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## NEWS

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**FOR IMMEDIATE RELEASE****The Ebb And Flow Of The Los Angeles Basin Housing Market**

“In the Los Angeles Basin new home market, 2008 proved to be a year of fluctuation” explains Robert D. Martinez, Director of Research, MarketPointe<sup>TM</sup> Realty Advisors. “In terms of net sales volume, each quarter moved contrary to the direction of the previous quarter”, said Martinez. The first quarter of 2009 broke that trend by falling in consecutive quarters for the first time since the end of 2007. A 20 percent decline in overall net sales volume resulted in the lowest output level since the fourth quarter of 2000, as reported by MarketPointe<sup>TM</sup> Residential Trends<sup>TM</sup> Publication. The attached sector dropped slightly more than 30 percent from last quarter sales. The detached sector actually saw a 19 percent volume increase this quarter. However, with less than 1/3 of overall market share, the detached sector’s volume increase could not offset the attached decline.

Weighted average price in the attached sector increased 1 percent this quarter. However, an 8 percent increase in the average attached home size was also noted. These two factors resulted in a 6 percent decrease in the weighted average value ratio, the lowest price per square foot since the first quarter of 2005. In the detached sector, the weighted average price decreased 2 percent from last quarter’s average. Average detached home size increased more than 12 percent to over 1,700 square feet and when coupled with the price decline, resulted in a more than 12 percent drop in the average value ratio per square foot, the lowest value ratio since the fourth quarter of 2003.

Despite seven new projects entering the marketplace, overall total inventory fell close to 400 units reflecting more than an 8 percent drop this quarter. More than 100 of those 400 units were units that were deemed off-market and either moved into a rental program or indefinitely removed from inventory. In the attached sector, a 7 percent inventory decline pushed total inventory below the 3,600-unit mark and represents slightly less than two years of supply. In the detached sector, a 14 percent total inventory drop pushed the level under 700 units of inventory. At current sales rates, these 671 units represent 14 months of supply. However, the 215 units of released and unsold detached inventory represent less than five months of immediate supply.

MarketPointe<sup>TM</sup> Realty Advisors provides new housing market statistics throughout California via its **ResidentialTrends**<sup>TM</sup> new-home database and its **LandTracker**<sup>TM</sup> 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](http://www.marketpointe.com/landing). Phone San Diego at 619-233-3781, Orange County at 714-528-2554, Sacramento at 916-710-1396; [url:www.marketpointe.com](http://url:www.marketpointe.com).