
NEWS

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The Rise and Fall of New Home Sales in Imperial County

After the last three quarters of 2008 set record lows for net sales volume in the Imperial Valley new home market, last quarter posted an impressive 270 percent surge. Last quarter's success proved to be short-lived, however. This quarter saw volume plummet 67 percent to the second lowest output level on record. The attached sector was essentially non-existent, as the lone attached project posted no net sales volume this quarter. Strangely enough, this lack of net sales activity is actually an improvement over the previous negative sales volume of last quarter. The detached sector noted a 67 percent volume decline posting just 57 net sales this quarter.

The overall weighted average price in the region decreased 6 percent this quarter, resulting in the seventh decline for the last eight quarters. In the attached sector, weighted average price is impossible to calculate given the lack of positive net sales volume. The detached sector saw a weighted average price decrease from last quarter of 9 percent. A 2 percent drop in weighted average detached home size, which now stands at 1,865 square feet, accompanied this price decline. With both price and home size moving in a negative direction, the detached value ratio fell close to 7 percent per square foot.

The lone bright spot in the region is the drop in inventory. This quarter's 732 units of total inventory represent a 22 percent decline. The bulk of this decline, however, is due to projects indefinitely eliminated. The supply of homes that have been offered for sale yet remain unsold dropped 8 percent this quarter and consists of 24 attached and 52 detached homes. At current sales rates, this currently available supply would last about a year in the attached sector and roughly eight weeks in the detached.

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