



# Paul Du Ross' Market Summary

## California Market Report

<i>October, 2009</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	526,970	555,440	483,400	-5.1%	9.0%
Median Home Price	\$292,960	\$285,480	\$352,730	2.6%	-16.9%
Unsold Inventory Index	4.3 months	3.9 months	7.0 months	10.3%	-38.6%
Median Days On Market	35.2	39.9	47.6	-11.8%	-26.1%
30-Year Fixed Mortgage	5.19%	5.22%	6.48%	-0.03%	-1.29%

Source for statistics: California Association of Realtors

## California Market Analysis

White House spokesman Robert Gibbs just announced that President Obama supports an extension of the \$8,000 first-time homebuyer's tax credit along with prolonging job loss benefits and healthcare subsidies for unemployed workers. Recently there has been evidence that the Senate has bipartisan support for the extension as well. This is especially good news considering that the California Association of Realtors® Homebuyer Survey indicated that 40% of first-time homebuyers who purchased a home in 2009 would not have purchased had the credit not been available. The California Association of Realtors® released their 2010 Housing Forecast on October 7th. Some of the predictions are as follows:

- \* The median home price will rise by 3.3%
- \* Sales are projected to decrease by 2.3% from 540,000 in 2009 to 527,000 in 2010.
- \* A tale of two markets is projected – a hot market in the more affordable price ranges, and a slow market in the upper-end market.
- \* Interest rates will average 5.6% in 2010 compared to 5.2% in 2009.
- \* While there is guarded optimism, there are still numerous unknowns such as how high will the volume grow of foreclosures, loan modifications and the unemployed? And will the state's budget problems get resolved?

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