

Southern California Housing Update

*Home Price Index(HPI)**

- 2006Q1 saw the HPI rise by an annualized rate of 8.12%, which represents a significant slowdown from the 12.28% appreciation seen in 2005Q4.
- 2006Q1 HPI Appreciation was strongest in LA and the Inland Empire (17% and 16%, respectively). In contrast, San Diego's HPI grew only 1% in 2006Q1.

Housing Transactions

All Homes	# Sold, 2005			# Sold, 2006			Median Price (2005, \$1k)			Median Price (2006, \$1k)		
	Mar	Apr	May	Mar	Apr	May	Mar	Apr	May	Mar	Apr	May
Los Angeles	10,878	10,299	10,128	9,755	8,364	9,654	\$440	\$447	\$459	\$506	\$508	\$509
Orange County	5,033	4,547	4,548	3,910	3,276	3,113	\$565	\$576	\$590	\$623	\$628	\$635
San Diego	5,018	5,345	5,141	4,146	3,705	4,217	\$477	\$484	\$488	\$504	\$505	\$490
Riverside	5,915	5,718	5,985	6,267	5,006	5,468	\$379	\$374	\$381	\$413	\$409	\$417
San Bernardino	4,327	4,007	3,660	4,182	3,506	3,756	\$298	\$304	\$308	\$367	\$360	\$361
Ventura	1,503	1,515	1,424	1,249	891	1,078	\$535	\$529	\$569	\$610	\$584	\$586
So. California	32,674	31,431	30,886	29,509	24,748	27,286	\$439	\$445	\$465	\$501	\$485	\$485

All Homes	# Sold % Chg from prev. yr.			Median Price % Chg from prev. yr.		
	Mar	Apr	May	Mar	Apr	May
Los Angeles	-10.3%	-18.8%	-4.7%	15.0%	13.6%	10.9%
Orange County	-22.3%	-28.0%	-31.6%	10.3%	9.0%	7.6%
San Diego	-17.4%	-30.7%	-18.0%	5.7%	4.3%	0.4%
Riverside	6.0%	-12.5%	-8.6%	9.0%	9.4%	9.4%
San Bernardino	-3.4%	-12.5%	-2.6%	23.2%	18.4%	17.2%
Ventura	-16.9%	-41.2%	-24.3%	14.0%	10.4%	3.0%
So. California	-9.7%	-21.3%	-11.7%	14.1%	9.0%	6.4%

Source: DataQuick (www.DQNews.com)

- Sales volumes continue to weaken across the board relative to June 2005, though LA and the Inland Empire's year-over-year changes have slowed back to single digit declines as the summer buying season begins.
- San Diego is the only county where HPI appreciation and median sales price growth line up – in most cases, HPI appreciation is higher. Since the HPI is a quality controlled index, these divergences suggest that part of the slowdown in the growth of median sales prices may be the result of a shift in the quality of homes on the market.

* OFHEO's Home Price Index tracks multiple sales of the same property in an effort to control for the biases that quality differences can introduce into calculating appreciation based on median prices. This makes it the preferred housing index among most academics who study real estate. Find out more at www.ofheo.gov