



August home sales and price report

September 17, 2018

California's housing market falters for fourth straight month as high home prices take toll on demand, C.A.R. reports

- Existing, single-family home sales totaled 399,600 in August on a seasonally adjusted annualized rate, down 1.8 percent from July and down 6.6 percent from August 2017.
- August's statewide median home price was \$596,410, up 0.8 percent from July and up 5.5 percent from August 2017.
- Statewide active listings rose for the fifth consecutive month, increasing 17.2 percent from the previous year.

LOS ANGELES (Sept. 17) – California's housing market dropped below the 400,000-level sales benchmark for the first time in more than two years as high home prices and eroding affordability combined to cut into housing demand, the **CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.)** said today.

Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 399,600 units in August, according to information collected by C.A.R. from more than 90 local REALTOR® associations and MLSs statewide. The statewide annualized sales figure represents what would be the total number of homes sold during 2018 if sales maintained the August pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

August's sales figure was down 1.8 percent from the revised 406,920 level in July and down 6.6 percent compared with home sales in August 2017 of 427,630.

"Home sales activity remained on a downward trend for the fourth straight month as uncertainty about the housing market continues to mount," said C.A.R. President Steve White. "Buyers are being cautious and reluctant to make a commitment as they are concerned that home prices may have peaked and instead are waiting until there's more clarity in the market."

The statewide median home price edged up to \$596,410 in August. The August statewide median price was up 0.8 percent from \$591,460 in July and up 5.5 percent from a revised \$565,320 in August 2017.

"While home prices continued to rise modestly in August, the deceleration in price growth and the surge in housing supply suggest that a market shift is underway," said C.A.R. Senior Vice President and Chief Economist Leslie Appleton-Young. "We are seeing active listings increasing and more

price reductions in the market, and as such, the question remains, 'How long will it take for the market to close the price expectation gap between buyers and sellers?'"

Other key points from C.A.R.'s August 2018 resale housing report include:

On a regionwide, non-seasonally adjusted basis, the Southern California region led the state's sales decline, falling 8.0 percent from a year ago. San Diego experienced a double-digit decline of 10.4 percent, while Orange and Los Angeles counties posted smaller declines of 9.7 percent and 8.9 percent, respectively.

Sales in the Bay Area inched up 0.3 percent from July and declined 6.5 percent from August 2017. While Marin and Napa counties posted significant gains, they make up a small percentage of the region's overall sales. Every other Bay Area county experienced a sales decline with San Mateo performing relatively better than the others, recording a modest 1.8 percent annual decline. San Francisco County saw a double-digit sales drop, and sales in Santa Clara County decreased 8.2 percent. Sales in Contra Costa County were down by more than 10 percent in August, while Solano and Sonoma fell by 8.9 percent and 7.7 percent, respectively.

Sales in the Inland Empire were down 5.6 percent from a year ago, with Riverside and San Bernardino counties recording an annual sales decline of 6.6 percent and 4.3 percent, respectively.

Although Kern and Merced counties posted annual sales gains slightly better than 10 percent, sales for the Central Valley Region as a whole were down 5.5 percent from a year ago. Every other county of the region was flat or down from a year ago.

The Bay Area continues to see prices climb ever-higher with many markets experiencing double-digit growth in closed-sale prices. However, this may be a reflection of the fact that most of the growth in transactions has come from the top end of the market, which could cause larger swings in the median price. Alameda, Napa, San Francisco, Santa Clara, and Solano counties all recorded double-digit, year-over-year price gains.

Home prices in Southern California also rose even as sales faltered. That home prices continue to rise modestly suggests that demand has not eroded completely, rather it has eased slightly. Every county in the region recorded price growth from a year ago.

Statewide active listings rose for the fifth consecutive month after 33 straight months of declines, increasing 17.2 percent from the previous year. August's listings increase was the biggest in nearly four years.

Much of the listings increase is attributable to lower-priced properties. The number of homes available for sale and priced below \$750,000 grew more than twice as much as homes priced above that price level.

The unsold inventory index, which is a ratio of inventory over sales, rose again in August from 2.9 months from August 2017 to 3.3 months in August 2018. The index measures the

number of months it would take to sell the supply of homes on the market at the current sales rate.

