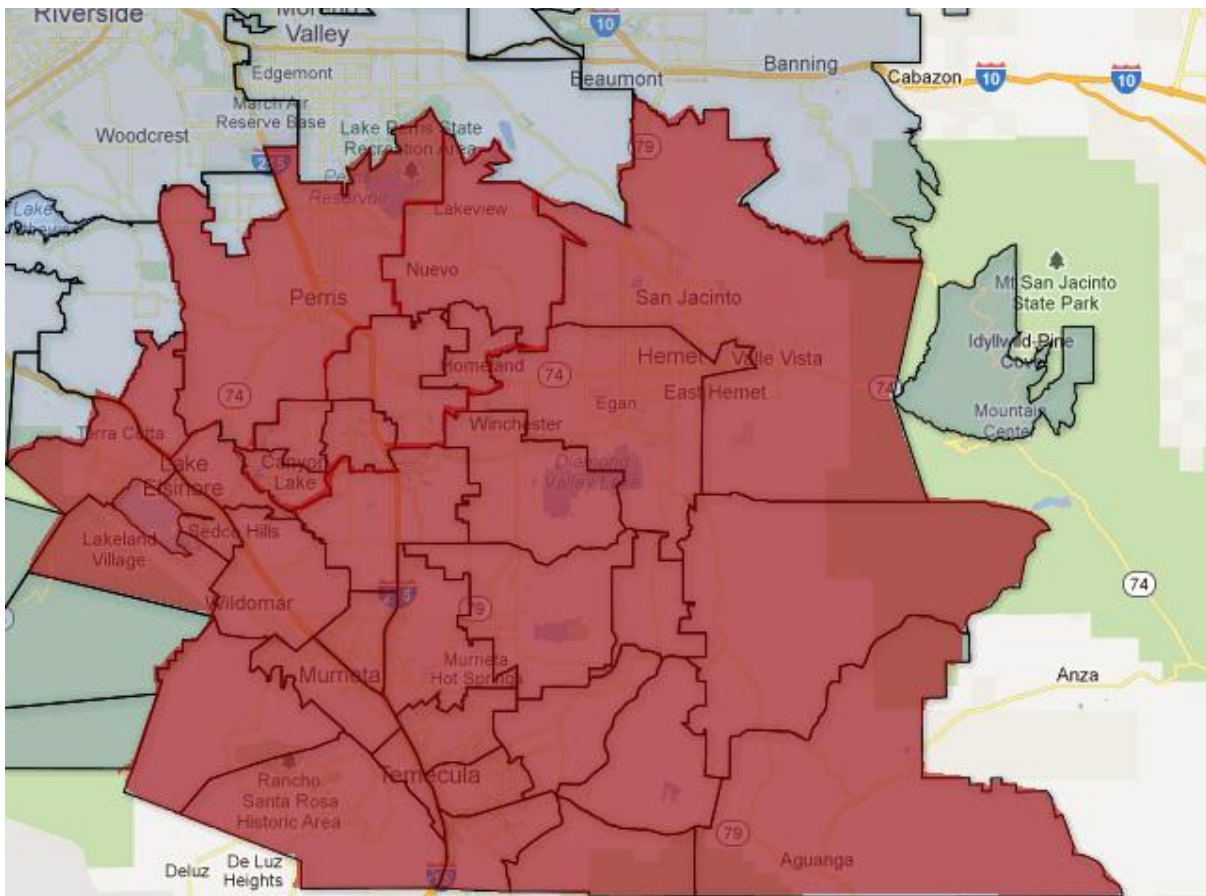




Real Estate Market Report August 2012



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

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY
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August, 2012

The Southwest Riverside County Market is starting to see the price of homes go up. The price of homes is on the rise for the 3rd month in a row. The prices of homes have risen 17.7% in the last three months. This is mainly due to the lack of inventory that is on the market. Homes prices went up enough in the last couple months to show that the Real Estate Industry is on a path towards recovery. Not only is the price of homes rising in Southwest Riverside County but it is rising in all of Southern California.

