

Prices fall in housing market

County has 130 homes
listed under \$400,000

By **STETT HOLBROOK**
SENTINEL STAFF WRITER

Housing 2000 11-16-01
SANTA CRUZ — For the first time in recent memory, there is a house for sale in Santa Cruz that's less than \$300,000.

Two hundred and ninety thousand dollars gets you a one-bedroom, one-bathroom, 77-year-old cottage on Stanford Avenue, an attractive street lined with tidy homes. The 513-square-foot home squeezes together an eat-in kitchen, laundry room, and even a pantry.

That's a lot of money for not much space, but the price reflects a softening of the lower end of the real estate market that is making home ownership possible for some middle-class residents previously locked out.

Low interest rates, a surplus of lower-priced property and a slowing economy have created a buyers' market.

"Before, (the market) was so discouraging," said Hilary Bryant, an agent with Karon Properties in Santa Cruz. "It's really a completely different market, just a 180-degree turn."

A year ago, the Stanford Avenue home on the Eastside would have probably sold for about \$350,000, said Philip Scofield of Bailey Properties, which is listing the property.

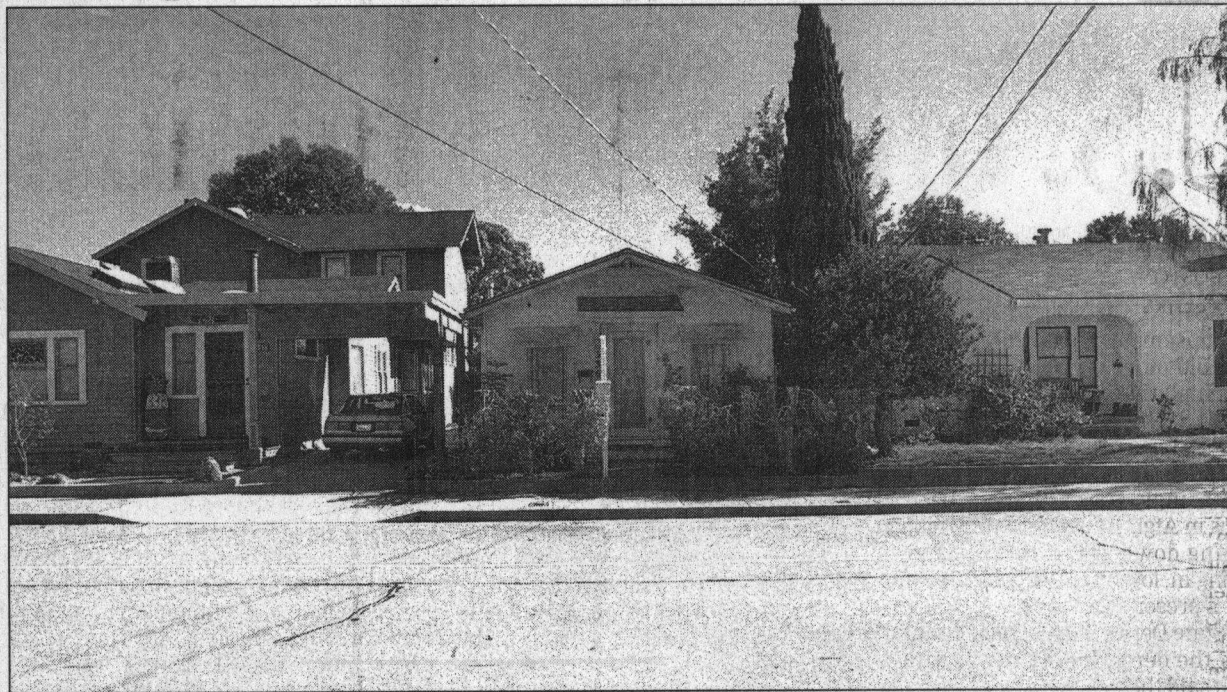
"As a little one-bedroom, one-bathroom it's a cutie," he said.

There are currently 130 active listings in Santa Cruz County priced under \$400,000, the top end of what real estate agents consider the affordable market. More than half of them are in the San Lorenzo Valley.

At about the same time last year, there were just 79 homes listed for \$400,000 or less.

"The fact that (affordably priced homes) are coming up consistently is something we haven't seen in a long time," Bryant said. "It's an appropriate

Please see **HOME PRICES** on **Page A8**



Dan Coyro/Sentinel

This 500 square-foot frame house could be the best deal in the county at \$299,000.

Home prices

Continued from Page A1

ate time for a shift. It's been a while."

Compared to almost any place else on the planet, prices are still absurd. Santa Cruz County's median home price was \$475,000 in October. But the local market is a little more reasonable.

In Watsonville and the San Lorenzo Valley, prices are even lower. John Espinoza, agent for Watsonville's Remax Casa Blanca Realty, said he's busy even as the end of the year nears, a typically slow time for real estate sales.

While properties are staying on the market longer, he said affordably priced homes are selling quickly.

"As soon as you get something in the \$250,000 to \$275,000 range it's gone," he said.

Christina Mowrey-Riggs and her husband Dan almost left the county because they were so discouraged with the housing market.

"A year ago we had given up," she said.

But last spring she noticed prices and interest rates started to dip. Now they are in escrow for a Seaclyff home in the mid-\$300,000 range with room for their two Labrador retrievers.

"Things turned around and we saw something in our price range," she said. "We're very happy."

Roger Berke, agent with Capitola's Thunderbird Real Estate, said the housing market tends to mirror the state of the local economy. When it's down, so

are home prices. Berke cautioned buyers who are "fishing for the bottom of the market."

While everyone's after the best price, he said saving a few thousand dollars is less important in the long term than buying a home you like.

"You can't look at it as an investment only," he said. "It's your home."

Paul Bailey, co-owner of Bailey Properties, said the market has probably hit bottom and prices and interest rates will start to nudge up in the second half of 2002. The time to buy is now, he said.

"(Home buyers) may not see this situation again for another 10 years," he said.

Contact Stett Holbrook at
sholbrook@santa-cruz.com.