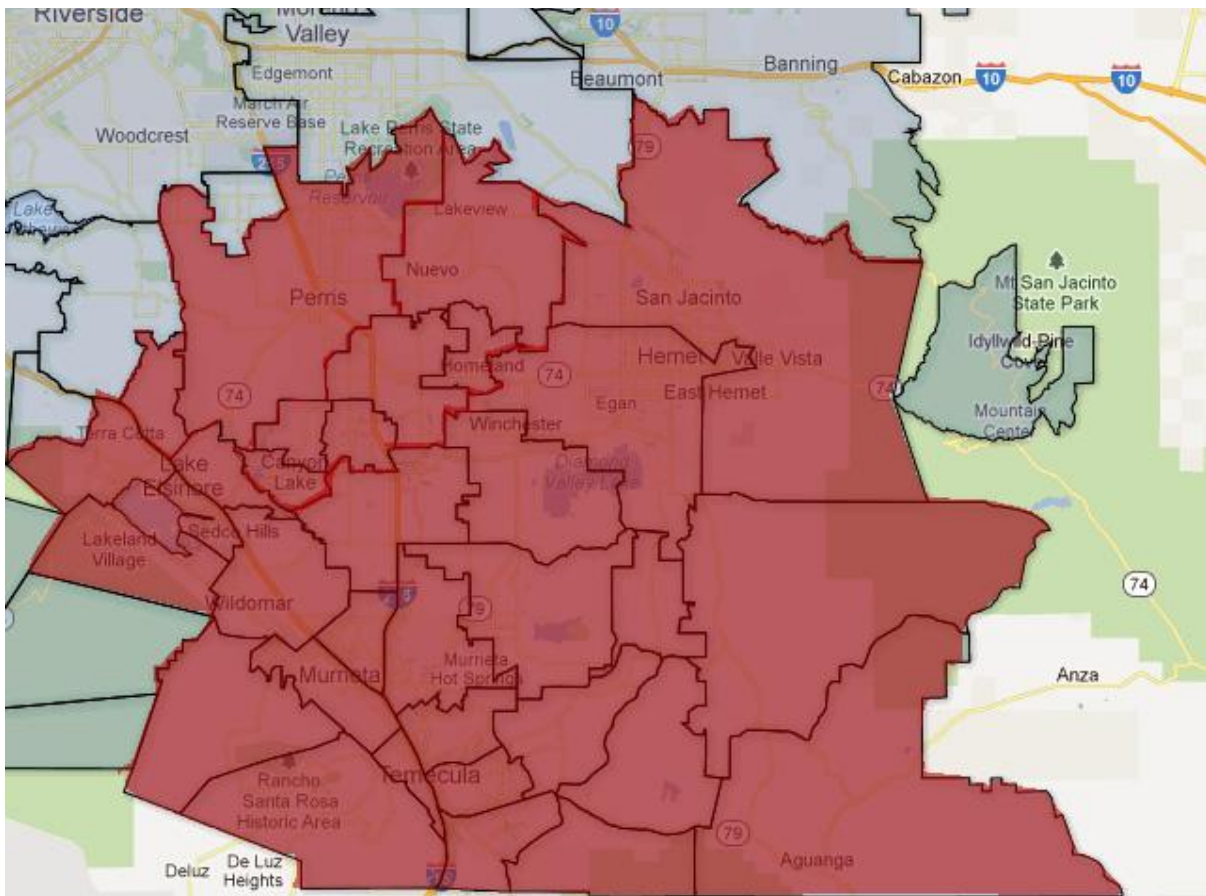




# Real Estate Market Report December 2012



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

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

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December, 2012

In December,

The Southwest Riverside County market ended the year strong. In the month of December there were 1022 homes sold, keeping the monthly inventory at 1.21, keeps the market at an extreme seller's market. Home prices continue to rise with the shrinking inventory. The number of homes available is down to 1232 homes, down 57.7% since the beginning of the year. The lack of homes on the market looks like a trend that will continue into the new year.

With the current market conditions it is still a great time to buy or sell a home. Sellers are getting 95.4% of their asking price. Buyer's can still take advantage of home loans at low rates.