The Southwest Riverside County Market has seen a significant drop in the number of available homes for sale. Beginning the 2012 year there were close to 3,000 homes on the market for sale. In August there were only 1351 homes for sale. With taking into consideration the supply and demand concept sellers are getting an average of 104.9% of their asking price for their home. For buyers it has made the search for homes a little tougher. More homes have multiple offers which is also driving up the cost of homes.

The number of distressed sales has also continued to drop since the beginning of the year in Southwest Riverside County. In January 2012 63.7% of all sales were distressed properties. In August there were 52.3% of sales being distressed.

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 August

1156 Homes Sold

7.1% decrease from last year



Average Sold Price

\$258,535 average price of homes

Days on Market

82 Days – Average Days on Market

Market Inventories in different Price Ranges

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

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

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

Cash Buyers in 2012

34% of sales were for *Cash* in August

Financing Type

25.4% of sales *FHA*

24% of sales *Conventional*

8.8% of sales *VA Loan*

Homes for Sale

1351 Homes *for Sale*

Month's of Inventory

1.17 Month's Inventory

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

Top selling **Region** = Hemet

Distressed Property and Investor Market Insert – **52.3%** of all sales in August 2012 were in a distressed situation

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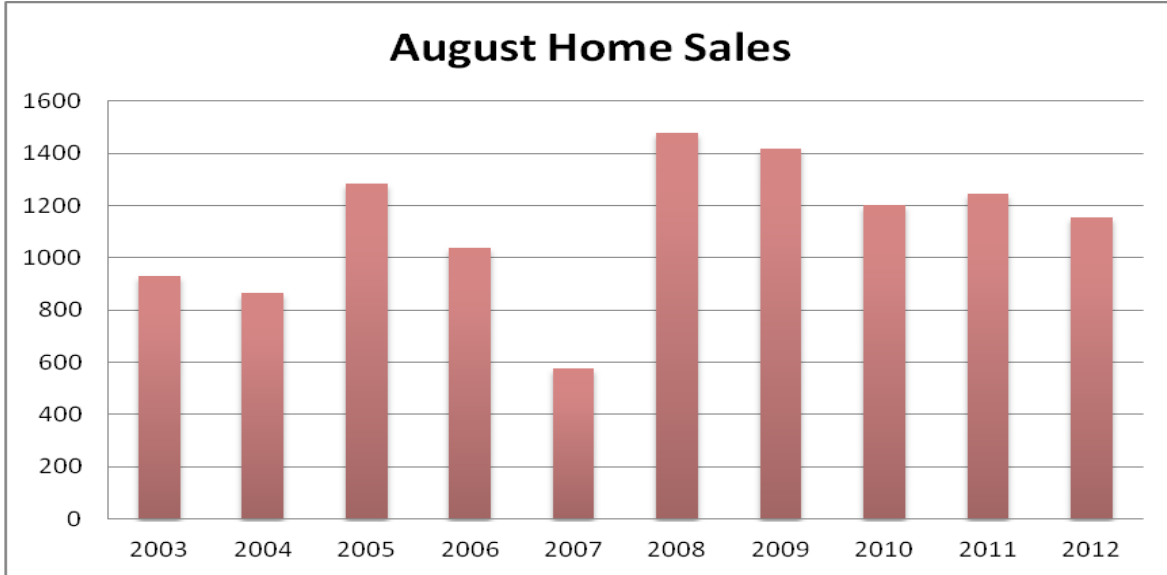
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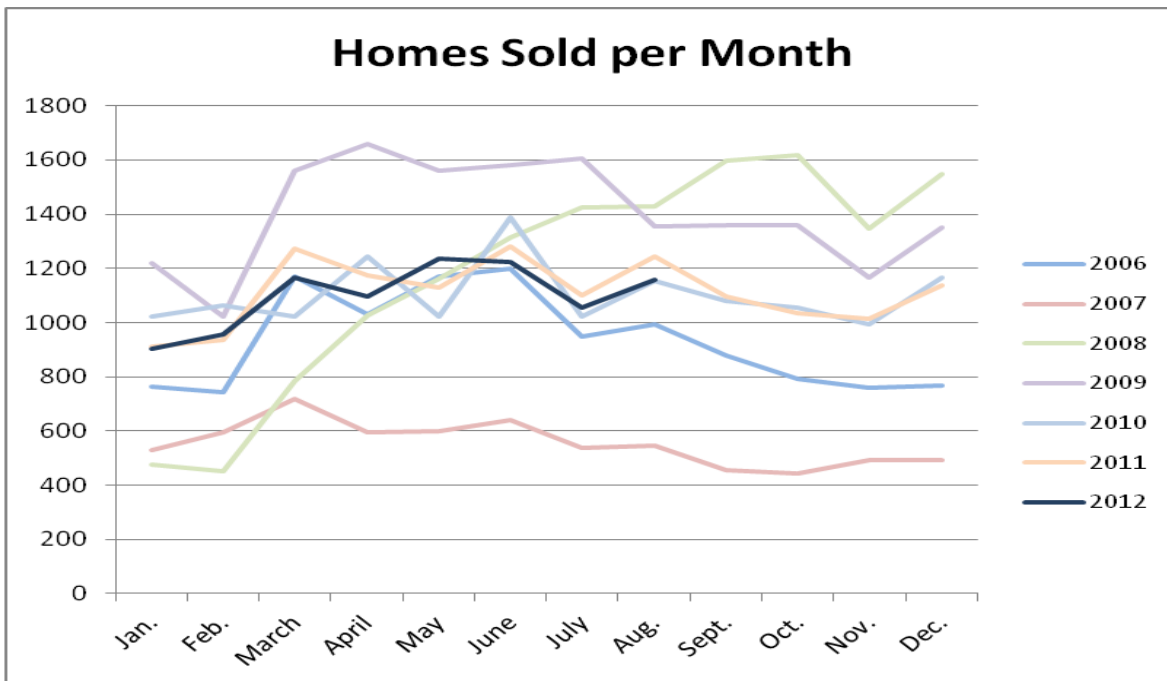
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Sales are on the decline for the month of August. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In August **1156** homes sold in Southwest Riverside County. This is a **7.1% decrease** in sold homes since this month last year.





