



## California home sales surge as prices plummet



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LOS ANGELES (AP) - Home sales in California surged 13.6 percent in August as a flood of foreclosures drove down prices.

The figures released Thursday by MDA DataQuick showed 37,988 new and preowned homes were sold statewide last month, up 13.6 percent from August 2007 but down 3.8 percent from July.

The firm said 46.9 percent of all homes sold last month were foreclosed properties.

That helped send the statewide median home price plunging 35.3 percent to \$301,000 during the year ended in August.

Most of the foreclosed homes were located in inland regions that have taken the worst hits during the housing crisis.

"It's the counties that have these large pockets of distressed properties where prices have plummeted," MDA DataQuick spokesman Andrew LePage said.

"If it weren't for the big price drops in the inland markets, we wouldn't see a year-over-year gain" in sales, he said.

Rich Cosner, president of a Prudential California Realty office in inland Southern California, said tumbling prices in his foreclosure-plagued region had attracted a torrent of buyers.

Prices could be bottoming out among the most modest properties, although expensive homes would likely see further price declines, he said.

"What we're seeing is multiple offers on anything under \$200,000," he said. "When you have multiple offers, that's the end of the price drops."

The latest figures came amid grumbling in Washington that California was not getting its fair share of federal help for homeowners in danger of defaulting on mortgages.

Sen. Barbara Boxer, D-Calif., said the state had received just 11 percent of the more than \$130 million available for mediation between lenders and troubled homeowners, even though the state accounted for more than a quarter of the nation's foreclosure filings in the first seven months of the year.

The funds were authorized as part of the housing bill passed in July that cleared the way for the government to borrow \$300 billion to back cheaper mortgages for troubled homeowners.

"The communities hardest hit by the foreclosure crisis deserve our priority attention," Boxer wrote in a letter to the administrator of the agency distributing the funds, which still

has some \$50 million to disburse.

Other data released by MDA DataQuick showed a 31.8 percent plunge in the median home price in the San Francisco Bay Area last month to \$447,000, from \$655,000 in August 2007.

There were 7,232 new and resale homes and condos sold in the nine-county area last month, down 0.9 percent from August 2007.

Sales were restrained by difficulty obtaining credit for the region's high-priced homes, MDA DataQuick president John Walsh said.

"Mortgage availability will eventually loosen up, we just don't know when, especially after the past few days," he said.

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