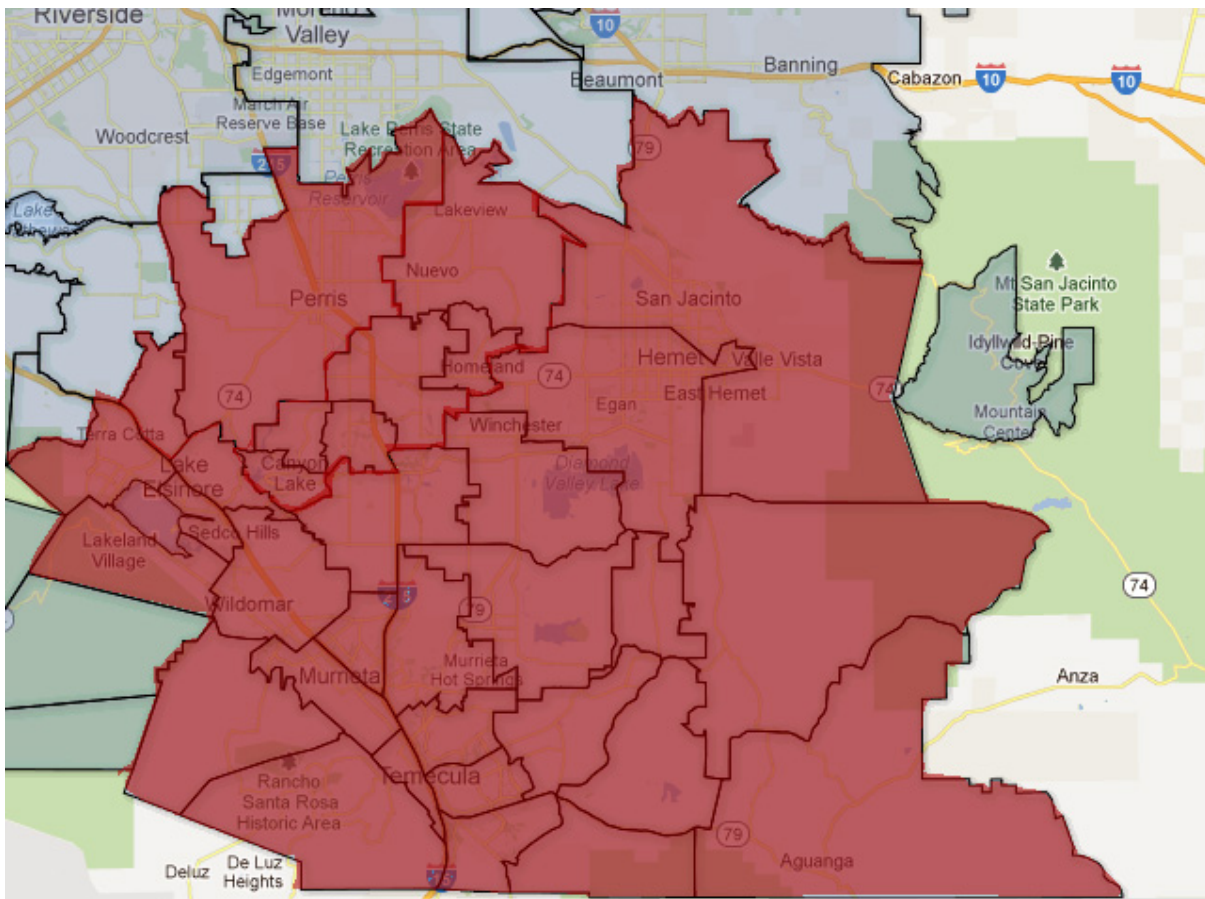




Real Estate Market Report June 2012



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

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY
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June, 2012

June still continued to be a Seller's Market. A Seller's Market is defined as a number of homes for sale with high demand that result in slowing rising prices. Great and well priced homes in this seller's market usually receive an offer in a few days; this is exactly like the homes in Southwest Riverside County.

Regular readers of this Market Report know that while you can speak on the Market generally, it is following the trends over time that provide the actionable data for buyers and sellers. Demand is high and inventory is low. Demand is expected to grow especially the next couple months when real estate transactions tend to be at their highest.

The Southwest Riverside Market is not uniform by home price.

Homes priced under \$200,000 are the highest demand and in an Extreme Seller's Market usually with high appreciation of home values. Homes that sold under \$200,000 make up 54% of all home sales for the month of June, and homes that sold under \$300,000 make up 86% of all the home sales.