August 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	140	147	1.05	Extreme Seller's Market
\$100K-\$200k	476	366	0.77	Extreme Seller's Market
\$200K-\$300K	373	334	0.90	Extreme Seller's Market
\$300K-\$400K	111	189	1.70	Extreme Seller's Market
\$400K-\$500K	26	69	2.65	Extreme Seller's Market
\$500K-\$600K	10	45	4.50	Normal Seller's Market
\$600K-\$700K	4	34	8.50	Balanced Market
\$700K-\$800K	6	29	4.83	Normal Seller's Market
\$800K-\$900K	4	19	4.75	Normal Seller's Market
\$900K-\$1M	1	13	13.00	Extreme Buyer's Market
\$1M-\$2M	4	77	19.25	Extreme Buyer's Market
\$2M-\$3M	1	19	19.00	Extreme Buyer's Market
\$3M<	0	10	N/A	Extreme Buyer's Market
Overall MKT	1156	1351	1.17	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 August. 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 an **Extreme Buyer's Market**.

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August 2012 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	99	68	0.69	\$314,961	73
Temecula North	101	103	1.02	\$312,046	85
Temecula West	6	40	6.67	\$889,500	85
Murrieta North	63	42	0.67	\$250,703	71
Murrieta West	42	117	2.79	\$337,161	121
Murrieta East	99	94	0.95	\$266,754	85
Winchester	39	37	0.95	\$250,657	123
Wildomar	35	49	1.40	\$194,995	71
Menifee	123	118	0.96	\$202,854	80
Hemet	162	250	1.54	\$120,916	64
San Jacinto	73	72	0.99	\$397,496	72
Perris	102	99	0.97	\$149,078	77
Lake Elsinore	107	96	0.90	\$180,709	90
Canyon Lake	34	82	2.41	\$260,100	77
Quail Valley	4	3	0.75	\$123,250	116
Sun City	30	37	1.23	\$134,763	71
Romoland	24	14	0.58	\$176,617	95
Homeland	4	4	1.00	\$201,250	58
Nuevo	10	12	1.20	\$148,350	54

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.



