

NEWS

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The Good, The Bad and The Ugly of the Los Angeles County New Home Market

Los Angeles County, California, March, 2008 - **The Good** – Reversing the three quarter downward trend seen in Los Angeles County, new home sales volumes in the first quarter of 2008 were up 29% compared to volumes seen in the fourth quarter of 2007 as total new-home sales rose from 946 to 1,219, according to **Residential Trends**, the housing market statistics publication by Marketpointe Realty Advisors, Inc. **The Bad** – However, the 1,219 new-home sales posted during first quarter of 2008 was the lowest volume first quarter seen in LA County since the first quarter of 2000 when only 972 new homes were sold. **The Ugly** – And compared to the first quarters of 2005 through 2007, sales volumes Q1 2008 are 45% to 55%.

The Good – Offered and Unsold Inventory levels in Los Angeles County declined to its lowest level since the second quarter of 2006, reflecting a 13% drop from the 4,256 units of inventory seen in the fourth quarter of 2007 to a total of 3,704 units this quarter. **The Bad** – Since sales volumes in first quarter of 2008 were not as dynamic as they were in previous first quarters, months of supply among new-home product in Los Angeles County rose from an average of two months supply in the first quarter of 2006 to an average of six months of supply in the first quarter of 2007 to an average of eight months of supply in the first quarter of 2008.

The Good – The average price of a new medium density attached unit (one that features an on-grade garage or carport) rose two percent in the first quarter of 2008 to \$536,738. The average price of a condominium conversion unit rose an average of .2 percent to \$362,228. The average price of an adaptive reuse project (a commercial or other type of building converted to condominiums) rose an average of six percent to \$582,828. **The Bad** – The average price of all new homes sold in Los Angeles County dropped an average of four percent, because... **The Ugly** – The average price of a new detached home was down 15 percent.

MarketPointe Realty Advisors provides new housing market statistics throughout California via its **Residential Trends** new-home database and its **Land Tracker** 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. Contact San Diego at 619-233-3781, Orange County at 714-528-2554, or Sacramento at 916-710-1398 or at www.marketpointe.com