Based on a report by ForeclosureRadar.com that notes that 47 to 48 percent of the homes in Southwest Riverside County are underwater, meaning the owners owe more on their mortgage than the house is worth. Distressed sales still make up 48.9% of all home sales in the region.

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 December

1022 Homes Sold

10.1% decrease from last year



### Average Sold Price

\$251,181 average price of homes

### Days on Market

77 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

38.3% of sales were for *Cash* December

### Financing Type

22.1% of sales *FHA*

27.1% of sales *Conventional*

8.8% of sales *VA Loan*

### Homes for Sale

1232 Homes *for Sale*

### Month's of Inventory

1.21 Month's Inventory

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

Top selling **Region** = Hemet

Distressed Property and Investor Market Insert – **48.9%** of all sales in December 2012 were in a distressed situation

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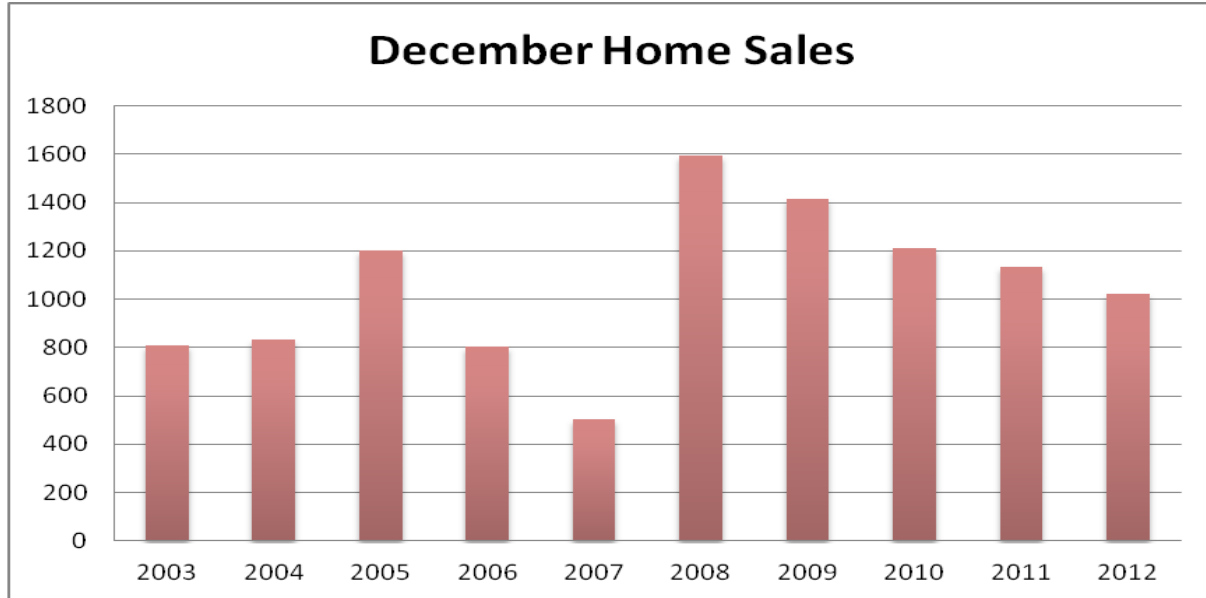
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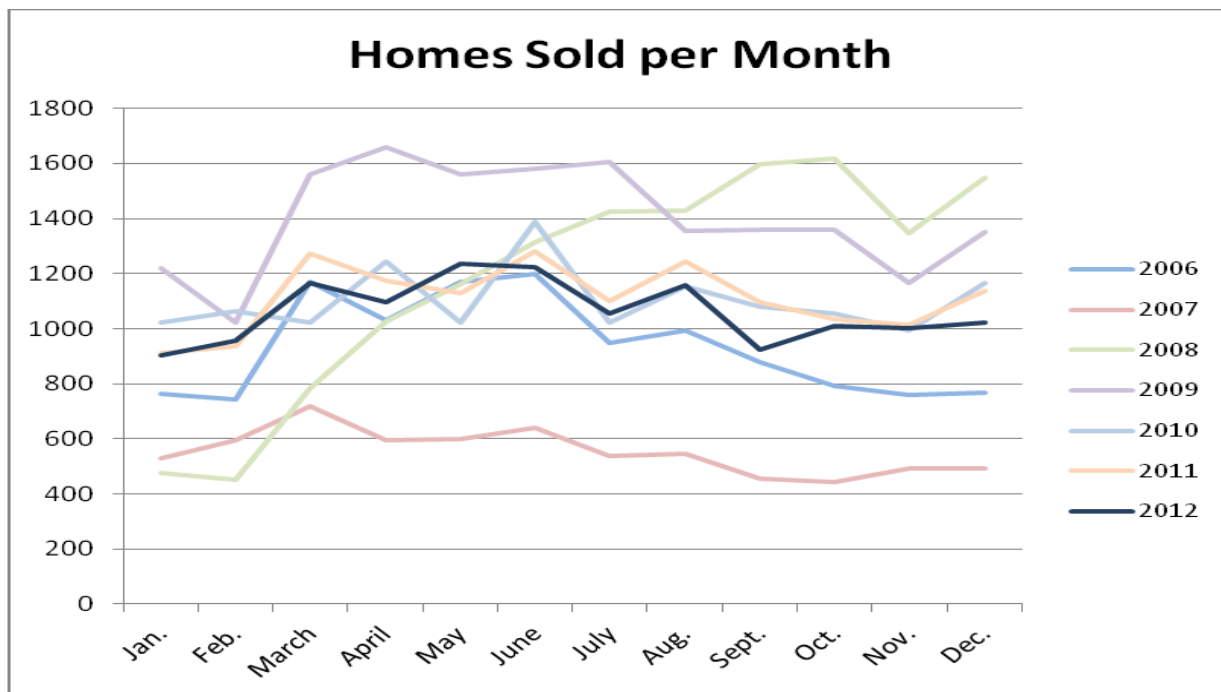
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Sales are on the decline for the month of December. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In December **1022** homes sold in Southwest Riverside County. This is a **10.1% decrease** in sold homes since this month last year.



