



Renee Baccaro's Market Summary



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California Market Report

<i>May, 2009</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	522,980	622,820	319,290	-16.0%	63.8%
Median Home Price	\$253,040	\$247,590	\$414,520	2.2%	-39.0%
Unsold Inventory Index	5.0 months	6.5 months	12.2 months	-23.1%	-59.0%
Median Days On Market	48.3	51.5	56.8	-6.2%	-15.0%
30-Year Fixed Mortgage	5.00%	5.13%	5.97%	-0.13%	-0.97%

Source for statistics: California Association of Realtors

California Market Analysis



Currently, there is a unique disparity within the real estate market. Properties priced under \$500,000 are considered to be in a "hot" market while properties above \$500,000 have not yet recovered. With readily available financing and attractive loan programs for investors and first-time home buyers, the lower price range is seeing increased demand. However, the increased activity in this price range and the moratorium on foreclosures from December through February have reduced the inventory significantly. Now that the moratorium has been lifted, look to see more homes coming on the market over the next few months. This new inventory and the \$8,000 tax credit for first-time home buyers should help to keep the under-\$500,000 market active. However, the market over \$500,000 continues to struggle, especially in the \$1,000,000-plus price range. Two recent occurrences should help this market begin to recover; the conforming loan limit has been increased to \$729,750, and jumbo financing (which had dried up) has once again become available. Since the market is more active in the lower price ranges and slower in the higher price ranges, there is a tremendous opportunity for move-up buyers as they can buy in a slower market than the one in which they will be required to sell. Combine that incentive with interest rates of less than 5%, and we may never see another opportunity like this for the move-up buyer.

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