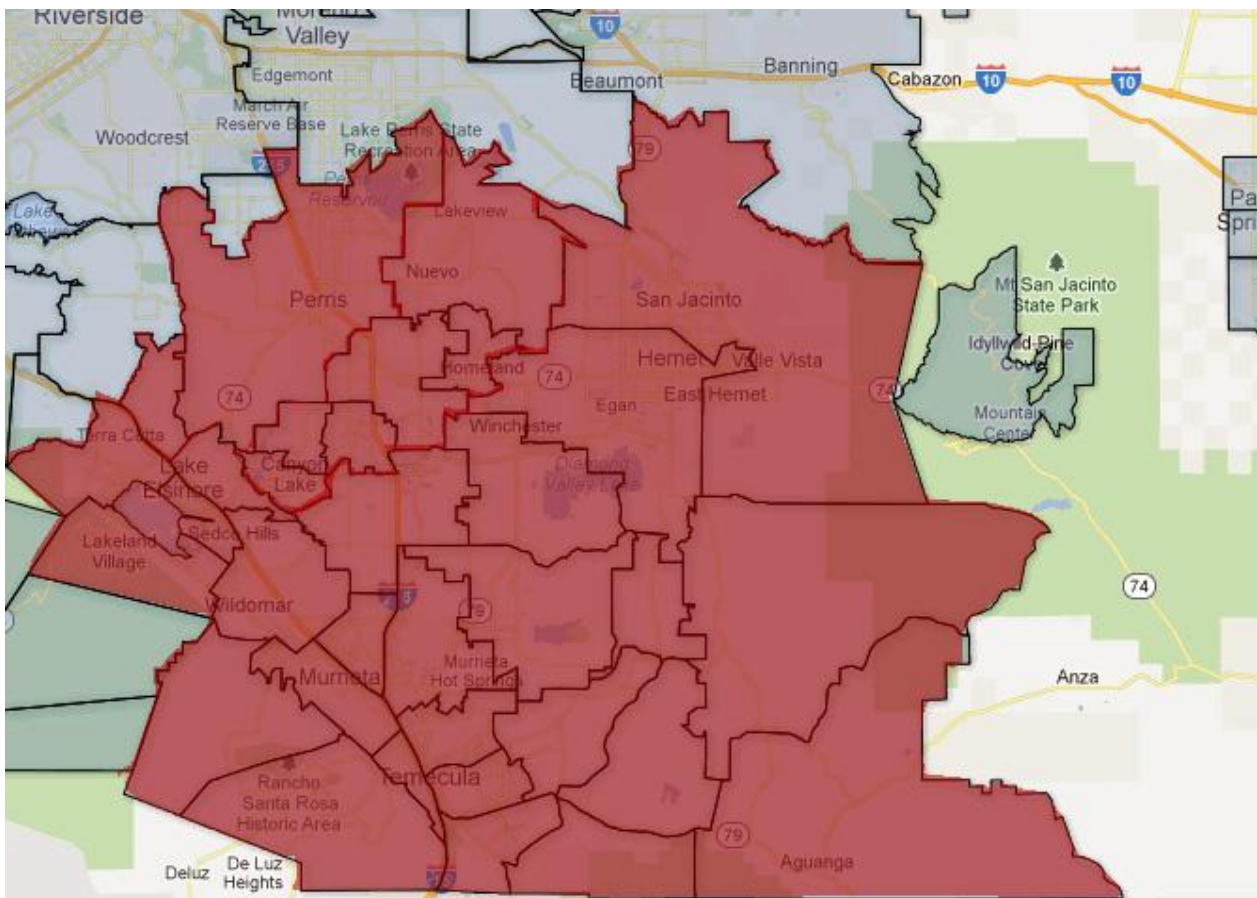




# Real Estate Market Report October 2012



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

**[www.SWRiversideCountyHomes.com](http://www.SWRiversideCountyHomes.com)**

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October, 2012

In October 2012 there were some changes in the market while most of the market stayed the same. With the upcoming election and the holidays the next couple of months the number of sold homes dropped 2.3% since this time last year. From September to October there was a 9.4% increase in sold homes.

