

THE TREND!

California	
Median Price-SFH	Date
\$311,950	06/10
\$324,430	05/10
\$274,640	06/09
Sales change Prior Month -11.1%	
Sales change Prior Year -4.2%	
Sacramento	
Median Price - SFH	Date
\$196,215	06/10
\$191,428	05/10
\$182,400	06/09
Sales change Prior Month 3.5%	
Sales change Prior Year 1.7%	
Source C.A.R. Research Dept.	

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## The California Real Estate Market, Trend Upwards

Not often do forecasters get things right, but in hindsight we stated in our September 2009 Real News, that the bottom of the real estate market downfall was reached in the second quarter of 2009, please see it here <http://www.washingtonreal.com/Newsletter/Vol15.pdf>

In this issue, almost a year later, we examine the past and see where the trajectory is heading. The June sales figure, the latest we have show a decrease in existing single family home sales of 4.2%, while the median price increased by 13.6% when compared with June 2009.

While it is expected that home sales will be lower in

the second half due to the absence of government-backed stimuli, the prices are expected to hold up, due to the following factors;

- low interest rate, currently at about 4.8%.
- comparatively reasonable Unsold Inventory Index, standing at 4.8 months. This is number of months it will take to deplete the supply of homes in the market.
- Low median number of days to sell a single family home, standing at 43.3 days, lower than last year.

From the table below, (source California Association of Realtors), the bottom of the California real estate

market was reached in February, 2009 when the median price was at a low of \$245,230. Since then, the market has bounced back by 27.2% to a median price of \$311,950. This is quite an impressive showing. The capitol region took a couple of months more beating to settle in April, 2009 at a median price of \$167,340, and has since gotten off this bottom by 17.3% at \$196,220.

The table overwhelming shows that the California real estate market has turned around, and the trajectory is now upwards. With unemployment expected to get better in the future, we are in for better days ahead.

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Trough vs. Current Price – June 2010				
Region	Trough Month	Trough Price	Jun-10 Median	% Chg From Trough
San FranciscoBay Area	Feb-09	\$399,040	\$598,640	50.00%
Santa Clara	Feb-09	\$445,000	\$633,000	42.20%
Monterey Region	Feb-09	\$241,130	\$338,460	40.40%
Palm Springs/Lower Desert	Apr-09	\$150,140	\$198,570	32.30%
San Luis Obispo	Apr-09	\$338,160	\$440,000	30.10%
<b>CALIFORNIA</b>	<b>Feb-09</b>	<b>\$245,230</b>	<b>\$311,950</b>	<b>27.20%</b>
Ventura	Feb-09	\$359,630	\$450,930	25.40%
Riverside/San Bernardino	Apr-09	\$156,840	\$191,900	22.40%
Orange County	Jan-09	\$423,100	\$517,620	22.30%
San Diego	Mar-09	\$326,830	\$397,910	21.70%
High Desert	May-09	\$106,210	\$125,620	18.30%
Northern Wine Country	Feb-09	\$310,950	\$364,740	17.30%
Sacramento	Apr-09	\$167,340	\$196,220	17.30%
Los Angeles	Mar-09	\$295,100	\$334,800	13.50%
Northern California	May-10	\$243,200	\$247,550	1.80%

