



Shmuel Thaler/Sentinel

Real-estate broker Aldina Maciel shows the De La Paz family their new home on Maple Street in Watsonville.

## THROUGH THE ROOF

An occasional series on the housing crisis  
in Santa Cruz County

# Housing market begins to cool in South County

Fewer homes sold; prices falling

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WATSONVILLE — Watsonville's homes sold at slower pace and for less money than homes in other local cities did last month. While 50 homes sold within Santa Cruz city limits and 167 sold throughout the county in July, only nine sold in Watsonville.

"This is the slowest it's been here in at least the last few years," said Aldina Maciel, a real-estate broker at Century 21 Classic Properties in Watsonville. "There was nothing happening last month."

Other agents, like broker Kathy Oliver, compare the current real-estate

market in South County to the market in 1990, right after the Loma Prieta earthquake. But most attribute it to the same reason that's brought the average number of days on the market up almost double since July 2000: the dot-com crash and the savviness of today's home buyers.

"What's happened is that we've gotten into a transition period where the sellers still weren't willing to drop their asking prices and buyers weren't going to budge on how much they were willing to pay," said Oliver of Oliver Realty in Watsonville. "They were at a stalemate. Now you see a lot more 'price reduced' signs around." Please see **HOME PRICES** on **Page A12**

## Home prices

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Even though the median home price countywide jumped again in July, from \$470,000 to \$520,000, the Watsonville market saw its slump in July. The area is following a countywide trend that has already hit North County, said Brenda Wood, president of the Watsonville Association of Realtors. She said the real lull in July was for houses in the most extravagant price brackets — those listed at above \$700,000, \$800,000 and \$900,000. But anything under \$400,000 is still selling well.

"What we're seeing is that home prices are dropping to what's realistic," Wood said. "If the home sellers started high, at \$450,000, but their home was only worth \$399,000, then it wasn't going to sell."

Other agents report mixed forecasts for the rest of August and the fall. Maciel said her business this month is already picking up over last month because asking prices are going down. But Oliver said business is still slow

this month and she doesn't expect the market to pick up again until next year, since the holidays are fast approaching and the market usually slows down around October anyway.

The good news for home buyers is that home prices in Watsonville are among the lowest in the county, with July's median home price hovering around \$300,000, compared to \$410,000 in San Lorenzo Valley, \$591,000 in Aptos, \$735,000 in Soquel and a staggering \$904,000 in Westside Santa Cruz.

Market watchers, however, warn against putting too much weight in median home prices in a particular area, calling them arbitrary. Real estate agent Gary Ganges of Real Options Realty in Santa Cruz said if an expensive home in Santa Cruz sold for \$1 million in July, for instance, the median home sale price in the area jumps, even if the majority of homes on the market are modest.

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