

# BUSINESS

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REAL ESTATE

## Home prices staying afloat at the beach

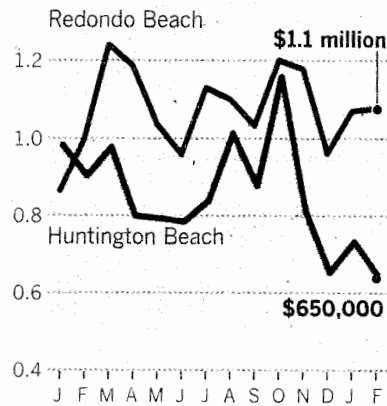
Coastal bargains are to be had amid the downturn, but the properties are holding their value better than homes inland

**Lower tide**

By RONALD D. WHITE  
Times Staff Writer

Median home price in Redondo Beach's 90277 ZIP Code and Huntington Beach's 92649, monthly data

(Scale in millions)  
\$1.4



Source: DataQuick Information Systems  
Los Angeles Times

**T**HE housing market's wipeout means there are deals to be found, even at the beach. ¶ Grant Niman landed his dream home in Hermosa Beach after a careful six-month search. The 46-year-old certified public accountant is in escrow on a three-story, four-bedroom home within four blocks of the sand. The sale price came in just under \$1.4 million. Comparable houses near Niman's pick were selling for as much as \$200,000 higher in December. ¶ "It was an incredibly good deal. There were five serious inquiries on the home and at least two other offers. I bought it the second day it was on the market," said Niman, who can't wait to sit in his living room and "watch the sun go down over the ocean." ¶ Although home prices at the [See Beach, Page C8]

LOS ANGELES TIMES

# Sun, sand and solid prices

[Beach, from Page C1]

beach have so far avoided the high platform dive occurring in many areas of Southern California, they have taken a dip.

In February, the average of median sale prices in 18 beachside ZIP Codes, including parts of Santa Monica, Manhattan Beach and Long Beach, was \$1.08 million, down nearly 8.9% from August and 10.2% from February 2007, according to monthly sales data from DataQuick Information Systems. The 18 ZIP Codes were selected by The Times for relative affordability, excluding such spend-happy areas as Malibu, Palos Verdes and Newport Beach.

The price slip is far shallower than in the worst slump-affected parts of San Bernardino and Riverside counties, where homes sold in February for half of what they brought before the housing decline, DataQuick statistics show.

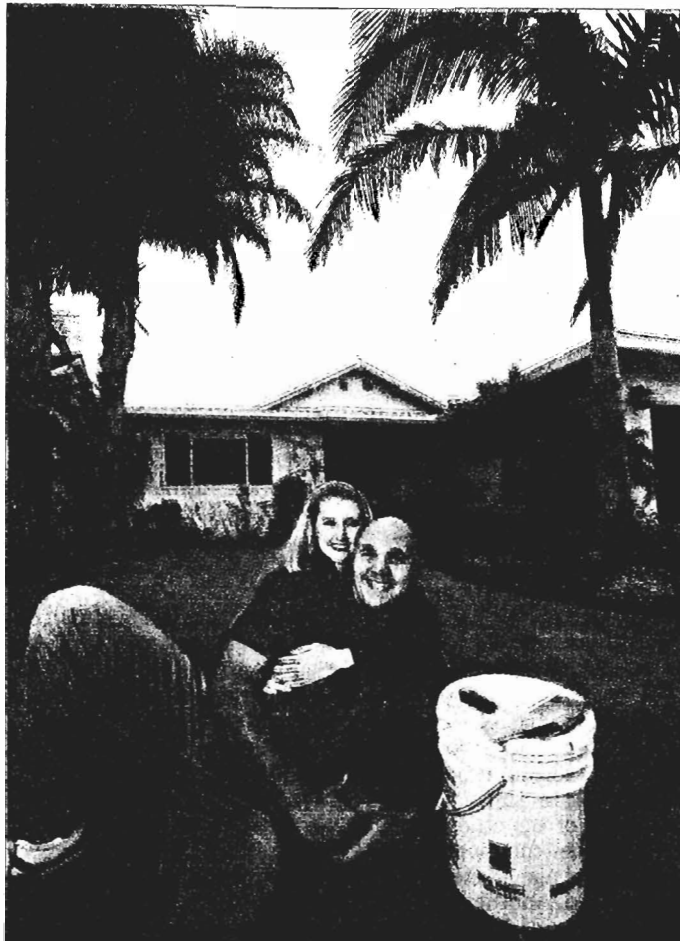
Some of the biggest seaside bargains, real estate agents said, were in Huntington Beach's three coastal ZIP Codes. Median prices peaked at \$785,000 to \$1.2 million in 2007, but the range had declined to \$635,000 to \$827,000 in February.