The number of available homes for sale is also down as well. The number of homes available is down to 1321. The number of homes available and sold will continue to drop the next couple of months due to the holiday season. More families want to stay home or have the kids finish the school year and not be in the middle of a move during this time of year.

With the supply and demand still greatly affecting the market sellers are getting 97.9% of the list price. This is up 0.9% from last month. The median price of a single-family home in Riverside County edged up nearly 1 percent last month, following a pattern of general price increases throughout the state. It's the seventh straight month median home prices have risen across the state, according to CAR. The median represents the point at which half of homes sell above a price, and the other half below it.

So what's in store for the California housing market in 2013? According to the recent positive headlines on the real estate market show that housing has finally turned the corner. Nationally home sales are up 11.0 percent over that of last year, even the sales of new homes are up 25 percent from the year before, and the median price is up 11.7 percent. The median price of existing homes nationally is also up 11.3 percent from a year ago. New residential construction is soaring; since September 2011, single-family housing starts have increased 43 percent, and apartment construction has increased 19 percent.

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

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## Summary of the SW Riverside County Market

### Home Sales in October

1011 Homes Sold

2.3% decrease from last year



### Average Sold Price

\$238,312 average price of homes

### Days on Market

76 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 = **Normal Buyer's Market**

### Cash Buyers in 2012

39.1% of sales were for *Cash* in October

### Financing Type

22.8% of sales *FHA*

24.4% of sales *Conventional*

8.8% of sales *VA Loan*

### Homes for Sale

1321 Homes *for Sale*

### Month's of Inventory

1.31 Month's Inventory

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

Top selling **Region** = Hemet

Distressed Property and Investor Market Insert – **48.5%** of all sales in October 2012 were in a distressed situation

