

Southern California Housing Update

*Home Price Index(HPI)**

- 2006Q1 saw the HPI rise by an annualized rate of 8.12%, which represents a significant slowdown from the 12.28% appreciation seen in 2005Q4.
- 2006Q1 HPI Appreciation was strongest in LA and the Inland Empire (17% and 16%, respectively). In contrast, San Diego's HPI grew only 1% in 2006Q1.

Housing Transactions

	# Sold, 2005			# Sold, 2006			Median Price (2005, \$1k)			Median Price (2006, \$1k)		
	May	Jun	Jul	May	Jun	Jul	May	Jun	Jul	May	Jun	Jul
All Homes												
Los Angeles	10,128	12,001	10,711	9,654	10,248	8,040	\$459	\$475	\$488	\$509	\$517	\$520
Orange County	4,548	4,898	4,341	3,113	3,608	2,779	\$590	\$603	\$601	\$635	\$646	\$639
San Diego	5,141	5,663	4,765	4,217	4,301	3,370	\$488	\$493	\$496	\$490	\$488	\$487
Riverside	5,985	6,485	5,762	5,468	5,927	4,420	\$381	\$393	\$385	\$417	\$422	\$414
San Bernardino	3,660	4,700	4,084	3,756	3,998	3,216	\$308	\$322	\$328	\$361	\$367	\$366
Ventura	1,424	1,707	1,406	1,078	1,155	887	\$569	\$584	\$579	\$586	\$627	\$634
So. California	30,886	35,454	31,069	27,286	29,237	22,712	\$465	\$465	\$469	\$485	\$493	\$492

	# Sold % Chg from prev. yr.			Median Price % Chg from prev. yr.		
	May	Jun	Jul	May	Jun	Jul
All Homes						
Los Angeles	-4.7%	-14.6%	-24.9%	10.9%	8.8%	6.6%
Orange County	-31.6%	-26.3%	-36.0%	7.6%	7.1%	6.3%
San Diego	-18.0%	-24.1%	-29.3%	0.4%	-1.0%	-1.8%
Riverside	-8.6%	-8.6%	-23.3%	9.4%	7.4%	7.5%
San Bernardino	-2.6%	-14.9%	-21.3%	17.2%	14.0%	11.6%
Ventura	-24.3%	-32.3%	-36.9%	3.0%	7.4%	9.5%
So. California	-11.7%	-17.5%	-26.9%	6.4%	6.0%	4.9%

Source: DataQuick (www.DQNews.com)

- July has seen another substantial drop in sales from last summer's levels. Sales volumes are down 30-40% from their peaks in most Southern California markets – at or slightly below sales levels in 2000.
- Aside from San Bernardino's continued strength, single digit year-over-year appreciation is the rule. San Diego's negative year-over-year appreciation has received a lot of media attention, but the number is a little bit deceptive: after hitting a plateau of just under \$500,000 last summer, median transactions prices jumped at the end of summer, and have come back down to the levels seen in early 2005. Whether this is the beginning of more substantial depreciation, or just back to flat prices after an anomalous couple of months last summer remains to be seen.

* OFHEO's Home Price Index tracks multiple sales of the same property in an effort to control for the biases that quality differences can introduce into calculating appreciation based on median prices. This makes it the preferred housing index among most academics who study real estate. Find out more at www.ofheo.gov