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HOUSING: North County market continued to decline in April, Realtors report

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North County's housing market continued to deteriorate in April, though at a much slower pace than in previous months.

However, a tower of foreclosures still looms and threatens to send the market tumbling toward further depths, analysts say.

North County house sales in April were down 7.8 percent from a year ago, falling from 692 in 2007 to 638 last month, according to the HomeDex, a monthly housing report issued by the North San Diego County Association of Realtors.

The report showed some signs of a slowdown in the deterioration of the housing market:

- It was the smallest year-over-year decline for home sales since July 2007.
- The median price increased for the first time from the previous month since November 2007, up 4.1 percent to \$510,000, still 19.7 percent below the median a year ago.
- The amount of time it would take to sell off all homes for sale fell to 8.5 months, the lowest level since June 2007.

But the bump in month-to-month sales and inventory could be attributed to seasonality. It would still take one month longer to sell all homes based on April sales rate than it would have in April 2007, and sales were still 43 percent below 2005 levels.

From February to April, North County's home sales increased 44 percent this year. Going back to 1988, the latest year for which data is available, San Diego County has averaged a 40 percent bump in sales from February to April.

Though the median price ticked up slightly from March, that increase was probably the result of larger homes selling, because the median price per square footage dropped substantially ---- 3 percent in one month to \$247 per square foot, down 20.8 percent from a year ago. It is possible for the median ---- the middle point of sales prices ---- to increase while property values are declining.

Further, data show notices of default, the first step in the foreclosure process, increasing each month. The number of notices doubled in the first quarter from a year earlier, according to reports from ForeclosureRadar, a tracking service.

That suggests more foreclosed homes will be put on the market, which tends to create more downward pressure on home prices, housing analysts said last week.

The mixed data has some real estate agents calling for a housing market recovery by the end of the year while some economists consider a prediction of a mid-2009 recovery optimistic.

"Foreclosures are going up at a more and more rapid pace," said Christopher Thornberg, an economist with Beacon Economics.

He said more foreclosures mean lower prices, which means more people owe more on their mortgages than the value of their homes.

"We're in the midst of this nasty little feedback cycle that keeps pushing things down, down, down," he said. "There's nothing to indicate things are turning around."

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