

California home prices, sales cool in August

By ELLIOT SPAGAT Associated Press

California's summer housing rally cooled in August, a research firm said Thursday, as tight supplies kept a lid on sales and more buyers found prices out of reach.

The median sales price for new and existing houses and condominiums was \$409,000, down 1.4 percent from a 7 1/2-year high of \$415,000 in July but up 4.3 percent from \$392,000 in August 2014, according to CoreLogic Inc. It was the 42nd straight month of annual price gains.

There were an estimated 41,623 homes sold in the state, up 8.8 percent from 38,242 homes a year earlier, CoreLogic said.

The numbers represent a modest slowdown from early summer, when prices surged and sales were unusually robust. Sales typically increase between July and August but fell 10 percent this year.

"I hate to put too much emphasis on a month-to-month change, but what stood out most was the sales slowdown from July to August," said CoreLogic analyst Andrew LePage. "It's most likely worsening affordability and tight inventory."

The state had a 3.6-month supply of unsold single-family homes in August, according to the California Association of Realtors, well below what is considered a normal supply of five to seven months. In the San Francisco Bay Area, there was only a 2.3-month supply of unsold homes.

David Silver-Westrick, operating partner of Keller Williams OC Coastal Realty in southern Orange County, said San Clemente, a city of about 65,000 people, has about 280 homes on the market, up from about 160 two years ago but still well below a normal market of about 600 homes.

Silver-Westrick said about one-third of homes for sale in San Clemente are listed above \$1 million but less than one-third of potential buyers qualify for loans at that level.

Some viewed the slowdown as a sign of relative normalcy, free from bubble and burst. Mark Goldman, a real estate lecturer at San Diego State University, said the market was supported by a growing sense of job security among consumers and an economy that is "chugging along."

"My view of what's happening now is slow, steady and sustainable," Goldman said.

In Southern California, the median sales price was \$438,000 in August, unchanged from July and up 4.3 percent from \$420,000 in August 2014, according to CoreLogic. Sales in the six-county region totaled 21,352 homes, up 8 percent from 19,765 homes a year earlier.

In the San Francisco Bay Area, the median sales price was \$650,000, down 1.3 percent from \$658,500 in July but up 6.2 percent from \$612,000 in August 2014. Sales in the nine-county region totaled 8,062 homes, up 4.5 percent from 7,718 homes a year earlier.