The median number of days it took to sell a California single-family home ticked up from 18 days in August 2017 to 21 days in August 2018.

C.A.R.'s statewide sales price-to-list price ratio* was essentially flat from a year ago at 99.5 days in August 2017 compared with 99.0 percent in August 2018. At the other end of the spectrum, the sales price-to-list price ratio in nearly every county of the Bay Area exceeded 100 percent, indicating a tight supply of available homes for sale.

The average statewide price per square foot** for an existing, single-family home statewide was \$283 in August, up from \$268 in August 2017.

The 30-year, fixed-mortgage interest rates averaged 4.55 percent in August, up from 3.88 percent in August 2017, according to Freddie Mac. The five-year, adjustable mortgage interest rate also increased in August to an average of 3.87 percent from 3.15 from August 2017.

Note: The County MLS median price and sales data in the tables are generated from a survey of more than 90 associations of REALTORS® throughout the state and represent statistics of existing single-family detached homes only. County sales data are not adjusted to account for seasonal factors that can influence home sales. Movements in sales prices should not be interpreted as changes in the cost of a standard home. The median price is where half sold for more and half sold for less; medians are more typical than average prices, which are skewed by a relatively small share of transactions at either the lower-end or the upper-end. Median prices can be influenced by changes in cost, as well as changes in the characteristics and the size of homes sold. The change in median prices should not be construed as actual price changes in specific homes.

*Sales-to-list price ratio is an indicator that reflects the negotiation power of home buyers and home sellers under current market conditions. The ratio is calculated by dividing the final sales price of a property by its last list price and is expressed as a percentage. A sales-to-list ratio with 100 percent or above suggests that the property sold for more than the list price, and a ratio below 100 percent indicates that the price sold below the asking price.

**Price per square foot is a measure commonly used by real estate agents and brokers to determine how much a square foot of space a buyer will pay for a property. It is calculated as the sale price of the home divided by the number of finished square feet. C.A.R. currently tracks price-per-square foot statistics for 50 counties.

Leading the way...® in California real estate for more than 110 years, the CALIFORNIA ASSOCIATION OF REALTORS® (www.car.org) is one of the largest state trade organizations in the United States with more than 190,000 members dedicated to the advancement of professionalism in real estate. C.A.R. is headquartered in Los Angeles.

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August 2018 County Sales and Price Activity
(Regional and condo sales data not seasonally adjusted)

August 2018	Median Sold Price of Existing Single-Family Homes						
State/Region/County	August 2018	July 2018	August 2017		Price MTM% Chg	Price YTY% Chg	Sale MTM Chg
Calif. Single-family home	\$596,410	\$591,460	\$565,320	r	0.8%	5.5%	-1.8
Calif. Condo/Townhome	\$474,570	\$486,330	\$446,850	r	-2.4%	6.2%	2.1
Los Angeles Metro Area	\$525,000	\$535,000	\$500,000	r	-1.9%	5.0%	3.2
Inland Empire	\$356,000	\$365,000	\$337,000	r	-2.5%	5.6%	4.6
San Francisco Bay Area	\$935,000	\$980,000	\$850,000		-4.6%	10.0%	0.3
Central Coast	\$675,280	\$700,000	\$635,000		-3.5%	6.3%	11.0
Central Valley	\$325,000	\$328,250	\$311,000		-1.0%	4.5%	5.0
San Francisco Bay Area							
Alameda	\$960,000	\$970,000	\$867,500		-1.0%	10.7%	-8.7
Contra Costa	\$650,000	\$680,000	\$627,860		-4.4%	3.5%	-5.2
Marin	\$1,222,500	\$1,325,000	\$1,207,120		-7.7%	1.3%	9.9
Napa	\$752,500	\$727,000	\$654,000		3.5%	15.1%	7.8
San Francisco	\$1,550,000	\$1,650,000	\$1,380,000		-6.1%	12.3%	-2.7
San Mateo	\$1,500,000	\$1,610,000	\$1,375,000		-6.8%	9.1%	-6.0
Santa Clara	\$1,295,000	\$1,351,000	\$1,150,000		-4.1%	12.6%	7.9
Solano	\$455,000	\$454,000	\$410,000		0.2%	11.0%	6.4
Sonoma	\$670,000	\$650,000	\$625,500		3.1%	7.1%	16.8

