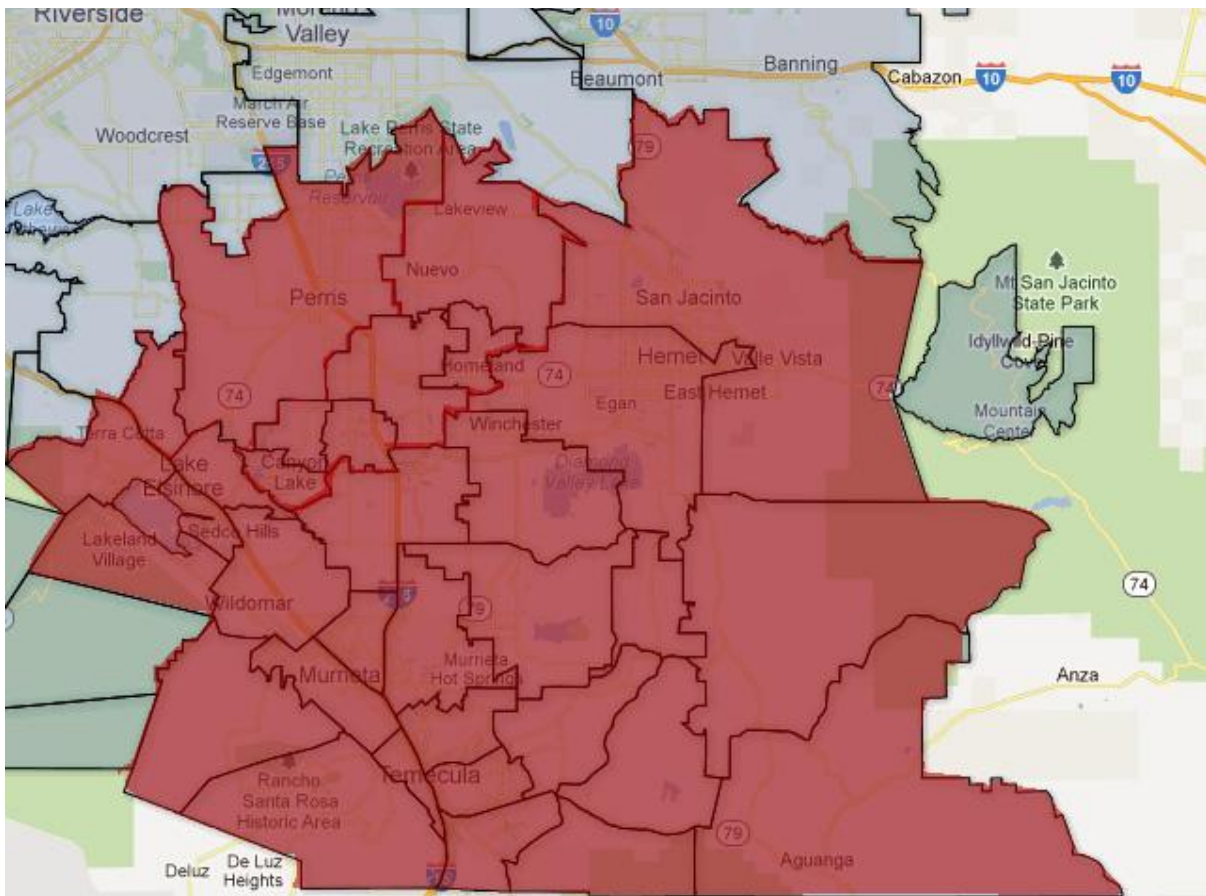




Real Estate Market Report November 2012



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

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY
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November, 2012

In November, there were some new changes to the area's market. The average price of homes rose yet again to \$250,093 and the average days on the market fell as well to 70 days. Sellers continue to get 95.5% of their asking price of their home.

For the first time Menifee is not in the top two selling regions in Southwest Riverside County. Hemet remains the top selling region in November, but Temecula North is the area with the second most homes sold in the month of November. Temecula North includes communities such as Harveston, Meadowview, La Serena, and Chardonnay Hills. Hemet and Temecula North are two drastically different areas as you can tell by the chart later in the report, the average selling price of a home in Hemet is \$133,786 while in Temecula North it is \$349,827.

