

REAL ESTATE

Wet weather stalls county home sales

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When Sonoma County real estate brokers talk about the dampening effect on January home sales, they mean it literally.

Existing single-family home sales here declined 10 percent from a year earlier, according to The Press Democrat's monthly housing report, compiled by Pacific Union International senior vice president Rick Laws. Meanwhile, home sales rose for both the state and the nation.

Asked about the difference, Laws offered one explanation, and a soggy one at that.

"The only thing that I hear consistently," he said, "is rain, rain, rain, rain."

Of note, this winter's downpours don't seem to have kept large numbers of buyers from attending open houses, Laws said. Instead, the greater effect appears to be on those who choose not to list their homes for sale.

"Sellers don't want to bring their property out in drenching rain," he said.

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The 233 single-family homes sold in the county in January was the second-lowest total for the month in nine years.

In contrast, single-family home sales increased 4 percent in January from a year ago for the state, according to the California Association of Realtors. And sales of houses and condominiums last month

climbed nationally nearly 4 percent, the fastest pace in almost a decade, according to the National Association of Realtors.

Real estate agents said county home sales have slowed this winter because of well above-average amounts of rainfall. That includes roughly 52 inches of precipitation Santa Rosa has received since Oct. 1. The rain has led to localized flooding, downed trees and mudslides.

"There are a lot of people waiting for the weather to improve, especially for country property," said Lisa Thomas, an agent with Pacific Union in Santa Rosa.

Despite the reluctance of sellers, Thomas said she encourages them to list now rather than wait until spring. Her reasoning is the market today has a higher ratio of buyers compared to available homes.

"Right now sellers have so little competition," she said.

The county's median home sale price last month was \$580,000, an increase of 4 percent from a year earlier.

Median home prices here have climbed steadily for five years. The rise came after prices hit a record \$619,000 in August 2005, then slid during a national housing crash to \$305,000 in February 2009.

But while home prices have risen each year since 2012, home sales have declined for three of the past four years.

A major reason is that the quantity of homes on the market has fallen dramatically. The number of available homes for sale

at the end of January 2012 amounted to nearly 1,100. Last month that number was fewer than 500.

"Inventory is the big deal," said Mike Kelly, an agent with Keller Williams in Santa Rosa. He acknowledges this winter's "horrid" weather has made sellers less willing to put homes on the market.

The lack of inventory is exacerbated in part because so few new homes have been built here over the past decade, agents and brokers said.

The result is that as new residents come to the county, "somebody has to move out of the area for somebody else to get a house," said Tom Kemper, manager of Coldwell Banker in Santa Rosa.

Also, owners of rental houses normally put a portion of those properties on the market each year, making them available to other homebuyers. "But now nobody wants to sell," Kemper said, in part because the county's red-hot rental market looks like a better investment than other options for current owners.

Winter is typically a slow time for the real estate market, with sales generally rising in spring and peaking in summer. Kemper said he already has seen signs of increased activity in the past few weeks.

However, the market's potential this year will be dictated largely by how many sellers list their properties for sale.

Currently, he said, "we have less to sell, therefore everything shifts down a notch."

