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Home sales in the Valley edge higher

Uptick good sign for the housing market

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Home sales in the San Fernando Valley increased slightly in April from a year earlier, the first annual uptick in 30 months and a sign that the worst of the real estate slump might be over, a trade association said Thursday.

But prices continued to tumble with the median falling 26 percent from a year ago, to \$465,000, said the Southland Regional Association of Realtors. The median price has fallen \$160,000 in the past 12 months, an amount equal to the median price in March 1997.

"There is a general feeling that the market may have hit bottom and started to rebound - definitely on the transaction side but not on the price side," said Jim Link, the group's executive vice president.

The 547 homes sold last month were just two more than a year ago. That's an increase of only 0.2 percent, but the first year-over-year sales gain since September 2005, when the market started its slide.

And sales have increased every month this year, with April's numbers 31.5 percent above March levels, the Van Nuys-based association said.

The Realtors' report was the second this week to suggest the market might be firming up.

DataQuick Information systems reported Monday that home sales in Southern California jumped 22 percent from March to April.

DataQuick analyst Andrew LePage said experts are waiting to see whether the sales slump has bottomed out.

"One month does not make a trend," he said. "We'll keep watching this closely."

One surprising element, he said, was the strong increase in March-to-April sales, both in the Valley and across Southern California. By comparison, Southern California sales had previously averaged just a 1 percent increase in that period every year since 1988.

"The overwhelming trend in submarkets where prices have fallen the most (is where) sales are starting to pick up," he said.

That downward spiral of prices began last October and shows no sign of easing.

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April's median house price is now down 29 percent from the record high of \$655,000 reached last June.

Savvy home shoppers are now making their presence felt. During April, there were 290 sales of homes costing between \$300,000 and \$450,000, accounting for 53 percent of the month's total.

"There's plenty of pent-up demand for homes, which will drive sales higher even as prices remain soft and the system continues to eliminate foreclosures and short-pays," said association President Mary Funk.

Prices will likely fall further, too, because foreclosures will continue coming on the market this year.

"Buyers are starting to come back into the market and that's a good sign. Some of the houses are starting to move and that's good for people on both sides of the transaction," said Daniel Blake, director of the San Fernando Valley Economic Research Center at California State University, Northridge.

And the year-over-year sales increase is an encouraging sign but the total is still weak historically, he noted.

The condominium market continued to struggle, though, in April. Last month, 146 units sold, down 3 percent from March and a whopping 32 percent from a year earlier. The median price fell an annual 26 percent, to \$300,000, and slipped 5

percent from March.

A similar picture emerged in the Santa Clarita Valley, with foreclosures also playing a big role. In that market, sales increased an annual 2 percent, to 178 homes, and jumped 18 percent from March. The median price fell 19 percent from a year ago, to \$480,000, but increased 2 percent from March.

Condo sales there declined 12 percent from a year ago, to 67 units, but jumped 24 percent from March. The median condo price fell 26.5 percent from a year ago, to \$279,000, and increased 1.5 percent from March.

"I think people are starting to venture back into the housing market. Obviously, a lot of bargain hunters are focusing on foreclosed properties," said Jack Kyser, chief economist at the Los Angeles County Economic Development Corp.