



Real Estate Market Report March 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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March, 2012

Southwest Riverside County's market has changed from a Normal Seller's Market from last month to an Extreme Seller's Market this month. This change is due to the extreme change in the number of homes on the market. In March there were 1997 homes on the market which is a 25.8% decrease than in February. With the supply and demand the way it is home sellers are able to get about 97% of the asking list price for their home.

Southwest Riverside County Jobs have increased since this time last year but the unemployment rate has gone up from 12.2% to 12.4%. This could have also lead to the change in the real estate market.

Despite the slight increase in unemployment the average sale price of home is up for the 5th straight month. This is also due to the low inventory sellers are able to get the most money for the price of their home. No longer can buyers come in and offer way below the asking price of a home.

In Southwest Riverside County, people are leaning away from renting. Homebuyers, who make a 20 percent down payment to buy in 13 of 15 ZIP codes, pay less on a monthly basis than they would in rent. Even homebuyers with FHA loans still pay less in those same ZIP codes then the price they would be paying to rent the exact same home.

Even though the number of bank owned homes is down 21% from this time last year. The number of homes that are schedule for sale is also down 41% from this time last year due to the fact that many lenders are more willing to help distressed home owners with short sales and help avoid the foreclosure process.

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 March

1126 Homes Sold

7.7% decrease from last year



Average Sold Price

\$247,263 average price of homes

Days on Market

85 Days – Average Days on Market

Market Inventories in different Price Ranges

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

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

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

Cash Buyers in 2012

30.3% of sales were for *Cash* in March

Financing Type

27.4% of sales *FHA*

23.4% of sales *Conventional*

11.4% of sales *VA Loan*

Homes for Sale

1997 Homes *for Sale*

Month's of Inventory

1.77 Month's Inventory

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

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

Distressed Property and Investor Market Insert – **60%** of all sales in March 2012 were in a distressed situation

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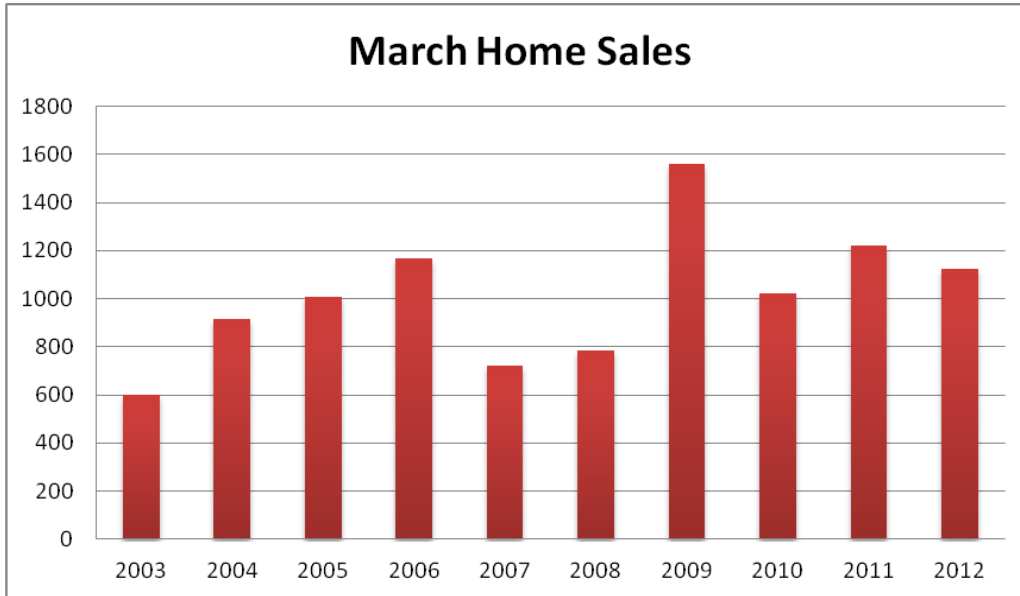
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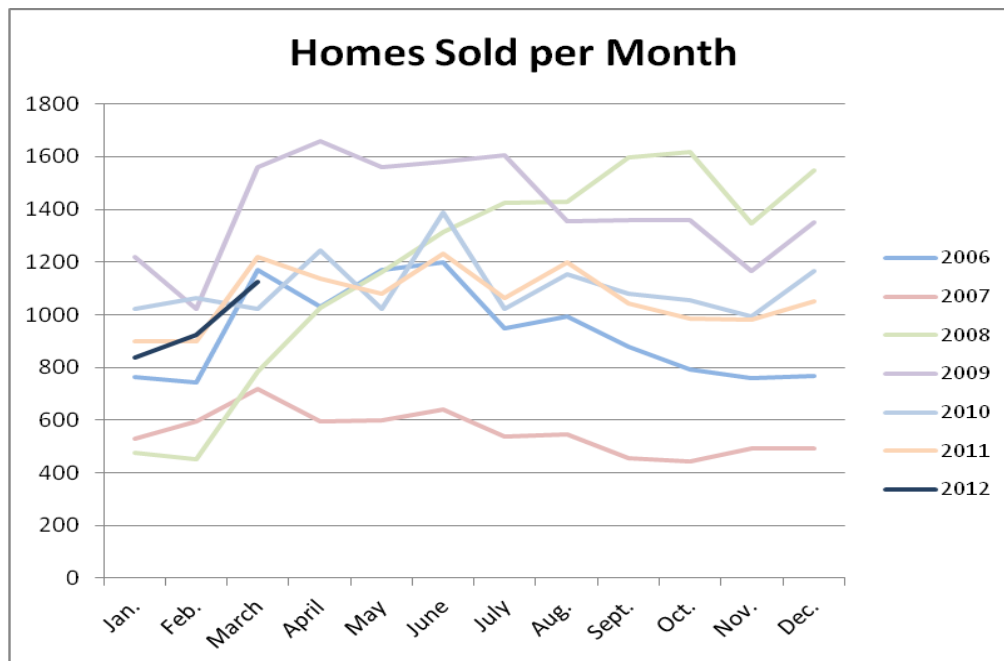
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Sales are on the decline for the month of March. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In March **1126** homes sold in Southwest Riverside County. This is a **7.7% decrease** in sold homes since this month last year.



