



Ads by Google

### [Top Realtors In Your Area](#)

Your Search For An Experienced And Trusted Local Realtor Ends Here!

[www.AgentMachine.com](http://www.AgentMachine.com)

### [Foothills New Home Sale](#)

Carlsbad, CA Grand Opening Event date June 26th & 27th

[www.foothillscarlsbad.com](http://www.foothillscarlsbad.com)

### [Foreclosed homes](#)

Search 21,000+ CA Homes For Free! View Pics, Maps, and Reduced Prices

[www.ZipRealty.com](http://www.ZipRealty.com)

### [New Homes in Sacramento](#)

and Throughout the Bay Area Shop by Location and Price

[www.newhomemag.com](http://www.newhomemag.com)

#### FIND MORE STORIES ABOUT

- Sales
- Median Home Price

#### RELATED LINKS

Mortgage rates rise slightly but remain near record lows

Housing starts fall 10% in May

## California home prices jump 20.9% in May

*Tax incentives spur sales. The median home price rises to \$278,000, reflecting less a rise in housing values than a shift in sales toward more expensive coastal markets.*

June 18, 2010 | By Alejandro Lazo, Los Angeles Times

Fueled by tax incentives, California home sales rose in May, helping lift the Golden State's median home price by 20.9% from its year-earlier mark.

The median was \$278,000 last month, MDA DataQuick of San Diego said, a 9% increase from April. But that reflects less a rise in the actual valuation of homes than a continued shift in sales away from cheaper, inland areas of the state toward more coastal markets.

Ads by Google

### [SummerHill Homes](#)

Get Floor Plans & Community Info Innovative Single Family Homes.

[www.SummerHillHomes.com](http://www.SummerHillHomes.com)

### [Local Houses For Sale](#)

Take Advantage of Today's Economy and Buy A New House Now!

[www.discoversfhomes.com](http://www.discoversfhomes.com)

That shift is being driven partly by an increasing willingness of owners in pricier neighborhoods to sell at a lower price, DataQuick has said. And much of the jump in sales has been driven by a surge of buyers rushing to close deals to take advantage of state and federal tax incentives.

"In the second half of the year, there's obviously going to be less wind in the market's sails, given the fading tax credits," MDA DataQuick President John Walsh said. "A healthier job market and low mortgage rates will be key to driving demand."

A total of 40,965 new and previously owned houses, condominiums and town homes sold last month, a 9.3% increase from April and a 4.9% jump from May 2009. Experts fear that once the effects of the credits wane, sales and prices could slump again.

"Of course, you are going to see a slowdown; these programs basically steal sales from the future," said Christopher Thornberg, principal of Beacon Economics. "Now that may be a good policy option, but understand when you get to the future you are going to feel the effects of that. It's just the nature of the beast."

The federal credits of up to \$8,000 for first-time buyers and \$6,500 for some current homeowners required that deals be reached by April 30 and close by June 30, though Senate Democrats have moved to extend the closing deadline to Sept. 30.

The California credits, which kicked in May 1, are for first-time buyers and purchasers of new homes, with \$100 million set aside for each credit. The state credit for first-time buyers is quickly running out. The state's Franchise Tax Board said Thursday that it had received applications claiming an estimated 80% of the first-time credit. It expects to run out of money for the first-time credit much faster than the one for new homes as those sales often lag because of the time it takes to construct a home and because the resale market is much bigger. The state did not say Thursday how many applications had been received for the new-home credit.

In the San Francisco Bay Area, sales took off in some of the region's costlier neighborhoods last month, DataQuick

Advertisement

NEW ARTICLES FROM HOWLIFEWORKS

- [Why Most Shampoos Are a Waste of Money](#)
- [How to Convince Your Brain to Stop Over-Eating](#)
- [How to Make Your PC as Fast as the Day You Bought It](#)

reported, helping push the median home price above \$400,000 for the first time since the U.S. was gripped by the financial crisis 21 months ago. The decline in bank-owned inventory there helped the median sale price for all property types reach \$410,000, up 10.8% from April and 20.1% from May 2009. Sales jumped 18% in May over April and 11% over May 2009.

The Southland's median price rose 22.5% from its year-earlier level to \$305,000, DataQuick said Tuesday, and sales jumped 7.2% from May 2009.

[alejandro.lazo@latimes.com](mailto:alejandro.lazo@latimes.com)

Ads by Google

**[Bay Area Real Estate](#)**

View Photos, Plans & Models. Search By Price, Feature & Location

[www.SummerHillHomes.com](http://www.SummerHillHomes.com)