

Santa Clarita/Antelope Valley

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Residential Trends Executive Summary

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GENERAL MARKET TRENDS

The mantra, “location, location, location”, should become “value, value, value” in the Santa Clarita/Antelope Valley new home market. As recently as the second quarter of 2004, the bulk of the region’s net sales, nearly 66 percent, were found in the Santa Clarita Valley. That percentage has fallen dramatically, now standing at less than 27 percent, as buyers have drifted toward more price sensitive projects in the Antelope Valley where fewer dollars buys larger average homes. Additionally, the number of projects in the Antelope Valley has increased substantially, now accounting for more than 83 percent of the 101 actively selling projects in the region. With the most total number of active projects in more than a decade, total net sales slid for the sixth consecutive quarter in the region. This quarter’s decline, less than 1 percent to 503 net sales, was far less profuse than the declines over the previous five quarters. The 503 net sales this quarter was almost exclusively detached as the attached sector produced 20 net sales in one active project.

The price gap is closing, however, as this quarter the detached pricing differential between the Santa Clarita Valley and the Antelope Valley fell to just over \$139,000 this quarter. Overall, weighted average prices, home sizes as well as value rations remain virtually unchanged in the region at \$460,754 for 2,557 square feet, or about \$180 per square foot. The attached project produced a weighted average price of \$341,995, down slightly more than 3 percent, for a 1,036 square foot unit, or about \$330 per square foot. The detached sector saw slightly less than a 2 percent drop in weighted average price to \$464,935 for a 2,610 average square foot home, or roughly \$178 per square foot.

As sales continue to slow and new projects continue to outnumber projects that sell out, inventory levels continue to rise. Total inventory, including homes offered and unsold and those in future phases of current developments, increased by nearly 13 percent this quarter to 6,222 homes, the highest level since the first quarter of 1996. Excluding homes yet to be released, homes that have been offered and remain unsold increased by over 23 percent this quarter to 814 homes, of which 75 are attached and 739 are detached. This immediately available inventory is more than four times the level of the fourth quarter of 2005.

Santa Clarita/Antelope Valley Summary Overview						
	4th Quarter 2006			3rd Quarter 2006		
	Attached	Detached	Total	Attached	Detached	Total
Developments	1	100	101	2	91	93
Total Sold	20	568	588	57	495	552
Net Cancelled	0	85	85	0	46	46
Net Sold	20	483	503	57	449	506
Weighted Average Price	\$341,995	\$464,935	\$460,754	\$353,209	\$474,054	\$461,862
Weighted Average Sqft	1,036	2,610	2,557	1,087	2,727	2,561
Weighted Average \$/Sqft	\$330.08	\$178.13	\$180.23	\$324.88	\$173.86	\$180.33
Offered & Unsold Inventory	75	739	814	41	619	660
Remaining for Development	182	5,226	5,408	236	4,624	4,860
Total Inventory	257	5,965	6,222	277	5,243	5,520