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March 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	151	224	1.48	Extreme Seller's Market
\$100K-\$200k	501	788	1.57	Extreme Seller's Market
\$200K-\$300K	351	536	1.53	Extreme Seller's Market
\$300K-\$400K	83	200	2.41	Extreme Seller's Market
\$400K-\$500K	17	62	3.65	Normal Seller's Market
\$500K-\$600K	8	38	4.75	Normal Seller's Market
\$600K-\$700K	6	22	3.67	Normal Seller's Market
\$700K-\$800K	5	22	4.40	Normal Seller's Market
\$800K-\$900K	2	13	6.50	Balanced Market
\$900K-\$1M	0	13	N/A	Extreme Buyer's Market
\$1M-\$2M	1	61	61.00	Extreme Buyer's Market
\$2M-\$3M	1	9	9.00	Normal Buyer's Market
\$3M<	0	9	N/A	Extreme Buyer's Market
Overall MKT	1126	1997	1.77	Extreme Seller's Market
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

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 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 ranges, is a **Normal Seller's Market**, while the \$500K and up is an **Extreme Buyer's Market**.

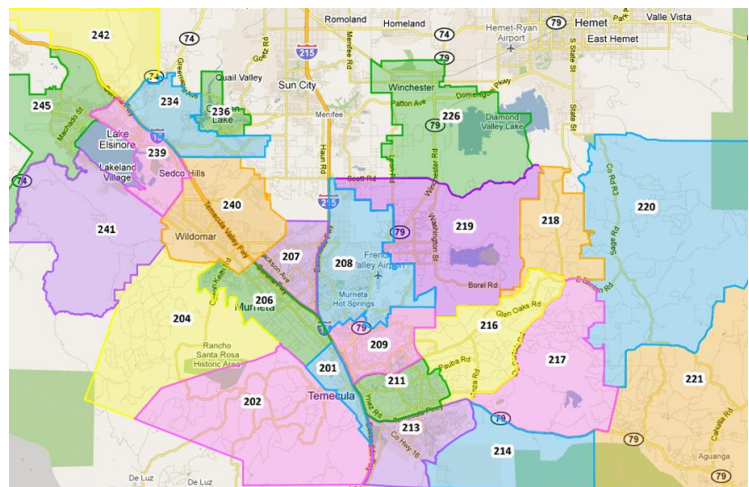


March 2012 Homes Sales By Region					
Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	76	127	1.67	\$296,541	87
Temecula North	112	151	1.35	\$280,201	84
Temecula West	6	33	5.50	\$671,583	107
Murrieta North	58	82	1.41	\$237,522	89
Murrieta West	45	124	2.76	\$293,024	104
Murrieta East	108	159	1.47	\$224,681	86
Winchester	56	52	0.93	\$228,221	100
