

NEWS

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San Diego's Modest Decline May Signal End of Downward Cycle

New home sales in San Diego County dropped nearly 28 percent from the third quarter reports Robert Martinez, Director of Research at MarketPointeTM Realty Advisors, Inc. This drop "was to be expected" as fourth quarter sales are historically low. 2008 posted a significant 56 percent decline over the previous year; however, 2009's drop was a more modest 1.6 percent. Could this signal the end of the downward trend in new home sales? Martinez notes that although counties such as Orange, Riverside, San Bernardino and Ventura saw 20 percent or more declines between 2008 and 2009, Los Angeles and San Diego counties "appear to be leading the way into a recovery cycle". Each reported sales volume drops of less than 2 percent over the same period.

For the first time since the third quarter of 2008 new detached housing pricing averages rose in the region, increasing 14 percent over last quarter. The attached sector once again dropped this quarter. Much of this drop was due to a marked decrease in the average unit size, which was more than 9 percent smaller than last quarter's average, as well as the 5 percent increase in price per square foot.

Overall total inventory reversed its downward trend for the first time in more than two years **Residential TrendsTM** reports. This increase in total inventory was due to eight new projects entering the market in the fourth quarter. Since most of the new units added were attached, all of the inventory increase was noted in this sector, with detached inventory showing a more than 4 percent dip since the third quarter.

MarketPointeTM Realty Advisors, Inc. provides new housing market statistics throughout California via its **Residential TrendsTM** new-home database and its **Land TrackerTM** 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.