

It's a buyer's market as home prices drop

Housing 2000
Real estate agents say trend likely to stick around

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COUNTY Santa Cruz County home prices dropped again last month, and real estate agents say the trend is likely to continue.

Home prices are still higher than they were a year ago at this time. Last month, the medi-

an home price was \$470,000, compared to \$415,000 in June 2000. But it's down \$60,000 from its peak in April.

And that means, real estate agents say, it's a buyer's market.

"Buyers who qualify for \$500,000 home loans are still taking those loans," said Richard Calhoun, a housing market watcher from San Jose. Calhoun compiles the statistics in his Bay Area Real Estate Market Newsletter. "But they're getting more house for their money right now."

So the days are gone when a few hundred thousand bought you a fixer-upper, said Carla Richmond, a Realtor for Century 21 Showcase in Scotts Valley.

"A few months ago, people were selling

garbage for top dollar," she said. "Now it's swung almost the other direction."

This drop is accompanied by smarter buyers, who've studied up on the cost of homes, the home loan process and what they're looking for in a house. Many, she said, delayed their home purchase until the market went down, hearing rumors that the dot-com crash would allow them to pay \$500,000 for a house that's really worth \$500,000.

Homes are staying on the market longer, as well, driving down prices. Richmond said she used to take a few minutes to check her office's market listings when they come out every Tuesday. But now that homes are on the market for an average of 87 days, she said, checking the

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inventory is a "six-hour-long ordeal."

The number of homes sold per day also has dropped to 5.4 per day from 5.8. And the percentage of sellers getting more than their asking price — which reached a high of 26 percent in February — dropped to 10 percent in June.

Brooke Moore, a Realtor for Remax Central Coast Properties in Aptos, said it all points to the end of a seller's feeding frenzy.

"We're going back to a normal market," he said. "Before it was ridiculous, with home price growth surpassing 300 percent. You can't hold that. It was going so fast that it really needed this adjustment downward."

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