

Bay Area February Home Sales Decline; Smaller Gain for Median Sale Price

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CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider, today released its February 2015 San Francisco Bay Area housing market report. The number of homes sold was slightly lower than in January and was the lowest for the month of February in seven years. The median price paid for a home also fell slightly from January and the gain from a year earlier was the smallest since the median sale price began rising on a year-over-year basis nearly three years ago.

A total of 4,376 new and existing houses and condos sold in the nine-county Bay Area in February 2015. That was down 1.1 percent month over month from 4,423 sales in January 2015 and down 10.9 percent year over year from 4,911 sales in February 2014, according to CoreLogic DataQuick data.

February 2015 sales were the lowest for that month since February 2008, when 3,989 homes sold. The peak for February home sales was in 2002, when 8,901 homes sold. The February 2015 sales tally was 28.6 percent below the historical February average of 6,129 sales.

The median price paid for a home in the Bay Area was \$565,000 in February 2015. That was down 1.2 percent month over month from \$572,000 in January 2014 and up 4.6 percent year over year from \$540,000 in February 2014.

The region's median sale price has risen year over year for 35 straight months, beginning in April 2012. During the 25 months between June 2012 and June 2014, those gains were double-digit, reaching as high as 33.5 percent. The annual gains were either single-digit or low double-digit between July 2014 and October 2014, and since November 2014 the year-over-year increases in the median sale price have been single-digit. The February 2015 median sale price's 4.6 percent year-over-year gain compared with February 2014 marked the smallest annual increase for any month since the median price began rising year over year in April 2012. In comparison, the February 2014 median sale price rose 33.3 percent from February 2013.

The Bay Area 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.

"February is always a bit odd from a numbers standpoint. March should provide a better view of emerging trends this year," said Andrew LePage, CoreLogic DataQuick data analyst. "That said, it is easy to see that supply is still constrained. It's also clear the mortgage market remains off-kilter. Home loans are readily available for those who have good credit, a W-2 income and who are applying for a government-backed mortgage. But it can still be challenging for others, such as the self-employed and retired, even for those with a high income or significant assets, or both."

Other February 2015 Bay Area housing market highlights include the following:

- Adjustable-rate mortgages (ARMs), an indicator of mortgage availability, accounted for 20.5 percent of the Bay Area's home purchase loans in January, down from a revised 22.0 percent in December 2014, and down from 25.1 percent in January 2014. 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 about 46 percent of all Bay Area purchase loans.
- Foreclosure resales accounted for 4.5 percent of all resales in February, up from a revised 4.4 percent in January 2015 and down from 5.0 percent in February 2014. Foreclosure resales in the Bay Area peaked at 52.0 percent in February 2009, while the monthly average over the past 17 years is about 10 percent. Foreclosure resales are purchased homes that have been previously foreclosed upon in the prior 12 months.

- Short sales accounted for an estimated 4.8 percent of Bay Area resales in February, down from a revised 5.2 percent in January 2015 and down from 6.3 percent in February 2014. Short sales are transactions in which the sale price fell short of what was owed on the property.
- Absentee buyers – mostly investors – purchased 24.8 percent of all Bay Area homes sold in February, up from a revised 23.8 percent in January 2015 and up from 23.8 percent in February 2014. The peak absentee share was 28.7 percent in February 2013, and the monthly average since 2000, when CoreLogic DataQuick absentee data began, is about 17 percent.
- Cash buyers accounted for 26.7 percent of home sales in February, up from a revised 23.6 percent in January 2015 and down from 28.4 percent in February 2014. The peak was 32.3 percent in February 2013, and the monthly average since 1988 is about 14 percent.
- The typical monthly mortgage payment for Bay Area home buyers in February 2015 was \$2,083. Adjusted for inflation, that payment was 26.9 percent below the typical payment in spring 1989, the peak of the prior real estate cycle. It was 46.0 percent below the current cycle's peak in July 2007 and 65.5 percent above the February 2012 bottom of the current cycle.

Because of late data availability, sales were estimated in San Mateo County.

Total February Home Sales in the San Francisco Bay Area counties

	Homes Sold			Median Sale Prices		
	Feb-14	Feb-15	Percent Change	Feb-14	Feb-15	Percent Change
All homes						
Alameda	919	846	-7.9%	\$470,000	\$500,000	6.4%
Contra Costa	962	881	-8.4%	\$405,000	\$455,000	12.3%
Marin	195	196	0.5%	\$755,000	\$826,000	9.4%
Napa	79	81	2.5%	\$450,000	\$468,750	4.2%
Santa Clara	1,202	991	-17.6%	\$670,000	\$700,000	4.5%
San Francisco	451	318	-29.5%	\$945,000	\$1,092,500	15.6%
San Mateo	394	328	-16.8%	\$770,000	\$815,000	5.8%
Solano	358	420	17.3%	\$264,000	\$318,800	20.8%
Sonoma	351	315	-10.3%	\$407,000	\$436,500	7.2%
Bay Area	4,911	4,376	-10.9%	\$540,000	\$565,000	4.6%

Source: CoreLogic DataQuick. Data available at DQNews.com
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