

Housing

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try to understand our marketplace is telling us it is coming back strong.”

It's a housing market with far fewer foreclosure resales and a more even distribution of sales across all price segments, said DataQuick's Andrew LePage.

And it's a market where the buyer has returned — the first signal of a recovery — and a big change from a year ago, when buyers were scarce.

But a lack of homes for sale contributed to the price increases, as frantic house hunters bid against each other and against cash-paying investors for the available homes.

“It's a very good short-term problem to have, because it says the market's hot,” said Rick Turley, San

Francisco Bay Area president at Coldwell Banker. “It's not a good long-term problem to have because eventually we need homes to sell.”

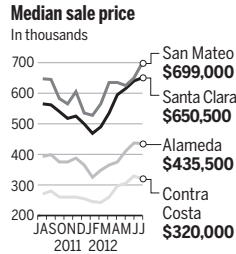
“The inventory is still dropping,” said Laurel Strand, an agent with Coldwell Banker in Montclair. “Normally at this point the inventory has reached a crescendo for the year. Last August there were 80 active listings in Montclair. Right now, we have 38.”

The shrinking number of foreclosures in the South Bay and East Bay also helped push prices up, as did increases in the number of mid- to high-priced homes for sale, according to DataQuick.

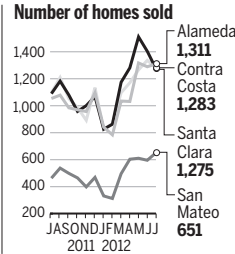
In recent months, the median price of single-family homes has reached its highest level since mid-2008 in Contra Costa, Alameda and Santa Clara counties. San Mateo's median price was higher in

Housing recovery on track

July marked the Bay Area's 13th consecutive month of yearly sales increases and the highest median price for the month in four years.



Source: DataQuick



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June that it has been since mid-2010.

“Anything out there under \$500,000 in a decent area is getting multiple offers,” said Doug Goss of ReMax in San Jose.

Bay Area-wide, sales were up nearly 23 percent from a year ago for all types of homes. Prices were up 12.6 percent.

The median price in

Alameda County was \$435,500, up 24.4 percent from July 2011, and in Contra Costa County, \$320,000, up 18.5 percent from a year ago. Santa Clara County saw a gain of 15 percent from 2011 with a median price of \$650,500, and San Mateo County's median price of \$699,000 was up 8 percent from a year ago.

The median price for a

single-family home has been rising for five consecutive months in Santa Clara and Contra Costa counties, and has risen for the past three months in Alameda County, DataQuick reported.

DataQuick said the market is “rebalancing” after a couple of years of prices skewed lower because of large numbers of foreclosures and short sales.

Prices are still 37 percent off their 2007 peak for all types of homes in the Bay Area. Contra Costa County is down 51 percent from its peak price for single-family homes before the housing crash; Santa Clara County is 19 percent below the peak; San Mateo County is almost 23 percent below; and Alameda County 35 percent under its peak price.

But sales are “moving back toward normalcy,” said LePage of DataQuick. The Bay Area's July sales were about 10 percent below

a 25-year average. A year ago, sales were 26.9 percent below the July average, he said.

One worry is that a flood of new foreclosures could hit the market, said Don Orason with Intero Real Estate Services in San Jose. Even so, “If that happens, at least the Bay Area market will swoop those up,” he said. “There are so many buyers out there chomping at the bit that it won't affect prices much.”

Still, financing in the high-priced Bay Area is an obstacle. Jumbo loans, which are popular in the region, are still half what they were before the crunch, according to DataQuick.

“Financing is tough but the market's better,” said Josephine Wong, an agent with ReMax Accord in Oakland. “Sales are picking up everywhere.”

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