

# July Valley Home Sales Highest in 27 Months

Southland Regional Association of Realtors® Home sales in the San Fernando Valley during July were the highest in 27 months while the median price of \$600,000 was the highest since September 2007, the Southland Regional Association of Realtors reported today.



Realtor® Gaye Rainey  
2015 President, SRAR

A total of 603 single-family homes changed owners last month, up 7.3 percent over a year ago and 4.7 percent ahead of June. While May 2013 was the last time the sales total was higher, up one sale at 604 closed escrows,

2009 was the last time the Valley had multiple months above 600 plus three months over the 700-sale benchmark.

Realtors also helped to close escrow on 200 condominium sales during July, up 1.5 percent over a year ago. It marked the second consecutive month above 200 sales, a feat last repeated in 2013 when seven months exceeded 200 sales.

“With inventory still exceptionally tight,



prices continue to rise, although at a slower pace than recent years simply because there are fewer prospective buyers who can afford to buy,” said Gaye Rainey, president of the Southland Regional Association of Realtors. “Housing affordability is a major concern, especially as demand stays strong while the inventory of homes for sale remains tight.”

The higher sales total for July was due

## ‘Housing affordability is a major concern, especially as demand stays strong while the inventory remains tight’

to typical heavy summer demand—which peaks just before schools reopen—and a desire by buyers to lock-in interest rates, which remain just above historical lows yet are expected to post modest increases over the coming year.

The median price of homes sold during July came in at \$600,000, the highest median price since September 2007. It was up 15.4 percent over a year ago July, yet remained 8.4 percent the record high of \$655,000 set in June 2007.

Similarly, the condominium median

price of \$350,000 was up 13.3 percent from July 2014, but fell less than 1 percent from the June median of \$352,000, which was the highest since November 2007. The condominium median was 15.7 percent below the record high set in February 2006 of \$415,000.

“The market is very healthy. If we had more inventory sales would be up, that’s for sure,” said Jim Link, the Association’s chief executive officer. “The market is busiest from the median price of \$600,000 and below and very strong in the

ultra-high end, which is less sensitive to the market’s ups and downs.”

The Association reported a total of 1,855 active listings at the end of July. That was down 1.0 percent from 12 months ago. At the current pace of sales the inventory represented a 2.3-month supply, down from the 2.5-month supply of July 2014. A 6-month supply is needed to bring balance to the market.

*The Southland Regional Association of Realtors® is a local trade association with more than 9,100 members serving the San Fernando and Santa Clarita valleys. SRAR is one of the largest local associations in the nation.*

## Top Brokers Share Steps to Success

Commercial real estate professionals will meet Tuesday, Aug. 25, to gain insight from a panel of industry leaders on how to successfully navigate the complicated universe of commercial transactions.

“This is a unique opportunity to here from the top people, the top of the top, in commercial real estate in California,” said Arnie Garfinkel, an organizer of the event. “It’s a chance to understand how they succeeded.”

**TOP CALIFORNIA COMMERCIAL REAL ESTATE BROKERS SHARE THEIR SUCCESS**  
• NETWORKING • EDUCATION • TEAMWORK • KNOWLEDGE



**Drew Arvay**  
DTZ  
San Jose



**Laurie Lustig-Bower**  
CBRE  
Los Angeles



**John Jennings**  
Cushman & Wakefield  
San Diego



**Jared Grant**  
Grant & Lewis  
Bakersfield



**Alan Reay**  
Atlas Hospitality  
Newport Beach

**AGENDA:**

|                      |                                       |
|----------------------|---------------------------------------|
| 10:00 am - 10:30 am: | Registration, Expo/Spotlight Sessions |
| 10:30 am - 11:15 am: | SESSION ONE - Introductions/Successes |
| 11:15 am - 11:45 am: | Expo/Spotlight Sessions               |
| 11:45 am - 12:30 pm: | LUNCHEON                              |
| 12:30 pm - 1:15 pm:  | SESSION TWO - Roundtable              |
| 1:15 pm - 1:45 pm:   | Expo/Spotlight Sessions               |

Speakers include: Drew Arvay, DTZ, San Jose; Alan X. Reay, Newport Beach; Laurie Lustig-Bower, CBRE, Los Angeles; John Jennings, Cushman & Wakefield, San Diego; and Jared Grant, Grant & Lewis, Bakersfield.