Homes priced between \$500,000 and \$900,000 is a Normal Seller's Market, while homes that priced above \$900,000 are an Extreme Buyer's Market with prices continuing to decline.

Buying and selling in this market requires a deep understanding of the history and pressures in each area of town and price range.

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 June

1224 Homes Sold

4.3% decrease from last year



Market Inventories in different Price Ranges

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

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

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

Homes for Sale

1461 Homes *for Sale*

Month's of Inventory

1.19 Month's Inventory

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

Average Sold Price

\$219,567 average price of homes

Days on Market

74 Days – Average Days on Market

Cash Buyers in 2012

33.2% of sales were for *Cash* in June

Financing Type

27.3% of sales *FHA*

24.8% of sales *Conventional*

9.6% of sales *VA Loan*

Top selling **Region** = Hemet

Distressed Property and Investor Market Insert – **52.0%** of all sales in June 2012 were in a distressed situation

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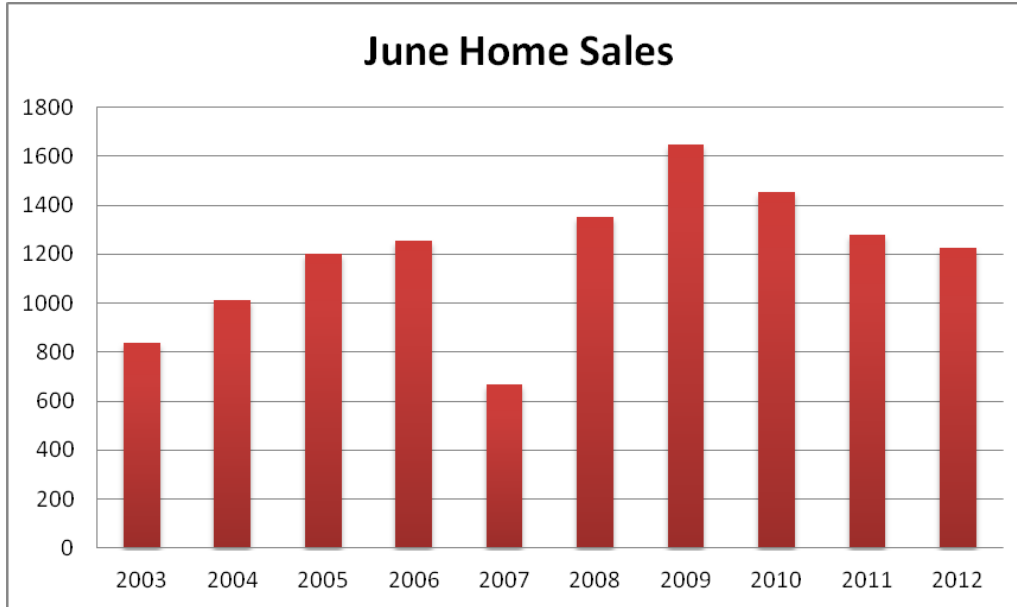
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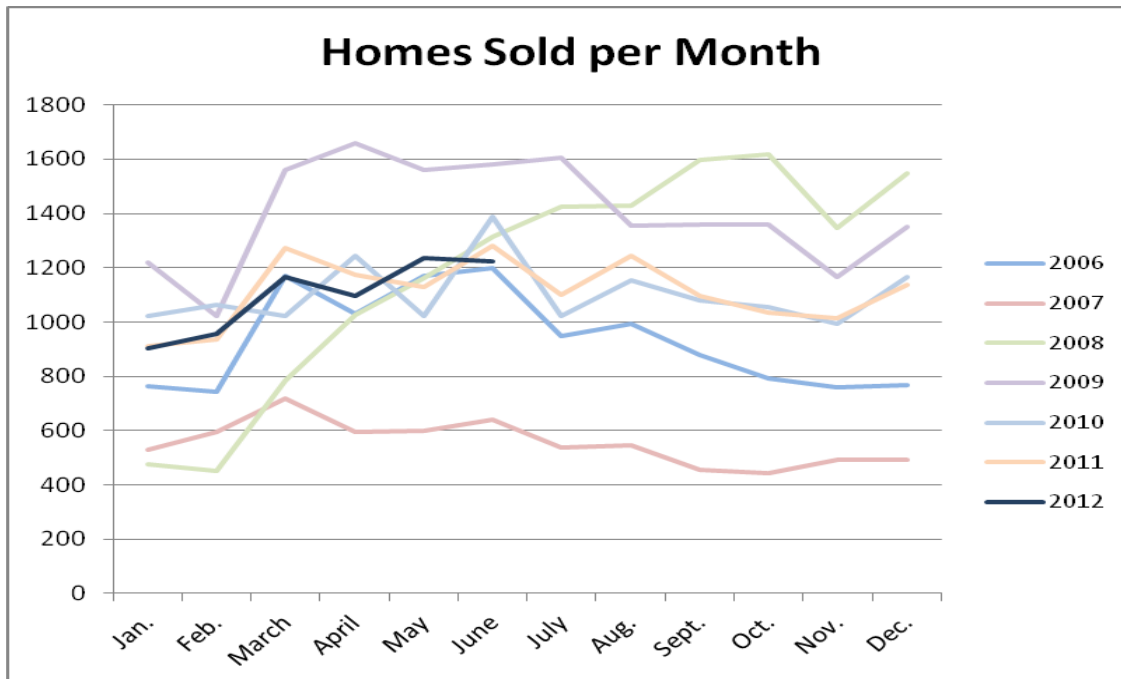
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Sales are on the decline for the month of June. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In June 1224 homes sold in Southwest Riverside County. This is a 4.3% decrease in sold homes since this month last year.



