

# Median home price up in June

## Hopes raised for comeback in S.D. housing market

By [Emmet Pierce](#)

Union-Tribune Staff Writer

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San Diego County's median home price rose for the third consecutive month in June, hitting \$314,250, the highest figure since October, and raising hopes that the region's slumping housing market may finally be poised for a comeback.

With fewer low-priced foreclosure homes on the market and growing sales of higher-priced properties, the county's median price rose \$19,250 from May to June. The 6.5 percent one-month percentage gain was the biggest since MDA DataQuick began keeping records in 1988.

DataQuick attributed the jump to an increasing number of deals above \$500,000, as more buyers responded to price cuts. Resales of such homes in Southern California rose to 19.6 percent of all sales in June, up from a low of 13.4 percent in January.

Andrew LePage, a DataQuick researcher, said the proportion of resale homes in San Diego County that had been foreclosed on within the previous 12 months was about 39 percent, the lowest level since May 2008.

Rick Sharga, senior vice president of the RealtyTrac real estate research firm, said three straight months of price gains is significant, even if it's too early to proclaim a recovery.

After the heady days of the housing boom, "certain markets overcorrected," he said. "San Diego may be one of those. We may be seeing the beginnings of a turnaround."

In its June report, DataQuick said home sales in the county totaled 3,692 last month, a 14 percent increase over May and a 20 percent increase year over year.

The median price for resale houses in June was \$350,000, a 7.7 percent increase from May but a 13.6 drop from one year ago. The median for resale condos was \$210,000, a 5.5 percent increase from the previous month but a 19 percent drop year over year.

The median price for new homes, including new construction and condo conversions, dropped 4.3 percent from May to \$455,500. That marked a 7 percent decrease from the same month last year. The median is the midpoint of all sales, with half above and half below that amount.

Sean O'Toole, founder of ForeclosureRadar.com, said there is a growing perception among buyers that the market has reached its bottom. Marc Zimmerman, an agent with Encinitas-based Pineapplehut Inc., shares that optimism.

"There are multiple offers on almost all properties under \$350,000," he said. "If credit will loosen up, the high-end market should follow."

Analysts say that already is happening, as buyers find it easier to secure “jumbo” loans greater than \$697,500 for high-end properties.

“The jumbo market was frozen for a while,” said Brian Yui, chief executive of Houserebate.com, a San Diego real estate company. “A year ago, if you had 20 percent down and perfect credit, the interest rate was 8 or 9 percent. Today it’s about 5.75 percent. Some of the higher-end homes are moving.”

But the improving market could be dealt a setback if the many homes now in the foreclosure pipeline end up being taken back by lenders. A voluntary moratorium by banks has temporarily slowed the foreclosure rate, but many borrowers remain behind on their mortgage payments.

“The banks could pull the plug at any time,” said Dave McDonald, government affairs chairman for the San Diego County chapter of the California Association of Mortgage Brokers.

“We know we are still in a deep recession,” LePage said. “We don’t know when we are pulling out of it. We know more foreclosures are coming.”

Mark Goldman, a mortgage broker and San Diego State University real estate lecturer, said the recent rise in the median home price was a positive sign but not proof that the housing market is on the mend. He noted that summer is traditionally a buying season and that low interest rates have encouraged buyers.

DataQuick has yet to complete its June foreclosure report. In May, it said that some high-end neighborhoods experienced record levels of defaults. Point Loma, Solana Beach and Rancho Santa Fe and other expensive areas reported elevated numbers.

In its report for the six-county Southern California region, DataQuick yesterday said more mid-and high-end homes have begun to sell because prices are falling.

The report said home sales rose in June to the highest level in 30 months in Southern California as the number of transactions greater than \$500,000 continued to rise.

The share of purchase loans above \$417,000 rose to 14.8 percent in June, the highest since it was 15.6 percent last August. The median price for new and resale houses and condos in Southern California last month was \$265,000, up 6.4 percent from \$249,000 in May but down 26.4 percent from \$360,000 in June 2008.

Even though the San Diego County market’s future remains uncertain, the rise in the median price for June is a good sign, said Kelly Cunningham, an economist for the National University System Institute for Policy Research.

“More homes are selling, and not just foreclosed homes,” he said. “Activity in the housing market is a fairly strong indicator of better health in the economy. Housing is what led us into the downturn. We are looking for it to lead us out of the recession.”

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*Emmet Pierce: (619) 293-1372; [emmet.pierce@uniontrib.com](mailto:emmet.pierce@uniontrib.com)*

## June 2009 Housing Prices for the County

<b>MEDIAN PRICES</b>	<b>June '09</b>	<b>May '09</b>	<b>June '08</b>	<b>Change June</b>
Resale houses	\$350.000	\$325.000	\$405.000	-13.6%
Resale condos	\$210.000	\$199.000	\$259.000	-18.9%
New homes/condos*	\$455.500	\$476.000	\$490.000	-7.0%
<b>All combined</b>	<b>\$314.250</b>	<b>\$295.000</b>	<b>\$370.000</b>	<b>-15.1%</b>
<b>SALES</b>				
Resale houses	2.299	2.068	1.848	24.4%
Resale condos	1101	974	947	16.3%
New homes/condos*	292	200	282	3.5%
<b>All combined</b>	<b>3.692</b>	<b>3.242</b>	<b>3.077</b>	<b>20.0%</b>

\*Includes condo conversions

### Resale Single Family Homes

Zone	Median (2009)	Median (2008)	% Change
Central San Diego	\$365.000	\$409.000	-10.8%
East County	\$295.000	\$350.000	-15.7%
North County Inland	\$364.000	\$422.500	-20.7%
North County Coastal	\$455.000	\$550.000	-17.3%
South County	\$320.000	\$376.000	-14.9%

### Resale Condominiums Homes

Zone	Median (2009)	Median (2008)	% Change
Central San Diego	\$263.909	\$293.000	-32.5%
East County	\$131.000	\$169.000	-32.4%
North County Inland	\$216.500	\$256.500	-26.7%
North County Coastal	\$323.500	\$422.500	-23.4%
South County	\$151.500	\$212.000	-28.5%

### New Single-Family/Condominiums

Zone	Median (2009)	Median (2008)	% Change
Central San Diego	\$530.250	\$392.500	35.1%
East County	\$257.500	\$400.000	-35.6%
North County Inland	\$406.000	\$531.750	-23.6%
North County Coastal	\$705.000	\$727.000	-3.0%
South County	\$360.000	\$404.000	-10.9%