

Bay Area home sales hit new low

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Bay Area home sales fell to the lowest November on record as declines in jumbo-loan financing and fears about the economy seem to keep buyers on the fence, experts said Thursday. The sales lull in the Bay Area has continued on a year-over-year basis for the past 34 months.

In Alameda, Contra Costa, San Joaquin and Solano counties, sales were the lowest since DataQuick Information Systems Inc. began keeping statistics in 1988. San Mateo County sales reached the lowest November since 1991, although sales prices rose 4.1 percent.

The percentage of all Bay Area home purchases financed with jumbo loans, or those exceeding \$417,000, rose to 44.1 percent in November from 42.6 percent last month.

DataQuick's president, Marshall Prentice, predicted a modest rise in sales and price because jumbo loans rose slightly in November for the first time since August's credit crisis struck.

In the first seven months of the year, before the credit crunch, 62 percent of all Bay Area purchases were jumbo-financed.

Economist Christopher Thornberg said he wasn't convinced the credit crisis was gone or prices have bottomed out.

“Unfortunately, that's not the case. Prices still have probably 20 (percent) to 25 percent to fall,” he said.

Thornberg, principal of Beacon Economics, based in San Rafael and Los Angeles, said people aren't buying because they're afraid to buy when housing prices are headed downward.

The number of homes purchased with loans

of \$417,000 or less fell 12 percent in November compared with a year ago, and those with loans of more than \$417,000 fell 58 percent from last year.

DataQuick reported that price declines might be spurring more sales in the new-home market. In Solano County, new-home sales rose nearly 19 percent from October to November. That may be bittersweet news, because the county's sales dropped more than half from last year.

“With few exceptions, the closer you are to the core metro area, to the Bay or ocean or close to jobs, the more solid the market is or the better it's holding up,” said DataQuick analyst Andrew LePage. “It's the distressed areas with more seller motivations where you're seeing the changes.”

Thornberg was skeptical that some regions were faring better than others, saying that the greater Bay Area is intertwined.

“While maybe (San Francisco or San Mateo counties) like to think they're separate from the other areas, their economies are linked,” he said. “There's no way this eventually won't have an impact on that area.”

The typical monthly mortgage payment for Bay Area homeowners was \$2,964 last month, down from \$3,000 in October, and up from \$2,883 in November 2006.

A total of 5,127 new and resale houses and condos sold in the Bay Area in November, down 6.5 percent from 5,486 in October and down 36.2 percent from 8,042 last year.

Bryce Ellsworth, a real estate broker with Windermere Ellsworth & Associates in Brentwood, said the DataQuick report had few surprises. “Usually you see drops throughout the winter time, starting in about September,” he said. “We're cautiously optimistic about what's happening in the market.”

He said that in Contra Costa County, listings dropped from 6,607 in October to 6,022, something typical at the end of the year. Even then, he said that he was showing 10 properties in the mid-\$200,000s in Antioch and Oakley, with many of them receiving offers.

“Two years ago, we had nothing in the \$400,000s,” he said.

Because of late data availability, the November statistics for Alameda County were extrapolated from the first three weeks of the month.

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