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June 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	173	158	0.91	Extreme Seller's Market
\$100K-\$200k	491	422	0.86	Extreme Seller's Market
\$200K-\$300K	393	350	0.89	Extreme Seller's Market
\$300K-\$400K	110	223	2.03	Extreme Seller's Market
\$400K-\$500K	26	65	2.50	Extreme Seller's Market
\$500K-\$600K	11	47	4.27	Normal Seller's Market
\$600K-\$700K	5	31	6.20	Balanced Market
\$700K-\$800K	6	26	4.33	Normal Seller's Market
\$800K-\$900K	5	22	4.40	Normal Seller's Market
\$900K-\$1M	1	12	12.00	Normal Buyer's Market
\$1M-\$2M	3	80	26.67	Extreme Buyer's Market
\$2M-\$3M	0	16	N/A	Extreme Buyer's Market
\$3M<	0	9	N/A	Extreme Buyer's Market
Overall MKT	1224	1461	1.19	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 June. 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 an **Extreme Seller's Market**, while the \$500K and up is a **Balanced Market**.

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June 2012 Homes Sales By Region					
Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	101	66	0.65	\$300,157	77
Temecula North	118	115	0.97	\$278,475	74
Temecula West	6	38	6.33	\$610,833	149
Murrieta North	60	26	0.43	\$243,372	77
Murrieta West	53	115	2.17	\$409,194	95
Murrieta East	100	116	1.16	\$241,750	88
Winchester	50	51	1.02	\$216,357	84
Wildomar	39	49	1.26	\$209,372	89
Menifee	129	142	1.10	\$195,854	88
Hemet	167	236	1.41	\$124,526	63
San Jacinto	62	87	1.40	\$127,189	68
Perris	125	98	0.78	\$144,576	79
Lake Elsinore	102	120	1.18	\$184,367	80
Canyon Lake	31	85	2.74	\$333,185	86
Quail Valley	7	4	0.57	\$81,546	51
Sun City	42	41	0.98	\$113,816	72
Romoland	24	17	0.71	\$161,986	56
Homeland	5	13	2.60	\$82,610	25
Nuevo	5	9	1.80	\$112,600	15
<i>12+ months of inventory</i>		<i>Extreme Buyer's Market</i>		<i>High Depreciation</i>	
<i>9-12 months of inventory</i>		<i>Normal Buyer's Market</i>		<i>Moderation Depreciation</i>	
<i>6-9 months of inventory</i>		<i>Balanced Market</i>		<i>Flat or Moderate Depreciation</i>	
<i>3-6 months of inventory</i>		<i>Normal Seller's Market</i>		<i>Moderate to High Appreciation</i>	
<i>0-3 months of inventory</i>		<i>Extreme Seller's Market</i>		<i>High Appreciation</i>	

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.



