



Sales of Single Family Detached Homes (no condos) ---December 2010

Desert Median Sales Price for December 2010 177,540  
 Median Sales Price for November 2010 163,270  
 Median Sales Price for December 2009 172,320

<u>Desert</u>		<u>State of California</u>
Desert Median Sales Price for December 2010	177,540	301,850
% change in price from prior Month Nov 2010	8.7%	1.7%
% change in price from prior year Dec. 2009	3.0%	-1.6%
% change in sales from prior month Nov 2010	26.5%	5.9%
% change in sales from prior year Dec, 2009	1.3%	- 6.8%

The only reporting geographic area in California with a lower median sales price in December 2010 was California's High Desert (Victorville, Lancaster). Even though the Desert is one of Americas premiere resorts, with winter weather the rest of the country can only wish for; the current median price yields one of the best values in real estate anywhere in the country.

The desert's December 2010 gains over November 2010 in price at 8.7% and sales at 26.5% was greater than every reporting area of California except in and around Santa Barbara with higher price gains at 10.9% and slightly higher sales gain of 27.5%

"December's sales increase reflects buyers taking advantage of rock bottom interest rates and improved affordability since the first half of the year, when prices were higher. Most of December's sales opened escrow in October and November. Rates hit their absolute lowest in October but began edging higher in November, prompting buyers to get off the fence." reported the Calif. Association of Realtors.

\*\* All 4 sales and price benchmarks plus median sales price itself moved upward in December.

\*\* Sales and prices moving in unison is a good sign. An upward trend line is encouraging but recovery will still be uneven as it goes along.

\*\* The December surge in sales of 26.5% is dramatic. Here are 3 possible factors that may have played a role: 1.) November numbers were weak by comparison; 2.) Congressional delay in setting 2011 tax

rates and policy may have caused some December closings to achieve tax certainty; 3.) This is "season" for the Desert so strong overall seasonal performance is vital to our marketplace.

\*\* Rising median prices are mostly the result of lesser priced properties selling first and the mix of selling prices. Sellers are still not in a market where they can simply raise the price of their properties and expect to get more money.

\*\* Interest rates are trending up not down. Buyers should take heed.

\*\* People who are unemployed are not buying houses. As much as the flow of affordable mortgage money the housing recovery needs jobs that pay enough so workers can afford for sale and rental housing.

\*\* Now more than ever, Mortgage Interest Deductibility must be preserved.