



November 2009

Median Price Up Year-over-Year

The median price for single-family, re-sale homes fell 4.3% in October from September. But, for the second month in a row, the median price was up year-over-year: 4.6%.

Sales of single-family, re-sale homes were up 12.4% from September, and up 22.9% year-over-year. Year-to-date, home sales are up 15.5%.

Inventory of single-family, re-sale homes fell for the fifteenth month in a row in October : down 49% year-over-year.

Pending sales dipped from September, down 1.5%, but were up 103% year-over-year.

Days of Inventory fell 26 days to 102 days. In a balanced market, the

supply of homes is usually around five to six months. For condos, the indicator rose 53 days to 203 days.

The sales price to list price ratio dropped a full point to 98.8%.

Trends at a Glance (Single-family Homes)			
	Oct 09	Sep 09	Oct 08
Median Price:	\$518,000	\$541,000	\$495,000
Average Price:	\$572,403	\$607,568	\$561,961
Units Sold:	172	153	140
Inventory:	607	677	1,191
Sale/List Price Ratio:	98.8%	99.8%	97.7%
Days of Inventory:	102	128	247
Days on Market:	77	62	76

Condo sales dropped 29.4% month-over-month, and were off 17.2% compared to last October . Year-to-date, condo sales are up 3%.

The median price for condos rose 14.3% from the month before, but

was down 0.7% compared to last October. Don't read too much into this as the small number of condo sales each month exaggerates the swings.

Condo inventory was down 32.8% year-over-year.

Pending sales for condos was up 18.5% from September, and up 71.1% year-over-year.

The real estate market is very hard to generalize. It is a market made up of many micro markets. For complete information on a particular neighborhood or property, call me.

INSIDE THIS ISSUE:

- EXTENSION OF FEDERAL TAX CREDIT PASSES **1**
- MORTGAGE RATE OUTLOOK **2**
- CITY STATISTICS **2**
- PENDING HOME SALES UP EIGHTH MONTH IN A ROW **3**
- CONDO STATISTICS **3**
- PRICE & SALES CHART UPCOMING EVENTS RECYCLE YOUR ELECTRONIC JUNK **4**

Extension of Federal Tax Credit passes

The tax credit will be extended through April 30, 2010, with a 60-day extension if a binding contract is in place prior to the deadline. First-time home buyers will continue to receive a tax credit of up to \$8,000, while existing homeowners will receive a reduced credit of up to \$6,500. Existing homeowners will be eligible for the \$6,500 if they have lived in their current residences for at least five years. The bill also will increase the qualifying income limits from \$75,000 for single tax filers and \$150,000 for joint filers, to \$125,000 and \$225,000, respectively. The purchase price of the home is capped at \$800,000.

The changes, among other things, are aimed at encouraging so-called "move-up buyers" to sell their first homes and buy a larger or more expensive place.

Under additional provisions in the bill, taxpayers can claim the credit on purchases completed in 2010 on their 2009 income tax returns. The bill maintains the provision that home buyers do not have to repay the credit provided the home remains their primary residence for 36 months after purchase, and waives this requirement for active duty military personnel who move due to a military order.

"The success of the home buyer tax credit and its positive impact on the real estate market is clear," said C.A.R. President James Liptak. "According to our research, nearly 40 percent of first-time buyers said they would not have purchased a home if the federal tax credit for first-time home buyers was not offered. "

California's Health Ranking

According to a new report from the nonprofit United Health Foundation, California is ranked 23rd healthiest, up from 24th in 2008.

Strengths include a low prevalence of smoking at 14.0 percent of the population, a low prevalence of obesity at 24.2 percent of the population, a low occupational fatalities rate at 3.2 deaths per 100,000 workers, a low infant mortality rate at 5.2 deaths per 1,000 live births, a low rate of cancer deaths at 173.9 deaths per 100,000 population and a low rate of preventable hospitalizations with 60.7 discharges per 1,000 Medicare enrollees.