Wildomar	46	63	1.37	\$246,912	63
Menifee	156	328	2.10	\$185,551	85
Hemet	143	326	2.28	\$115,134	74
San Jacinto	72	126	1.75	\$129,187	75
Perris	127	181	1.43	\$143,655	73
Lake Elsinore	120	244	2.03	\$162,210	79

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 **60%** 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	%	March 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	373	33.1%
Short Sales	3,935	29.71%	3,433	26.84%	303	26.9%
Total Distressed Sales	9,737	73.51%	8,319	65.05%	676	60.0%
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,126	

Strong Performing Areas – for Investors

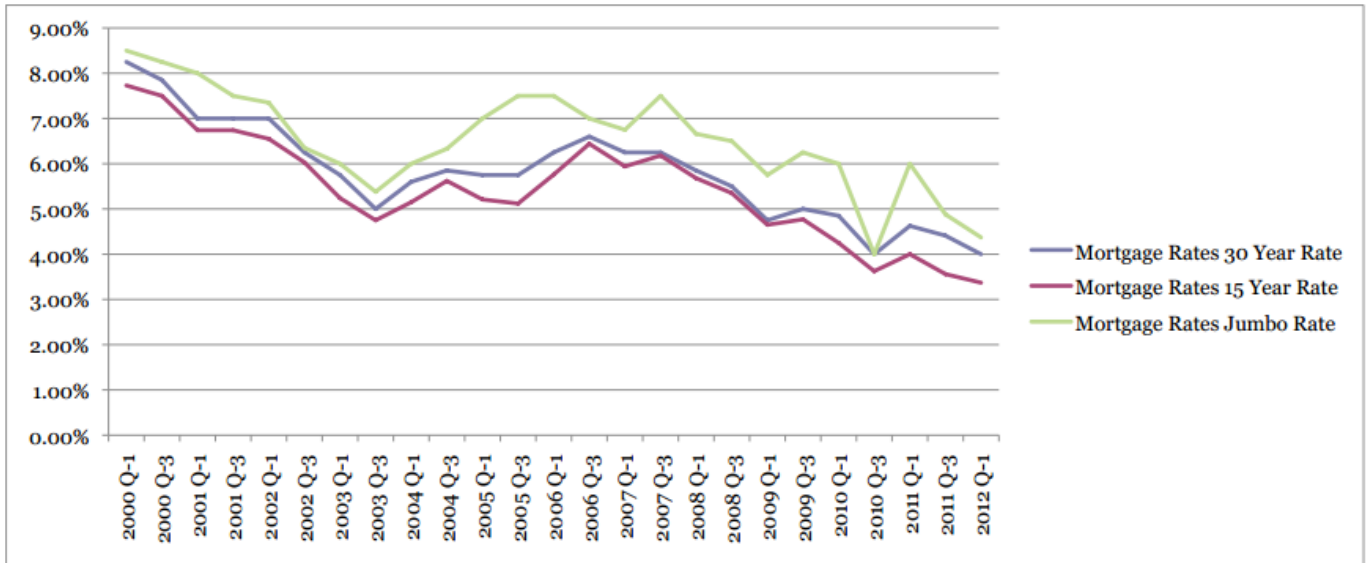
Menifee	
Month's of Inventory	2.10
Low Selling Price	\$50,000
Average Selling Price	\$185,551
Average Rent	\$1,259
Estimated Cap Rate	8.14%
Estimated Cash on Cash Return (25% down)	32.57%

Hemet	
Month's of Inventory	2.28
Low Selling Price	\$25,900
Average Selling Price	\$115,134
Average Rent	\$1,105
Estimated Cap Rate	11.52%
Estimated Cash on Cash Return (25% down)	46.07%

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 – 12 Year Summary



The above chart tracks mortgage rates for the past 12 years. As you can see, mortgage rates are at close to their lowest levels.

CONFORMING

30 Yr Fixed 3.99%

15 Yr Fixed 3.25%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.37%

7 Yr ARM 3.87%

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