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## December 2012 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	105	149	1.42	Extreme Seller's Market
\$100K-\$200k	334	313	0.94	Extreme Seller's Market
\$200K-\$300K	365	293	0.80	Extreme Seller's Market
\$300K-\$400K	164	191	1.16	Extreme Seller's Market
\$400K-\$500K	29	69	2.38	Extreme Seller's Market
\$500K-\$600K	12	39	3.25	Normal Seller's Market
\$600K-\$700K	3	36	12.00	Normal Buyer's Market
\$700K-\$800K	2	23	11.50	Normal Buyer's Market
\$800K-\$900K	3	13	4.33	Normal Seller's Market
\$900K-\$1M	1	9	9.00	Normal Buyer's Market
\$1M-\$2M	3	70	23.33	Extreme Buyer's Market
\$2M-\$3M	1	19	19.00	Extreme Buyer's Market
\$3M<	0	8	N/A	Extreme Buyer's Market
<b>Overall MKT</b>	<b>1022</b>	<b>1232</b>	<b>1.21</b>	<i>Extreme Seller's Market</i>
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 December. 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**.



### December 2012 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	64	65	1.02	\$319,190	68
Temecula North	108	103	0.95	\$329,439	58
Temecula West	7	39	5.57	\$950,000	73
Murrieta North	57	29	0.51	\$262,670	68
Murrieta West	52	91	1.75	\$316,123	116
Murrieta East	102	74	0.73	\$257,593	89
Winchester	49	45	0.92	\$248,197	74
Wildomar	44	37	0.84	\$205,692	67
Menifee	104	91	0.88	\$212,430	53
Hemet	132	248	1.88	\$143,382	53
San Jacinto	51	64	1.25	\$132,218	89
Perris	70	99	1.41	\$156,304	65
Lake Elsinore	92	109	1.18	\$206,208	92
Canyon Lake	41	65	1.59	\$291,174	86
Quail Valley	5	5	1.00	\$130,850	59
Sun City	24	30	1.25	\$129,257	78
Romoland	8	10	1.25	\$211,250	72
Homeland	5	15	3.00	\$142,600	176
Nuevo	8	13	1.63	\$127,863	35