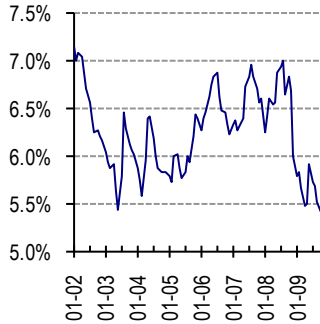
Challenges include high levels of air pollution at 13.9 micrograms of fine particulate per cubic meter, a high rate of uninsured population at 18.4 percent and a high incidence of

infectious disease at 22.2 cases per 100,000 population. California ranks lower for determinants than for health outcomes, indicating that overall healthiness may decline over time.

Significant Changes: In the past year, the percentage of children in poverty increased from 17.9 percent to 20.2 percent of children under age 18. In the past year, the high school graduation rate decreased from 74.6 percent to 69.2 percent of incoming ninth graders who graduate within four year. In the past five years, the prevalence of smoking declined from 16.8 percent to 14.0 percent of the population. In the past ten years, immunization coverage increased from 57.7 percent to 80.6 percent of children ages 19 to 35 months receiving complete immunizations.

Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



Oct. 30, 2009 -- Mortgage rates held fairly steady again this week, as the economy showed its first tentative signals that the recession is being replaced by at least a technical recovery. The good news about the economy couldn't prevent a stock market rout on Friday, but at least that selloff did produce somewhat lower Treasury yields; that could potentially help mortgage rates ease next week.

The overall average for mortgage rates as measured by HSH's Fixed-Rate Mortgage Indicator (FRMI) ticked just three basis points higher, so the average price of all loans this week -- conforming, jumbo and agency jumbo -- rose to 5.45%. The FRMI's 5/1 Hybrid ARM companion was unchanged at a 4.69% average rate for the week. Thirty-year

Jumbo FRMs put in their third week out of the last four just below the 6% level.

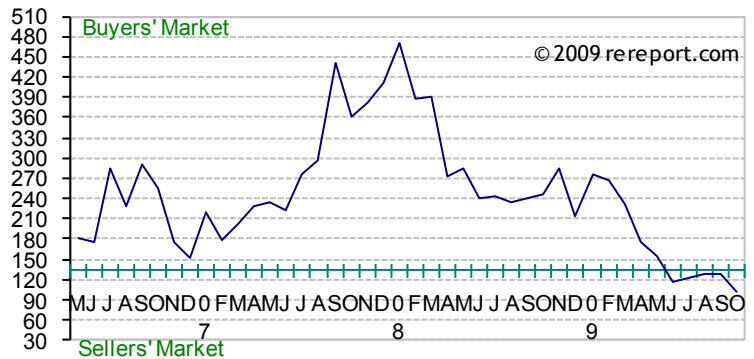
At the prodding of any number of special interests, Fannie Mae and Freddie Mac will continue to be allowed to purchase mortgages up to a maximum of \$729,750 for all of 2010. The "temporary" program allowing the GSEs to do so was slated to expire at the end of 2009, and would have been replaced with a maximum limit about \$100,000 lower.

Recall that the \$729,750 limit was originally developed as part of the Housing and Economic Recovery Act of 2008 -- using late 2007 home values. Some two years later, home values have fallen appreciably in many areas of the country, includ-

ing so-called "high-cost" areas, and these "expanded conforming" limits were supposed to be adjusted to reflect those changes in home prices. With Congress setting a permanent floor under the traditional Conforming maximum loan amount of \$417,000, the new limits -- based on the median home price in a given metropolitan area times 1.15, and subject to maximum amount no more than 150% of the traditional \$417,000 limit -- would have been capped at \$625,500 for 2010. With the decline in home prices, the number of areas in which the program is available and viable would have diminished greatly, too, which is why we didn't think that it warranted being extended for another year.

“THIRTY-YEAR
JUMBO FRMS PUT
IN THEIR THIRD
WEEK OUT OF THE
LAST FOUR JUST
BELOW THE 6%
LEVEL.”

