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South Bay home prices spike in April

By Muhammed El-Hasan Business Writer

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Local home prices spiked in April, mirroring a statewide trend, according to a report released Monday.

The median price of all types of homes sold in the South Bay - excluding the Palos Verdes Peninsula and Carson - rose 21.5 percent last month, compared to April of last year, the California Association of Realtors said.

The median, which represents the middle figure where half of homes sold for more and half for less, was \$550,000 in April.

On The Hill, the median price rose 14.8 percent to \$970,000 in one year.

In fact, Carson was the only local community cited in the report that saw a drop for April, of 6.2 percent to \$286,000.

In a recent report by the South Bay Association of Realtors, sales of single-family homes in the South Bay - excluding the Peninsula - rose 1 percent in April year over year. Local sales of condominiums and town homes rose 6.1 percent.

Home sales nationwide have benefited from an

\$8,000 tax credit for first-time buyers, helping to spur demand.

"Both single-family and condominium home sales are continuing their steady climb over the last several months in terms of both prices and sales volume," Paul Clark, president of the South Bay Realtors group, said in a statement. "While some local markets occasionally show fluctuation in prices and volume, we are hopeful that the overall South Bay trends will point toward a sustainable economic recovery."

Horrell Realtors agent John

Parsons said the local housing market appears to be stabilizing after the slump of the past few years. He has noticed more people visiting open houses lately.

However, Parsons cautioned against reading too much into the spike in median prices, explaining the dramatic increase could be a result of more higher-end homes selling in April compared to a year earlier.

"I sure don't think the average property is worth 21 percent more than it was last year," said Parsons, who also serves as a Redondo Beach planning commissioner. "We were seeing that kind of increase when the market was spiking (during the housing bubble)."

Manhattan Beach was the priciest community cited in the statewide report, with a median of \$1,572,500, up 11.7 percent.

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Statewide, April sales and preowned, single-family homes fell 8.1 percent even as the median rose 21 percent to \$306,230.

Despite the federal tax credit, a California homebuyer tax credit that started May 1 might have led buyers to delay a purchase, said Steve Goddard, president of the statewide Realtors group.

Under the federal program, a buyer must have signed a purchase contract by the end of April, with a completed sale by the end of June.

The \$10,000 state credit is for first-time buyers or for new homes, and lasts from May through December. That allows some homebuyers to benefit from both credits.

"It's likely that the state tax credit that went into effect May 1 created an incentive for many buyers to postpone closing escrow so they could take advantage of both the state and federal tax credits that were available," Goddard, a Manhattan Beach Realtor, said in a statement. "We should see the pace of closed sales edge up in May and June as these tax-incentivized transactions close."

Goddard said statewide home sales dipped below the 500,000-unit level on an annualized basis for the first time in 19 months.

Supply issues may help explain that dip since demand for low-cost foreclosed homes far

exceeded supply, he said.

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