



Real Estate Market Report February 2012



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



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



**For Sale – 30075 Corte Tolano
Temecula, CA 92591**



**For Sale – 31775 Emerald
Winchester, CA 92596**

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

www.SWRiversideCountyHomes.com

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February, 2012

The state and national economy hasn't yet help pull Southwest Riverside County out of the financial troubles that have been looming over the area for quite some time now. Experts are saying that the region will not see an improvement until the 2013 – 2014 fiscal year. Even though this may not sound good there are some positives to take from this.

Home sales within the region are down from this time last year but have increased since last month with only larger projections coming for the coming months. The increase in jobs in the area has helped the struggling economy out. The lower price ranges continue to drive the local market with over 75% of homes being sold below \$300k. Home prices are still at all time lows.

Many of the home sales continue to remain under distressed situations such as REO's and Short Sales. For the first time in a long time the amount of REO sales and Short Sales are even. It used to be mainly REO sales but Short Sales have been making a comeback with many lenders being able to streamline the process and cut down time frame that it takes to get the approval.

The Southwest Riverside County Market will continue to get better and increase the amount of sales as the month's progress this year, especially in the coming summer months.

We hope this Southwest Riverside County Market Report with detailed information by price range, zip codes and area help you make the best decisions for you and your family. It is our pleasure to deliver it to you so together we can spot the trends.

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

Regards,

A handwritten signature in black ink that reads 'Tom Olsewski'. The signature is written in a cursive, flowing style.

Tom Olsewski



Summary of the SW Riverside County Market

Home Sales in February

843 Homes Sold

6.3% decrease from last year



Market Inventories in different Price Ranges

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

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

\$500K & Up = **Extreme Buyer's Market**

Homes for Sale

2693 Homes *for Sale*

Month's of Inventory

3.19 Month's Inventory

Type of Market: **Normal Seller's Market**

Average Sold Price

\$211,182 average price of homes

Days on Market

73 Days – Average Days on Market

Cash Buyers in 2012

34% of sales were for *Cash* in February

Financing Type

28.7% of sales *FHA*

23.6% of sales *Conventional*

9.7% of sales *VA Loan*

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

Distressed Property and Investor Market Insert – **62%** of all sales in February 2012 were in a distressed situation

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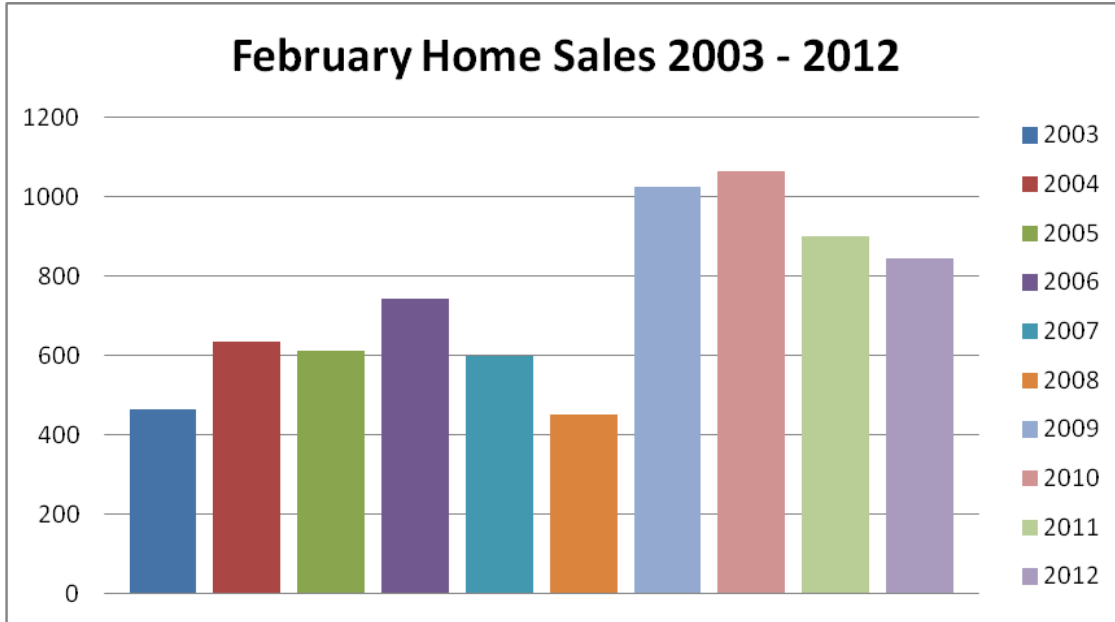
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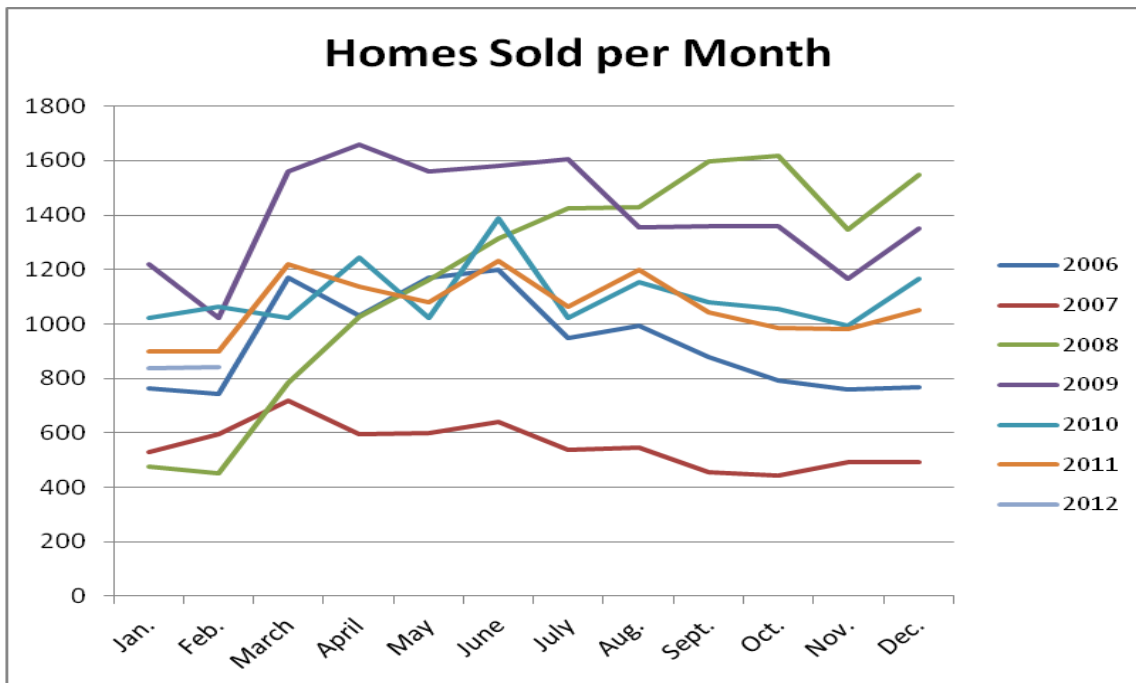
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Sales are on the decline for the month of February. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In February **843** homes sold in Southwest Riverside County. This is a **6.3% decrease** in sold homes since this month last year.