Days of Inventory: Single-Family Homes



October Sales Statistics

Single-family Homes

	Prices		Unit		Total		Change from Last Year				Change from Last Month			
	Median	Average	Sales	Active	DOM	SP/LP	Med.	Ave.	Sales	Listed	Med.	Ave.	Sales	Listed
County	\$518,000	\$572,403	172	607	77	98.8%	4.6%	1.9%	22.9%	-49.0%	-4.3%	-5.8%	12.4%	-10.3%
Aptos	\$655,000	\$799,300	5	34	43	93.5%	12.0%	32.9%	25.0%	-39.3%	13.9%	5.8%	-44.4%	-15.0%
Capitola	\$522,000	\$554,750	4	23	106	96.3%	-53.8%	-54.4%	0.0%	-37.8%	-36.8%	-22.4%	33.3%	-11.5%
Los Gatos Mtns	\$760,000	\$660,000	3	28	45	92.6%	2.0%	-11.4%	50.0%	-40.4%	-8.7%	-20.7%	50.0%	-12.5%
Rio del Mar	\$675,000	\$883,200	10	68	149	97.5%	3.8%	32.9%	11.1%	-20.9%	-3.4%	21.6%	11.1%	-13.9%
Seacliff	\$517,500	\$513,750	4	23	76	98.3%	-23.3%	-23.9%	300.0%	109.1%	21.8%	20.9%	300.0%	4.5%
San Lorenzo Vly	\$339,900	\$376,726	27	71	76	98.8%	-19.3%	-17.8%	42.1%	-62.0%	-0.6%	6.8%	-15.6%	-5.3%
Soquel	\$552,500	\$548,800	4	33	37	101.3%	6.3%	5.2%	-33.3%	-42.1%	-0.1%	-1.4%	0.0%	-13.2%
Scotts Valley	\$743,500	\$770,365	20	65	76	97.8%	0.5%	1.5%	100.0%	-33.0%	-5.6%	-17.2%	42.9%	-4.4%
Santa Cruz	\$620,000	\$815,109	38	131	67	96.9%	-7.1%	5.7%	35.7%	-42.0%	-6.1%	12.8%	-13.6%	-14.4%
East County	\$342,500	\$456,873	22	72	81	99.7%	3.8%	7.5%	4.8%	-56.4%	-14.9%	-2.5%	57.1%	-4.0%
West County	\$353,000	\$353,000	1	17	244	96.7%	-53.2%	-53.2%	-50.0%	-41.4%	-41.7%	-52.3%	-75.0%	-19.0%
Watsonville	\$267,000	\$269,743	30	14	73	102.9%	-21.5%	-19.9%	-9.1%	-92.0%	-14.7%	-13.1%	114.3%	-22.2%

Pending Home Sales Up Eighth Month in a Row

Pending home sales rose again, marking eight consecutive monthly gains – the longest streak since measurement began in 2001, according to the National Association of Realtors®.

The Pending Home Sales Index,* a forward-looking indicator based on contracts signed in September, rose 6.1 percent to 110.1 from a reading of 103.8 in August, and is 21.2 percent higher than September 2008 when it stood at 90.9. The gain from a year ago is the largest annual increase on record, and the index is at the highest level since December 2006 when it was 112.8.

Lawrence Yun, NAR chief economist, said the momentum is understandable. “What we’re witnessing is a rush of first-time buyers trying to beat the expiration of the tax credit at the end of this month,” he said. “Home values will stabilize sooner rather than over-correcting. That, in turn, will mean wealth

stabilization for the vast number of middle-class families and lay the foundation for a durable economic recovery.”

NAR estimates approximately 3 million renters are now financially well-qualified to buy a median-priced home. “As long as buyers do not overstretch and stay well within their budget, a sizable pent-up demand can be tapped among financially qualified potential buyers,” Yun said. “Although the tax credit is greatly reviving the existing home market, new-home sales may continue to struggle as home builders hold back production to drive down inventory. In addition, there remains an ongoing credit crunch for construction loans.”

