

from Stacey Uhammer

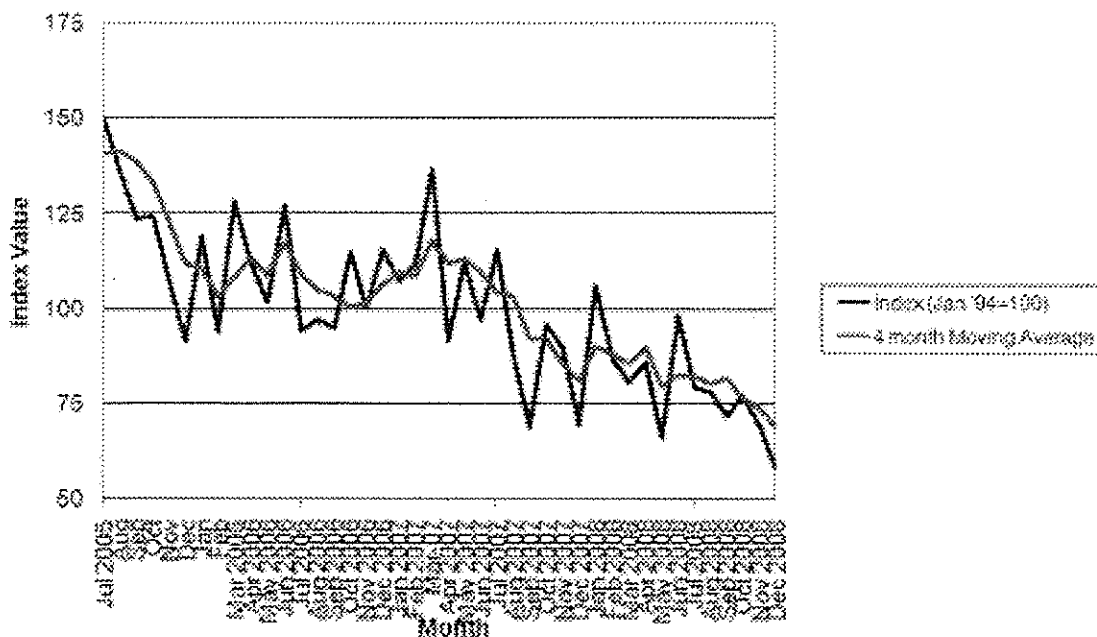
From HSU Economic
Prof. website

Home Sales

The Index value of the home sales sector is based on the number of new and existing homes sold in Humboldt County each month as recorded by the Humboldt Association of Realtors.

Humboldt County's Housing Index is at the lowest recorded level since the Index began in January of 1994. The previous low was January of 1997. Sales contracted for the second month, down 16.2 percent to an index value of 58.3.

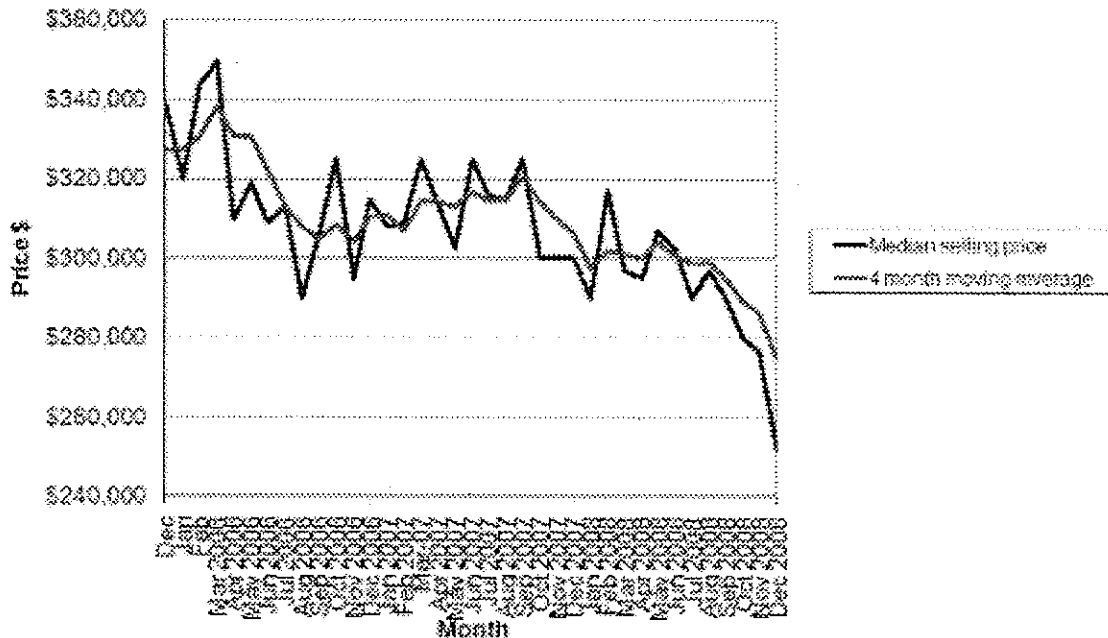
Seasonally Adjusted Home Sale Index, Humboldt County



Source: Humboldt Economic Index.

The Median home price fell 9.03 percent from last month to \$252,000; however, in inflation adjusted terms the month over month drop was an 8.04 percent drop. Moreover, Median prices have decline nearly \$100,000 or 28% since its peak back in March 2006. Interest rates in Humboldt County remained unchanged from last month at 4.625%. Sales continue to fall in Humboldt County, regardless of falling housing prices, partly due to falling employment throughout the county and the current condition of the state's budget deficit. Currently Local, State, and the Federal Governments employ approximately 25.5% of the employment throughout Humboldt County. Further cuts in government spending could cause further deterioration of home sales in the coming future.

Median Price of Houses Sold, Humboldt County



Source: Humboldt Economic Index and Humboldt Association of Realtors

The California Association of Realtors reports that sales expanded throughout December by 84.9 percent from the the same period last year. When compared to November 2008 sales rose by 5.9 percent. The drastic rise in sale from year-to-year is largely attributed to falling housing prices. Median home prices in California throughout December 2008 was \$281,100, this was a 2 percent drop from last month and a 41.5 percent reduction from December 2007.

Meanwhile the National Association of Realtors reported that Existing-home sales, of all types, rose 6.5 percent from last month while the median home price was \$175,400, a 15.3 percent decline from the same period last year. NAR also reports that for 2008 as a whole the median home price was \$198,600, a 9.3 percent decline from 2007. Single-family home sales rose 7.0 percent from the previous month while the median price fell to \$174,700, a 14.8 percent drop from December 2007. The biggest contributor to sales was the Western region where sales "jumped" 13.6 percent from last year and 31.6 percent from the same time last year according to the National Association of Realtors.

Freddie Mac reported that the national average for a 30-year fixed-rate mortgage in December fell to 5.29 percent from 6.09 percent from the previous month.

For a local perspective on the possibility of a housing bubble, visit our Special Projects page for a study of the Humboldt County housing market. Also, visit the Humboldt Real Estate Economics Page.

The Index value for the retail sales sector is based on the seasonally adjusted dollar value of sales each month from a cross section of local retail businesses.