For more information and a registration form go to [www.commercialdataexchange.com](http://www.commercialdataexchange.com). The registration fee is \$20.

The Luncheon will be held from 10 a.m. to 1:45 p.m. on Tuesday, Aug. 25, at the Sportsmen’s Lodge Event Center in Studio City.

The California Commercial Real Estate Luncheon and Expo is presented by the Commercial and Investment Division of the Southland Regional Association of Realtors and made possible by a grant from the National Association of Realtors.



## Commercial Investment Two Days, Four Powerful Classes

From calculating income and expenses for income property to figuring out the after-tax return on an investment parcel, this two-day, four-class session packs the power needed to succeed.

For more information, contact Valerie at 818-947-2255 or via email at [valcrieb@srar.com](mailto:valcrieb@srar.com). The classes are set for Thursday, Sept. 10, and Friday, Sept. 11 from 9 a.m. to 4 p.m., broken into two three-hour sessions per day. They will be held at the SRAR headquarters, located at 7232 Balboa Blvd., just north of Sherman Way.

These skill-based classes are presented by CIEA and SRAR’s Commercial Investment Division.

## Affordability Drops Statewide 30% Can Afford to Buy

Surging home resale prices mean fewer California households can afford to buy, with every region except Kings County posting lower affordability during the second quarter compared to the previous quarter, the California Association of Realtors reported recently.

A sharp increase in spring housing demand elevated home prices to levels last seen in late 2007 and reduced California’s housing affordability considerably.

Thirty percent of California households could afford to purchase the \$485,100 median-priced home in the second quarter, down from 34 percent in first-quarter 2015 and unchanged from 30 percent in second quarter 2014.

Home buyers needed to earn a minimum annual income of \$95,980 to qualify for the purchase of a \$485,100 statewide median-priced, existing single-family home in the second quarter of 2015. The monthly payment, including taxes and insurance on a

30-year, fixed-rate loan, would be \$2,400, assuming a 20 percent down payment and an effective composite interest rate of 3.95 percent.

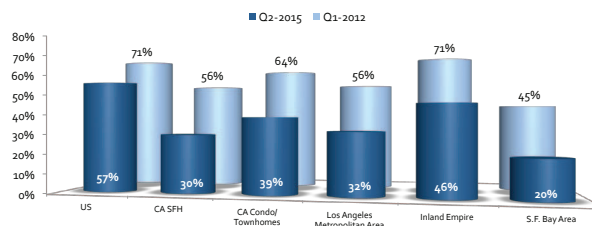
Condominiums and townhomes were more affordable than single-family homes, with 39 percent of home buyers able to purchase the \$388,250 median-priced condo or townhome. An annual income of \$76,820 was required to make a monthly payment of \$1,920. California’s housing affordability index hit a peak of 56 percent in the second quarter of 2012.

The affordability index for Los Angeles Metro area stood at 32 percent, meaning an income of \$87,180 was needed to make a \$2,180 monthly payment, including taxes and insurance, on a median-priced home of \$440,620.

Compared to the previous quarter, housing affordability declined in every region except Kings County, which held steady, primarily driven by growth in spring home prices.

### Affordability Peak vs. Current

• HAI Peak vs. Current



# THE VOICE FOR REAL ESTATE IN THE SAN FERNANDO AND SANTA CLARITA VALLEYS

[www.SRAR.com](http://www.SRAR.com) | Real Estate Questions? E-mail Gaye Rainey, SRAR 2015 President, c/o DavidW@SRAR.com

REALTOR® is a federally registered collective membership mark which identifies a real estate professional who is a Member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.