

Inland Empire lot prices sliced in half

By John Lansner

Land brokers at Hoffman Co. from O.C. have some devastating numbers about price drops for finished lots in the Inland Empire. A recent reports shows values down as much as 52% (French Valley) from fourth quarter 2005 vs. today. My trusty spreadsheet tells me of the 29 markets in Riverside and San Berdoo counties tracked,

the median value of a 7,200 square-foot lot fell roughly \$100,000, or 39.4%.

That's bad news for landowners and eventually good news for home shoppers. That savings will eventually get passed along in lower home prices. Here's the losers' list with community and 2-year lot-price change ...

COMMUNITY	LOSS	COMMUNITY	LOSS
French Valley	-52.1%	Lake Elsinore West	-38.9%
Highland	-48.9%	Redlands	-38.8%
Lake Elsinore East	-46.8%	Victorville	-38.5%
Rancho Cucamonga B	-46.7%	Etiwanda	-37.7%
San Jacinto	-46.2%	Rancho Cucamonga A	-37.5%
Chino	-45.7%	Riverside	-36.5%
Menifee	-45.0%	Dairy Lands	-36.4%
Wildomar	-44.2%	Moreno Valley	-36.1%
Yucaipa	-43.2%	Adelanto	-34.8%
Beaumont	-43.2%	Ontario	-32.1%
Hemet	-42.9%	Upland	-31.8%
Murrieta	-42.0%	Chino Hills	-29.5%
Temecula	-40.4%	Loma Linda	-29.3%
Corona	-40.0%	Fontana	-27.1%
Perris	-39.4%	Median	-39.4%

Quote: "The decline in the price of land has happened rapidly; in the past two years we've lost five years of appreciation. We may see prices drop a few more percentage points in the first half of 2008, but land values already have taken the 'big hit' and whatever comes next will be minor in comparison."

— Norm Scheel of The Hoffman Company