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	\$300,157	\$306,366	98.0%
Temecula North	\$278,475	\$281,230	99.0%
Temecula West	\$610,833	\$634,450	96.3%
Murrieta North	\$243,372	\$247,171	98.5%
Murrieta West	\$409,194	\$429,338	95.3%
Murrieta East	\$241,750	\$241,688	100.0%
Winchester	\$216,357	\$218,421	99.1%
Wildomar	\$209,372	\$209,591	99.9%
Menifee	\$195,854	\$195,167	100.4%
Hemet	\$124,526	\$126,582	98.4%
San Jacinto	\$127,189	\$127,645	99.6%
Perris	\$144,576	\$148,028	97.7%
Lake Elsinore	\$184,367	\$184,641	99.9%
Canyon Lake	\$333,185	\$347,538	95.9%
Quail Valley	\$81,546	\$77,521	105.2%
Sun City	\$113,816	\$113,514	100.3%
Romoland	\$161,986	\$161,903	100.1%
Homeland	\$82,610	\$75,510	109.4%
Nuevo	\$112,600	\$109,140	103.2%
TOTAL MKT	\$219,567	\$222,918	98.5%

This chart shows that for the month of June home sellers are getting **98.5%** of their asking price. The days of buyer's coming in and offering well below the asking price are no longer here.



Distressed Property and Investor Market

With about **52.0%** 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	%	June 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	279	22.8%
Short Sales	3,935	29.71%	3,433	26.84%	357	29.2%
Total Distressed Sales	9,737	73.51%	8,319	65.05%	636	52.0%
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,224	

Strong Performing Areas – for Investors

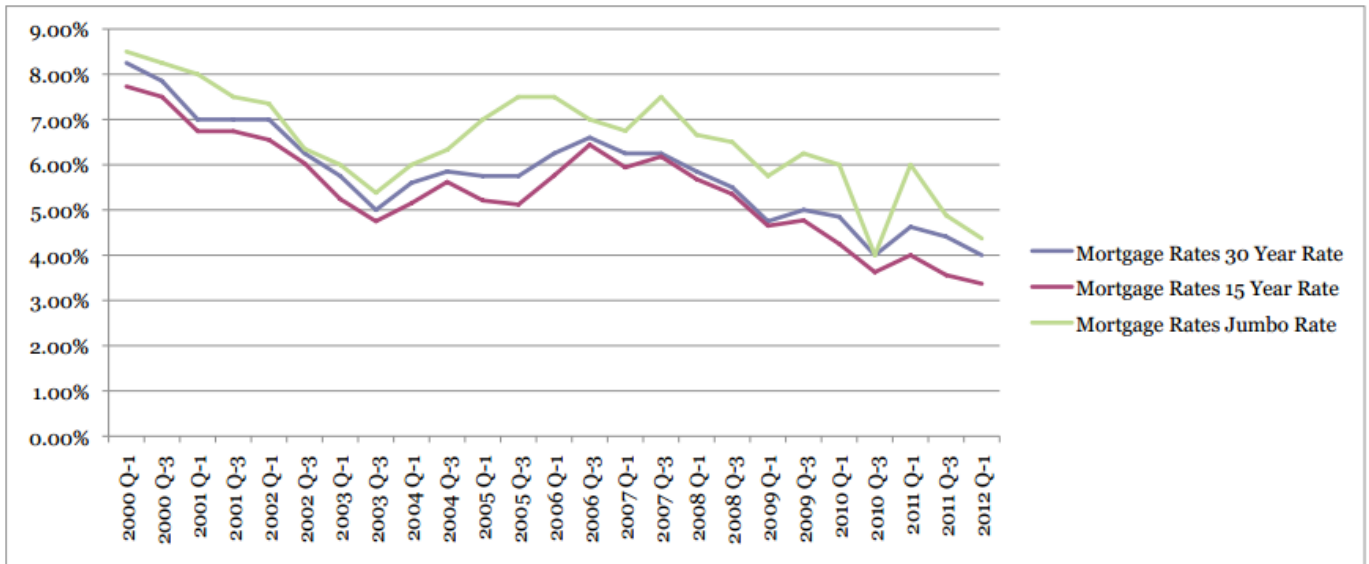
Menifee	
Month's of Inventory	1.10
Low Selling Price	\$25,000
Average Selling Price	\$195,854
Average Rent	\$1,448
Estimated Cap Rate	8.87%
Estimated Cash on Cash Return (25% down)	35.49%

Hemet	
Month's of Inventory	1.41
Low Selling Price	\$32,000
Average Selling Price	\$124,526
Average Rent	\$1,240
Estimated Cap Rate	11.95%
Estimated Cash on Cash Return (25% down)	47.80%

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 3.67%

15 Yr Fixed 2.94%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.12%

7 Yr FHA 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.