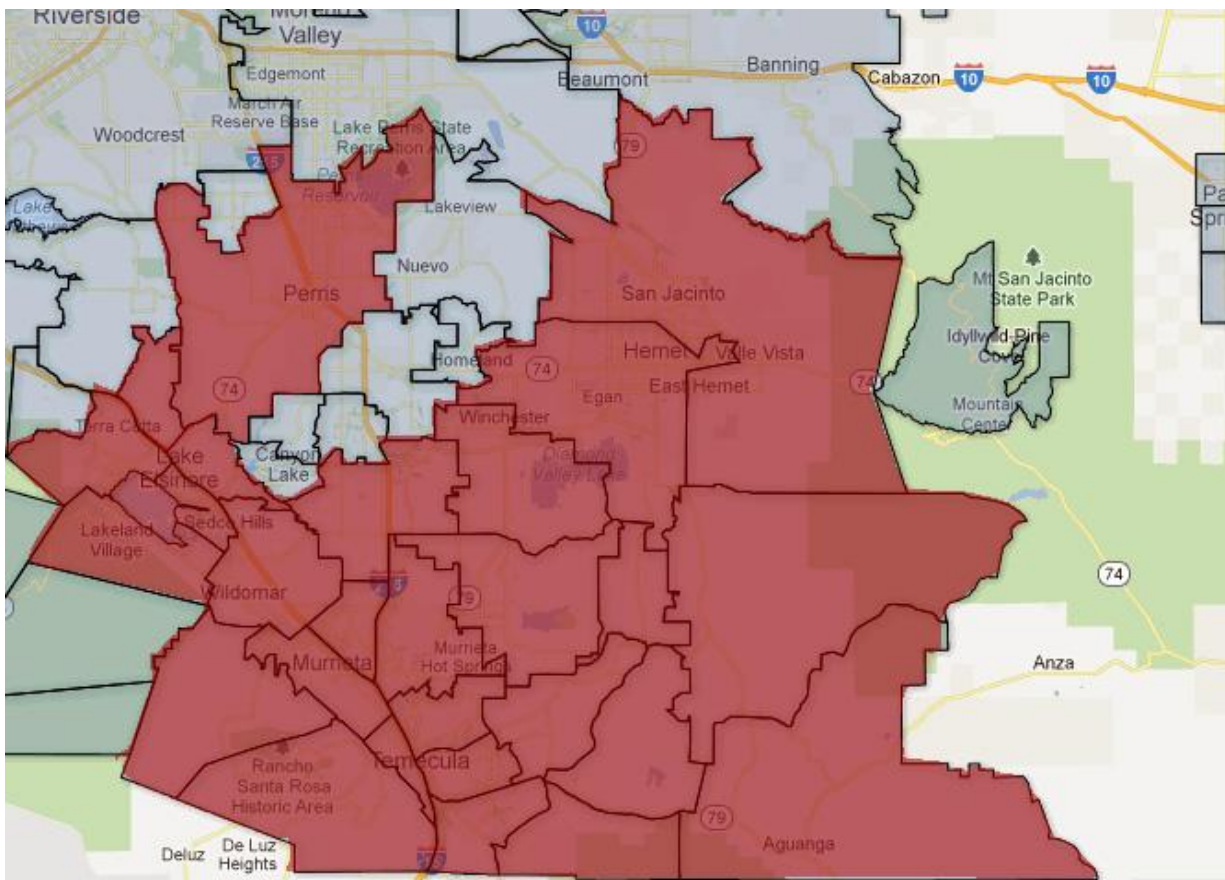




# Real Estate Market Report April 2012



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

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April, 2012

During the spring and early summer, it's normal to see the number of homes for sale, homes under contract and homes sold increase each month. This trend usually continues until mid summer. This year the trend continues with some very specific differences.

- Number of homes that have sold are at a four year low. This month there are 13% fewer homes that sold than last year and 20% fewer than 2010 - a big drop in inventory.
- Demand for homes was stagnate during April, the first month of slow demand this year. Demand, number of homes sold compared to February, had increased in April for each of the last four years. Other data indicates this is not a long term trend.
- Months of Inventory is 2.04, defined as a "Extreme Sellers Market." This is an average for the Southwest Riverside County market as a whole. Price bands, Zip Codes and Areas all have different market dynamics.
- The strongest Southwest Riverside County market segments are homes prices below \$400K. For homes valued over \$600K, there is an oversupply of houses and few buyers and this upper price range is in an "Extreme Buyers Market."

