

## Luxury home sales higher Rising prices credited for jump in area

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Wednesday, November 26, 2003

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Bay Area luxury home sales jumped 48 percent in the third quarter this year compared with last year, according to a real estate information service.

Steady home price appreciation, despite a flailing local economy, helped boost the number of million-dollar sales, reported DataQuick, a La Jolla (San Diego County) firm.

But some real estate agents still see the high-end market as soft.

A total of 2,049 homes sold for \$1 million or more in the nine counties in the three months ended Sept. 30, compared with 1,388 for the year-ago period, according to DataQuick. The next-highest quarterly count was 1,776 in the second quarter of 2002.

"Clearly, this is because homes that have been just below that million-dollar threshold have appreciated above that," said DataQuick researcher John Karevoll, noting that nearly all homes in the region have been appreciating at about 10 percent annually.

Still, some real estate agents say that the higher ranges of the luxury market remain weak, particularly in parts of the South Bay. Benyam Mulugeta, an agent at Alain Pinel in Palo Alto, said homes priced over \$3 million regularly sit on the market for months, and sellers must often lower their asking prices.

"It's still somewhat soft because of the dot-com bust," Mulugeta said.

However, he noted that few sellers lose money on their home sales, and if they do, it is usually not more than 5 percent.

Southern California, whose diversified economy has better weathered the high-tech downturn, saw million-dollar-plus sales jump about 68 percent to 2,069 in the third quarter, DataQuick said.

Across the state, 5,857 high-end homes were sold in the third quarter, an all-time high and up about 58 percent year-over-year.

The most expensive residential transaction in California during the quarter was a 7,507-square-foot, six-bedroom, eight-bathroom Hermosa Beach (Los Angeles County) home that sold for \$8.1 million in July.

In two communities -- Ross in Marin County and Rancho Santa Fe in San Diego County -- virtually all home sales were above \$1 million. The median million-dollar-plus property was a 2,877-square-foot home with four bedrooms and three bathrooms. The median price per square foot of all million-dollar homes was \$464, up from \$457 a year ago.

DataQuick reported that about 11 percent of buyers paid cash. Of those who financed their home purchase, the median down payment was \$443,500.

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Million-dollar deals

The sale of homes worth \$1 million and more picked up during the third quarter. Here are the most expensive housing markets in the Bay Area.

Community	No.	Highest price
Hillsborough	81	\$5.45 million
Saratoga	78	\$4.25 million
Mill Valley	77	\$3.38 million
Los Altos	67	\$2.43 million
Danville	62	\$6.00 million
Alamo	55	\$2.65 million
Cupertino	52	\$2.15 million