

## Housing not really in slump

### Experts: 'Bubble never was, never burst: valley on rebound

by Michael Perrault, *The Desert Sun*

A two-month surge in home sales and renewed buyer interest have many desert real estate professionals feeling upbeat about the housing market in 2007.

Further bolstering their confidence: A new report that 2006 wasn't as bad as some had feared.

"Things are really picking up in February," said Paul Hoffman, a realtor with Paul Hoffman and Associates, Windermere Pro Realty. "I closed out 2006 pretty strong, just barely below 2005."

It's too early in the year, however, to predict if sales volume will continue to pick up, cautioned Greg Berkemer, executive vice president of the California Desert Association of Realtors.

"It may well be a little bumpy before it gets consistently better," he said.

How smooth of a ride the local housing market has is critically important to so many segments of the Coachella Valley economy.

A boost in home sales often means more business for local retailers – from flooring and furniture to art galleries and landscaping services.

Statistics, despite a cooling housing market, indicate a better-than-expected showing in 2006.

The so-called "housing bubble" that some feared would mean plummeting Coachella Valley home prices never materialized, according to year-end data compiled by Breabased real estate information firm Real Data Strategies and the desert Realtors group.

The average sale price for a home in the valley was \$482,900 in the fourth quarter of 2006, down from \$483,200 in the fourth quarter of 2005.

Home sales surged nearly 20 percent in December compared with November.

That helped ratchet down the valley's home inventory level for the first time since last summer. There were 8,236 homes on the market in mid-December, down 362 from November.

For the entire year, however, home sales sagged compared to 2005, as many local real estate professionals and analysts had expected. Overall home sales dropped about 27 percent from the often frenzied pace of 2005, but analysts said that was still a respectable year-end tally.

"Our market was so hot (in 2005), how could we have maintained that?" said Beth Allan-Bentley, an analyst with Real Data Strategies Inc.

It took homeowners an average of 90 days to sell their properties in 2006, about 24 days more than the previous year, CDAR reported.

In January, more than 375 single-family homes sold with an average sale price of \$571,641, illustrating continuing strength in the high-end market.

"The high-end market - \$2 million homes and above – was actually ahead of 2005," said Bruce Blomgren, a Realtor with Dyson & Dyson Real Estate.

New home builders in the valley, meanwhile, are "aggressively" managing their inventories, said Fred Bell, executive director of the Desert Chapter of the Building Industry Association.

"We're at the bottom of the trough," Bell said. "We'll probably build somewhere between 4,000 and 5,000 units in 2007. By the end of the year, things should stabilize."