

# Doron F. Eghbali Residential Real Estate Law

## [Is California Real Estate Market Improving, Albeit Slowly?](#)

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It seems- based on the latest data - the California real estate market is slowly improving. However, relatively high unemployment and slow job growth either seriously imperil such improvement in CA real estate market or appreciably prolong its tangible results.

### **S&P/Case-Shiller Price Index**

The latest S&P/Case-Shiller home price index has some cautiously optimistic news for Californians. In fact, the index shows home prices in CA had strong gains in January. Los Angeles rose - on a seasonally adjusted basis - 1.8%. San Diego rose 0.9% and San Francisco inched up 0.6%.

### **MDA DataQuick**

Last month MDA DataQuick reported that CA home sale prices were up for February almost 1%. Nonetheless, CA home sale prices were down almost 3.8% from February of 2009. MDA DataQuick also reported that median price for a home increased 11.2% from a year earlier.

### **SOME CAUTIOUS OBSERVATIONS**

The Latest data provide us with cautious optimism on the state of CA real estate market, for the following reasons:

- **Home Prices Have Fallen by 50% to 60%:** Already home prices have fallen by 50% to 60%.
- **Combination of Various Factors Have Propped Up the Real Estate Market:** The amalgamation of cuts in prices, mortgage rates and federal and state programs are propping up this battered sector, albeit slowly.
- **Home Prices Have Seemingly Stopped Falling:** Albeit there is a slow growth, prices *seem* to have stopped falling.

### **CAVEATS**

Yet, the relatively high unemployment rate in CA and the nation as a whole and reluctance of employers to add employees to their work force imperil any tentative recovery. In fact, unless people have jobs to pay their mortgages and feel relatively and reasonably secure about their future, any improvement in CA real estate market could be at best slow or ephemeral.

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