

# Our Neighborhood News

August 2003

"Enthusiasm finds the opportunities and energy makes the most of them." -Henry Hoskins

## Tight Inventory, Record Prices Affect Valley Home Sales

Reprinted with permission Southland Regional Board of Realtors® - REALTOR® REPORT

An extremely limited inventory restrained sales of existing single-family homes during June throughout the San Fernando Valley, but 2003 is still expected to end as the second most active year for residential real estate since 1989, the Southland Regional Association of REALTORS® reported.

The first six months of the year concluded with 6,560 home sales, down 4.8 percent from the 6,889 sales reported during the first half of 2002.

"Even unprecedented demand for housing fueled by a housing shortage and the lowest interest rates in 40 years cannot push sales higher if there are not enough properties listed for sale," said Tom Carnahan, president of the Southland Regional Association of REALTORS®. "The market is still exceptionally busy and months ago we predicted that a lack of inventory could put a brake on sales. We just didn't expect the

inventory would drop this low."

At the end of June there were 2,653 active listings on the Multiple Listing Service serving the region. That represents less than a 1.7-month supply at the current pace of sales.

"The ideal market, where neither buyer nor seller has an advantage, would have more than 8,000 active listings," Carnahan said.

A total of 1,205 single-family homes closed escrow last month, down 8.8 percent from a year ago, according to statistics maintained by the Southland Regional Association of REALTORS®.

"There are not enough homes in the San Fernando Valley to satisfy demand," Link said, "but the housing shortage is accentuated and the upward pressure on prices heightened when the inventory vanishes."

The median price of single-family homes soared to new

heights during June with each category posting record highs. The single-family median of \$373,500 jumped 16.7 percent from a year ago. It beat the former record of \$367,500, set this May, by 1.6 percent. The prior record of \$230,000 was set this May. Even with steadily rising resale prices, Link and Carnahan said choice properties continue to sell within days or weeks of hitting the market. The competition for the best homes is intense.

Both industry leaders expected resale activity to hold steady or perhaps even pick up as we move through the summer months.

For the first time this year, pending escrows, a measure of future resale activity, were up nearly 7 percent from a year ago. The number of open escrows also increased on a month-to-month basis with June 2003 up 2 percent from the May total.



Fun Attitude...  
**SERIOUS** Results!

**Mark Stewart, CRS**

Broker-Associate

**Lisa Stewart, e-PRO**

Realtor-Associate

"Your Neighbor since 1969"

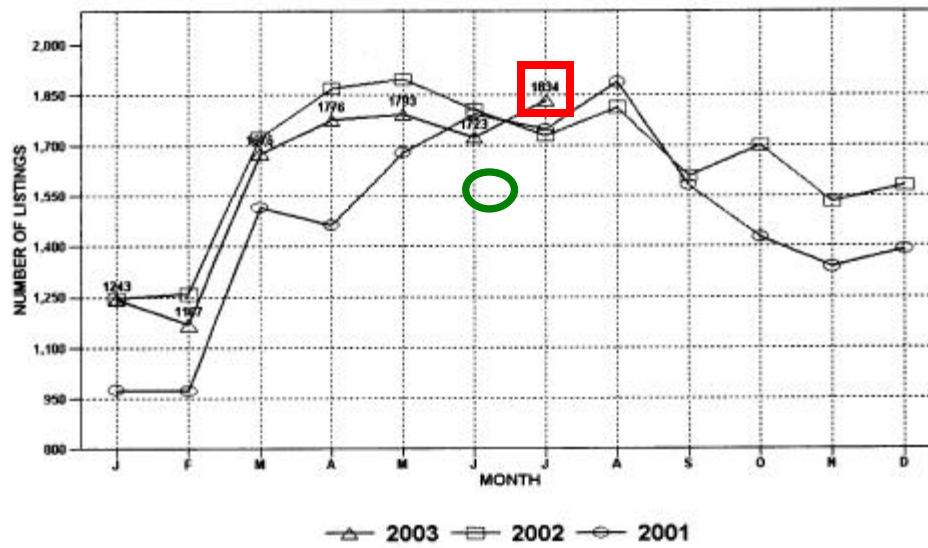
**(818) 222-9595**

MarkandLisa@SoldMedal.com



## RESIDENTIAL ESCROWS CLOSED

SRAR SFV DIVISION JULY 2003

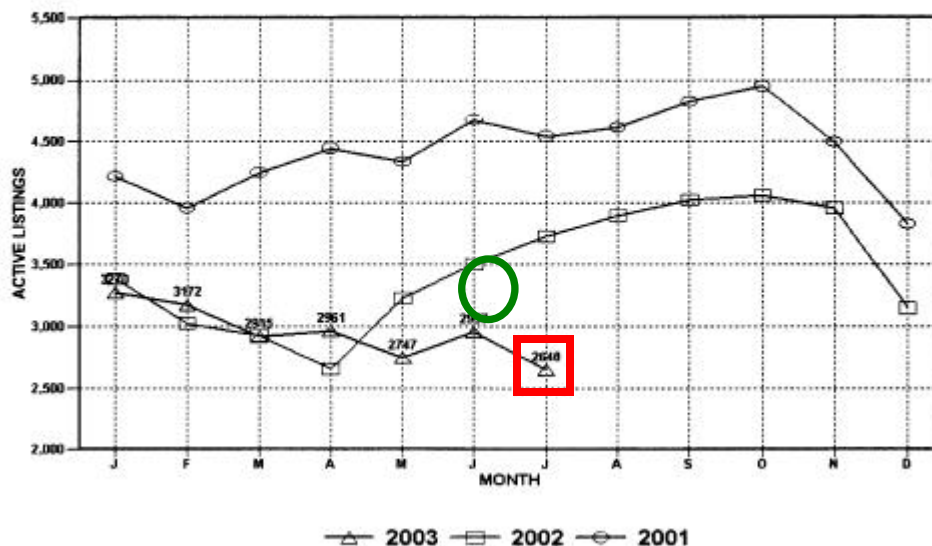


As you can see by the chart above, the number of escrows closed in the San Fernando Valley in July 2003 is **1834**.

That is a little higher than both 2002 and 2001, which appears to be about **1725**.

## RESIDENTIAL INVENTORY

SRAR SFV DIVISION JULY 2003



Our home inventory in the San Fernando Valley at the end of July 2003 stands at **2648**.

This number is quite a bit lower than last year, but substantially less than July of 2001 when we had approximately **4500** homes on the market.