The number of homes available for sale in the region also continued to drop. The number of homes for sale in November drop 2.5% from last month and since the beginning of the year it has dropped 55.8%. With the number of available homes for sale down this drives the price of homes up. Home prices have risen 4.9% since last month and 12.7% since the beginning of the year.

With home prices continuing to rise there is no better time to buy or sell a home. Buyers can take advantage of home prices now before they continue to rise, as well as low interest rates. Sellers can take advantage of the low inventory and be able to capitalize on getting the most for their home. Next year is also forecasted to be a year where California's growth rate will exceed the nations.

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 November

1000 Homes Sold

1.6% decrease from last year



Average Sold Price

\$250,093 average price of homes

Days on Market

70 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 = **Balanced Market**

Cash Buyers in 2012

34.3% of sales were for *Cash* November

Financing Type

24.0% of sales *FHA*

25.8% of sales *Conventional*

8.5% of sales *VA Loan*

Homes for Sale

1287 Homes *for Sale*

Month's of Inventory

1.39 Month's Inventory

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

Top selling Region = Hemet

Distressed Property and Investor Market Insert – **48.7%** of all sales in November 2012 were in a distressed situation

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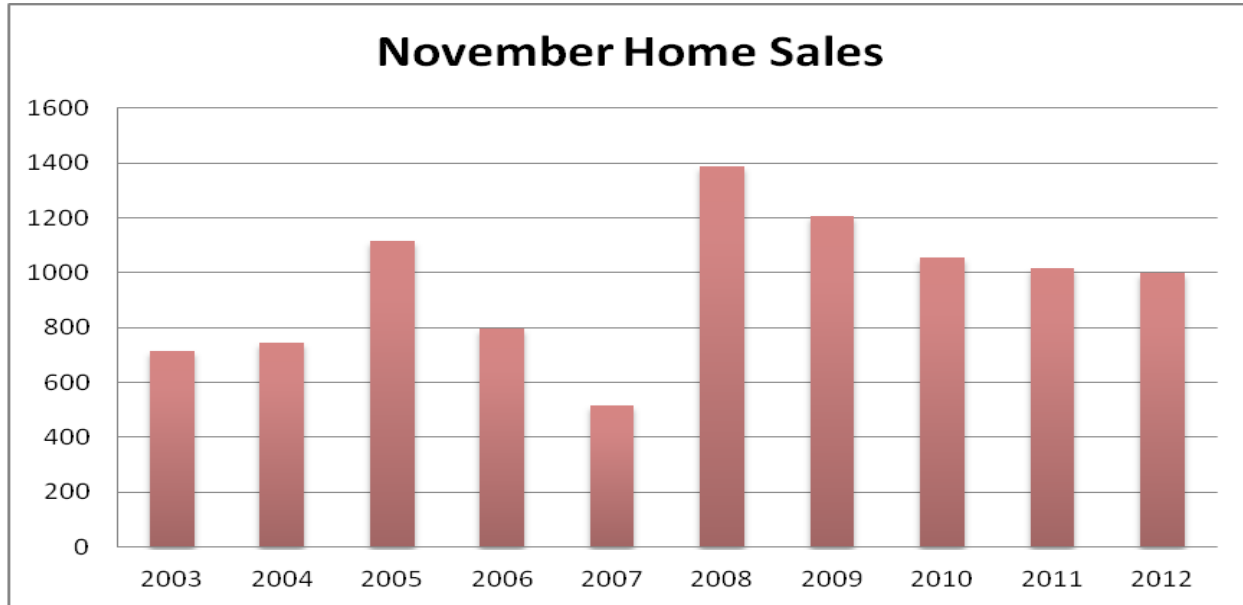
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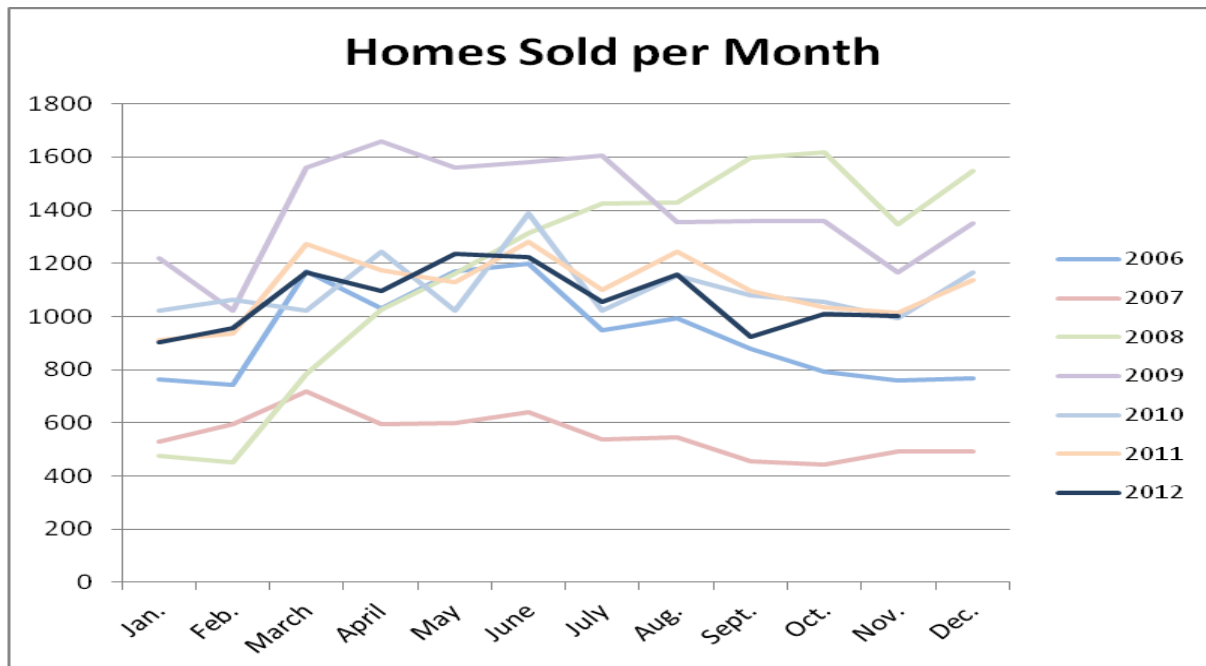
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Sales are on the decline for the month of November. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In November **1000** homes sold in Southwest Riverside County. This is a **1.6% decrease** in sold homes since this month last year.



