

San Bernardino County

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Residential Trends Executive Summary

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Editor: Michael James Colby- Economist

GENERAL MARKET TRENDS

Despite the most number of active projects in the market since the first quarter of 1994, total net sales slid for the third consecutive quarter, and have declined five of the last six quarters. The 202 active projects this quarter, a net increase of eight from last quarter, accounted for 1,084 net sales, down 19 percent from last quarter. For the year, 2006 saw 6,635 new homes sold, down 32 percent from the all-time high set in 2005 of 9,806. However, over the last 17 years, 2006 had the fifth highest total net sales volume. Attached net sales experienced a small decline to 172 homes sold this quarter, while the detached sector experienced a much larger 21 percent decline to 912 net sales, the first dip below the 1,000-home level since the fourth quarter of 2001 and the lowest level since the fourth quarter of 1998.

The overall weighted average price remained nearly unchanged again this quarter, falling by just over 1 percent to \$465,593 as the weighted average home size also remained nearly unchanged, falling by 1.7 percent to 2,434 square feet. The result is a value ratio increase of 0.3 percent to \$191.29. In the attached sector, the weighted average price experienced a large 29 percent increase to \$362,883, after an 18 percent decline last quarter. The weighted average home size increased by nearly the same 29 percent, resulting in a value ratio nearly unchanged at \$261.01. The detached sector saw prices decrease by 3 percent to a fourth quarter weighted average of \$481,174, down nearly \$29,000 from the high set in the first quarter of 2006. The weighted average home size also decreased although not as much as prices, resulting in a value ratio decrease of 0.8 percent to \$185.62, although, since the fourth quarter of 2005, the value ratio has remained virtually unchanged.

Overall total inventory increased again this quarter, rising by 4 percent after a 3 percent increase last quarter to 11,780 units, the highest level since the first quarter of 1994. Of the 11,780 units of inventory, 10,033 (85 percent) are in future phases of current developments, with 1,747 units released and unsold. This offered and unsold inventory declined by 8 percent this quarter, the first such decline since the second quarter of 2005.

San Bernardino County Summary Overview						
	4th Quarter 2006			3rd Quarter 2006		
	Attached	Detached	Total	Attached	Detached	Total
Developments	15	187	202	15	179	194
Total Sold	174	1,147	1,321	177	1,435	1,612
Net Cancelled	2	235	237	1	277	278
Net Sold	172	912	1,084	176	1,158	1,334
Weighted Average Price	\$362,883	\$481,174	\$465,593	\$280,670	\$495,910	\$472,276
Weighted Average Sqft	1,390	2,592	2,434	1,074	2,650	2,477
Weighted Average \$/Sqft	\$261.01	\$185.62	\$191.29	\$261.45	\$187.15	\$190.69
Offered & Unsold Inventory	162	1,585	1,747	194	1,711	1,905
Remaining for Development	814	9,219	10,033	789	8,647	9,436
Total Inventory	976	10,804	11,780	983	10,358	11,341