



## Kerin Cantwell's 2007 Pasadena Area Residential Real Estate Report

January 2008

I'm sure you have been reading the same bad news about the real estate market that I have. Certainly, both statewide and nationwide, the market has changed dramatically in the last two years. But nationwide, statewide, and even countywide, statistics do not answer the question people ask me every day: "How's the market?" which I think means, "What's going on in my neighborhood, right now?"

Based on my business this past year, my impression is that our market — the greater Pasadena area — is strong and healthy, but that seems to conflict with everything we are reading in the press. So, I have done my own research comparing 2007 prices to 2006 prices on a micro level, zip code by zip code, breaking the statistics down by home size to uncover the facts about what is really going on in our immediate area and share them with you.

Here is what I found based on sales reported through the Pasadena-Foothills Association of Realtors in 2006 and 2007.\* Nearly all Pasadena areas show mixed price movement in 2007 compared to 2006 depending on the size of the home. For example, average sale prices per square foot in South Pasadena for homes under 1,500 square feet increased by 4.7%, but, on average, larger homes in the city showed price decreases. In Altadena, the opposite was true, with homes over 2,500 square feet increasing in average price per square foot, while those under that size decreased in price. The only zip codes in which prices decreased for all homes, regardless of size, were Pasadena 91104 and 91105, while in Pasadena 91106 and San Marino prices increased in all size categories.

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\* Please note: this information is based on data as reported to the MLS by members and is considered reliable but is not guaranteed. The information does not include sales where no price per square foot was reported.

Here are the numbers:

Area	Home Size	Average Sale Price per Sq. Ft. 2006	Average Sale Price per Sq. Ft. 2007	Percentage Change
Pasadena 91103	1,500 Sq. Ft. or Less	\$486	\$469	-3.5%
	1,500-2,500 Sq. Ft.	\$463	\$488	+5.4%
	2,500-3,500 Sq. Ft.	\$506	\$496	-2.0%
	3,500 Sq. Ft. or More	\$522	\$572	+9.6%
Pasadena 91104	1,500 Sq. Ft. or Less	\$531	\$526	-0.9%
	1,500-2,500 Sq. Ft.	\$439	\$428	-2.5%
	2,500-3,500 Sq. Ft.	\$372	\$341	-8.3%
Pasadena 91105	1,500 Sq. Ft. or Less	\$607	\$592	-2.5%
	1,500-2,500 Sq. Ft.	\$530	\$507	-4.3%
	2,500-3,500 Sq. Ft.	\$549	\$541	-1.5%
	3,500 Sq. Ft. or More	\$604	\$536	-11.3%
Pasadena 91106	1,500 Sq. Ft. or Less	\$537	\$555	+3.4%
	1,500-2,500 Sq. Ft.	\$486	\$505	+3.9%
	2,500-3,500 Sq. Ft.	\$585	\$592	+1.2%
	3,500 Sq. Ft. or More	\$539	\$563	+4.5%
Pasadena 91107	1,500 Sq. Ft. or Less	\$526	\$534	+1.5%
	1,500-2,500 Sq. Ft.	\$445	\$438	-1.6%
	2,500-3,500 Sq. Ft.	\$427	\$445	+4.2%
	3,500 Sq. Ft. or More	\$442	\$406	-8.1%
San Marino 91108	1,500 Sq. Ft. or Less	\$628	\$680	+8.3%
	1,500-2,500 Sq. Ft.	\$591	\$612	+3.6%
	2,500-3,500 Sq. Ft.	\$535	\$574	+7.3%
	3,500 Sq. Ft. or More	\$602	\$631	+4.8%
South Pasadena 91030	1,500 Sq. Ft. or Less	\$590	\$618	+4.7%
	1,500-2,500 Sq. Ft.	\$570	\$495	-13.2%
	2,500-3,500 Sq. Ft.	\$480	\$463	-3.5%
	3,500 Sq. Ft. or More	\$446	\$420	-5.8%
La Cañada 91011	1,500 Sq. Ft. or Less	\$669	\$674	+0.7%
	1,500-2,500 Sq. Ft.	\$559	\$584	+4.5%
	2,500-3,500 Sq. Ft.	\$559	\$558	-0.2%
	3,500 Sq. Ft. or More	\$551	\$550	-0.2%
Altadena 91001	1,500 Sq. Ft. or Less	\$500	\$479	-4.2%
	1,500-2,500 Sq. Ft.	\$424	\$422	-0.5%
	2,500-3,500 Sq. Ft.	\$402	\$411	+2.2%
	3,500 Sq. Ft. or More	\$359	\$399	+11.1%

## Condominium Sales:

Area	Number of Bedrooms	Average Sale Price per Sq.Ft. 2006	Average Sale Price per Sq.Ft. 2007	Percentage Change
Pasadena 91105	2 Bedrooms	\$451	\$466	+3.3%
	3 Bedrooms	\$391	\$431	+10.2%
Pasadena 91101	2 Bedrooms	\$434	\$432	-0.5%
	3 Bedrooms	\$411	\$402	-2.2%
Pasadena 91106	2 Bedrooms	\$415	\$427	+2.9%
	3 Bedrooms	\$413	\$409	-1.0%

The second most frequently asked question I hear is "What do you think is going to happen in 2008?" Prices were trending up in the second half of 2007 in some areas as compared to the first half of the year (South Pasadena, San Marino, Pasadena 91106), down in others (Altadena, Pasadena 91105) and flat in others (Pasadena 91107), but some of the price depreciation may be due to seasonal patterns. The California Association of Realtors is forecasting a 5.5% drop in the median price of single family homes statewide in 2008, but it is important to note that the forecast includes areas which experienced severe price declines in 2007 such as the Central Valley and Riverside County.

The housing market slowdown of 2006-2008 needs to be put in perspective. The statewide decrease in sales prices (or, in our area, decrease in the rate of price appreciation) follows six years of eye-popping growth. From 2000 to 2006 the median sales price of an existing single family home in Los Angeles County nearly tripled, increasing from \$215,900 to \$584,820. The year-to-year percentage increases in the median sales price of existing single family homes in Los Angeles County were:

### Los Angeles County

Year	Median Price	% Change in Price
2000	\$215,900	8.5%
2001	\$241,370	11.8%
2002	\$290,030	20.2%
2003	\$355,340	22.5%
2004	\$446,380	25.6%
2005	\$529,010	18.5%
2006	\$584,820	10.5%

Source: California Association of Realtors

This rate of price appreciation was not sustainable absent corresponding personal income growth. The changes in the market that we are

experiencing, while unnerving in the short-run, are good for the long-term health of the market and are typical in a cyclical industry such as real estate.

Macroeconomic factors such as job growth, energy prices and the availability of home mortgage loans will determine how the market fares in 2008. Certainly credit is an issue. We have returned to the days when putting 10-20% down in cash on a home purchase was normal. People with down payment money, a job and good credit can get home loans at a reasonable rate, although the process is taking a little longer and lenders are being extremely careful in making lending decisions. Also, the number of home sales has dropped off dramatically from the 2005 peak. The number of homes sold in California in 2006 was 23.6% less than in 2005, and is projected to decrease another 26% in 2007. Consequently, inventory of unsold homes is higher, and homes are taking longer to sell. These factors could contribute to future price declines.

I think the numbers demonstrate that the greater Pasadena area housing market, while showing price declines in some neighborhoods and certain home size categories, is generally strong and stable. Please note that this information is based on averages and is not necessarily indicative of the value of your home or a home you plan to purchase. I hope you find this information helpful. Please call me if you would like more specific information — I would be happy to help you with your real estate needs.

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