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HOUSING

California's median home price jumps 14.3% in March

A decline in the number of foreclosures and the comeback of higher-priced coastal areas drive the increase. The San Francisco Bay Area sees a 31% median-price gain.

By Alejandro Lazo

April 16, 2010

The median price paid for a California home in March jumped 14.3% compared with the same month last year, reflecting a reduction in the number of foreclosure properties on the market and the comeback of higher-priced coastal areas.

Perhaps nowhere was this more evident than in the San Francisco Bay Area, where the median increased 31% in March to \$380,000 from a recent low hit the same month in 2009, San Diego research firm MDA DataQuick said.

This week, the firm reported a 14% year-over-year jump in the Southland's median price to \$285,000 in March.

The median was up 9.7% to \$329,000 in Los Angeles County and up 12.2% to \$432,000 in Orange County.

Analysts said the Bay Area surge, in particular, had more to do with the change in the kinds of properties selling than any actual rise in property values.

"While March's big annual gain in the regional median tells us a lot about what's changed in the market, it shouldn't be viewed as evidence of surging home values," DataQuick President John Walsh said. "It's a statistical quirk."

A variety of other statistics, Walsh said, "indicate prices in many communities have more or less flattened out or risen modestly, while they remain soft in others."

Statewide, the median price paid for a home in March was \$255,000, up from \$223,000 in March 2009. It was the fifth consecutive year-over-year increase after 27 months of declines.

California's median home price increased 2.4% from \$249,000 in February, DataQuick said.

The state's median peaked at \$484,000 in early 2007 and bottomed out at \$221,000 in April 2009. The run-up in prices and then the steep fall of markets such as the Central Valley and the Inland Empire contributed

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greatly to the cratering of statewide prices last year.

Now as homes are selling in more coastal markets, inland areas are beginning to be left behind, said Daniel Penrod, a senior industry analyst with the California Credit Union League.

An estimated 37,295 new and previously occupied houses and condominiums were sold throughout California last month, an increase of 3% from the 36,215 sold in March 2009, and 16% less than the average for a March going back to 1988.

About 40.5% of the previously owned homes sold in March were foreclosures. But that was down from 44.3% of the market in February and 56.7% in March 2009.

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