

Bay Area Home Sales Slowest in Six Years; Single-Digit Price Increase

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CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider, today released its November San Francisco Bay Area housing market report. Home sales dropped to the lowest level for the month of November since 2008, the result of a limited number of homes for sale, cautious buyers, a challenging mortgage market and a quirk of the calendar that resulted in a relatively low number of days for recording deals. The single-digit, year-over-year rise in the median sale price was the lowest since May 2012.

A total of 6,003 new and resale houses and condos sold in the nine-county Bay Area in November 2014. That was down 22.0 percent from 7,693 in October of this year and down 9.9 percent from 6,659 in November 2013, according to CoreLogic DataQuick data.

A decline in sales from October to November is normal for the season. It's likely that this November's sales decline from October was especially sharp because of a calendar issue: There were only 17 days on which home sales could be recorded at county recorders' offices this November, compared with 22 or 23 days in October, depending on the county. Over the last decade, there has been an average of about 19 days for such recordings in the month of November.

The November 2014 sales count was the lowest for any November since 5,756 homes sold in November 2008. Sales for the month of November have varied from 5,127 in 2007 to 11,906 in 2004. The average November sales since 1988, when CoreLogic DataQuick's statistics begin, is 7,772.

The median price paid for a home in the nine-county Bay Area was \$601,000 in November. That was the same as in October and up 9.3 percent from \$550,000 in November 2013. The year-over-year increase was the lowest since May 2012, when it was 7.5 percent. The Bay Area's median sale price peaked at \$665,000 in June and July 2007 and dropped to a post-boom low of \$290,000 in March 2009.

"Each calendar month has its own set of characteristics, its own personality. November is always kind of an interlude month, and the statistics aren't really very good for predicting upcoming activity. That said, we did see a continuation of long-term trends: Low supply levels, a dysfunctional mortgage market and dormant market categories. This could change fast, and the big question then will be just how much pent-up demand is out there. No one knows," said John Karevoll, CoreLogic DataQuick analyst.

Other Bay Area housing market highlights from November 2014:

- Adjustable-rate mortgages (ARMs), an important indicator of mortgage availability, accounted for 23.4 percent of the Bay Area's home purchase loans in November, up from a revised 23.1 percent in October, and up from 20.1 percent in November 2013. ARMs hit a low of 3.0 percent of purchase loans in January 2009 and reached a post-housing-bust peak of 27.8 percent in April 2014. Since 2000, ARMs have accounted for 46.5 percent of all Bay Area purchase loans.
- Jumbo loans, or mortgages above the old conforming limit of \$417,000, accounted for 56.9 percent of purchase lending in November, up from a revised 55.6 percent in October, and up from 50.0 percent in November 2013. Jumbo usage dropped to as low as 17.1 percent in January 2009. It reached 56.4 percent in May of this year and has stayed close to that percentage since.
- Foreclosure resales accounted for 2.8 percent of all resales in November, unchanged from a revised 2.8 percent in October, and down from 3.7 percent in November 2013. Foreclosure resales in the Bay Area peaked at 52.0 percent in February 2009, while the monthly average over the past 17 years is 9.7 percent. Foreclosure resales are purchased homes that had been previously foreclosed upon in the prior 12 months.

- Short sales made up an estimated 4.3 percent of Bay Area resales in November, up from an estimated 3.4 percent in October and down from 7.2 percent in November 2013. Short sales are transactions in which the sale price fell short of what was owed on the property.
- Absentee buyers – mostly investors – purchased 18.6 percent of all Bay Area homes in November, which was the lowest absentee level for any month since September 2010, when it was 18.5 percent. This November's absentee level was down from a revised 19.2 percent in October, and down from 20.4 percent in November 2013.
- Cash buyers accounted for 18.9 percent of sales in November – the lowest level for any month since it was 18.5 percent in October 2008. This November's absentee level was down from a revised 20.9 percent in October and down from 22.4 percent in November 2013.
- Bay Area home buyers used \$2.06 billion of their own money in the form of a down payment or as an outright cash purchase in November. They borrowed \$3.05 billion in mortgage money from lenders.
- The typical monthly mortgage payment that Bay Area buyers committed to in November was \$2,268. Adjusted for inflation, that payment was 21.8 percent below the typical payment in spring 1989, the peak of the prior real estate cycle. It was 42.2 percent below the current cycle's peak in July 2007 and 77.1 percent above the February 2012 bottom of the current cycle.

Total November Home Sales in the San Francisco Bay Area counties

	Homes Sold			Median Sale Prices		
	Nov-13	Nov-14	Percent Change	Nov-13	Nov-14	Percent Change
All homes						
Alameda	1,469	1,246	-15.20%	\$518,500	\$585,000	12.80%
Contra Costa	1,250	1,145	-8.40%	\$410,000	\$435,500	6.20%
Marin	287	265	-7.70%	\$741,250	\$870,000	17.40%
Napa	110	98	-10.90%	\$455,000	\$562,750	23.70%
Santa Clara	1,517	1,450	-4.40%	\$667,500	\$715,000	7.10%
San Francisco	544	434	-20.20%	\$843,000	\$1,072,500	27.20%
San Mateo	581	499	-14.10%	\$700,000	\$818,500	16.90%
Solano	430	433	0.70%	\$275,000	\$305,250	11.00%
Sonoma	471	433	-8.10%	\$418,750	\$447,250	6.80%
Bay Area	6,659	6,003	-9.90%	\$550,000	\$601,000	9.30%

Source: CoreLogic DataQuick. Data available at DQNews.com
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