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. **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	\$319,190	\$318,612	100.2%
Temecula North	\$329,439	\$331,468	99.4%
Temecula West	\$950,000	\$1,054,071	90.1%
Murrieta North	\$262,670	\$269,548	97.4%
Murrieta West	\$316,123	\$329,205	96.0%
Murrieta East	\$257,593	\$262,856	98.0%
Winchester	\$248,197	\$302,890	81.9%
Wildomar	\$205,692	\$206,023	99.8%
Menifee	\$212,430	\$212,149	100.1%
Hemet	\$143,382	\$138,129	103.8%
San Jacinto	\$132,218	\$135,123	97.9%
Perris	\$156,304	\$155,180	100.7%
Lake Elsinore	\$206,208	\$210,154	98.1%
Canyon Lake	\$291,174	\$326,138	89.3%
Quail Valley	\$130,850	\$125,580	104.2%
Sun City	\$129,257	\$134,703	96.0%
Romoland	\$211,250	\$206,800	102.2%
Homeland	\$142,600	\$150,355	94.8%
Nuevo	\$127,863	\$133,500	95.8%
<b>TOTAL MKT</b>	<b>\$251,181</b>	<b>\$263,289</b>	<b>95.4%</b>

This chart shows that for the month of December home sellers are getting **95.4%** 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	%	December 2012 Sales	%
REO Sales	5,802	43.80%	4,886	38.21%	109	10.7%
Short Sales	3,935	29.71%	3,433	26.84%	391	38.3%
<b>Total Distressed Sales</b>	<b>9,737</b>	<b>73.51%</b>	<b>8,319</b>	<b>65.05%</b>	<b>500</b>	<b>48.9%</b>
Total Sales (Normal Resale and Distressed)	13,246		12,788		1,022	

## Strong Performing Areas – for Investors

Hemet	
Month's of Inventory	1.88
Low Selling Price	\$38,000
Average Selling Price	\$143,382
Average Rent	\$1,163
Estimated Cap Rate	9.73%
Estimated Cash on Cash Return (25% down)	38.93%

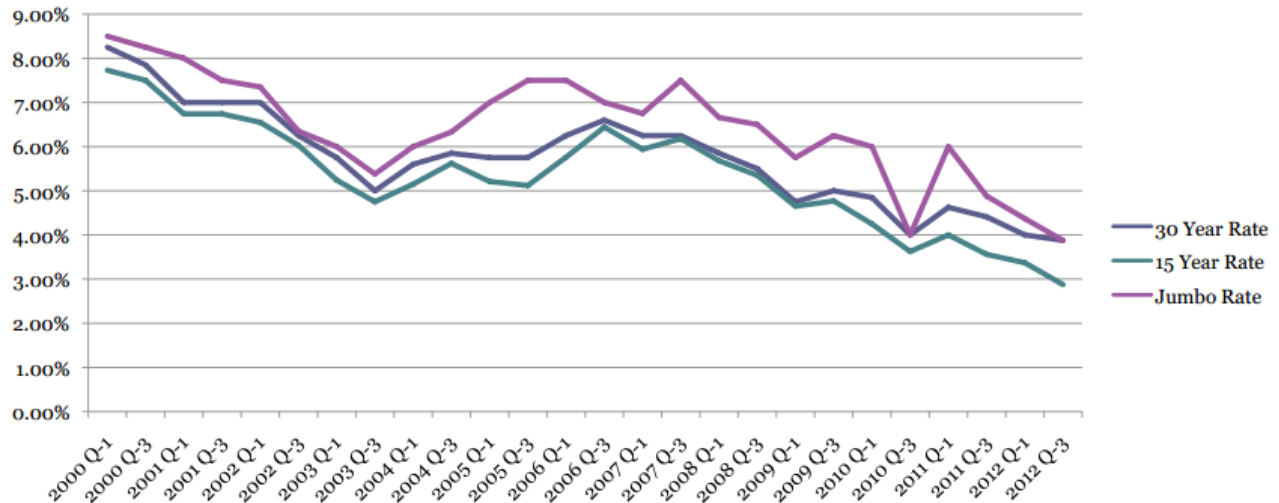
Temecula North	
Month's of Inventory	0.95
Low Selling Price	\$150,000
Average Selling Price	\$329,439
Average Rent	\$1,895
Estimated Cap Rate	6.90%
Estimated Cash on Cash Return (25% down)	27.61%

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 4.0%

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.