The Pending Home Sales Index in the Northeast slipped 2.0 percent to 83.6 in September but remains 16.9 percent above September 2008. In the Midwest the index rose 8.1 percent to 98.2 in September and is 17.8 percent

higher than a year ago. In the South, pending home sales increased 4.9 percent to an index of 109.7 and is 22.8 percent above September 2008. In the West the index jumped 10.2 percent to 143.8 and is 23.7 percent above a year ago.

Yun added that strong near-term reports should not be overstated. “We’re clearly not out of the woods because an excess of homes remains on the market despite recent improvements,” he said. “Although current inventory is getting closer to price equilibrium, foreclosures will continue to enter the pipeline. An extended and expanded tax credit would help absorb this incoming inventory.”

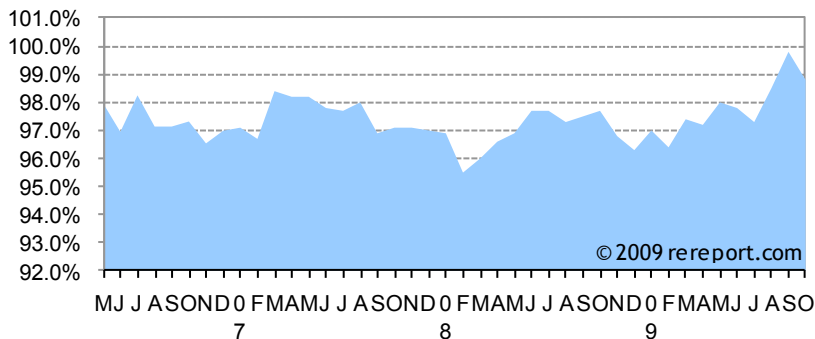
*The Pending Home Sales Index is a leading indicator for the housing sector, based on pending sales of existing homes. A sale is listed as pending when the contract has been signed but the transaction has not closed, though

the sale usually is finalized within one or two months of signing.

The index is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. In developing the model for the index, it was demonstrated that the level of monthly sales-contract activity from 2001 through 2004 parallels the level of closed existing-home sales in the following two months. There is a closer relationship between annual index changes (from the same month a year earlier) and year-ago changes in sales performance than with month-to-month comparisons.

An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined as well as the first of five consecutive record years for existing-home sales.

Santa Cruz County: Homes Sales Price/Listing Price Ratio



October Sales Statistics

Condominiums/Townhomes

	Prices		Unit		Total		Change from Last Year				Change from Last Month			
	Median	Average	Sales	Active	DOM	SP/LP	Med.	Ave.	Sales	Listed	Med.	Ave.	Sales	Listed
County	\$347,500	\$361,523	24	162	48	98.7%	-0.7%	-8.2%	-17.2%	-32.8%	14.3%	12.1%	-29.4%	-4.7%
Aptos	\$330,000	\$330,000	1	6	89	98.5%	n/a	n/a	n/a	-33.3%	-16.5%	-16.5%	-50.0%	-45.5%
Capitola	\$350,000	\$350,000	2	13	34	97.3%	23.7%	23.7%	0.0%	-27.8%	24.6%	13.2%	-50.0%	-13.3%
Rio del Mar	\$438,500	\$438,500	2	20	43	96.7%	-39.5%	-39.5%	0.0%	0.0%	-30.7%	-30.7%	0.0%	-4.8%
Scotts Valley	\$380,000	\$380,000	1	3	37	97.7%	1.3%	-10.6%	-66.7%	-78.6%	22.6%	8.9%	-66.7%	0.0%
Santa Cruz	\$400,000	\$440,278	9	56	83	97.7%	2.0%	-4.1%	-10.0%	-30.0%	6.1%	12.6%	0.0%	-3.4%
Watsonville	\$206,000	\$196,600	5	12	13	102.9%	3.0%	-6.3%	-93.0%	-78.2%	23.3%	14.7%	-81.9%	0.0%



Upcoming Events

Tandy Beal's MIXED NUTZ! The Nutcracker ReMixed featuring the music of SoVoSó

Nov. 20 to Dec. 6 (2pm and 7 pm)

Tandy Beal directs this innovative and magical take on the Nutcracker story — featuring acrobats, juggling, dance, and other visual treats with live music by acclaimed Bay Area vocal group SoVoSó (Soul...Voice...Song) performing Tchaikovsky's music a cappella! At UCSC's main stage. <http://www.santacruztickets.com>

Santa Cruz Holiday Lights Train.