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 April

987 Homes Sold

13.3% decrease from last year



### Market Inventories in different Price Ranges

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

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

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

### Homes for Sale

2011 Homes *for Sale*

### Month's of Inventory

2.04 Month's Inventory

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

### Average Sold Price

\$246,035 average price of homes

### Days on Market

83 Days – Average Days on Market

### Cash Buyers in 2012

30.3% of sales were for *Cash* in April

### Financing Type

28.2% of sales *FHA*

24.4% of sales *Conventional*

10.1% of sales *VA Loan*

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

Distressed Property and Investor Market Insert – **53.8%** of all sales in April 2012 were in a distressed situation

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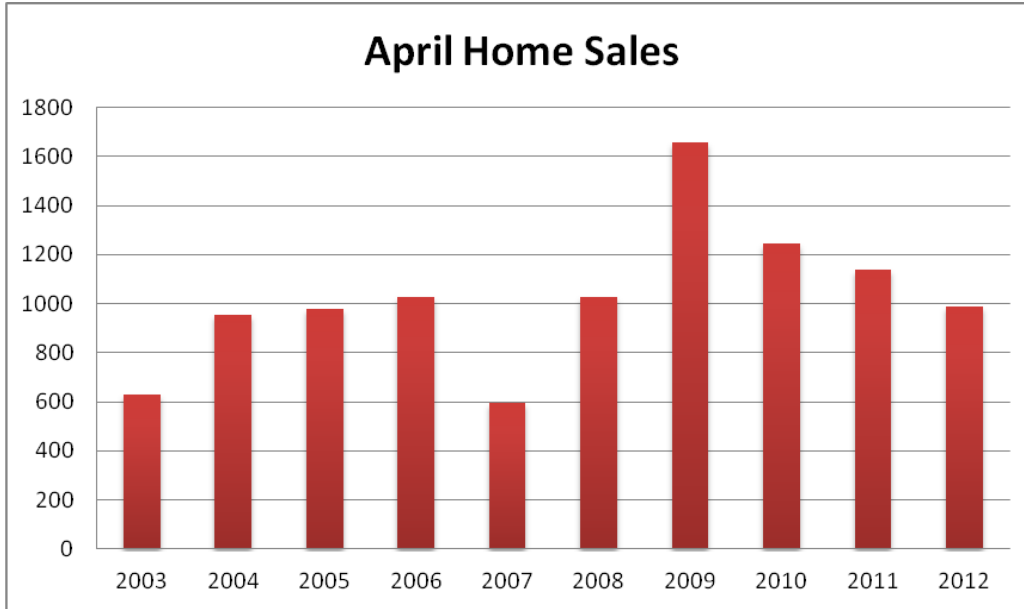
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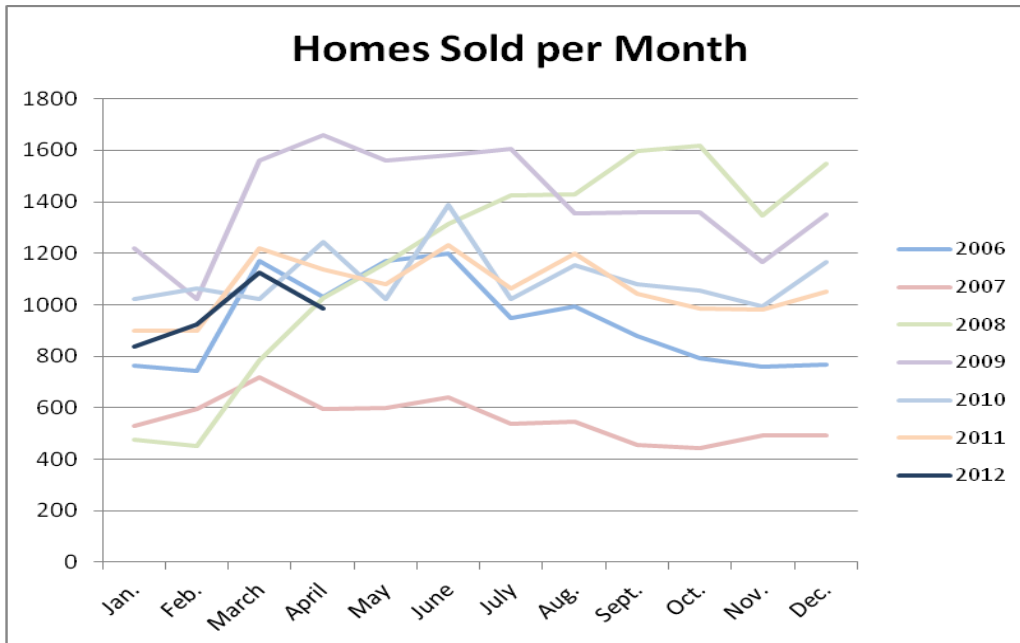
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Sales are on the decline for the month of April. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In April **987** homes sold in Southwest Riverside County. This is a **13.3% decrease** in sold homes since this month last year.



