



CLEAR
Temp: 63°
SSW at 5 mph
FORECAST

- ▶ NEWS ▶ CLASSIFIED ▶ ENTERTAINMENT ▶ MARKETPLACE ▶ TRAVEL ▶ COMMUNITY ▶ PORTAL

QUICK LINKS

- ▶ [Home Page](#)
- ▶ [Local News](#)
- ▶ [Sports](#)
- ▶ [Obituaries](#)
- ▶ [Business](#)
- ▶ [Santa Cruz Style](#)
- ▶ [Letters to Editor](#)
- ▶ [Opinion](#)
- ▶ [AP News](#)
- ▶ [Classifieds](#)
- ▶ [Weather](#)
- ▶ [Stocks](#)
- ▶ [Traffic](#)
- ▶ [Archives](#)
- ▶ [Site Index](#)
- ▶ [Customer Service](#)



BUSINESS | MORE BUSINESS

BUSINESS

[Printer Friendly Version](#)
[Email Story to a Friend](#)
[Subscribe](#)

January 12, 2003

Housing prices climb even higher

By HEATHER BOERNER
Sentinel staff writer

SANTA CRUZ — The home sales market just never stops surprising residents.

Take, for example, December's median-priced home of \$515,000. That's an increase from November's median of \$510,000, and the eighth month in a row home prices have been above \$500,000. That's the longest amount of time home prices have been above that benchmark.

It's also an increase in home prices at a time of year that typically sees a market dip. December's home sale numbers actually reflect deals people made in October, because that's when the sales were initiated. Generally it takes several months for escrow to close and deals to be final. And it's around October that people turn their attention from looking for a house to the holidays, experts say.

"Clearly the real estate market continues to surprise people," said Realtor Tom Breznsy of Monterey Bay Properties in Capitola. "It seems to be the only thing in the economy that is staying strong. Everyone has predicted the demise of the housing market for months, and now you notice you don't hear so much about this idea that the housing market will drop like the price of a dot-com stock."

One reason is interest rates on 30-year loans. Mortgage rates have been "bouncing along the bottom" for months, said mortgage consultant Joel Herzel. They've been within a quarter of a percent of 5.25 for months and are at a 40-year low.

"Home prices are simply a testament to the very low interest rates," said Gary Gangnes, who crunches home price numbers from his Santa Cruz real estate office, Real Options Realty. "It seems like interest rates hit new all-time lows often recently."

In addition to mortgage rates, Breznsy attributes the slight increase in home prices to two things. One is the decrease in the number of houses on the market during October — 725 compared to 935 the month before. That decrease often leads to an artificial shortage that drives home prices up.

The other is that some home sellers are decreasing the asking price for their homes. For example, he said it could be that a home listed at \$525,000 reduced to \$485,000 at the same time that a house listed at \$600,000 reduced its price to \$550,000. It may be that someone bought the \$550,000 home instead of the \$485,000. In that case, an increase in home prices could belie a downward trend in the market.

"Does that rise in median really reflect an increase?" he asked. "Not necessarily."

Contact Heather Boerner at hboerner@santa-cruz.com.



Do you love sports?

Complete local & national news ... one of the many things you get ...

ONLY with Santa Cruz Sentinel
Home Delivery
See how to get

CLICK NOW

AP BUSINESS

- Latest headlines from the Associated Press. Updated every 30 min.:
- ▶ [WorldCom Agrees to \\$500M Fraud Settlement](#)
 - ▶ [Tokyo Stocks Rise, Dollar Gains](#)

Now shop today's Sentinel print ads online

Median sale prices

Single-family homes for Santa Cruz County

2001

March \$499,000

April 530,000

May 505,000

June 470,000

July 525,000

August 470,000

September 470,000

October 475,000

November 490,000

December 470,809

2002

January \$475,000

February 480,100

March 496,000

April 494,000

May 532,000

June 522,500

July 540,000

August 539,500

September 529,250

October 520,000

November 510,000

December 515,000

Source: Santa Cruz Association of Realtors

 [Printer Friendly Version](#)

 [Email Story to a Friend](#)

 [Subscribe](#)

You can ONLY get the listing of "New Classifieds Today" in the Sentinel's print edition; click here to find out how you can get **6 weeks FREE** of Sentinel Home Delivery.

 [BUSINESS](#) | [BUSINESS](#) | [ARCHIVE SEARCH](#)

 **CLASSIFIED Instant Price Quotes ...**
AD BUILDER Convenient. No phones. No waiting in line.

[TOP ▲](#)

[Santa Cruz Sentinel Home](#)
[Local News](#) | [Sports](#) | [Obituaries](#) | [Business](#) | [Santa Cruz Style](#)

[▶Dow Ends Down 186; Stocks Hit 8-Week Lows](#)

[▶Economic Index Suggests Slow Growth Ahead](#)

[▶EBay to Unveil 'Anything Points' Program](#)

[▶High Court Reduces Damages in Car Crash](#)

[▶Judge Lets Suit Against Stewart Proceed](#)

[▶Euro Moves Closer to High Against Dollar](#)

[▶Ex-Enron Exec Fastow Faces Fraud Charges](#)

[▶Slatkin Associate Pleads Guilty to Charge](#)

MOVIE TIMES



Search for movies by city:

[▶Santa Cruz](#)

[▶Watsonville](#)

[▶Capitola](#)

[▶Aptos](#)

[▶Scotts Valley](#)

[▶Search by zip](#)

[▶Trailers](#)

[▶Movie reviews](#)

FORUM

Latest topics:

 [Farewell by happytears](#)

 [Draco by ChrisLS](#)


 [Wasted by ChrisLS](#)

 [California Budget by 4thGenerationCA](#)

[Archives](#) | [Site Map](#) | [Associated Press](#) | [Weather](#)
[Portal](#) | [Travel](#) | [Community](#) | [Forum](#) | [Classified](#) | [Marketplace](#)
[Customer Service](#) | [Reporter Contact List](#) | [Contact Us](#)

207 Church Street, Santa Cruz CA 95060 USA (831) 423-4242
Copyright © 1999-2003 Santa Cruz Sentinel.
All rights reserved.
[web master Feedback](#)

 [Santa Cruz Co. Pensions](#) by Pragmatist

 [Heath Care For Illegals Cost County \\$350 Million!](#) by ChrisLS

 [Congrats to UCSC](#) by ChrisLS

 [Drug Cartels in National Parks](#) by Stmpms

ADS ONLINE



[Now shop today's Sentinel print ads online](#)