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# Orange County, Calif., home prices begin to rebound

By Christine Dugas, USA TODAY

Orange County, Calif., is an area of extreme differences.

"People think about trophy wives driving Ferraris along the coastal area," says Christopher Thornberg, principal of Beacon Economics.

"There is a high-income element. But that is not all of Orange County by any stretch of the imagination."

In fact, Santa Ana, which is the county seat, is a working-class, blue-collar city.

All of Orange County has been affected by the housing bubble and home foreclosures, though the degree varies by neighborhood, says Jean Tietgen, president-elect of the Orange County Association of Realtors. But even areas that had never experienced foreclosure in the 1980s and 1990s, have been hit by it now.

Since the housing market hit bottom, the home-buyer tax credit helped bring sales back up.

**•Sales status.** The tax credit ended in April, but sales are still rising, because it takes time for deals to close. In May, sales were 18% above May 2009.

In addition to first-time buyers, cash investors account for more sales. There is some flipping going on, as the investors buy short sales and foreclosed properties, fix them up and put them back on the market, Tietgen says.

**•Price points.** Local Realtors are starting to see more multiple offers as cash investors compete with first-time and move-up buyers. That has helped bring up the median price a bit.

In May, the median sales price — \$505,750 — was 6.7% higher than a year earlier.

Three years ago, the county's median price was \$714,130.

**•Local economy.** The metro area encompassing Santa Ana, Anaheim and Irvine had an unemployment rate of 9.5% in April, below California's 12.5%.

But Santa Ana in particular is under much economic hardship. "The primary source of employment for the lower-income folks who live there is construction and retail," Thornberg says. "And those sectors have been brutalized by this downturn."

But overall the local economy is starting to move forward. Manufacturing, for example, has been coming back well, he says.

**•Hot 'hoods.** Downtown Huntington Beach always has been desirable, but many buyers were priced out of the market. Now homes are more affordable.

"I just saw a couple of foreclosures that were in the \$800,000 price range," Tietgen says. "A few years ago they were over \$1 million."

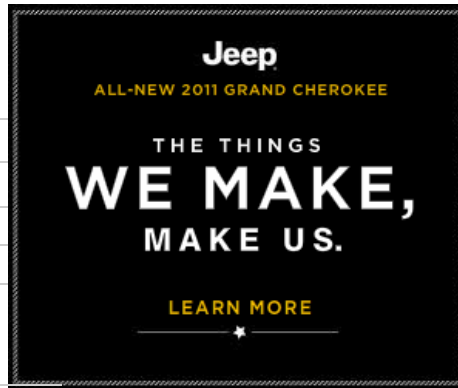
The neighborhood is just a short walk to the beach and downtown main street.

The properties are diverse. Some are Victorian "painted ladies," with different colors and architectural details; others are beach cottages or newly built homes.

### Most expensive home

Ernie Castro is selling a Mediterranean-style home built in 1947 on an 8-acre estate with orange and avocado trees and views of Catalina Is

land, Palos Verdes and Century City.



•**Price:** \$6.5 million.

•**Bedrooms:** 4.

•**Bathrooms:** 4 full, 1 half.

•**Size:** 4,500 square feet.

•**Features:** Spanish clay tile roof, formal dining room, living room with fireplace, hardwood floors, three-car garage, barn and stable.

#### **Median-price home**

This home, built in 1953, is on the market.

•**Price:** \$499,900.

•**Bedrooms:** 3.


•**Bathrooms:** 1 full, 1 three-quarter.

•**Size:** 1,678 square feet.

•**Features:** Living room with fireplace, Country French-style kitchen, laundry room, sunroom, enclosed patio, two-car garage, large private backyard.

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