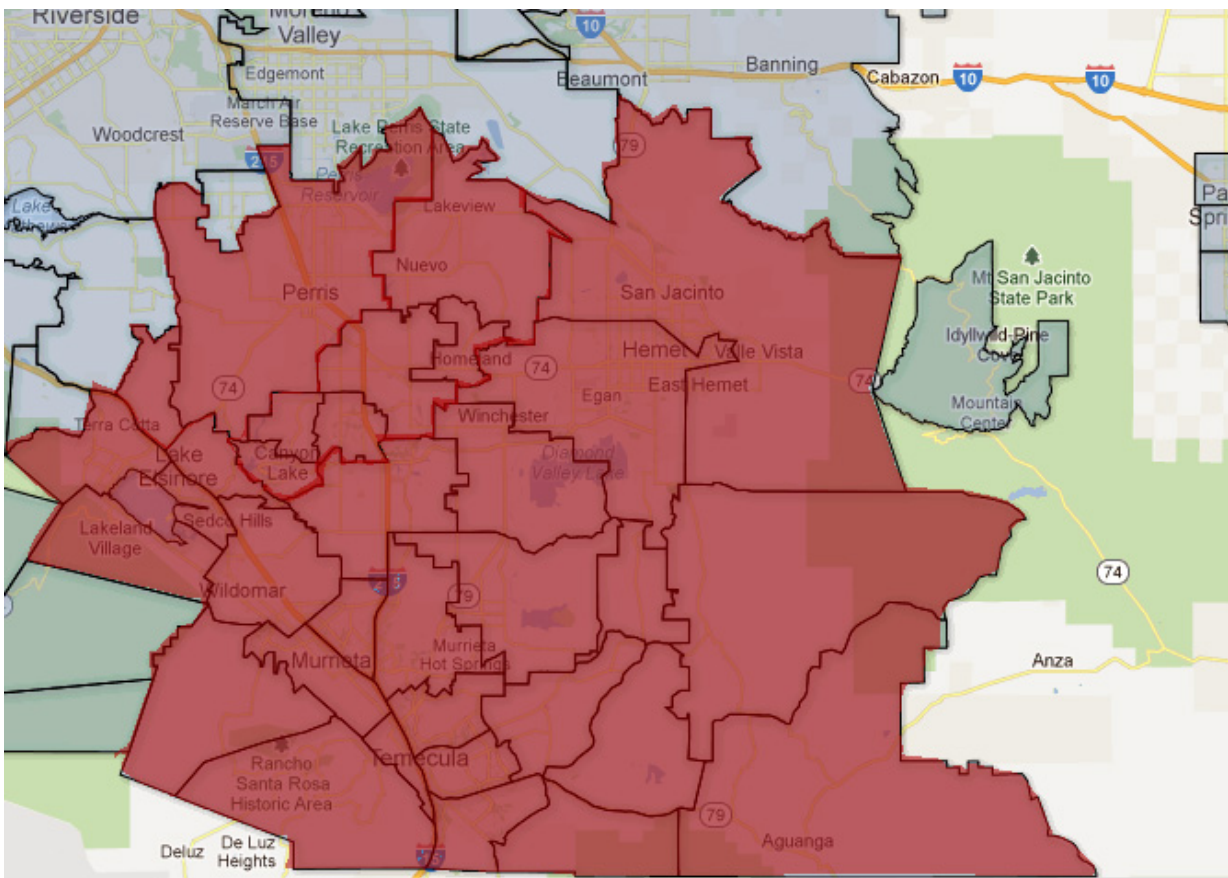




Real Estate Market Report January 2013



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

www.SWRiversideCountyHomes.com

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January, 2013

In January,

The Real Estate Market for Southwest Riverside County has started the year off strong amid all the factors against it. The number of homes for sale in Southwest Riverside County continues to drop, dropping 8.7% since December 2012. The number of homes sold is also down from this time last year, down 1.6%.

Amid all the drops in numbers sellers are getting 98.2% of their asking price. The average time the home is on the market is down to 63 days, which means that homes are selling in a little over 2 months, once they are put on the market. The housing market still has plenty of buyers in it so finding a home with multiple offers in a very short time is very common. Home prices are up 7% to \$237,513 from this time last year.

Distressed properties now make up 47% of all real estate transactions for the region, down 26% from this time last year. Bank owned sales are also down 55% from this time last year to 14.2% of all real estate sales. Short sales are up 3.8% from this time last year which is due to lenders working with homeowners to avoid foreclosure.

