

Southern California Home Sales Dip Year Over Year Again; Median Price Edges Higher

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CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider, today released its February 2015 Southern California housing market report, which shows the number of homes sold rose slightly from January but hit the lowest level for a February in seven years. Also according to the report, the median price paid for a home, which hasn't changed much since last fall, inched up from January and rose year over year for the 35th consecutive month.

A total of 13,650 new and existing houses and condos sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties in February 2015. That was up 0.7 percent month over month from 13,560 sales in January 2015, and down 2.7 percent year over year from 14,027 sales in February 2014, according to CoreLogic DataQuick data.

On average, Southern California home sales have increased 0.7 percent between the months of January and February since 1988, when CoreLogic DataQuick data began. Sales have fallen on a year-over-year basis in 15 out of the last 17 months.

February home sales have ranged from a low of 10,777 in 2008 to a high of 26,587 in 2004. February 2015 sales were 21.6 percent below the February average of 17,420 sales since 1988.

"This feels a lot like early 2014, with home sales off to a slow start as many would-be home buyers struggle with inventory constraints, credit hurdles and reduced affordability," said Andrew LePage, data analyst for CoreLogic DataQuick. "And just like a year ago, one of the big questions hanging over the market is whether we'll see a sizeable jump in inventory this spring and summer. A nearly three-year stretch of price appreciation has given many more owners enough equity to sell their homes and buy another. Recent job growth has helped fuel housing demand and if that's met with only a modest rise in the supply of homes for sale it will put upward pressure on prices. Of course, the direction of mortgage rates, among other factors, will also play a role in determining how the housing market shapes up this year."

The median price paid for all new and existing houses and condos sold in the six-county Southern California region in February 2015 was \$415,000, up 1.5 percent month over month from \$409,000 in January 2015 and up 8.4 percent year over year from \$383,000 in February 2014. The median hasn't changed significantly since September 2014, when it was \$413,000. The median's 2014 peak was \$420,000 in August.

The median sale price in Southern California has risen on a year-over-year basis each month since April 2012. In the 22 months between August 2012 and May 2014 those annual gains were double digit, as high as 28.3 percent in June 2013. Since then, the year-over-year increases in the median sale price have been single-digit. The February 2014 median price rose 19.7 percent compared with February 2013 – more than double the 8.4 percent gain when comparing February 2015 with February 2014.

The February 2015 median sale price was 17.8 percent below the peak median price of \$505,000 reached in March, April, May and July of 2007. Among the region's six counties, the February 2015 median in Orange County (\$590,750) was the closest – within 8.4 percent – to its peak of \$645,000 in June 2007.

The number of Southern California homes that sold for \$500,000 or more in February 2015 rose 3.9 percent compared with February 2014. Sales below \$500,000 fell 9.4 percent year over year, and sales below \$200,000 dropped 26.1 percent.

Other Southern California housing market highlights from February 2015 include the following:

- Foreclosure resales represented 6.0 percent of the resale market in February. That was up from a revised 5.7 percent in January 2015 and down from 6.7 percent in February 2014. In recent months the foreclosure resale rate has been the lowest since early 2007. In the current cycle, foreclosure resales hit a high of 56.7 percent in February 2009. Foreclosure resales are purchased homes that have been previously foreclosed upon in the prior 12 months.
- Short sales made up an estimated 6.1 percent of resales in February, down from a revised 6.6 in January 2015 and down from 9.0 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 – bought 26.7 percent of the homes sold in February. That was up from a revised 26.3 percent in January 2015 and down from 28.9 percent in February 2014. The peak absentee share was 32.4 percent in January 2013, and the monthly average since 2000, when CoreLogic DataQuick absentee data began, is about 19 percent. Absentee buyers include those who purchase vacation homes or other properties that public property records suggest are not used as primary residences.
- Cash buyers accounted for 28.0 percent of February home sales, up from a revised 26.4 percent in January 2015 and down from 31.0 percent in February 2014. The peak cash share was 36.9 percent in February 2013, and the monthly average since 1988 is about 17 percent.
- The typical monthly mortgage payment for Southern California home buyers in February was \$1,530, up from \$1,501 in January 2015 and up from \$1,516 in February 2014. Adjusted for inflation, the February 2015 typical payment was 36.1 percent below the typical payment in the spring of 1989, the peak of the prior real estate cycle. It was also 47.7 percent below the current cycle's peak in July 2007.

Total February Home Sales in Selected Southern California Counties

	Homes Sold			Median Sale Prices		
	Feb-14	Feb-15	Percent Change	Feb-14	Feb-15	Percent Change
All homes						
Los Angeles	4,595	4,479	-2.50%	\$426,000	\$465,000	9.20%
Orange	2,105	2,074	-1.50%	\$567,000	\$590,750	4.20%
Riverside	2,443	2,349	-3.80%	\$285,000	\$305,000	7.00%
San Bernardino	1,843	1,631	-11.50%	\$225,000	\$250,000	11.10%
San Diego	2,541	2,568	1.10%	\$410,000	\$440,000	7.30%
Ventura	500	549	9.80%	\$432,000	\$460,000	6.50%
SoCal	14,027	13,650	-2.70%	\$383,000	\$415,000	8.40%

Source: CoreLogic DataQuick. Data available at DQNews.com
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