

As Seen in the OC REGISTER

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Housing market gains some ground in April

As reported in the OC Register

More homes in escrow; inventory declines.

By JONATHAN LANSNER THE ORANGE COUNTY REGISTER

Demand for Orange County housing continues to grow, according to real estate watcher Steve Thomas.

As of Thursday, 2,540 existing homes and condos had been placed in escrow in the past 30 days, a gain of 677 vs. a year ago and just 161 homes short of the reading in late April 2006.

Thomas says the figures suggest that when these deals are completed in the next two months, the county will see an end to its home buying losing streak that – according to DataQuick – has run 31 months, dating to September 2005.

Thomas, of Re/Max Real Estate Services in Aliso Viejo, also calculates a “market time” benchmark that tracks how many months it would take to sell all the inventory in the local MLS for-sale listings at the current pace of pending deals being made.

By this logic, it would take 6.08 months for buyers to gobble up all homes for sale at the current pace vs. 6.55 months two weeks earlier and 8.33 months a year ago.

“What changed? The answer is quite simple. The significant drop in prices has allowed buyers that have been sitting on the fence to finally afford to buy once again,” Thomas says. “After being priced out of the market with rampant appreciation earlier this decade, affordability is finally improving and inviting buyers that have been waiting a long time to finally purchase. Properties priced below \$500,000 account for 47 percent of the entire active inventory and 56 percent of demand.”

Thomas says the hottest markets, based on the time it takes homes to sell, are Aliso Viejo and Mission Viejo.

Meanwhile, Thomas reports that the number of distressed properties – homes listed by agents as foreclosures or short sales – was 5,576 last week, up 115 vs. two weeks earlier or a 2.1 percent increase.

As a percent of listed homes for sale, distressed properties were 36.1 percent of the market last week vs. 35.1 percent two weeks earlier and 24.2 percent at the end of 2007.

Since Dec. 27, the number of distressed homes on the market has grown 1,825, or 49 percent, while the non-distressed supply has declined 1,903, or 16 percent.

But the pace of homes listed as distressed has slowed dramatically. In the past eight weeks, 65 distressed homes per week have been added to the MLS broker database vs. 152 homes per week in the previous eight weeks, a 57 percent decline.