



# Real Estate Market Report November 2011



**For Sale – 29744 Ski Ranch St.  
Murrieta, CA 92563**



**For Sale – 38659 Vista Rock Dr.  
Murrieta, CA 92563**



**For Sale – 39180 Anchor Bay #B  
Murrieta, CA 92563**



**For Sale – 39779 Chambray Dr.  
Murrieta, CA 92563**

A comprehensive report on the  
SW Riverside County real estate market.

**[www.SWRiversideCountyHomes.com](http://www.SWRiversideCountyHomes.com)**



November, 2011

Historically, in the fall the number of houses for sale and the number of sales and pending sales decrease. While this was true for November, it may not be the norm for the upcoming months for several reasons. Several key observers of the Southwest Riverside market believe the Southwest Riverside market has "bottomed out and that the economy is outperforming the nation as a whole" on several fronts.

Our analysis is the Southwest Riverside market is defined as a "Extreme Seller's Market" with slightly less than 3 months of inventory for sale. Continuing this month, Southwest Riverside is an "Extreme Seller's Market." At the end of November, home sales were close to what they were a year ago while only dropping a couple homes from last month.

For November, demand for homes stayed relatively stayed the same only dropping .07. The Southwest Riverside market went from 2.66 months of inventory to 2.59 months of inventory. This means for November, compared to October, there were more homes sold compared to active listings in the month. The Southwest Riverside market is also changing by price levels. Below \$400,000 the market is defined as an Extreme Seller's Market, between \$400,000 and \$500,000 the market Normal Sellers Market. Over \$500,000 the market is a Balanced Market.

Buying and selling in this market requires a deep understanding of the history and pressures in each area of town and each price band. We hope this West Southwest Riverside Properties Advanced Market Report with detailed information by price range; zip code and area help you make the best decisions for you and your family

It is our pleasure to deliver it to you so you can spot trends as we see them.

Please, call us if we can provide you any additional information.

Regards,

Tom Olsewski



## Summary of the SW Riverside County Market

### Cash Buyers in 2011

28.5% of sales were for CASH in  
November.

### Home Sales in November

981 Homes Sold

1.3% decrease from last year



### Homes for Sale

2543 Homes FOR SALE

### Month's of Inventory

2.59 Month's Inventory

This is considered a  
**Extreme Seller's Market.**

### Market Inventories in different Price Ranges

Below \$400k = **Extreme Seller's Market**

\$400K-\$500K = **Normal Seller's Market**

\$500K & Up = **Balanced Market**

### Average Price

**\$203,995** average price of homes

### Median Sold Price

**\$185,000** median price of homes

### Days on Market

**80 Days** – Average Days on Market

Top selling **Region** = **Menifee**

Distressed Property and Investor Market Insert – **62.9%** of all sales in November 2011  
were in a distressed situation

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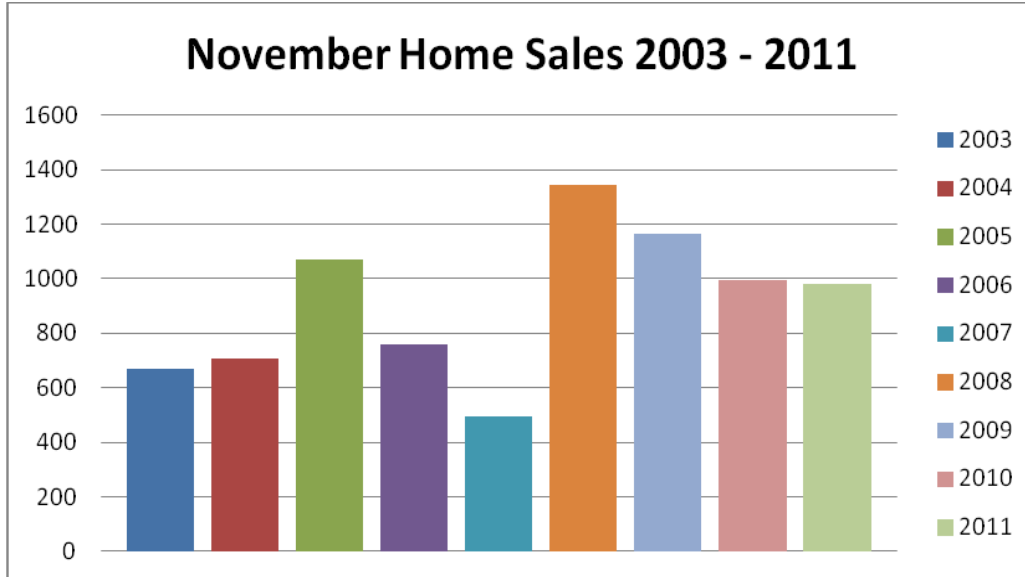
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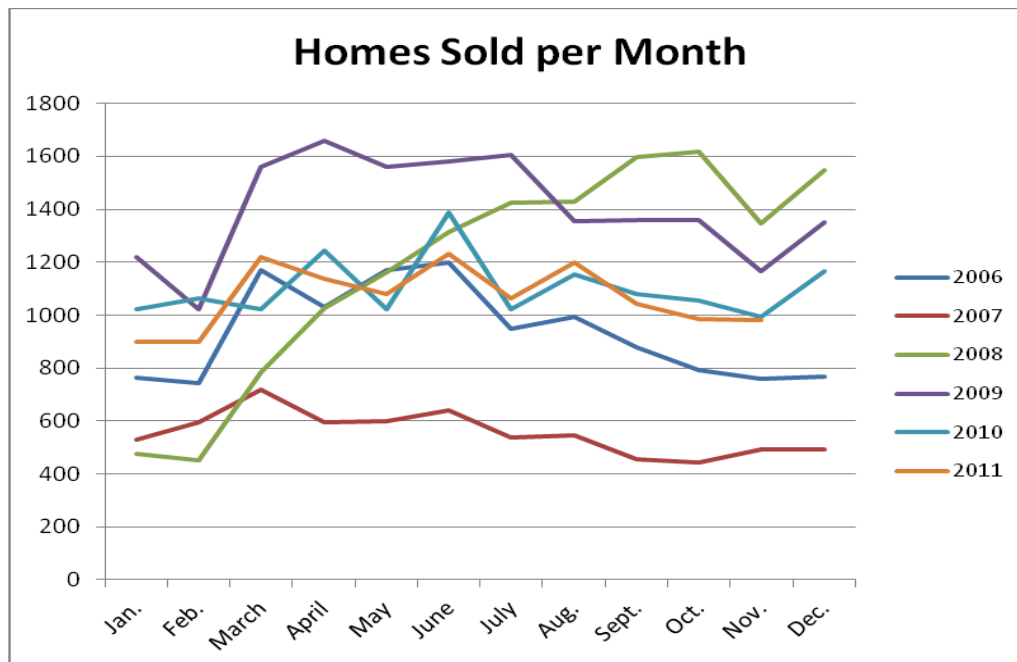
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Sales are on the decline for the month of November. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. Last month **981** homes sold in Southwest Riverside County. This is a **1.3% decrease** in sold homes since this month last year.



