

Home sales drop from July to August; prices continue to fall

Contributed by Ray Perry
Wednesday, 01 October 2008

LAKE COUNTY – Sales of local homes continue to be slow, with August showing a sales decrease compared to the previous month while, at the same time, showing improvement over August 2007.

Home prices also are continuing to fall, according to recent real estate reports.

Fifty-eight homes closed escrow in August; that's a 34.1-percent decrease from July, but is 9.4 percent above August 2007 sales numbers, according to the Lake County Multiple Listings Service (MLS). The median home price in Lake County also fell in August by 11.7 percent.

Across the state, sales increased 56.7 percent while the median price of a home fell 40.5 percent, the California Association of Realtors reported recently.

"Sales are now 85 percent above the monthly trough for this cycle, which occurred in October 2007, and for the first time this year are ahead of 2007 in year-to-date terms," said California Association of Realtors President William E. Brown.

"While this is encouraging news, we don't expect to see a housing market recovery until prices stabilize and the number of distressed properties on the market declines," Brown said. "Sales gains continue to be driven by the large share of deeply-discounted distressed sales in many parts of the state."

The median price of a home in Lake County during August 2008 was \$207,500, down from the \$235,000 median for August 2007, according to the MLS.

However, the August 2008 median price actually increased 3.8 percent compared with July's \$200,000 median price.

"Although the month-to-month decline in the median price was the smallest in a year, it's still premature to say that the median price has begun to stabilize," said California Association of Realtors Vice President and Chief Economist Leslie Appleton-Young.

"While sales appear to have turned the corner, the median will experience additional downward pressure as we move into the off-peak season in the coming months, and will continue to face pressure from distressed sales," she said. "Sales are just one of the variables that must fall into place before we see real improvement in the market."

Highlights of Lake County's resale housing figures for August 2008:

- Lake County's Unsold Inventory Index for existing, single-family detached homes in August 2008 was 19.5 months, compared with 26.2 months (revised) for the same period a year ago. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.

- Thirty-year fixed-mortgage interest rates averaged 6.48 percent during August 2008, compared with 6.57 percent in August 2007, according to Freddie Mac. Adjustable-mortgage interest rates averaged 5.26 percent in August 2008, compared with 5.67 percent in August 2007.

- The median number of days it took to sell a single-family home was 95 days in August 2008, compared with 121 days (revised) for the same period a year ago.

Ray Perry is a Realtor with CPS Country Air Properties. Email him at Ray@RayPerry.com.

{mos_sb_discuss:2}