

Scrambling for a Seat at the Table



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As sellers have begun to participate broadly in our markets we find some calming influences a foot that we have not seen in the last seven years. The boost in participation is lowering the rate of acceleration we have seen in prices over the last several years which may eventually lead us back into a balanced marketplace, provided the trends continue.

As we work to assess reasonable value of existing homes we must also be aware that even when we think we are comparing apples to apples, we forget there are so many varieties of such. However, this metric is routinely applied to appraisals to justify valuation for what a market buyer and seller have come to terms with in fostering an agreement and thereby supporting a new lender's position in the property as secured.

According to data collected by BAREIS MLS, a current overview of Sonoma County indicates an average sold price per-square-foot (psf) of \$464 for a single-family home – a robust 11 percent increase from July 2017. Buried within the statistics you will also see a two percent climb in the median property value to \$650,000.

Reviewing the Redwood Empire, Southwest Santa Rosa saw demand soar 31 percent from last year to close July at \$382psf for a single-family home surpassing an impressive 19 percent rise in Northeast Santa Rosa and the coalesced markets of Cotati and Rohnert Park where values jumped to \$448psf and \$389psf, respectively. Not far afield was Healdsburg climbing 15 percent to wrap up the month at \$781psf – the priciest place in the county. Tracking closely behind, with a 12 percent ascent, was the eastside of Petaluma at \$397psf while Oakmont was nipping

at its heels boasting an 11 percent gain to close out the period at \$455psf. Rounding out the top tier gainers found Petaluma's westside reporting a 10 percent jump to \$486psf.

This month's middle-tier leaders found Cloverdale celebrating a nine percent improvement to \$338psf while Windsor and the Russian River regions shared the spotlight with eight percent growth to \$371psf and \$473psf, respectively. Reporting a seven percent pop in this metric of measure was Southeast Santa Rosa coming in at \$401psf narrowly dismissing the tony hamlet of Sonoma where values climbed six percent to \$637psf.

Staying positive with a three percent boost was Northwest Santa Rosa chiming in at \$407psf while Sebastopol felt a one percent tick upwards to \$475psf.

The increase in seller participation in the market may relax as we enter this next season – as it typically does. If this historical mode of the markets takes place then the last two months of inventory boost may have just been that – an aberration. Though, if it follows through, then we could be staring at a balance being restored to our real estate markets.