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### November 2011 Homes Sales By Price Band

Price Range	# of Solds	Active Listings	Month's of Inventory	Market
\$0-\$100K	141	265	1.88	Extreme Seller's Market
\$100K-\$200k	416	1143	2.75	Extreme Seller's Market
\$200K-\$300K	299	709	2.37	Extreme Seller's Market
\$300K-\$400K	88	193	2.19	Extreme Seller's Market
\$400K-\$500K	10	57	5.70	Normal Seller's Market
\$500K-\$600K	10	34	3.40	Normal Seller's Market
\$600K-\$700K	12	25	2.08	Extreme Seller's Market
\$700K-\$800K	1	26	26.00	Extreme Buyer's Market
\$800K-\$900K	1	15	15.00	Extreme Buyer's Market
\$900K-\$1M	1	10	10.00	Normal Seller's Market
\$1M-\$2M	2	51	25.50	Extreme Buyer's Market
\$2M-\$3M	0	7	N/A	Extreme Buyer's Market
\$3M<	0	8	N/A	Extreme Buyer's Market
<b>Overall MKT</b>	<b>981</b>	<b>2543</b>	<b>2.59</b>	<b>Extreme Seller's Market</b>

12+ months of inventory	Extreme Buyer's Market	High Depreciation
9-12 months of inventory	Normal Buyer's Market	Moderation Depretiation
6-9 months of inventory	Balanced Market	Flat or Moderate Depreciation
3-6 months of inventory	Normal Seller's Market	Moderate to High Appreciation
0-3 months of inventory	Extreme Seller's Market	High Appreciation

Southwest Riverside County has seen a drop in the number of sales in the lower price ranges in November. That combined with the lower number of homes for sale has once again created an **Extreme Seller's Market**. Although it shows an **Extreme Seller's Market** we have to take into consideration the approximate 50% drop in home value over the last 3 to 4 years.

The \$400K-\$500K price range are still in a **Normal Seller's Market**, while the \$500k and up are mainly in an **Extreme Buyer's Market**.



