

NEWS

Contact:

Robert D. Martinez
619-233-3781 x17

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Attached Sector of Imperial Valley Virtually Extinct

Net sales volume in the Imperial Valley new-home market provided a small spark of encouragement to the otherwise beleaguered region. Net sales rose 11 percent this quarter, all of it in the detached sector. According to Robert Martinez, Director of Research for MarketPointeTM Realty Advisors, Inc., “the attached sector is essentially extinct” as the last two projects selling have completed their sales programs. Also, competition in the detached sector continues to decline as just 12 developments offered product in the new-home market this quarter. This is a steep drop from the peak of 35 projects last seen in the third quarter of 2007.

The bad news continues with pricing. Although there was a modest increase of 3 percent in weighted average price in the detached sector, the “substantial boost” in average home size caused the detached value ratio, “a better measure of actual home value”, to fall more than 13 percent. **ResidentialTrends**TM Housing Market Overview also reports that this value is the lowest since the first quarter of 2003.

The only real bright spot in the region is inventory. This quarter’s detached inventory saw a 23 percent decline. Since the end of last year, close to 4,000 units have been removed from inventory as projects have eliminated future phase inventory entirely, moved units into rentals, or left the market altogether. Also, the supply of homes that have been offered for sale yet remain unsold dropped nearly 62 percent this quarter. At current sales rates this available supply would last less than one month.

MarketPointeTM Realty Advisors, Inc. provides new housing market statistics throughout California via its **ResidentialTrends**TM new-home database and its **LandTracker**TM proposed development database, as well as site specific, tailored housing market research and consulting services. Comprehensive “Housing Market Overviews” providing new home sales, pricing, housing inventory trends, future housing supply, and new and leading developments are available for regions across California by going to www.marketpointe.com/landing. Phone San Diego at 619-233-3781, Orange County at 714-528-2554 or Sacramento at 916-710-1396; url:www.marketpointe.com.