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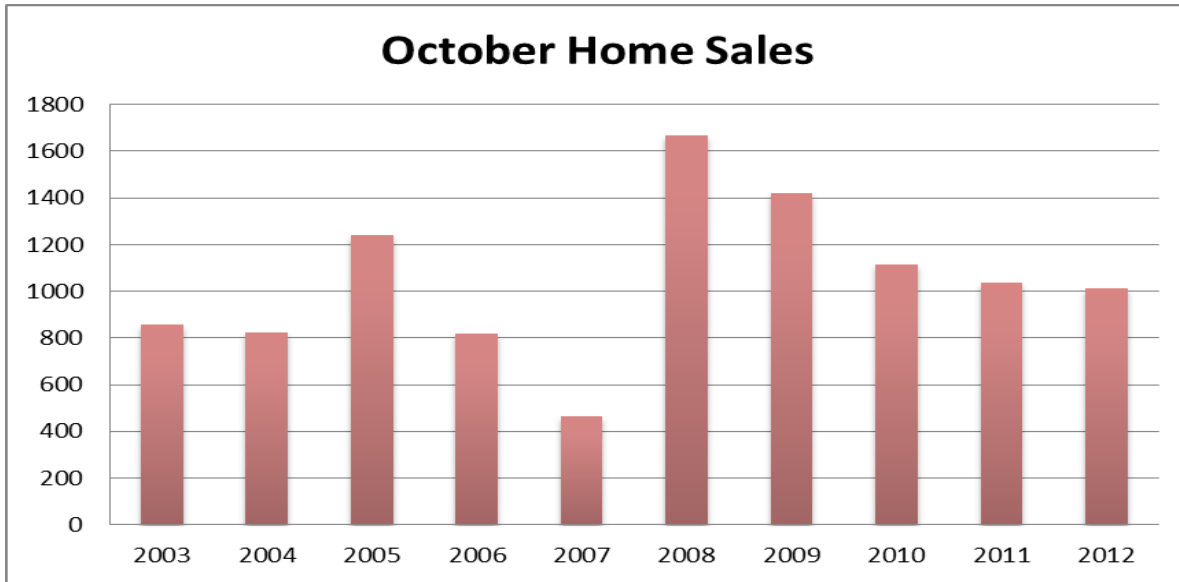
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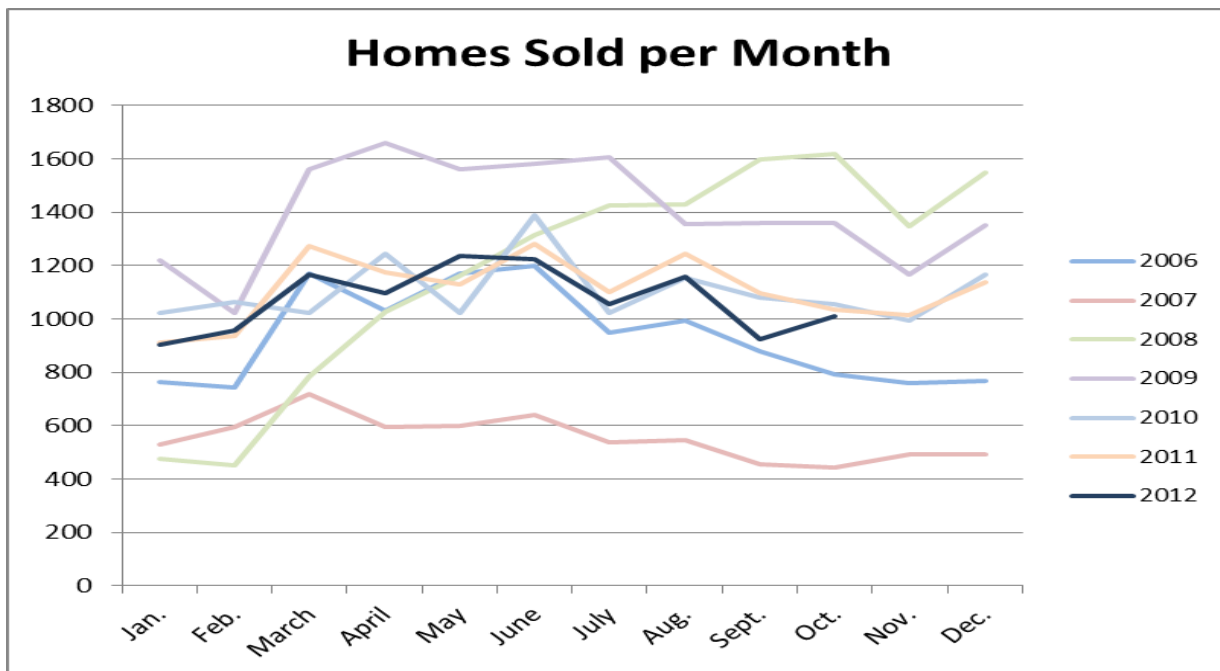
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Sales are on the decline for the month of October. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In October **1011** homes sold in Southwest Riverside County. This is a **2.3% decrease** in sold homes since this month last year.



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October 2012 Homes Sales By Price Band				
Price Range	# of Sold	Active Listings	Months of Inventory	Market
\$0-\$100K	107	161	1.50	Extreme Seller's Market
\$100K-\$200k	398	337	0.85	Extreme Seller's Market
\$200K-\$300K	359	314	0.87	Extreme Seller's Market
\$300K-\$400K	106	207	1.95	Extreme Seller's Market
\$400K-\$500K	17	79	4.65	Normal Seller's Market
\$500K-\$600K	8	43	5.38	Normal Seller's Market
\$600K-\$700K	1	31	31.00	Extreme Buyer's Market
\$700K-\$800K	4	27	6.75	Balanced Market
\$800K-\$900K	3	15	5.00	Normal Seller's Market
\$900K-\$1M	0	8	N/A	Extreme Buyer's Market
\$1M-\$2M	8	68	8.50	Extreme Buyer's Market
\$2M-\$3M	0	19	N/A	Extreme Buyer's Market
\$3M<	0	12	N/A	Extreme Buyer's Market
<b>Overall MKT</b>	<b>1011</b>	<b>1321</b>	<b>1.31</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 October. 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 a **Normal Buyer's Market**.