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 January

888 Homes Sold

1.6% decrease from last year



Average Sold Price

\$237,513 average price of homes

Days on Market

63 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 = **Balanced Market**

Cash Buyers in 2012

36.0% of sales were for *Cash* December

Financing Type

23.5% of sales *FHA*

27.7% of sales *Conventional*

8.2% of sales *VA Loan*

Homes for Sale

1125 Homes *for Sale*

Month's of Inventory

1.27 Month's Inventory

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

Top selling **Region** = Hemet

Distressed Property and Investor Market Insert – **47.0%** of all sales in January 2013 were in a distressed situation

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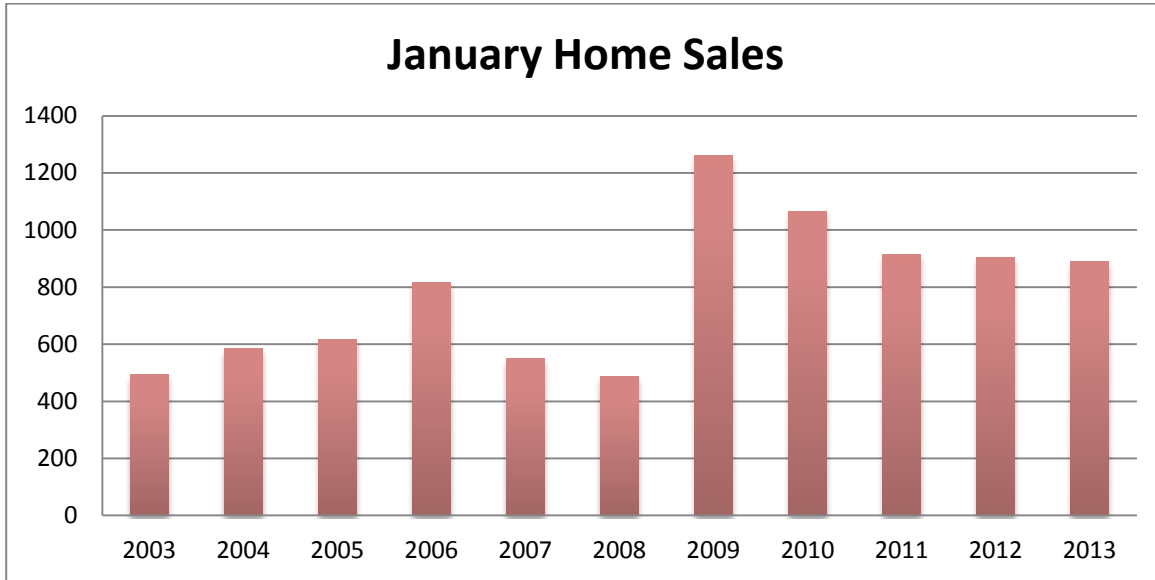
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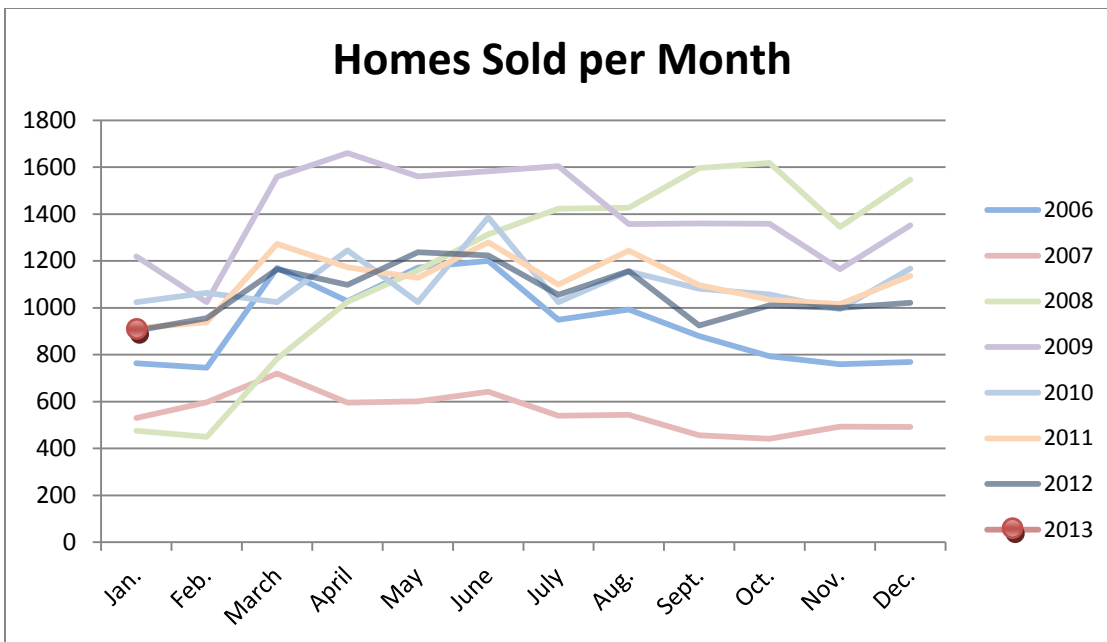
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Sales are on the decline for the month of January. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In January **888** homes sold in Southwest Riverside County. This is a **1.6% decrease** in sold homes since this month last year.