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### April 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	137	206	1.50	Extreme Seller's Market
\$100K-\$200k	413	783	1.90	Extreme Seller's Market
\$200K-\$300K	329	558	1.70	Extreme Seller's Market
\$300K-\$400K	78	199	2.55	Extreme Seller's Market
\$400K-\$500K	11	64	5.82	Normal Seller's Market
\$500K-\$600K	10	34	3.40	Normal Seller's Market
\$600K-\$700K	3	31	10.33	Normal Buyer's Market
\$700K-\$800K	1	20	20.00	Extreme Buyer's Market
\$800K-\$900K	3	16	5.33	Normal Seller's Market
\$900K-\$1M	1	12	12.00	Normal Buyer's Market
\$1M-\$2M	1	69	69.00	Extreme Buyer's Market
\$2M-\$3M	0	10	N/A	Extreme Buyer's Market
\$3M<	0	9	N/A	Extreme Buyer's Market
<b>Overall MKT</b>	<b>987</b>	<b>2011</b>	<b>2.04</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 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 April. 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**.



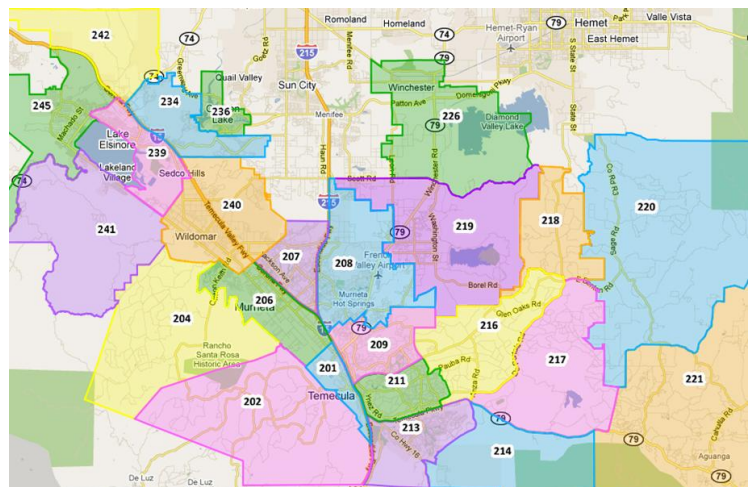
### April 2012 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	66	119	1.80	\$282,778	75
Temecula North	107	166	1.55	\$278,552	86
Temecula West	7	38	5.43	\$660,143	79
Murrieta North	56	68	1.21	\$243,891	70
Murrieta West	33	124	3.76	\$358,545	107
Murrieta East	94	161	1.71	\$238,484	92
Winchester	41	64	1.56	\$215,355	118
Wildomar	40	59	1.48	\$186,443	81
Menifee	170	325	1.91	\$171,181	77
Hemet	137	329	2.40	\$119,937	58
San Jacinto	61	131	2.15	\$128,820	78
Perris	91	195	2.14	\$142,800	73
Lake Elsinore	86	229	2.66	\$171,518	78

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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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## What are Sellers Getting for Their Home?

This section shows the percentage of the listing price that the sellers are actually receiving in each of the following areas as well as for the entire market.