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February 2012 Homes Sales By Price Band				
Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	121	291	2.40	Extreme Seller's Market
\$100K-\$200k	385	1124	2.92	Extreme Seller's Market
\$200K-\$300K	247	779	3.15	Normal Seller's Market
\$300K-\$400K	65	261	4.02	Normal Seller's Market
\$400K-\$500K	13	54	4.15	Normal Seller's Market
\$500K-\$600K	7	34	4.86	Normal Seller's Market
\$600K-\$700K	2	22	11.00	Normal Seller's Market
\$700K-\$800K	0	27	N/A	Extreme Buyer's Market
\$800K-\$900K	0	8	N/A	Extreme Buyer's Market
\$900K-\$1M	2	14	7.00	Balanced Market
\$1M-\$2M	1	62	62.00	Extreme Buyer's Market
\$2M-\$3M	0	8	N/A	Extreme Buyer's Market
\$3M<	0	9	N/A	Extreme Buyer's Market
Overall MKT	843	2693	3.19	Normal Seller's Market
12+ months of inventory				Extreme Buyer's Market
9-12 months of inventory				Normal Buyer's Market
6-9 months of inventory				Balanced Market
3-6 months of inventory				Normal Seller's Market
0-3 months of inventory				Extreme Seller's Market
				High Depreciation
				Moderation Depreciation
				Flat or Moderate Depreciation
				Moderate to High Appreciation
				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 created a **Normal Seller's Market**. Although it shows a **Normal 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 ranges, is a **Normal Seller's Market**, while the \$500K and up is an **Extreme Buyer's Market**.



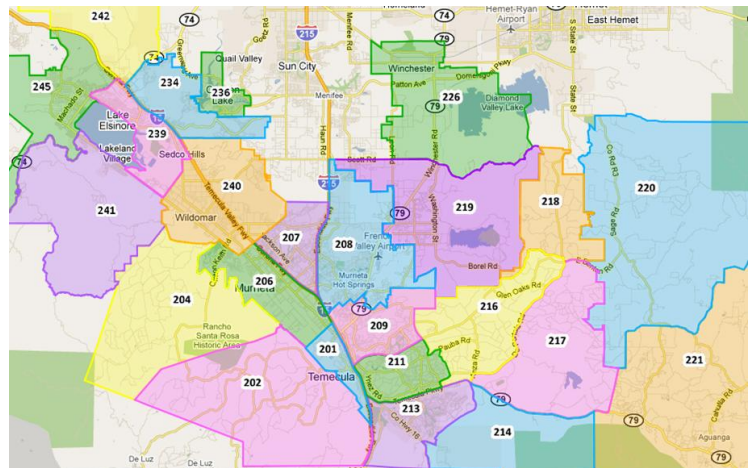
February 2012 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	59	185	3.14	\$278,995	79
Temecula North	77	216	2.81	\$281,846	76
Temecula West	1	31	31.00	\$240,000	9
Murrieta North	47	113	2.40	\$250,014	83
Murrieta West	34	135	3.97	\$340,131	90
Murrieta East	81	233	2.88	\$243,264	77
Winchester	35	108	3.09	\$223,832	66
Wildomar	42	92	2.19	\$177,356	84
Menifee	121	424	3.50	\$159,896	89
Hemet	118	396	3.36	\$119,562	75
San Jacinto	48	167	3.48	\$123,950	66
Perris	100	284	2.84	\$139,134	70
Lake Elsinore	85	307	3.61	\$167,383	81