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	\$314,961	\$321,439	98.0%
Temecula North	\$312,046	\$314,337	99.3%
Temecula West	\$889,500	\$898,167	99.0%
Murrieta North	\$250,703	\$251,535	99.7%
Murrieta West	\$337,161	\$348,759	96.7%
Murrieta East	\$266,754	\$242,410	110.0%
Winchester	\$250,657	\$248,185	101.0%
Wildomar	\$194,995	\$197,623	98.7%
Menifee	\$202,854	\$203,401	99.7%
Hemet	\$120,916	\$123,233	98.1%
San Jacinto	\$397,496	\$135,291	293.8%
Perris	\$149,078	\$147,787	100.9%
Lake Elsinore	\$180,709	\$182,717	98.9%
Canyon Lake	\$260,100	\$265,840	97.8%
Quail Valley	\$123,250	\$127,300	96.8%
Sun City	\$134,763	\$135,541	99.4%
Romoland	\$176,617	\$176,904	99.8%
Homeland	\$201,250	\$216,511	93.0%
Nuevo	\$148,350	\$144,600	102.6%
TOTAL MKT	\$258,535	\$246,399	104.9%

This chart shows that for the month of August home sellers are getting **104.9%** 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 **52.3%** 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.

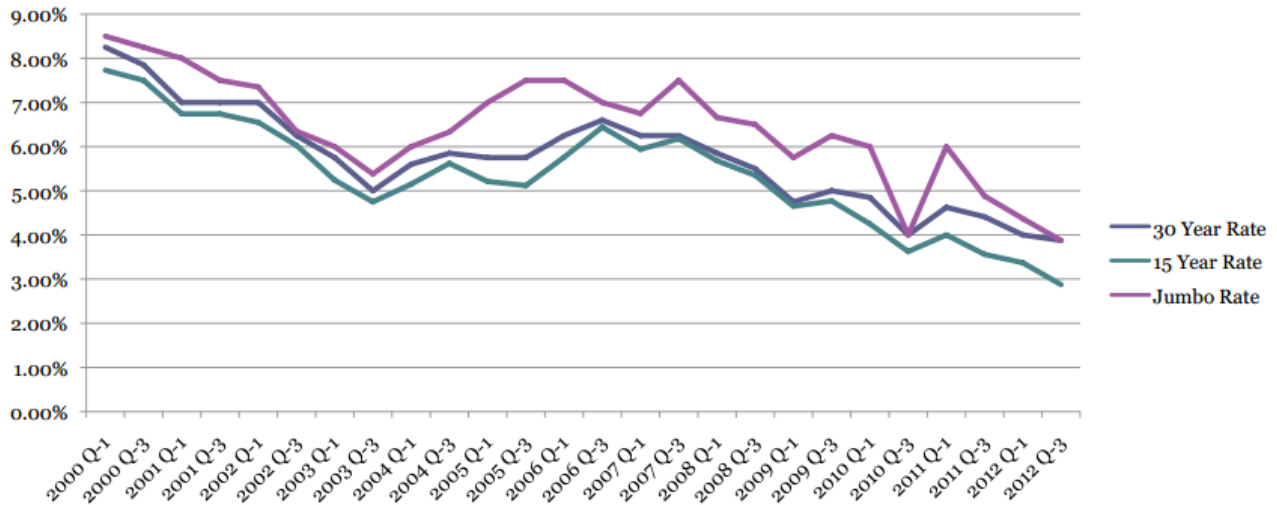
	2010 Sales	%	2011 Sales	%	August 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	204	17.6%
Short Sales	3,935	29.71%	3,433	26.84%	401	34.7%
Total Distressed Sales	9,737	73.51%	8,319	65.05%	605	52.3%
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,156	

Strong Performing Areas – for Investors

Hemet	
Month's of Inventory	1.54
Low Selling Price	\$26,227
Average Selling Price	\$120,906
Average Rent	\$1,154
Estimated Cap Rate	11.45%
Estimated Cash on Cash Return (25% down)	45.81%

Menifee	
Month's of Inventory	0.96
Low Selling Price	\$81,500
Average Selling Price	\$202,854
Average Rent	\$1,452
Estimated Cap Rate	8.59%
Estimated Cash on Cash Return (25% down)	34.36%

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.



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 3.88%

15 Yr Fixed 2.88%

JUMBO (over \$417K loan amount)

30 Yr Fixed 3.88%

30 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.