### November 2011 Homes Sales By Region

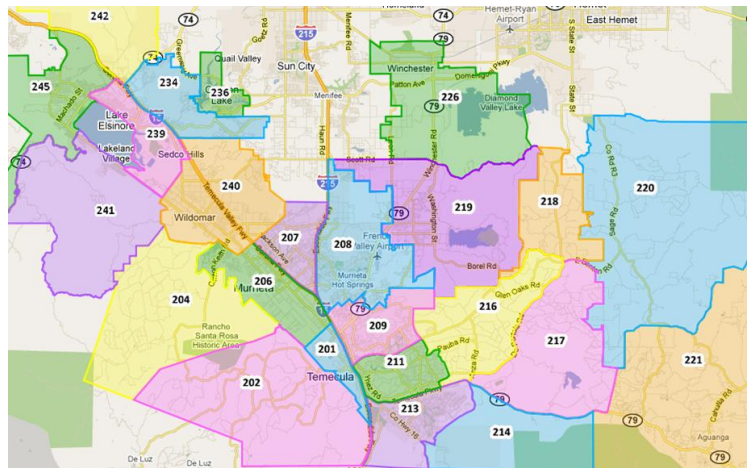
Region	# of Solds	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	81	134	1.65	\$306,571	77
Temecula North	104	197	1.89	\$277,949	98
Temecula West	6	28	4.67	\$586,667	90
Murrieta North	35	108	3.09	\$228,551	86
Murrieta West	56	121	2.16	\$352,266	90
Murrieta East	85	236	2.78	\$237,871	79
Winchester	47	97	2.06	\$208,204	87
Wildomar	35	83	2.37	\$201,259	59
Menifee	144	414	2.88	\$174,325	87
Hemet	107	391	3.65	\$119,378	69
San Jacinto	70	172	2.46	\$128,311	70
Perris	111	303	2.73	\$135,118	74
Lake Elsinore	101	259	2.56	\$163,439	79

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### Sales by Region

The above chart provides detail of how well each region of Southwest Riverside County are selling. **Menifee** and **Perris** continue to outperform the rest of the market. The demand is driven by a great location, and low cost of ownership.



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## Distressed Property and Investor Market Insert

With about **62.9%** of all sales being Foreclosure and Short Sales, Southwest Riverside County market is prime for investors to help turn it around and make strong returns. This insert outlines short sales and foreclosure sales best areas to invest in, and estimated cash flows and cap rate.

	2009 Sales	%	2010 Sales	%	Nov. 2011 Sales	%
REO Sales	11,258	67.00%	5,802	43.80%	319	32.5%
Short Sales	2,512	14.95%	3,935	29.71%	298	30.4%
<b>Total Distressed Sales</b>	<b>13,770</b>	<b>81.95%</b>	<b>9,737</b>	<b>73.51%</b>	<b>617</b>	<b>62.9%</b>
Total Sales (Normal Resale and Distressed)	16,802		13,246		981	

## Strong Performing Areas – for Investors

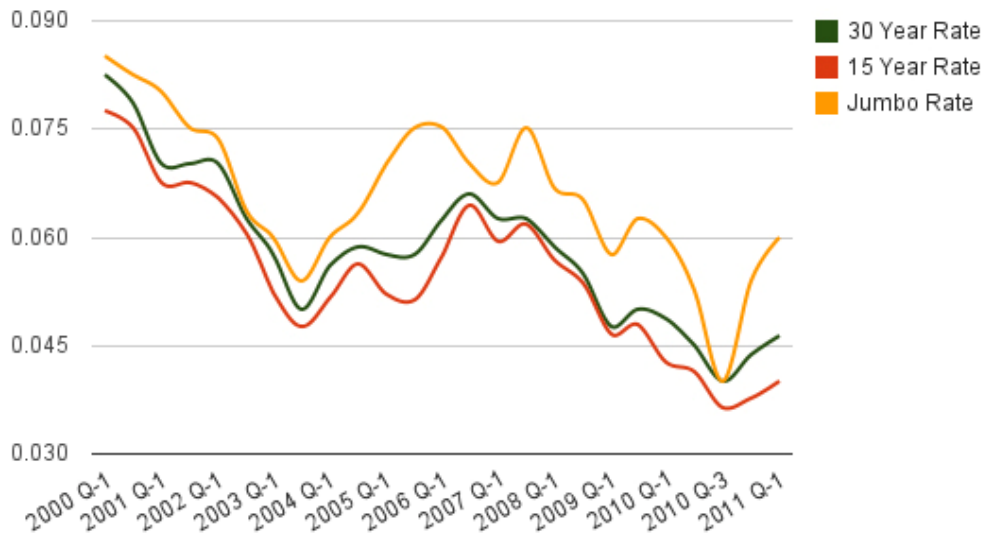
Menifee	
Month's of Inventory	2.88
Low Selling Price	\$46,250
Average Selling Price	\$174,325
Average Rent	\$1,479
Estimated Cap Rate	10.18%
Estimated Cash on Cash Return (25% down)	40.72%

Perris	
Month's of Inventory	2.73
Low Selling Price	\$35,000
Average Selling Price	\$135,118
Average Rent	\$1,439
Estimated Cap Rate	12.78%
Estimated Cash on Cash Return (25% down)	51.12%

All information presented above is estimated and in no way represents the actual returns of individual properties. Data pulled from CRMLS. Strong performing areas are based on single family homes.



**Mortgage Rates - 11 Year Summary**



The above chart tracks mortgage rates for the past 11 years. As you can see, mortgage rates are ticking back up a little.

**CONFORMING**  
 30 Yr Fixed 4.625%, 1 pt.  
 15 Yr Fixed 4.00%, 1 pt.

**JUMBO (over \$417K loan amount)**  
 30 Yr Fixed 6.00%, 1 pt.  
 7 Yr ARM 5.00%, 1 pt.

I can provide you with a more specific analysis for either your home or your buying price range. Please contact us for more information.