Southern California								
Los Angeles	\$607,490	\$597,520		\$570,720		1.7%	6.4%	5.5
Orange	\$838,500	\$829,000		\$789,000		1.1%	6.3%	-2.9
Riverside	\$400,750	\$408,000		\$388,500		-1.8%	3.2%	-2.0
San Bernardino	\$290,000	\$292,000		\$269,950		-0.7%	7.4%	15.4
San Diego	\$660,000	\$650,000		\$605,000		1.5%	9.1%	-1.1
Ventura	\$660,000	\$662,360		\$640,000		-0.4%	3.1%	-0.6
Central Coast								
Monterey	\$599,000	\$655,500		\$580,500		-8.6%	3.2%	8.8
San Luis Obispo	\$630,000	\$650,000		\$599,000		-3.1%	5.2%	15.0
Santa Barbara	\$572,500	\$550,000		\$631,000		4.1%	-9.3%	15.5
Santa Cruz	\$917,500	\$898,000		\$825,000		2.2%	11.2%	2.2
Central Valley								
Fresno	\$280,000	\$280,000		\$260,000	r	0.0%	7.7%	7.2
Glenn	\$225,500	\$235,000		\$225,000		-4.0%	0.2%	-29.4
Kern	\$247,000	\$250,000		\$235,100		-1.2%	5.1%	6.5
Kings	\$227,750	\$224,975		\$225,000		1.2%	1.2%	9.8
Madera	\$254,900	\$250,000		\$258,450	r	2.0%	-1.4%	-1.4
Merced	\$288,396	\$267,450		\$250,000		7.8%	15.4%	16.3
Placer	\$475,000	\$495,000		\$462,000		-4.0%	2.8%	6.8
Sacramento	\$369,950	\$370,000		\$348,000		0.0%	6.3%	4.3
San Benito	\$575,000	\$626,500		\$600,000		-8.2%	-4.2%	-13.0

San Joaquin	\$380,000	\$370,000		\$355,000		2.7%	7.0%	1.8
Stanislaus	\$319,900	\$325,000		\$294,290		-1.6%	8.7%	13.2
Tulare	\$239,000	\$239,000		\$224,900		0.0%	6.3%	-7.1
Other Calif. Counties								
Amador	NA	NA		\$334,500		NA	NA	N
Butte	\$315,000	\$315,000		\$291,000		0.0%	8.2%	14.1
Calaveras	\$340,000	\$330,000		\$345,000	r	3.0%	-1.4%	19.0
Del Norte	\$249,900	\$210,000		\$214,950		19.0%	16.3%	-8.7
El Dorado	\$480,000	\$504,000		\$485,000		-4.8%	-1.0%	-6.2
Humboldt	\$315,000	\$310,000		\$316,750		1.6%	-0.6%	4.2
Lake	\$265,000	\$249,950		\$241,500		6.0%	9.7%	17.1
Lassen	\$192,500	\$185,000		\$215,000		4.1%	-10.5%	0.0
Mariposa	\$315,000	\$325,500		\$280,000		-3.2%	12.5%	-18.2
Mendocino	\$430,000	\$393,750		\$402,500		9.2%	6.8%	-8.1
Mono	\$880,000	\$899,500		\$386,500		-2.2%	127.7%	25.0
Nevada	\$420,000	\$419,500		\$375,000		0.1%	12.0%	0.7
Plumas	\$292,250	\$290,000		\$325,000		0.8%	-10.1%	6.7
Shasta	\$286,000	\$280,000		\$252,450		2.1%	13.3%	16.3
Siskiyou	\$216,000	\$223,000		\$212,000		-3.1%	1.9%	20.8
Sutter	\$310,000	\$294,500		\$289,000		5.3%	7.3%	12.9
Tehama	\$208,500	\$223,000		\$225,000		-6.5%	-7.3%	15.2
Tuolumne	\$331,365	\$315,000		\$292,000		5.2%	13.5%	-5.6