12+ months of inventory	Extreme Buyer's Market	High Depreciation
9-12 months of inventory	Normal Buyer's Market	Moderation Depreciation
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

Sales by Region

The above chart provides detail of how well each region of Southwest Riverside County are selling. **Menifee** and **Hemet** 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

With about **62%** 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.

	2010 Sales	%	2011 Sales	%	Feb. 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	261	31.0%
Short Sales	3,935	29.71%	3,433	26.84%	261	31.0%
Total Distressed Sales	9,737	73.51%	8,319	65.05%	522	62.0%
Total Sales (Normal Resale and Distressed)	13,246		12,788		843	

Strong Performing Areas – for Investors

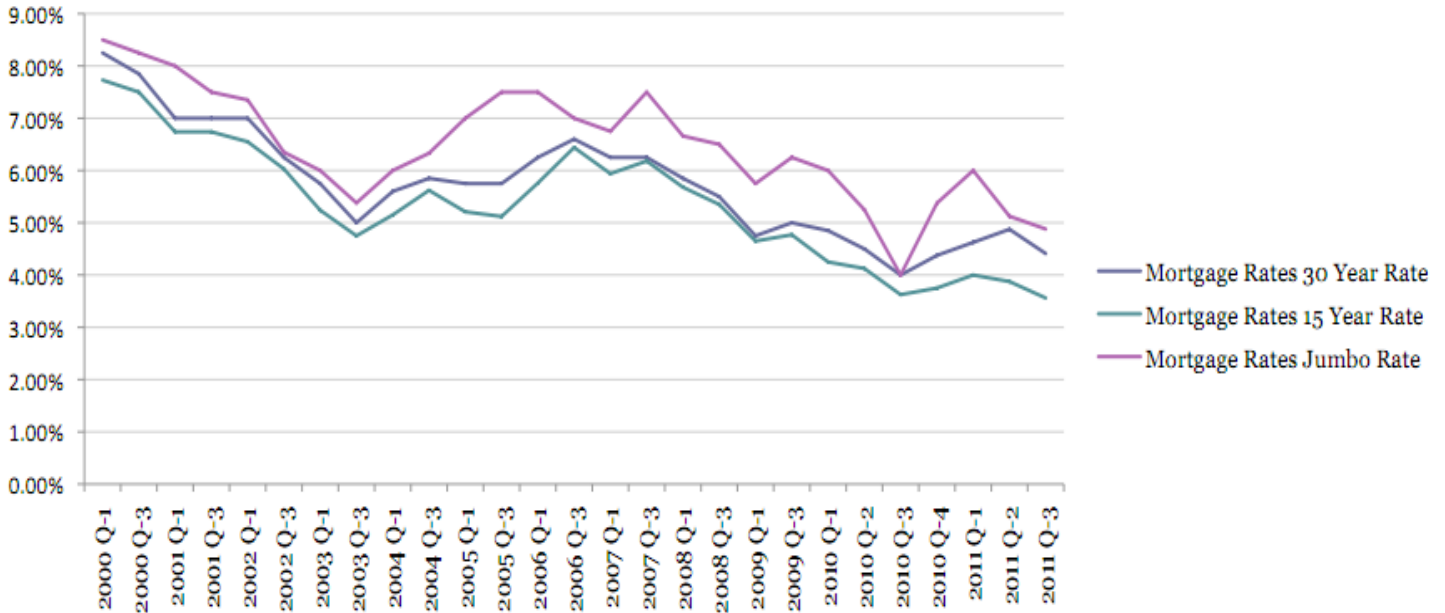
Menifee	
Month's of Inventory	3.5
Low Selling Price	\$18,500
Average Selling Price	\$159,896
Average Rent	\$1,284
Estimated Cap Rate	9.64%
Estimated Cash on Cash Return (25% down)	38.55%

Hemet	
Month's of Inventory	3.36
Low Selling Price	\$36,100
Average Selling Price	\$119,562
Average Rent	\$1,047
Estimated Cap Rate	10.51%
Estimated Cash on Cash Return (25% down)	42.03%

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 at close to their lowest levels.

CONFORMING

30 Yr Fixed 4.00%

15 Yr Fixed 3.38%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.75%

7 Yr ARM 3.75%

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