

Million-dollar home sales jump

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After taking a hit in 2001, the number of million-dollar homes sold in the Bay Area last year rose 32.9 percent, driven in part by strong price appreciation, according to a research firm.

Despite recent evidence that very high-end home sales have tapered off, La Jolla's DataQuick reported Tuesday that a total of 5,404 homes above the \$1 million mark sold in the nine Bay Area counties last year, compared with 4,066 in 2001. In 2000, 5,374 million-dollar-plus homes were sold.

High demand for residential real estate, driven in part by consumers' wariness of the sagging stock market, has kept home values buoyant across the country and in the Bay Area. In turn, many homes that might have sold for less than \$1 million one or two years ago have been pushed into the million-plus category.

Indeed, the median home price in the pricey Bay Area housing market in December was \$416,000, meaning homes costing more than \$1 million are considered the move-up market for the professional set. They would be the luxury market in other parts of the country.

Still, the report did not compare million-dollar home sales with the number of such homes on the market. According to real estate brokers, demand for loftily priced houses has softened, a victim of high unemployment and the demise of the dot-coms.

In Pacific Heights and Presidio Heights in San Francisco, for example, a total of 14 homes sold for more than \$4 million each in 2002, compared with 27 in 2001 and 35 in 2000, according to McGuire Real Estate.

"Mansions in Pacific Heights, Russian Hill listed for \$3 million, \$6 million, they've been hit hard," said Paul Barbagelata, owner and manager of Barbagelata Real Estate in San Francisco. "There's just no demand."

Economists worry that weakness may spread across the entire Bay Area housing sector, which many believe has reached unsustainable levels.

However, historically low interest rates appear to be propping up demand. A total of 111,915 homes sold in the Bay Area in 2002, up 22.1 percent from 91,640 in 2001.

Statewide, the number of million-dollar-plus home sales surged 45.5 percent, from 9,501 in 2001 to 13,828 in 2002.

Southern California, with its stronger, more diverse economy, saw a 56.5 percent rise, from 4,863 sales in 2001 to 7,611 last year.

The median price per square foot for all million-dollar home sales was \$462 in 2002, down 2.2 percent from \$472 a year earlier, DataQuick said. About 17 percent of buyers statewide paid cash, the firm reported.

The most expensive confirmed sale in 2002 was a 5,355-square-foot home on 2 acres in Bel Air (Los Angeles County) that sold for \$15 million in August, DataQuick said. An unfinished Pacific Heights mansion reportedly sold for \$32 million in San Francisco late last year. It is believed to be the priciest home sale ever in the city, but because the sales price was not disclosed, DataQuick didn't record it.

DataQuick said that in Rancho Santa Fe (San Diego County) and Ross, nearly all homes sold last year were above the \$1 million mark.

HIGH-END HOMES

A record number of million-dollar homes were sold in California last year. A comparison of the number sold in Bay Area cities during the past two years:

| Community | 2001 | 2002 |
|-------------------|------|------|
| Hillsborough | 211 | 229 |
| Saratoga | 188 | 200 |
| Los Altos Hills | 148 | 180 |
| Danville | 108 | 169 |
| Alamo | 88 | 159 |
| Mill Valley | 109 | 146 |
| Belvedere/Tiburon | 113 | 138 |
| Cupertino | 107 | 122 |
| Los Altos | 97 | 121 |
| Los Gatos | 75 | 116 |

Source: DataQuick

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