



Renee Baccaro's Market Summary



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California Market Report

<i>March, 2009</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	624,940	548,090	311,160	14.0%	100.8%
Median Home Price	\$254,350	\$281,180	\$427,200	-9.5%	-40.5%
Unsold Inventory Index	6.7 months	5.6 months	16.6 months	19.6%	-59.6%
Median Days On Market	49.9	46.2	70.8	8.0%	-29.5%
30-Year Fixed Mortgage	5.05%	5.29%	5.76%	-0.24%	-0.71%

Source for statistics: California Association of Realtors

California Market Analysis



As the global economic woes continue, there are encouraging signs that the real estate market in California is on the rebound. The closed sales for January 2009 were up 84.9% from January 2008. Even more telling was the number of sales in January: 624,940. This is the most since October 2005. Approximately 85% of the sales are occurring under \$500,000. Statistics are now showing that prices in 2009 are comparable to 2001. Currently, there is a 6.7-month supply of inventory. This reflects that if no new listings came on the market, it would take 6.7 months to sell the current inventory; normal is considered around 6 months. Another encouraging sign is that conforming interest rates have dropped below 5% for some loan programs, which puts them at a 40-year low. So, who will benefit most from this opportunity? Sellers with enough equity for a down payment on a move-up property. They may have to sell for less than they want, but the attractive values on the move-up will more than make up for the loss on the selling side. Also, buyers who were priced out of the market a few years ago have a renewed opportunity to enter the market with prices 35-40% lower. There is also a great opportunity for investors to come back into the real estate market. With the stock market down over 50% from its high in late 2007, and CD's below 3%, real estate is again looking like a very good investment. What may be a difficult market for some is creating opportunities for others.

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