

# **Southern California Home Sales and Median Sale Price Rise**

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CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider, today released its December Southern California housing market report. The number of homes sold increased sharply from the month of November and rose modestly from the same time a year earlier, marking one of just two months in 2014 to post a year-over-year gain in sales. The region's median sale price also increased from November and rose year over year for the 33rd consecutive month, although that annual gain was the lowest since the string of price increases began in spring 2012.

A total of 19,205 new and resale houses and condos sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties in December 2014. That was up month over month 22.8 percent from 15,643 sales in November 2014, and up year over year 4.3 percent from 18,415 sales in December 2013, according to CoreLogic DataQuick data.

Sales usually increase from November to December. On average, Southern California sales have risen 13.1 percent between those two months since 1988, when CoreLogic DataQuick data began. On a year-over-year basis, sales in 2014 fell each month except in September (+1.2 percent) and December.

The total number of homes sold in Southern California in all of 2014 fell 8.7 percent compared with 2013.

December home sales have ranged from a low of 13,240 in 2007 to a high of 36,865 in 2003. December 2014 sales were 20.2 percent below the December average of 24,067 sales since 1988.

"One month doesn't make a trend, but December's uptick in home sales might indicate renewed interest in housing thanks to lower mortgage rates and job growth in recent months," said Andrew LePage, data analyst for CoreLogic DataQuick. "The gain came despite a continued decline in the share of homes sold to investors and cash buyers. If demand continues to build we'll need more supply to keep up with it. One of the big questions hanging over the housing market is whether higher demand and home values will lead to a lot more people listing their homes for sale, as well as more new-home construction, which remains well below average."

The median price paid for all new and resale houses and condos sold in the six-county region in December 2014 was \$415,000, up 0.7 percent month over month from \$412,000 in November and up 5.1 percent year over year from \$395,000 in December 2013. The median hasn't moved much since September 2014, when it was \$413,000. The median's peak for 2014 was \$420,000 in August.

The region's median sale price has increased on a year-over-year basis for the past 33 consecutive months, but the 5.1 percent annual gain in December 2014 was the smallest since April 2012, when the \$290,000 median rose 3.6 percent from a year earlier.

Southern California's December 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 December 2014 median in Orange County (\$591,000) was the closest – within about 8 percent – to its peak of \$645,000 in June 2007.

Home prices in Southern California have been rising at different rates depending on price segment. In December, the lowest-cost third of the region's housing stock experienced a 12.9 percent year-over-year increase in the median price paid per square foot for resale single-family detached houses. The annual gain was 6.3 percent for the middle third of the market and 2.3 percent for the top, most-expensive third.

The number of homes that sold for \$500,000 or more in December 2014 rose 10.1 percent compared with December 2013. Sales below \$500,000 rose 3.4 percent year over year, and sales below \$200,000 dropped by 20.6 percent.

## Among the other Southern California housing market highlights from December 2014:

- Foreclosure resales represented 5.0 percent of the resale market in December. That was down from a revised 5.5 percent in November 2014 and down from 5.8 percent in December 2013. 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 6.2 percent of resales in December, down from a revised 6.4 in November 2014 and down from 10.2 percent in December 2013. Short sales are transactions in which the sale price fell short of what was owed on the property.
- Absentee buyers – mostly investors – bought 23.4 percent of the homes sold in December. That was down from a revised 23.8 percent in November 2014 and down from 26.9 percent in December 2013. The December 2014 absentee level ties the October 2014 level as the lowest for any month since October 2010, when 22.1 percent of homes were sold to absentee buyers. 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 23.8 percent of December home sales, down from a revised 24.3 percent in November 2014 and down from 28.8 percent in December 2013. The December 2014 cash level was the lowest for any month since January 2009, when 22.0 percent of homes were bought with cash. The peak was 36.9 percent in February 2013, and the monthly average since 1988 is 16.7 percent.
- Southern California home buyers committed a total of \$4.43 billion of their own money in the form of down payments or all-cash purchases in December. That was up from a revised \$3.47 billion in November 2014. The out-of-pocket total peaked in May 2013 at \$5.41 billion.
- Jumbo loans, or mortgages above the old conforming limit of \$417,000, accounted for 31.3 percent of purchase lending in December, up from a revised 30.5 percent in November 2014 and up from 28.5 percent in December 2013. The July/August 2014 level of 32.3 percent was the highest since the credit crunch struck in August 2007. Prior to August 2007, jumbo loans accounted for around 40 percent of the home-loan market. The jumbo level dropped to as low as 9.3 percent in January 2009.
- Adjustable-rate mortgages (ARMs) represented 12.1 percent of home purchase loans in December, up from 12.0 percent in November 2014 and down from 13.0 percent in December 2013. The ARM share dropped to as low as 1.9 percent of home purchase loans in May 2009. Since 2000, a monthly average of about 30 percent of purchase loans have been ARMs.
- All lenders combined provided a total of \$6.19 billion in mortgage money to Southern California home buyers in December, up from a revised \$4.88 billion in November 2014 and up from \$5.40 billion in December 2013.
- The typical monthly mortgage payment for Southern California home buyers in December was \$1,558, down slightly from \$1,560 in November 2014 and down from \$1,594 in December 2013. Adjusted for inflation, the December 2014 typical payment was 35.6 percent below the typical payment in the spring of 1989, the peak of the prior real estate cycle. It was also 47.3 percent below the current cycle's peak in July 2007.

## Total December Home Sales in Selected Southern California Counties

Homes Sold	Median Sale Prices
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<b>All homes</b>	<b>Dec-13</b>	<b>Dec-14</b>	<b>Percent Change</b>	<b>Dec-13</b>	<b>Dec-14</b>	<b>Percent Change</b>
Los Angeles	6,240	6,459	3.50%	\$430,000	\$460,000	7.00%
Orange	3,089	2,880	-6.80%	\$570,000	\$591,000	3.70%
Riverside	3,068	3,466	13.00%	\$280,000	\$300,000	7.10%
San Bernardino	2,154	2,333	8.30%	\$232,000	\$255,000	9.90%
San Diego	3,099	3,290	6.20%	\$420,000	\$440,000	4.80%
Ventura	765	777	1.60%	\$449,500	\$477,250	6.20%
<b>SoCal</b>	<b>18,415</b>	<b>19,205</b>	<b>4.30%</b>	<b>\$395,000</b>	<b>\$415,000</b>	<b>5.10%</b>

Source: CoreLogic DataQuick. Data available at DQNews.com  
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