November 28 (5 pm, 6:30 pm, 8 pm)

November 28 Trains at 5:00, 6:30 & 8:00pm Departs from Beach Boardwalk, 400 Beach St. Santa Cruz 831.335.4484 Ride a holiday train through Victorian Santa Cruz as you sip hot spiced cider, listen to carolers, meet Santa & Mrs. Claus.

Surfin' Santa at Capitola's Main Beach

November 29 (noon)

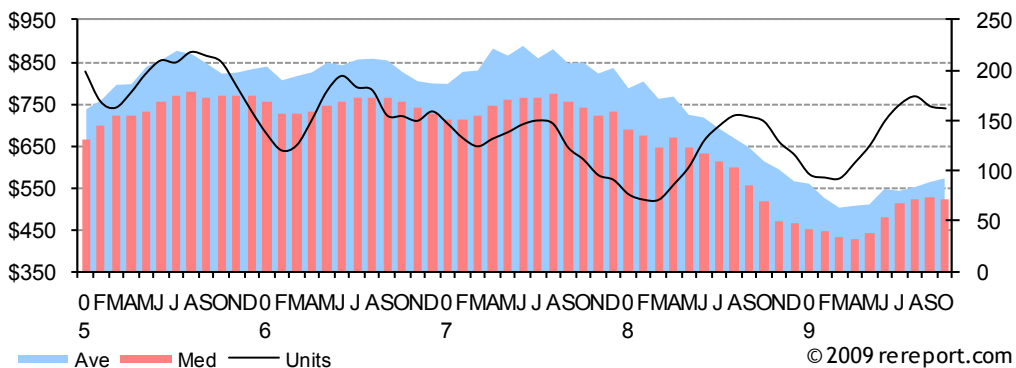
Watch Santa and his Reindeer surf into Capitola main beach at noon. Be sure to bring your camera to capture Santa's wave-riding arrival. Once Santa has dried off, he will be visiting with the kids!

Recycle Your Electronic Junk!

Got electronic junk? You can safely recycle your electronic waste at Green Acres Elementary School on Saturday, December 5th, from 9:00 to 3:00. Your outdated equipment can help raise money for 5th grade Outdoor School.

Bring your computers, monitors, printers, radios, stereos, phones, and more to 966 Bostwick Lane, between 7th Avenue and Paul Minnie Avenue in Santa Cruz. Questions? Call 408-993-9943 or go to www.earthcarerecycling.com/Recyclable_items.html to see what can be recycled. Green Acres students thank you!

Santa Cruz County Homes: Prices vs. Sales
(3-month moving average — \$000's)



Green Corner

Green Building to Support Nearly 8 Million U.S. Jobs Through 2013

Despite a challenging economic outlook, green building will support 7.9 million U.S. jobs and pump \$554 billion into the American economy—including \$396 billion in

wages—over the next four years, according to a new report.

The U.S.Green Building Council (USGBC) study by Booz Allen Hamilton also determined that green construction spending currently supports more than 2 million American jobs and generates more than \$100 billion in gross domestic product and wages.

The economic impact of the total green construction market from

2000 to 2008, the study found, contributed \$178 billion to U.S. gross domestic product; created or saved 2.4 million direct, indirect and induced jobs; and generated \$123 billion in wages.

The study considered the total impact of green buildings, from the architects who design them to the construction laborers who pour their foundations to the truck drivers who deliver materials, in recognition of

how extensive the impact of green building is, says Gary Rahl, officer of global government market for McLean, Va.-based Booz Allen Hamilton.

[Download the full study](#)

[Download a slideshow summary of the report](#)