



NEWS

FOR IMMEDIATE RELEASE

Contact:

Cathy Harrington
Prudential California Realty
925/924-4751

Home Sales, Prices Remain Flat in Third Quarter as San Francisco Bay Area Real Estate Continues Slow March to Recovery

Pleasanton, CA – October 22, 2009 -- The San Francisco Bay Area real estate market continued to show signs of a slow recovery during the third quarter of 2009 behind a dwindling supply of foreclosed properties on the market and increased competition between cash-rich investors looking for deals and traditional first-time homebuyers trying to leverage low interest rates and a soon-to-expire federal income tax credit to completed a home purchase before home prices can edge higher.

In the nine-county Bay Area, 14,662 existing single-family detached homes changed hands during the third quarter, up slightly from 14,551 homes sold in the second quarter and 6 percent higher than the 13,895 homes sold during the third quarter of 2008. The median price of a Bay Area home remained essentially unchanged from the second quarter, falling by less than 1 percentage point to \$495,327. A year ago, the Bay Area median home sales price was 22 percent higher at \$633,786. The decline is attributed to a dramatic slowdown in sales of homes in the highest price ranges over the past year and a steady supply of distressed properties on the market.

For the second consecutive quarter, Contra Costa County led the pace of sales with 3,325 closed transactions, followed by Santa Clara County (3,288 closed sales) and Alameda County (3,001 closed sales). Only Sonoma and Solano Counties reported a quarter-to quarter decline in sales. Sales were down on an annualized basis in Sonoma and Contra Costa counties.

The impact of stronger sales also could be seen in the region's time on the market statistics. The average number of days a home was on the market before sale in the third quarter essentially was unchanged at 66 days, down from 67 days in the second quarter but up slightly from 63 days a year ago.

The median sales price of a home sold during the third quarter increased compared with the second quarter in Alameda, Contra Costa, Marin, San Mateo, Santa Clara, Solano and

Sonoma counties. These increases reflected a significant increase in the number of multiple offers on short sale, foreclosed and other entry-level and investment-grade properties and a modest improvement in prices in moderate- and higher-priced pockets of most counties. .

“Looking ahead, buyers expecting rock-bottom prices on bank foreclosures may find those in shorter supply in the months to come unless lenders unleash a flood of new properties. Increasingly, lenders are agreeing to short sale transactions, but buyers making offers on these homes will find stiff competition unless they have sizeable down payments or all-cash,” said David Gardner, Managing Director, Prudential California Realty. “First-time buyers will continue to seek homeownership opportunities, and their presence as a market force will be boosted if the federal government decides to extend the \$8,000 federal income tax credit for first-timers beyond its scheduled December 1, 2009, expiration date.”

**Third Quarter 2009 Housing Market Survey – Bay Area Counties
Single-Family Detached Homes**

	Homes Sold Q3/09	Homes Sold Q3/08	% Change	Avg. DOM* Q3/09	Avg. DOM Q3/08	Change 09/08 (Days)	Median Price** Q3/09	Median Price Q3/08	% Change
Bay Area	14,662	13,895	6	66	63	3	\$495,327	\$633,786	-22

Third Quarter 2009 Housing Market Survey – Bay Area Counties
Single-Family Detached Homes

City	Homes Sold Q3/09	Homes Sold Q3/08	% Change	Avg. DOM* Q3/09	Avg. DOM Q3/08	Change 09/08 (Days)	Median Price** Q3/09	Median Price Q3/08	% Change
Alameda	3,001	2,671	12	46	47	-1	\$389,268	\$469,248	-17
Contra Costa	3,325	3,578	-7	53	61	-8	\$344,434	\$390,180	-12
Marin	459	459	0	75	63	12	\$842,335	\$994,941	-15
Napa	195	178	10	106	83	23	\$360,000	\$449,008	-20
San Francisco	626	619	1	49	50	-1	\$860,863	\$1,003,603	-14
San Mateo	1,086	1,067	2	68	52	16	\$862,432	\$932,379	-8
Santa Clara	3,288	2,764	19	55	48	7	\$647,908	\$753,644	-14
Solano	1,470	1,310	12	57	76	-20	\$203,060	\$265,593	-24
Sonoma	1,212	1,257	-4	88	91	3	\$363,811	\$393,210	-7
Bay Area Total	14,666	13,895	6	66	63	3	\$495,327	\$633,786	-22

* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

**The median home price for the entire county is the weighted mean of median home prices of cities within the San Francisco Bay Area.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number. Bay Area refers to sales within Alameda County, Contra Costa County, Marin County, Napa County, San Francisco County, San Mateo County, Santa Clara County, Solano County and Sonoma County.

Produced by the Prudential California Realty Research Division.

About Prudential California Realty:

Founded in 1887 as Mason-McDuffie Real Estate and transitioning to the Prudential name in 1997, Prudential California is a leading innovator of real estate technology solutions to its agents and clients. Prudential California Realty provides comprehensive real estate solutions when buying, selling and owning a home with more than 6,500 transactions and \$3 billion in annual sales for 2008. The company offers consumers full MLS access to home listings through its website www.PruRealty.com. Owned by David Cobo and Ed Krajchow, the organization cumulatively has more than 1,800 agents and 40 offices. Prudential CA/NV is an independently owned and operated member of the Prudential Real Estate Affiliates.

###