

Market Overview of Single Family Home Sales

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Contra Costa County:

Buyer Advantage Prevails in Contra Costa County During the First Quarter

–As reported by Prudential California Realty

Savvy buyers in Contra Costa County continued to take advantage of first quarter market conditions, as weakened market activity (-26%) and a 23 percent decrease in median prices for single family detached homes, year-over-year; presented ideal purchasing opportunities, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

Similar to neighboring Alameda County, Contra Costa consists of a range of communities and home prices. In affordable areas such as Antioch, Discovery Bay and Hercules, a significant depreciation in median home prices occurred due to a high percentage of bank-owned inventory.

As a result, interest from first-time homebuyers soared, leading to double-digit growth in market activity and multiple offers on properties within these communities. In an effort to alleviate mortgage distress and sell their homes quickly, most sellers were forced to list their homes competitively in the first quarter. Accordingly, bargain-hunters and investors became increasingly active.

Visibility of first-time investors who plan to lease units to foreclosure-displaced renters also increased in the first quarter. Additionally, some current and would-be sellers opted to rent their properties, to stave off listing their homes in the current buyer's market. During the first quarter, activity within high-end communities such as Lafayette was slow; however, median home prices increased by double-digits, as buyers still clamored for the desirable properties.

In the long term, the growing trend of rental conversions combined with a continued strong demand for entry-level homes is expected to lessen the oversupply of housing moving into the next quarter.

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