

## The House Advantage

REAL ESTATE: Seller's Market Drives Prices Up; Inventories Remain Tight  
By **MIKE ALLEN**

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The continued dearth of available homes for sale in San Diego is driving up prices and causing much consternation among buyers, who often find their offers on properties too little or too late.

“It’s difficult to get offers accepted now,” said David Tal, president of ShortSaleAgentFinder.com, a San Diego online service connecting short sale sellers with experienced real estate agents. “Even when buyers are offering the full listing price, they’re surprised that they’re not the winning offer, and that someone else made a higher offer ... It’s creating a buyer urgency.”

After several months of higher median prices, fewer foreclosure and distressed sales, and more move-up sales, local housing sources say San Diego’s ravaged housing market is well off the bottom, and clearly shifted to the advantage of sellers.

“There’s a ton of buyers who had been sitting on the sidelines and are now trying to find a property,” said Rick Ungar, a broker with Casa Bella Realty Services in Encinitas. With many properties attracting multiple offers, and pushing up prices, the effect is lifting the values of the entire market, he said.

Ungar recently represented a buyer of a foreclosed house in San Carlos that was listed at \$439,000. Because the buyer had been outbid previously, he increased his offer to \$455,000, which the bank accepted. “Banks aren’t giving away stuff. They’re selling at market prices, not at discounts,” he said.

The tight housing inventory has been going on for most of the past year, and shows no signs of improving any time soon, say industry sources.

### **‘Housing Shortages’**

“We’re at the incipient stages of what I expect to be a perpetual situation of housing shortages in San Diego County,” said Gary London, president of The London Group Realty Advisors.

Because the county’s amount of land available for new construction is severely limited, most new development will occur in patches that were passed over in past years, London said. That means it’s going to be mainly condos and apartments that go up, and very few single family houses, he said.

With the local population still growing and the economy gradually recovering, London says demand for housing will get more intense and ultimately lead to another housing price spike.

The next housing peak is just “around the corner,” he said, adding, “We just don’t know how long that walk to the corner is.”

According to a recent view of the Multiple Listing Service, San Diego County had 2,996 detached units or condos for sale, and 1,073 attached or single family houses for sale, or a total of just above 4,000.

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