

REAL ESTATE ROUNDUP

Carlsbad year in review: 2004



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Cheap money, scarce property and a new construction boom: Carlsbad has

just ended an exhilarating year in real estate. After coming from a record year in sales over 2,300 in 2003, the year started with some doubt of whether the fast appreciating market of the last years would continue. As the interest rates dropped to a record low and the ability to purchase real

estate became available to more homebuyers than ever before, all doubts were laid to rest.

The Spring saw a scarcity of available property. Fueled the fear that interest rates would change and the ability to buy would be lost, buyers scrambled for available property. The

'March Madness' was marked by fast rising housing prices as buyers outbid each other.

In July, the market hit a saturation point for appreciation – with over \$100,000 in five months. For the second half of the year, the average sales price lessened and market timed increased to a year high of 60 days in December.

Carlsbad home sales:

12 month review

January 1, 2004 - December 31, 2004

Single Family Detached

	Up to 1500 s.f.	1500-2000 s.f.	2000-2500 s.f.	2500-3000 s.f.	3000-3500 s.f.	2500-4000 s.f.	4000-4500 s.f.	TOTAL
Avg. Sale Price	\$564,720	\$629,342	\$743,305	\$818,248	\$949,847	\$1,031,286	\$1,233,237	\$802,991
Price per s.f.	\$440	\$355	\$331	\$299	\$293	\$279	\$299	\$321
Avg. DOM	33	32	33	31	38	38	31	34
# of sales	108	270	286	229	140	79	229	1,188

Single Family Attached

	1 bedroom	2 bedroom (Up to 1500 s.f.)	2 bedroom (1500+ s.f.)	3 bedroom (Up to 1500 s.f.)	3bedroom (1500+ s.f.)	4+ bedroom	TOTAL
Avg. Sale Price	\$292,371	\$398,028	\$508,794	\$435,277	\$551,803	\$250,665	\$436,055
Price per s.f.	\$356	\$336	\$297	\$327	\$301	\$266	\$317
Avg. DOM	29	26	31	25	27	32	28
# of sales	80	368	98	130	133	41	853

New Construction

Buyers had an array of new housing developments to choose from in 2004. Year-end figures reveal a 15% increase in residential construction from 2003, permitting 1,475 units in 2004. The large master planned communities such as Bressi Ranch and Villages of La Costa account for a lion's share of the new units. Although still a minority of Carlsbad new construction, 40% of all residential construction consisted of condominiums and apartments. In all, the City has approved 6,590 units for construction since 2000. From more information visit the City website: www.ci.carlsbad.ca.us

Moving Up

Interest rates dropped below 5.0%, and changed the buying power of consumers dramatically. Because of the great appreciation that occurring between 2002 and 2004, homeowners were able to take advantage of the two year tax rule and roll up their equity into larger homes without significantly affecting their monthly payment and lifestyle. The low interest rates also gave buyers, previously unable to afford the large cost, the ability to purchase a property in Carlsbad.

Interest Only Loans

As housing prices continued to rise, consumers looked to their lenders for the ability to finance their dream home. The interest-only loan came into vogue and became a large majority of new loans in San Diego County. Giving the option to pay only the interest on their loan, buyers could decide when to pay down on their principle and found the lower payment a necessary counter to their large purchase.

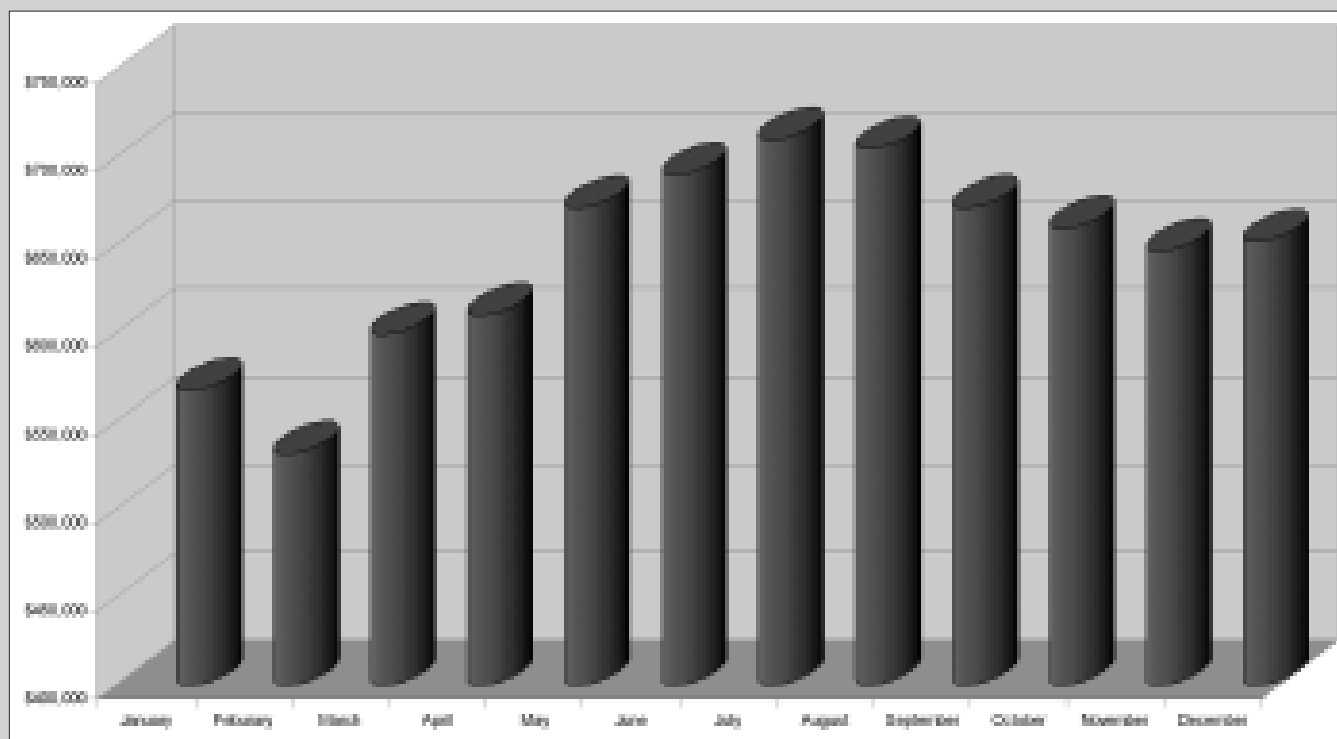
Range Pricing

In 1995, a new concept of pricing homes was unveiled on the San Diego Market. To counter a slower sales market, a few savvy agents adopted a pricing technique of setting a low and a high price. The strategy, dubbed 'range-pricing', was met with some resistance. However as the results from using a range showed homes selling in less time and more money, the number of homes sold using a range price grew. In 2004, range-pricing became the preferred method of pricing homes in San Diego County, accounting for over 23,000 sales and 56% of the market.

For more information contact Tyson Lund at (760) 431-3338.

Average sales price: 2004

Single family property in Carlsbad



Records for the year: 2004

Largest residential purchase

\$4,175,000

Adams Street, 92008

Smallest residential purchase

\$219,000

Condo: Hosp Way, 92008

Most expensive condominium unit

\$1,150,000

Carlsbad Blvd., 92008

Longest time on the market before selling

295 Dats