

# Our Neighborhood News

June 2003

"Shoot for the moon.  
Even if you miss it you will land among the stars." --Les Brown

## Home Sales Surge as Median Price Hits Record High

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Interest rates hovering at their lowest point in nearly 50 years kept the local resale housing market busy during April even as the median price of homes sold rose to a record high, the Southland Regional Association of REALTORS® reported.

The 1,259 single-family homes that changed owners last month fell 3.9 percent from the figure reported a year ago, but it was still the third highest total for April behind only the 1,310 sales of April 2002, and the record high for the month of 1,396 set in April 1986. April sales also were 10.2 percent ahead of the 1,142 sales posted this March.

"Some people expect to see a crack, a slowdown, in this incredibly strong sellers' market," said Tom Carnahan, president of the association, "but today's low interest rates further fuel the already heavy demand. April was a good month and we believe there are many more great months ahead".

Heavy sales activity and continued interest from prospective buyers continues even as the median price of homes surge higher.

The \$356,000 median price of the 1,259 homes sold last month jumped 21.5 percent from a year ago; and 3.8 percent ahead of the March 2003 median. It beat the prior record high median of \$343,000 established just one month earlier.

"A 22 percent jump in the median resale price is ridiculous and cannot be sustained" Carnahan said. "A single-digit increase is reasonable, but double-digit gains eventually yield problems for the local market as more buyers are priced out."

Jim Link, the association's executive vice president, agreed, noting that many buyers can jump into the market at today's prices only because interest rates remain at their lowest point in a half-century.

"Repeated dips in interest rates over the last year allowed buyers to overlook some of the rapid price gains," Link said. "Low rates keep the market moving even though a severe shortage of homes listed for sale is a heavy brake on resales."

A total of 2,629 properties were listed for sale in the Association's Multiple Listing Service at the end of the month.

That was up 9.1 percent from a year ago - a typical increase as the peak home buying months approach. Still, the inventory represents a mere 1.6-month supply at the current sales pace in a region that needs a five-to six-month supply to stay in balance - that equates to more than 7,500 listings.

"Many sellers are beginning to realize they cannot ask quite as high as they would like simply because the house up the street got a good price a couple months ago," Carnahan said. "There's no clear cut turning point in sight yet, but real estate professionals and astute sellers sense that prices are beginning to hit an upper limit."

Perhaps reflecting that growing awareness - or due to lingering effects from the war with Iraq - pending sales showed a slight downturn. Pending escrows - a measure of future resale activity - fell 9.7 percent from a year ago, association statistics indicated.



**Mark Stewart, CRS**

Broker-Associate

**Lisa Stewart, e-PRO**

Realtor-Associate

**(818) 222-9595**

MarkandLisa@SoldMedal.com

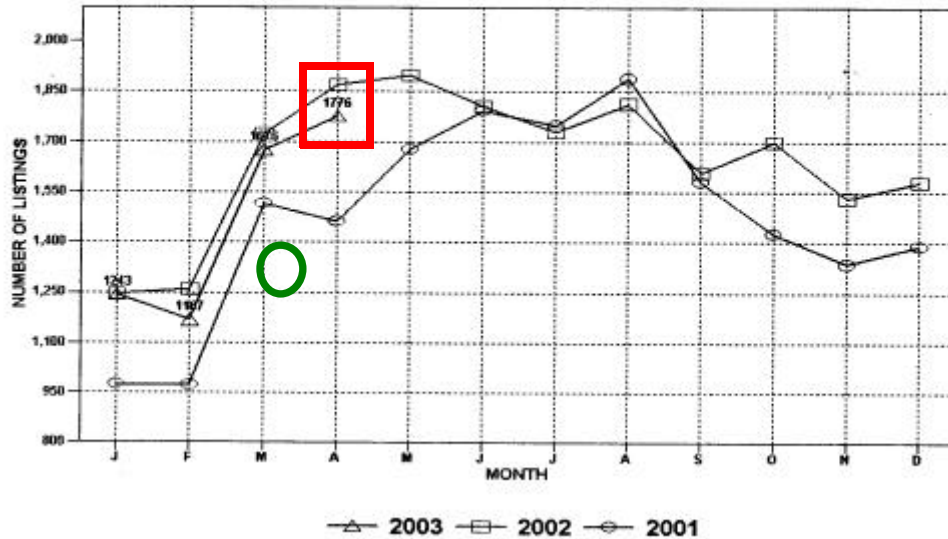
**Fun Attitude...  
SERIOUS Results!**



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see us in the neighborhood!**

## RESIDENTIAL ESCROWS CLOSED

SRAR SFV DIVISION APRIL 2003

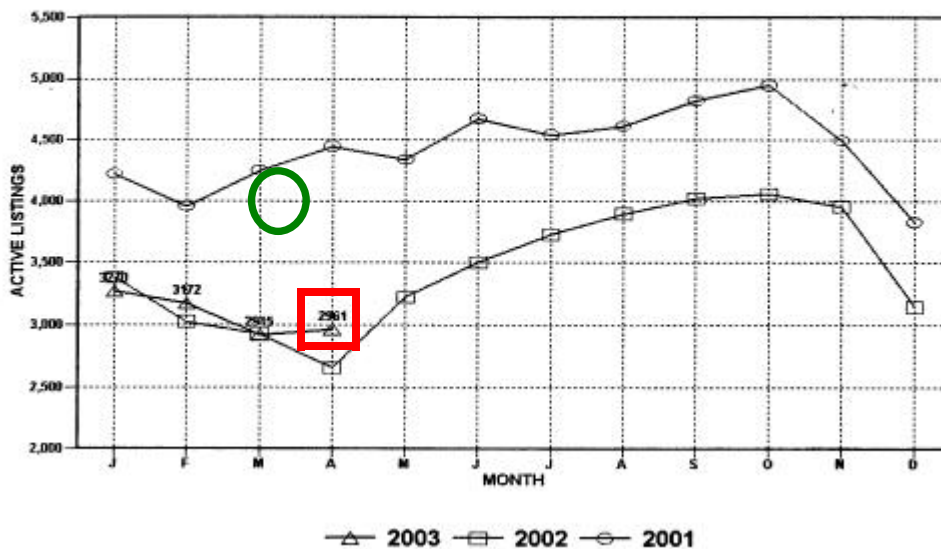


As you can see by the chart above, the number of escrows closed in the San Fernando Valley in April 2003 is **1776**.

That is a little less than last year, but an increase over April of 2001, which appears to be about **1475**.

## RESIDENTIAL INVENTORY

SRAR SFV DIVISION APRIL 2003



Our home inventory in the San Fernando Valley at the end of April 2003 stands at **2961**.

This number is slightly higher than last year, but substantially less than April of 2001 when we had approximately **4400** homes on the market.