October 2012 Homes Sales By Region					
Region	# of Sold	Active Listings	Months of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	68	65	0.96	\$303,318	75
Temecula North	88	114	1.30	\$346,434	68
Temecula West	3	42	14.00	\$701,667	123
Murrieta North	58	47	0.81	\$251,511	65
Murrieta West	37	95	2.57	\$372,273	77
Murrieta East	101	78	0.77	\$259,474	71
Winchester	43	42	0.98	\$244,114	69
Wildomar	47	37	0.79	\$203,419	64
Menifee	108	102	0.94	\$198,383	74
Hemet	143	240	1.68	\$123,249	59
San Jacinto	68	70	1.03	\$142,134	72
Perris	70	90	1.29	\$165,117	85
Lake Elsinore	89	112	1.26	\$195,061	88
Canyon Lake	22	77	3.50	\$341,740	111
Quail Valley	3	4	1.33	\$105,000	59
Sun City	30	50	1.67	\$129,937	118
Romoland	15	9	0.60	\$179,390	45
Homeland	7	16	2.29	\$112,357	33
Nuevo	10	14	1.40	\$153,360	82
<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	\$303,318	\$307,401	98.7%
Temecula North	\$346,434	\$351,007	98.7%
Temecula West	\$701,667	\$759,967	92.3%
Murrieta North	\$251,511	\$251,016	100.2%
Murrieta West	\$372,273	\$388,165	95.9%
Murrieta East	\$259,474	\$260,041	99.8%
Winchester	\$244,114	\$243,088	100.4%
Wildomar	\$203,419	\$203,036	100.2%
Menifee	\$198,383	\$196,437	101.0%
Hemet	\$123,249	\$124,323	99.1%
San Jacinto	\$142,134	\$144,154	98.6%
Perris	\$165,117	\$166,111	99.4%
Lake Elsinore	\$195,061	\$197,407	98.8%
Canyon Lake	\$341,740	\$358,427	95.3%
Quail Valley	\$105,000	\$99,367	105.7%
Sun City	\$129,937	\$129,567	100.3%
Romoland	\$179,390	\$178,529	100.5%
Homeland	\$112,357	\$118,214	95.0%
Nuevo	\$153,360	\$150,760	101.7%
<b>TOTAL MKT</b>	<b>\$238,312</b>	<b>\$243,527</b>	<b>97.9%</b>

This chart shows that for the month of October home sellers are getting **97.9%** 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 **48.5%** 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	%	October 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	137	13.6%
Short Sales	3,935	29.71%	3,433	26.84%	353	34.9%
<b>Total Distressed Sales</b>	<b>9,737</b>	<b>73.51%</b>	<b>8,319</b>	<b>65.05%</b>	<b>490</b>	<b>48.5%</b>
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,011	

## Strong Performing Areas – for Investors

Hemet	
Months of Inventory	1.68
Low Selling Price	\$26,000
Average Selling Price	\$123,249
Average Rent	\$1,053
Estimated Cap Rate	10.25%
Estimated Cash on Cash Return (25% down)	41.01%

Menifee	
Months of Inventory	0.94
Low Selling Price	\$35,000
Average Selling Price	\$198,383
Average Rent	\$1,435
Estimated Cap Rate	8.68%
Estimated Cash on Cash Return (25% down)	34.72%

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 3.375%

15 Yr Fixed 2.75%

### JUMBO (over \$417K loan amount)

30 Yr Fixed 3.875%

30 Yr FHA 3.25%

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

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