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November 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	85	153	1.80	Extreme Seller's Market
\$100K-\$200k	391	323	0.83	Extreme Seller's Market
\$200K-\$300K	347	318	0.92	Extreme Seller's Market
\$300K-\$400K	119	200	1.68	Extreme Seller's Market
\$400K-\$500K	27	77	2.85	Extreme Seller's Market
\$500K-\$600K	10	37	3.70	Normal Seller's Market
\$600K-\$700K	7	32	4.57	Normal Seller's Market
\$700K-\$800K	7	25	3.57	Normal Seller's Market
\$800K-\$900K	1	14	14.00	Extreme Buyer's Market
\$900K-\$1M	1	9	9.00	Normal Buyer's Market
\$1M-\$2M	4	69	17.25	Extreme Buyer's Market
\$2M-\$3M	1	19	19.00	Extreme Buyer's Market
\$3M<	0	11	N/A	Extreme Buyer's Market
Overall MKT	1000	1287	1.29	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 an **Extreme Seller's Market**, while the \$500K and up is a **Balanced Market**.



November 2012 Homes Sales By Region					
Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	71	59	0.83	\$310,387	53
Temecula North	102	93	0.91	\$349,827	59
Temecula West	5	43	8.60	\$928,000	69
Murrieta North	57	45	0.79	\$250,988	67
Murrieta West	40	86	2.15	\$392,010	73
Murrieta East	90	77	0.86	\$243,230	83
Winchester	39	34	0.87	\$250,263	64
Wildomar	37	38	1.03	\$213,953	113
Menifee	94	104	1.11	\$204,956	83
Hemet	132	244	1.85	\$133,786	64
San Jacinto	51	59	1.16	\$156,653	60
Perris	80	81	1.01	\$155,515	64
Lake Elsinore	101	112	1.11	\$199,760	91
Canyon Lake	35	65	1.86	\$302,112	113
Quail Valley	3	5	1.67	\$122,833	35
Sun City	31	39	1.26	\$121,959	40
Romoland	20	10	0.50	\$167,730	40
Homeland	4	15	3.75	\$118,725	100
Nuevo	6	11	1.83	\$129,083	60
<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. **Hemet** and **Temecula North** 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	\$310,387	\$304,730	101.9%
Temecula North	\$349,827	\$375,293	93.2%
Temecula West	\$928,000	\$1,058,180	87.7%
Murrieta North	\$250,988	\$255,231	98.3%
Murrieta West	\$392,010	\$409,566	95.7%
Murrieta East	\$243,230	\$250,725	97.0%
Winchester	\$250,263	\$250,696	99.8%
Wildomar	\$213,953	\$219,215	97.6%
Menifee	\$204,956	\$209,529	97.8%
Hemet	\$133,786	\$137,105	97.6%
San Jacinto	\$156,653	\$159,068	98.5%
Perris	\$155,515	\$157,411	98.8%
Lake Elsinore	\$199,760	\$203,400	98.2%
Canyon Lake	\$302,112	\$321,887	93.9%
Quail Valley	\$122,833	\$122,665	100.1%
Sun City	\$121,959	\$122,800	99.3%
Romoland	\$167,730	\$167,510	100.1%
Homeland	\$118,725	\$120,075	98.9%
Nuevo	\$129,083	\$128,883	100.2%
TOTAL MKT	\$250,093	\$261,788	95.5%

This chart shows that for the month of November home sellers are getting **95.5%** 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 **48.7%** 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	%	November 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	117	11.7%
Short Sales	3,935	29.71%	3,433	26.84%	370	37.0%
Total Distressed Sales	9,737	73.51%	8,319	65.05%	487	48.7%
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,000	

Strong Performing Areas – for Investors

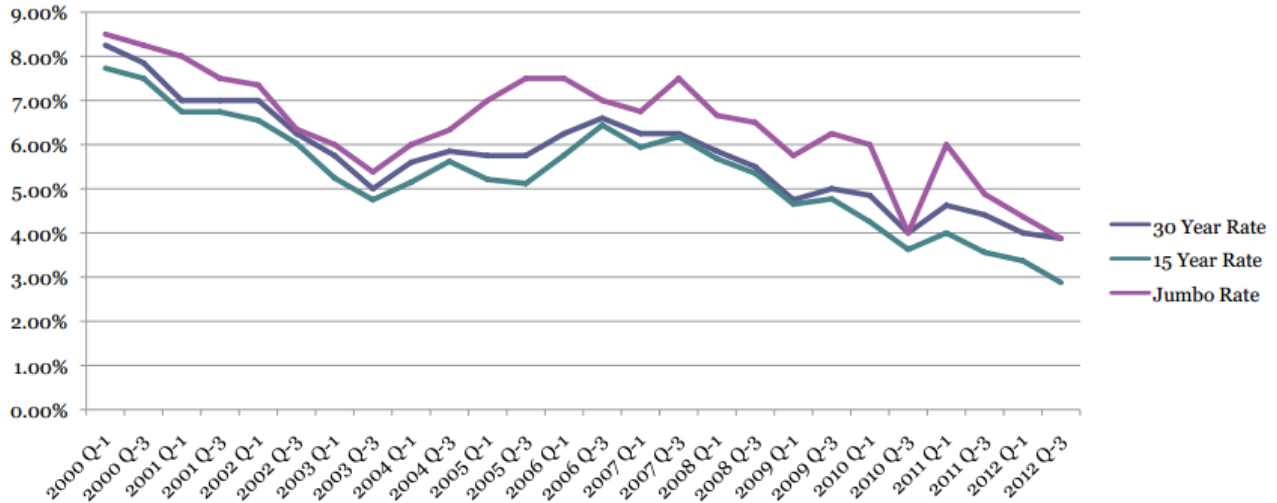
Hemet	
Month's of Inventory	1.85
Low Selling Price	\$38,000
Average Selling Price	\$133,786
Average Rent	\$1,163
Estimated Cap Rate	10.43%
Estimated Cash on Cash Return (25% down)	41.73%

Temecula North	
Month's of Inventory	0.91
Low Selling Price	\$161,000
Average Selling Price	\$349,827
Average Rent	\$1,895
Estimated Cap Rate	6.50%
Estimated Cash on Cash Return (25% down)	26.00%

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.