Percentage of Listing Price			
Region	Avg. Sell Price	Avg. List Price	% of Listing Price
Temecula South	\$282,778	\$287,798	98.3%
Temecula North	\$278,552	\$282,770	98.5%
Temecula West	\$660,143	\$708,129	93.2%
Murrieta North	\$243,891	\$245,018	99.5%
Murrieta West	\$358,545	\$374,752	95.7%
Murrieta East	\$238,484	\$239,556	99.6%
Winchester	\$215,355	\$217,124	99.2%
Wildomar	\$186,443	\$188,805	98.7%
Menifee	\$171,181	\$172,141	99.4%
Hemet	\$119,937	\$121,663	98.6%
San Jacinto	\$128,820	\$129,347	99.6%
Perris	\$142,800	\$143,064	99.8%
Lake Elsinore	\$171,518	\$173,975	98.6%
<b>TOTAL MKT</b>	<b>\$246,035</b>	<b>\$252,626</b>	<b>97.4%</b>

This chart shows that for the month of April home sellers are getting **97.4%** of their asking price. The days of buyer's coming in and offering well below the asking price are no longer here.

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## Distressed Property and Investor Market

With about **53.8%** 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	%	April 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	287	29.1%
Short Sales	3,935	29.71%	3,433	26.84%	244	24.7%
<b>Total Distressed Sales</b>	<b>9,737</b>	<b>73.51%</b>	<b>8,319</b>	<b>65.05%</b>	<b>531</b>	<b>53.8%</b>
Total Sales (Normal Resale and Distressed)	13,246		12,788		987	

## Strong Performing Areas – for Investors

Menifee	
Month's of Inventory	1.91
Low Selling Price	\$48,100
Average Selling Price	\$171,181
Average Rent	\$1,447
Estimated Cap Rate	10.14%
Estimated Cash on Cash Return (25% down)	40.57%

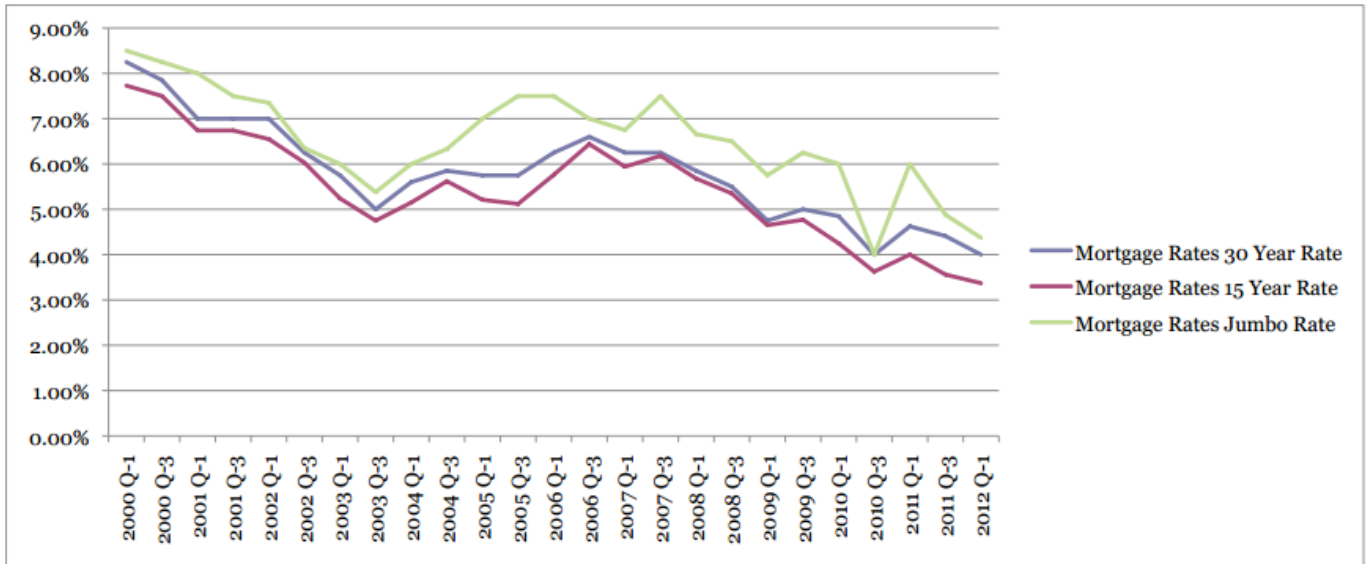
Hemet	
Month's of Inventory	2.4
Low Selling Price	\$32,000
Average Selling Price	\$119,937
Average Rent	\$1,157
Estimated Cap Rate	11.58%
Estimated Cash on Cash Return (25% down)	46.30%

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.