

**Median sales prices by regions**

Region	FEBRUARY		
	1983	1984	1985
Los Angeles.....	\$112,6051	\$113,287	\$114,871
San Francisco.....	\$123,719	\$123,671	*
San Diego.....	\$98,683	\$93,999	\$101,355
Orange County.....	\$130,769	\$135,958	\$131,287
Central Valley.....	\$71,917	\$72,871	\$71,882
Palm Springs.....	\$130,000	\$94,999	\$93,333
Monterey-Santa Cruz.....	\$96,874	\$112,856	\$115,516
Northern Wine Country.....	\$87,320	\$89,801	*
Northern California.....	\$57,691	\$66,499	\$58,799
Riverside-San Bernardino.....	\$82,613	\$77,807	*
Ventura.....	\$131,428	\$122,553	\$119,999
Santa Barbara.....	\$129,375	\$109,999	\$113,124

\* - Insufficient data

Source: California Association of Realtors

**Median sales prices**

Region	Median price	Monthly % change	Annual % change	% Change adj. monthly sales activ.	% Change adj. yearly sales activ.
Los Angeles.....	\$114,871	0.8	1.4	-1.8	6.2
San Diego.....	\$101,355	-0.8	7.8	-4.2	-12.0
Orange County.....	\$131,287	0.1	-3.4	16.4	-28.1
Central Valley.....	\$71,882	-3.9	-1.4	-14.0	-2.5
Palm Springs.....	\$93,333	-4.9	-1.8	-38.3	47.1
Monterey-Santa Cruz.....	\$115,516	-1.5	2.4	-28.3	0.7
Northern California.....	\$58,799	-1.1	-11.6	-2.3	32.3
Ventura.....	\$119,999	-8.3	-2.1	-29.5	-13.5
Santa Barbara.....	\$113,124	1.4	2.8	2.0	0.7

Reported month-to-month changes in sales activity may overstate actual changes because of the small size of individual regional samples. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

Source: California Association of Realtors

*Sentinel? March 1985?*

**Economy, interest rates reduce housing selling time, survey shows**  
**Average is 107 days in Santa Cruz County**

*Housing - 1980*

SAN JOSE — An improved economy and moderate interest rates have combined to reduce the average number of days it takes to sell a house, according to a recent poll conducted by Opinion Research for ERA Real Estate.

In San Jose, houses are on the market for an average of 37 days before being sold, according to the ERA Poll. The national average, according to a survey of 420 independent and franchise real estate brokers, is 83 days.

In addition, 85 percent of the San Jose area brokers who were surveyed said the number of days required to sell a house has decreased in the last six months.

According to the Santa Cruz Board of Realtors, houses are on the market for an average of 107 days. In the city of Santa Cruz, however, the average drops to 93 days.

Real estate brokers in the San Jose area also reported the average price of resale homes is \$128,000 — considerably higher than the national average of \$93,000. Fifty-five percent of the brokers in the San Jose area also said the price for resale homes had increased during the last six months.

In addition, interest rates appear to affect consumer acceptance of out-of-town

financing and adjustable rate mortgages.

For an advantage of one percentage point consumers are willing to look outside their traditional local sources for a loan, according to nearly three-fourths of the brokers surveyed. Consumers themselves were somewhat more conservative, yet 65 percent of those who say they plan to buy house would choose a national lender over a local financial institution in order to win a percentage point, according to a separate poll of consumers.

A majority of brokers (55 percent) predict that non-local financing will become a major market force in the mortgage industry, compared to 29 percent who believe it will remain a relatively small factor.

When it comes to adjustable rate mortgages (ARMs), brokers and consumers alike indicate that home buyers will hold out for fixed rate mortgages unless there is a differential of two percentage points or more.

“Such a differential would translate into a substantial number of dollars in terms of a monthly payment,” said Ed Gresham, president of ERA Real Estate. “But we’re

interested in the evidence that people appear willing to spend up to \$100 a month for the average mortgage as ‘insurance’ against the variability of an adjustable rate mortgage.”

Gresham said the average mortgage loan today is \$67,000. This would translate into an average monthly payment of \$741 for a 30-year fixed rate mortgage at 13 percent, versus \$638 per month in the first year of an 11 percent ARM.

The ERA Poll, which analyzes results regionally as well as nationally, is conducted each spring and fall. Other findings included:

- U.S. homeowners may be less mobile than previously assumed. The consumer poll showed that 60 percent of the homeowners surveyed have moved fewer than three times during their adult lives. A “mobile minority,” however, has moved frequently; about 15 percent of consumers surveyed have lived in six or more homes.

- Brokers and consumers do not think Congress will pass a law disallowing the deduction of interest on loans for a second home. About half of the brokers and consumers predict such a law will not be passed, compared to about 30 percent who think it will.

- If Congress does curtail the tax advantages of a second home, 57 percent of consumers who have considered owning a second home would be dissuaded from buying one. Meanwhile, the specter of Congressional action seems not to have had an impact on actual purchasing behavior: 57 percent of the brokers surveyed say there has been no slump in sales of vacation homes.