an agent with Better Homes and Gardens Tri-Valley Realty, says demand is high among clients moving into parts of Contra Costa for jobs that are a tech shuttle ride away in Silicon Valley.

"And you see that in the open houses with the traffic coming in, 90 percent don't live within the community," she said. "They're coming from outside."

The median sale price in the Bay Area increased 7.5 percent from last July to \$661,000, near the peak reached in summer 2007 of \$665,000.

In Southern California, the median sale price in July was \$438,000, up 5.5 percent from a year ago. Home sales hit a nine-year high for July, with the number of homes sold in July at 24,235, up 16.9 percent from a year ago.

All six counties reported double-digit percentage increases in sales, with the inland counties of Riverside and San Bernardino fetching double-digit increases in prices from a year ago.

The median price for Riverside was \$319,000 and for San Bernardino, \$267,000.

Doug Shepherd, owner and broker of Shepherd Realty Group in Riverside, chalks up the area's popularity to its relative affordability.

"Generally, we're the tail of the dog. Los Angeles and Orange County, as those areas remain expensive, people choose the inland empire because of the price of homes."