

Housing market steady

Sales still sluggish as prices stabilize

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SANTA CRUZ — The real estate market continued its moderate pace in November, pushed by lower interest rates and prices but held back by prospective buyers' doubts about the economy, local real estate officials said.

November sales of houses fell slightly from November 1991 and fell dramatically from October. But local real estate agents said the October figures were an aberration caused by agents hustling to get deals they completed earlier in the year entered into the computer in time for a local sales contest.

"The overall market remains a little bit lackluster," said Jacalyn Gangnes, incoming president of the Santa Cruz Association of Realtors.

First-time buyers are still the largest portion of the market. But "the 'trade-up' market' remains pretty firmly mired," she said, because many people who might want to sell and buy a larger house are still waiting to see what will happen with the economy. Potential buyers are reluctant to assume larger mortgages and higher property taxes while they're unsure of their jobs, she said.

The California Association of Realtors reports that 49 percent of sales in 1992 were to first-time buyers, the highest percentage since 1981. That is both good news and bad news to real estate agents. First-time buyers create action in the market but median prices tend to fall because first-timers typically buy lower-priced houses.

The median price for a house

Local home sales

Here are figures on closed escrows in November of existing single family homes on less than one acre in Santa Cruz County with the percentage change compared with previous periods.

	Nov. '92	Nov. '91	change	Oct. '92	change
Number sold	105	115	-9%	116	-22%
Median price	\$222,500	\$245,000	-9%	\$226,500	-2%
Year-to-date	1,285	1,330	-3%	1,180	n/a
Active listings	1,183	1,391	-15%	1,266	-7%
New listings	169	n/a	n/a	194	-13%

Source: Santa Cruz Association of Realtors

that closed escrow in November dropped to \$222,500, the lowest since October 1991. It represents a 9 percent drop from a year ago and a 2 percent fall from October.

Overall, the number of sales that closed escrow in November fell 9 percent from the same month a year ago and a whopping 22 percent from October. The closed escrows represent sales that began in August and September.

Local real estate officials said the October numbers were artificially higher because Oct. 31 is the cutoff date for the annual sales contest. Based on reports from its members, the association reported that 134 sales closed in October, compared with 116 in September, 84 in August and 136 in July.

There was a big push in the last two weeks of October as agents reported deals from earlier in the year, Gangnes said. "We had an extremely unusually high number of new reports," she said.

The same thing happened in October 1991, with 124 sales being recorded, compared with 90 in September and 115 in November.

Gangnes said the trade group plans to try to get its members to enter sales into the multiple listing

computer system within 48 hours of a sale.

Several signs indicate the market has stabilized, according to real estate agents. Despite the holiday season when things tend to slow, new escrows increased in November, according to local title companies. Also the number of new listings is down as is the number of active listings.

A glut of houses on the market tends to depress prices, the local trade group said in a report.

New listings in November dropped to 169, maintaining a steady monthly decrease since July. Active listings were 1,183 in November, the lowest number in more than a year.

Howard Allen, the outgoing Realtors president contends 1992 was a good year for real estate despite fewer sales and a longer time-on-the-market before a sale. Prices have stabilized, he said, in a statement. Allen believes consumer confidence has increased. That combined with steady prices, low interest rates and first-time buyers already in the market should make the the industry strong in 1993, he said.