In eight beach ZIP Codes, homes were selling for less in February than a year earlier. An additional seven ZIP Codes showed price increases over the year.

Newspaper ads for beach-area houses are beginning to echo those for properties farther inland, with headlines such as "\$\$ PRICE REDUCTION!!" and "BEACH HOME STEAL!"

"A year ago, bidding wars were the norm," said Denise X. Lavell, who runs Beach Girl Realty. "You'd have a buyer out there the day the property was listed. Now, people are taking a month or two months to decide."

Javier and Marianne Cano recently spent nearly \$1.9 million for a two-story, five-bedroom Spanish-style house less than a quarter of a mile from the ocean in Redondo Beach. Six months earlier, the Canos would have had to pay about \$2 million to \$2.1 million, based on comparable home sales at the time.



RINGO H.W. CHIU For The Times

## 'We were hoping that the prices [in Redondo Beach] had gone down.'

— TONY ROMERO,  
with wife Sara at their new home in Torrance

"We got a little bit off the asking price, but we thought it was priced pretty reasonably in the first place," said Javier Cano, a 50-year-old hotel industry executive who transferred to Southern California from the Hawaiian island of Maui.

Still, most looking for beach bargains are in for a bit of sticker shock.

Buyers "want to believe the sky is falling," said Tracey Nesicolaci, a Shorewood Realtors agent. "This is a buyer's market, but in their minds they think they ought to be able to buy a 3,500-square-foot to 4,200-square-foot beach house for a lot less than the listed price. They're surprised that a small starter home in Manhattan Beach still costs \$850,000."

There are several reasons home prices in the beach cities haven't fallen as much as in some other spots. Fewer sub-prime loans were made in the coastal areas, where the buyers tended to have less trouble qualifying for good fixed-rate loans, said Stuart Gabriel, a finance professor and director of the Ziman Center for Real Estate at UCLA.

"The sub-prime problems are focused on lower-income and lower-credit borrowers who were stretching to afford homes. Those areas are very visibly and geographically concentrated in the interior parts of the state," Gabriel said.

Housing supply and demand also play an important role in keeping price declines in

check. Beach housing supply grows slowly, Gabriel said, and demand always remains high. But inland areas saw significant overbuilding, he said, which leads to falling demand and prices.

Moreover, beach city owners aren't feeling nearly as much need to unload their homes quickly or at sharply reduced prices. The number of sales in the 18 beach ZIP Codes fell to 149 in February from 205 a year earlier.

"The individuals who had the income and wealth to own in the beach areas have not seen any significant decline in their situations," said Michael Carney, director of the Real Estate Research Council of Southern California at Cal Poly Pomona. "If the economy really starts to tank, you might find more of an impact in those areas."

Tony and Sara Romero went looking for a deal in Redondo Beach, which they assumed was the cheapest of the beach cities.

"We figured it was a perfect opportunity," said Tony Romero, a surfer and a coordinating producer for the late-night television show "Jimmy Kimmel Live." "We were hoping that the prices had gone down, but you just don't see it happening very much."

The Romeros ended up spending \$600,000 for a Torrance house in foreclosure that had been listed at \$640,000. The house is two miles from the water but twice as large as anything they could find closer to the ocean. Similar homes in the area sold for \$700,000 to \$725,000 six months before, said Nesicolaci, their real estate agent.

The Romeros say they are thrilled with their home purchase, even though it is farther inland than they had hoped. The one-story, ranch-style home has two bedrooms, a big kitchen, a formal dining room and a family room. It's still close enough to the water for Tony to grab one of his three surfboards and catch a wave before heading off to work.

And from time to time, he said, "we even get a beach breeze."

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