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January 2013 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	87	129	1.48	Extreme Seller's Market
\$100K-\$200k	330	277	0.84	Extreme Seller's Market
\$200K-\$300K	301	263	0.87	Extreme Seller's Market
\$300K-\$400K	133	161	1.21	Extreme Seller's Market
\$400K-\$500K	21	69	3.29	Normal Seller's Market
\$500K-\$600K	7	41	5.86	Normal Seller's Market
\$600K-\$700K	4	30	7.50	Balanced Market
\$700K-\$800K	2	22	11.00	Normal Buyer's Market
\$800K-\$900K	1	21	21.00	Extreme Buyer's Market
\$900K-\$1M	0	16	N/A	Extreme Buyer's Market
\$1M-\$2M	2	69	34.50	Extreme Buyer's Market
\$2M-\$3M	0	18	N/A	Extreme Buyer's Market
\$3M<	0	9	N/A	Extreme Buyer's Market
Overall MKT	888	1125	1.27	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 January. 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 **Balanced Market**.



January 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	51	45	0.88	\$301,287	60
Temecula North	70	92	1.31	\$311,641	57
Temecula West	3	41	13.67	\$753,000	14
Murrieta North	42	32	0.76	\$261,540	47
Murrieta West	28	89	3.18	\$340,479	73
Murrieta East	88	52	0.59	\$268,128	70
Winchester	42	32	0.76	\$247,750	61
Wildomar	37	25	0.68	\$211,888	56
Menifee	104	82	0.79	\$210,992	65
Hemet	107	212	1.98	\$130,512	86
San Jacinto	43	63	1.47	\$147,658	53
Perris	84	77	0.92	\$177,274	78
Lake Elsinore	104	104	1.00	\$227,231	72
Canyon Lake	28	64	2.29	\$292,889	103
Quail Valley	5	5	1.00	\$114,000	50
Sun City	33	24	0.73	\$115,430	73
Romoland	11	10	0.91	\$206,718	73
Homeland	3	13	4.33	\$82,333	89
Nuevo	3	13	4.33	\$112,000	26

<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 **Lake Elsinore** 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	\$301,287	\$302,613	99.6%
Temecula North	\$311,641	\$322,637	96.6%
Temecula West	\$753,000	\$729,633	103.2%
Murrieta North	\$261,540	\$309,737	84.4%
Murrieta West	\$340,479	\$345,780	98.5%
Murrieta East	\$268,128	\$276,167	97.1%
Winchester	\$247,750	\$243,923	101.6%
Wildomar	\$211,888	\$212,981	99.5%
Menifee	\$210,992	\$211,296	99.9%
Hemet	\$130,512	\$137,977	94.6%
San Jacinto	\$147,658	\$148,190	99.6%
Perris	\$177,274	\$180,522	98.2%
Lake Elsinore	\$227,231	\$214,879	105.7%
Canyon Lake	\$292,889	\$305,129	96.0%
Quail Valley	\$114,000	\$116,740	97.7%
Sun City	\$115,430	\$119,132	96.9%
Romoland	\$206,718	\$203,756	101.5%
Homeland	\$82,333	\$107,667	76.5%
Nuevo	\$112,000	\$108,747	103.0%
TOTAL MKT	\$237,513	\$241,974	98.2%

This chart shows that for the month of January home sellers are getting **98.2%** 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 **47.0%** 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.

	2011 Sales	%	2012 Sales	%	January 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	126	14.2%
Short Sales	3,433	26.84%	4,252	32.44%	291	32.8%
Total Distressed Sales	8,319	65.05%	7,100	54.17%	417	47.0%
Total Sales (Normal Resale and Distressed)	12,788		13,108		888	

Strong Performing Areas – for Investors

Hemet	
Month's of Inventory	1.98
Low Selling Price	\$36,500
Average Selling Price	\$130,512
Average Rent	\$1,163
Estimated Cap Rate	10.69%
Estimated Cash on Cash Return (25% down)	42.77%

Lake Elsinore	
Month's of Inventory	1.00
Low Selling Price	\$65,000
Average Selling Price	\$227,231
Average Rent	\$1,473
Estimated Cap Rate	7.78%
Estimated Cash on Cash Return (25% down)	31.12%

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 3.625%

15 Yr Fixed 2.876%

JUMBO (over \$417K loan amount)

30 Yr Fixed 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.

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