Yolo	\$450,000	\$430,000		\$445,000		4.7%	1.1%	2.0
Yuba	\$269,000	\$289,000		\$265,000		-6.9%	1.5%	12.6

r = revised

NA = not available

**August 2018 County Unsold Inventory and Time on Market
(Regional and condo sales data not seasonally adjusted)**

August 2018	Unsold Inventory Index				Median Time on Market		
State/Region/County	August 2018	July 2018		August 2017		August 2018	July 2018
Calif. Single-family home	3.3	3.3		2.9	r	21.0	18.0
Calif. Condo/Townhome	2.7	2.7		2.2		18.0	16.0
Los Angeles Metro Area	3.6	3.7		3.1		25.0	23.0
Inland Empire	3.8	3.9		3.3		31.0	29.0
San Francisco Bay Area	2.3	2.2		1.9		18.0	15.0
Central Coast	3.8	4.2		3.8		25.0	20.0
Central Valley	3.0	3.0		2.7		16.0	15.0
San Francisco Bay Area							
Alameda	2.0	1.7		1.6		14.0	13.0
Contra Costa	2.2	2.0		1.9		15.0	14.0
Marin	2.7	2.9		2.9	r	34.0	24.0
Napa	4.3	4.4		4.6		35.5	44.0
San Francisco	2.2	1.6		1.7		17.0	15.0

San Mateo	2.1	1.6		1.7		12.0	12.0
Santa Clara	2.0	2.2		1.5		13.0	11.0
Solano	2.6	2.8		2.2		32.0	32.0
Sonoma	3.4	3.9		2.6		37.0	36.0
Southern California							
Los Angeles	3.4	3.5		2.8		19.0	18.0
Orange	3.5	3.5		3.1		22.0	19.0
Riverside	3.8	3.6		3.2		31.5	28.0
San Bernardino	3.8	4.3		3.4		30.0	29.0
San Diego	3.4	3.2		2.6		18.0	14.0
Ventura	4.9	4.9		4.4		50.5	43.0
Central Coast							
Monterey	4.1	4.4		4.2		23.0	24.0
San Luis Obispo	3.8	4.5		3.9		31.0	23.5
Santa Barbara	4.0	4.6		3.7		31.0	25.0
Santa Cruz	3.1	3.1		3.3		17.5	13.0
Central Valley							
Fresno	3.1	3.1		2.9	r	13.0	13.0
Glenn	6.9	4.3		4.2		64.5	20.0
Kern	2.9	3.1		3.3		17.0	20.0
Kings	2.8	3.0		2.4		23.0	22.5
Madera	5.4	5.1		4.4	r	41.0	27.0

Merced	2.7	2.9		2.6		17.0	25.0
Placer	2.8	2.9		2.5		17.0	14.5
Sacramento	2.7	2.6		2.4		14.0	12.0
San Benito	4.4	3.3		2.6		38.0	12.5
San Joaquin	3.1	2.8		2.5		17.0	15.0
Stanislaus	2.9	3.2		2.4		16.0	16.0
Tulare	3.8	3.4		3.7		28.0	23.0
Other Calif. Counties							
Amador	NA	NA		6.0		NA	NA
Butte	3.0	3.4		2.5		18.0	18.0
Calaveras	5.2	5.9		4.8		61.0	40.0
Del Norte	6.7	6.1		7.2		125.0	82.0
El Dorado	4.0	3.7		3.5		37.5	28.0
Humboldt	5.5	5.7		4.9		22.0	19.0
Lake	5.5	6.3		5.1		40.0	38.0
Lassen	5.8	5.8		8.1		65.0	93.0
Mariposa	9.1	6.5		4.8		28.0	52.0
Mendocino	8.4	7.8		6.6		54.0	59.5
Mono	7.5	9.1		9.2		84.0	78.5
Nevada	4.5	4.6		3.9		24.0	23.0
Plumas	8.1	8.7		8.0		94.0	66.0
Shasta	4.0	4.5		4.1		32.0	18.0

Siskiyou	5.7	6.8		6.9		29.0	32.0
Sutter	3.1	3.5		2.8		18.0	15.0
Tehama	6.8	7.5		6.4		53.5	38.0
Tuolumne	5.7	5.1		4.4		32.0	22.0
Yolo	2.8	2.7		2.4		14.0	11.0
Yuba	2.6	2.6		3.0		18.0	13.0

r = revised

NA = not available