

Southern California housing market continues to sizzle

REAL ESTATE

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Los Angeles and Inland Empire house prices increased by more than 8 percent for the second month in a row in April, the CoreLogic Home Price Index showed.

Los Angeles County's house price increased 8.5 percent from April 2017, the CoreLogic HPI showed. The Inland Empire prices rose 8.2 percent. That's a slight decrease in their annual appreciation rate from March.

Both March and April marked the first time in 3 1/2 years that L.A. and inland county prices posted gains above 8 percent.

Orange County house prices, which tend to rise at a slower pace, were up 6.2 percent year over year. That's the county's highest appreciation rate so far this year.

By comparison, California house prices were sizzling at an 8.9 percent appreciation rate. U.S. house prices were up 6.9 percent.

Home prices have been rising steadily in Southern California since the spring of 2012 as growing employment and an expanding economy have boosted demand amid a below- average

supply of homes for sale.

ReportsOnHousing.com showed 37,075 Southern California homeowners had listed their properties for sale as of Thursday. That's the secondlowest number for this time of year since 2013. At the same time, homebuilders have failed to step up their supplies of newly built homes sufficiently.

"New construction has failed to keep up with and meet new housing growth or replace existing inventory," said Frank Nothhaft, CoreLogic chief economist. "More construction of forsale and rental housing will alleviate housing cost pressures."

Orange County's average appreciation rate for 2018 so far — 6.07 percent — is slightly lower than in the first four months of 2017.

But Los Angeles and Inland Empire markets are on fire compared with last year. Both areas had average appreciation rates in 2018 that are almost 2 percentage points above the 2017 year-to-date average.

The CoreLogic HPI is based on comparisons of existing single- family home prices with each home's prior sale price.

It's the third key market indicator so far for April.

A separate CoreLogic report based on median prices showed house values up 7.4 percent

in Southern California as a whole — and up 9.3 percent in L.A. County, 6 percent to 7 percent in the Inland Empire and 5.4 percent in Orange County (again, lagging other parts of the region).

The California Association of Realtors report, also based on medians, had similar results: L.A. County prices were up 10.1 percent, Inland Empire prices were up 7.5 percent, and Orange County's were up 5.5 percent.

The question for today's homebuyers is how long will prices keep rising?

The answer, according to the CoreLogic forecast, is for at least another year, although the pace of price gains will slow. CoreLogic projected U.S. house prices will increase an additional 5.3 percent by April 2019.



Los Angeles County's house price increased 8.5 percent from April 2017. Inland Empire prices rose 8.2 percent. Orange County house prices, which tend to rise at a slower pace, were up 6.2 percent year over year.

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