

Mountain Area Sees Increase in Home Sales; Decrease in Land Sales

The real estate industry is going through the worst economic crisis in more than 60 years; however, we are seeing some improvement. This is good, because in order for our economy to get back on track, we need a stable housing market.

California sales numbers continue to be considerably stronger than nationwide numbers. The increase in residential sales was driven in large part by deeply-discounted distressed properties providing more affordable housing as prices adjusted to the unsustainable growth that occurred during the first 6 years of this decade. California Association of REALTORS® (CAR) anticipates that the foreclosure wave should hit a peak in the second or third quarter of this year with a decline in the share of distressed properties to follow.

California's residential market has seen larger price declines when compared to many other parts of the country. Indeed, the February median price for homes nationally is \$30,400 less than it was a year ago, in California it is \$170,670 less, and in our mountain area, it is \$73,000 less. The February 2009 median prices are as follows: nationally, \$165,400; California, \$247,590; and locally, \$217,500, though, our mountain-area median price for the first quarter of 2009 is \$225,000. CAR Vice President and Chief Economist Leslie Appleton-Young attributed the California median price declining by a larger margin than the nationwide median price because the under \$500,000 portion of the market experienced larger price declines than other market segments due to the large share of distressed homes for sale.

Nationally, February home sales when compared with the same period a year ago were down 10 percent, although, in California, home sales increased 83 percent, and locally, our home sales increased by 100 percent. In fact, our residential sales are up by 60% overall in the first quarter of 2009 compared to the same period of time a year ago, and Ahwahnee, Bass Lake, Coarsegold, Mariposa, North Fork, Oakhurst, and Wishon have all seen an increase in residential sales. It is expected, though, that the percentage gains we are experiencing in California for home sales will decrease in coming months as current sales are compared against the extremely low numbers that prevailed during the early months of the credit crunch.

Other reasons why we are seeing an increase in home sales—besides the greater number of distressed properties on the market—is because people are getting the tools and incentives they need to buy. This includes the recent stimulus package that provides some homebuyers a tax credit of \$8,000 that doesn't have to be repaid if the borrowers own their home for at least 3 years, higher FHA loan limits in some areas, and other incentives.

Those trying to sell their land though are not as fortunate. In the first quarter of 2009 we had 4 land listings that sold compared to last year's 15. That is a 73 percent drop from the previous quarter. Of the four land listings that sold, there was one each in the following communities: Ahwahnee, Coarsegold, Mariposa, and Oakhurst.

Though, financing continues to be challenging for some as a result of tougher underwriting standards, interest rates have improved. According to Freddie Mac, 30-year fixed-mortgage interest rates averaged 5.13 percent during February 2009 compared with 5.92 percent in February 2008 and adjustable-mortgage interest rates averaged 4.87 percent in February 2009 compared with 5.03 in February 2008. Rates continued to decline into March. Rates as of the week ending March 19, 2009, was 4.98% for 30-year fixed and 4.61% for 15-year fixed with fees/points at 0.7%.

Following are some additional local statistics:

- Number of active listings in our multiple listing service (MLS) as of April 1 is 777: residential, 390; land, 337; manufactured home in a park, 30; commercial, 19; and business opportunity, 1. I expect to see an increase in the number of listings as typically they increase in the second quarter of the year and reach a plateau from June through August before decreasing as the year draws to a close.
- Of the 75 properties that closed the first quarter of 2009: 20 were less than \$175,000; 34 were between \$175,000 and \$300,000; 10 were between \$300,000 and \$350,000; 10 were between \$350,000 and \$450,000; and 1 was between \$600,000 and \$700,000.
- There are currently 54 properties in escrow and 34 of them are listed below \$300,000. Of the remaining 20, 19 of them are between \$300,000 and \$500,000, with 1 between \$700,000 and \$800,000.
- Almost 300 properties expired or were withdrawn the first quarter of 2009 with the average days on market for those properties at over 300.
- Local active listings are experiencing approximately 300 days on market; for our sold properties, it is 200.

Beverly Scott, President

Yosemite Gateway Association of REALTORS®

www.ygaor.com – *Your Gateway to Real Estate*