

Average New County Home: \$101,000

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The average price of a new home in Santa Cruz County has skyrocketed to about \$101,000, a 40.6 percent increase since June 1, 1978.

"The average typical tract home with three bedrooms and two baths now costs in the neighborhood of \$90,000," said Don Burklo of Burklo-Noblitt Realtors and a past president of the Santa Cruz County Board of Realtors. "New homes in this category are over \$90,000, while the older ones are just under that figure."

Brad Macdonald, director of public and governmental relations for the Board of Realtors, confirmed that house prices are soaring, and he warned:

"I see in the future the housing market becoming higher and tighter and this is going to have a severe impact on the schools. With prices as they are, only the wealthy can come here and these are apt to be without children, generally, and school enrollment will decline." Both he and Burklo agreed on the \$101,000 figure for an average cost of a new home in the county.

Burklo said that the pattern of home sales here has changed since last year, explaining: "Things are a little flatter than then, it is more like the normal Santa Cruz market of several years ago."

Burklo said the primary reason for skyrocketing home costs is governmental regulation that restricts building on the one hand but imposes many additional costs on the other hand.

"And I want to stress something the media seem to miss. That is, when you add to the price of a new home you add to the price of an old home. The price of a new home really sets the market price of an older home."

Former Assemblyman Paul Gann, who helped write the Jarvis-Gann Initiative (Proposition 13), is using Santa Cruz as a test case to determine the legality of the 2 percent assessment the county plans to levy on new homes to pay for lower cost housing called for by Measure J, Macdonald said. Gann is meeting with the state attorney general Thursday on this issue.

The county fee would add from \$2,000 to \$5,000 to the cost of a new home, and over a 20 year period the home buyer would pay out double or triple that amount, Macdonald said.

Housing - 1980 -