



Markets

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SoCal Home Sales Plunge in October

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LOS ANGELES — Southern California home sales plunged last month to the lowest level for October in more than 20 years, with many potential buyers scared away by falling prices in all six counties surveyed, a real estate data firm said Wednesday.

In all, 12,999 new and resale homes were sold last month in Ventura, Los Angeles, Orange, San Diego, San Bernardino and Riverside counties, down 45.3 percent from 23,745 in the year-ago month, according to DataQuick Information Systems.

"A lot of potential buyers seem to be waiting this one out," Marshall Prentice, president of DataQuick, said in a statement. "It's hard to buy a home when you think it might lose value, especially when you have to borrow money to do it."

Sales climbed by 4.4 percent from September, but it was still the slowest October since DataQuick began keeping records in 1988. The previous low came in October 1992, when 16,887 homes were sold.

The October sales average is 24,725 homes.

The region's median home price last month fell to \$444,000, down 3.9 percent from September and 8 percent from October 2006, DataQuick said.

The figure marked the lowest median price since April 2005.

Riverside County posted the sharpest drop, declining 15.1 percent from the year-ago period to \$350,000. The price in San Bernardino County fell 9.6 percent to \$330,000.

Los Angeles County, which has generally remained more resistant to declines than other counties, saw its median price fall by 3.8 percent to \$500,000.

In San Diego County, the median price dropped 6.1 percent to \$460,000, while Ventura County saw the figure plummet 9.3 percent to \$535,000.

Orange County posted an 8.2 percent decline to \$573,750.

October's drop followed another 20-year record decline for September.

Turmoil in the mortgage industry due to rising loan defaults has contributed to the slump.

Many lenders have tightened underwriting guidelines, closing off access to affordable financing for many buyers who would have qualified for a loan just a few months ago.

Lenders have also cut back on so-called jumbo loans exceeding \$417,000 — the current limit on the amount that government-backed mortgage companies Fannie Mae and Freddie Mac will buy from lenders.

Those restrictions have stung would-be buyers in Southern California, where homes often sell for more than \$417,000.

Home sales financed by jumbo loans have declined by more than 60 percent recently, DataQuick said.

Statewide home sales figures for October were expected to be released Thursday.


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