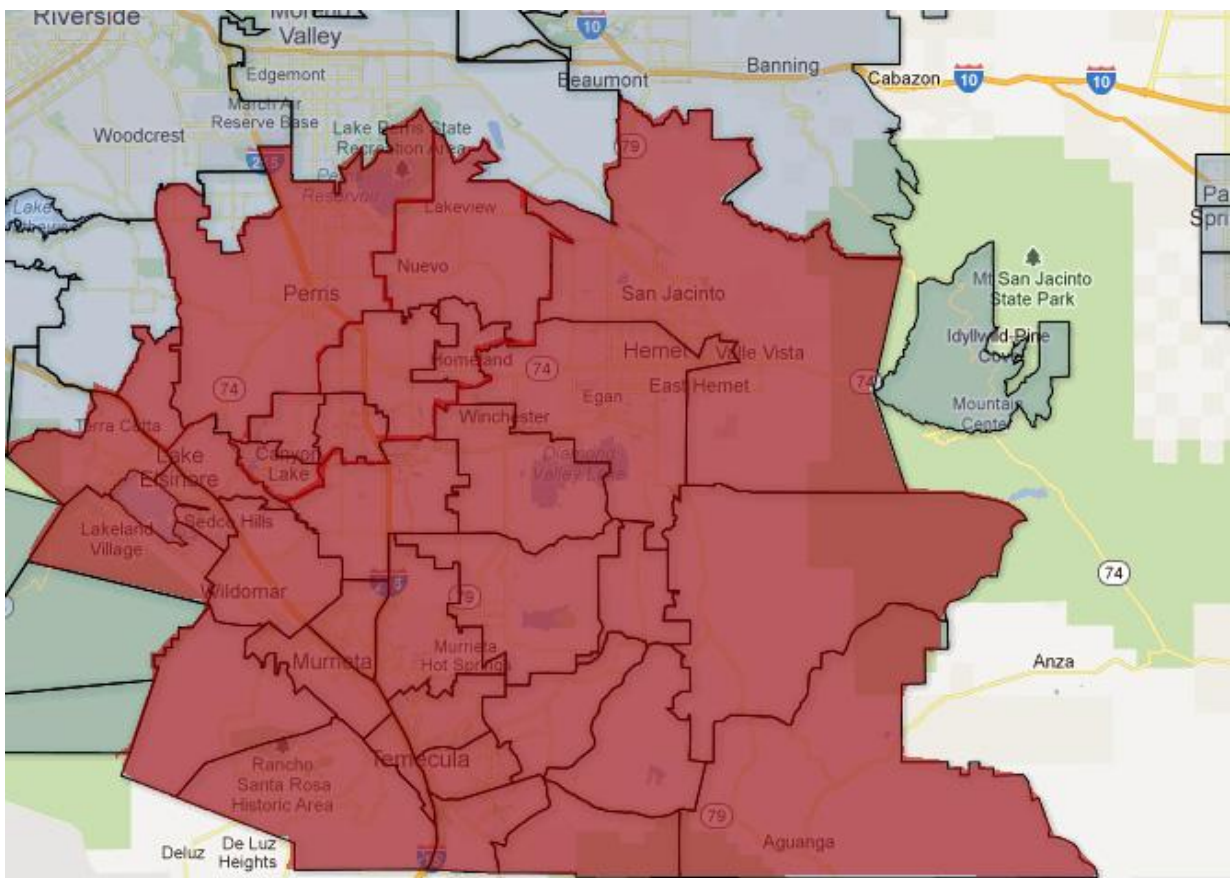




Real Estate Market Report February 2013



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

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY
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February, 2013

In February,

The 2013 year continued its slow start in Southwest Riverside County. Home sales were down 13.1% compared to this time last year and down 6.4% since last month.

Along with the dropping number of home sales the number of homes on the market continues to drop. The number of homes on the market for sale is down 5.2% from last month. The number of homes is down 60.4% since this time last year and down 65% from 2011.

Even with the number of homes for sale being down the average price of homes is up 18.7% from last month to \$281,944. It is also up 33.5% from 2012, and up 13.8% from 2011.

With the average price of homes up sellers continue to get the most for their home. Sellers this month received 100.9% of their asking price. This means that sellers were receiving and selling their home for over what the original list price of the home was. In some areas within Southwest Riverside County were well above that mark, reaching 110.4% of asking price as can be seen in the chart later in the report.

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 February

831 Homes Sold

13.1% decrease from last year



Market Inventories in different Price Ranges

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

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

\$500K & Up = **Normal Buyers Market**

Homes for Sale

1067 Homes *for Sale*

Month's of Inventory

1.28 Month's Inventory

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

Average Sold Price

\$281,944 average price of homes

Days on Market

67 Days – Average Days on Market

Cash Buyers in February

39.2% of sales *Cash*

Financing Type

20.5% of sales *FHA*

27.3% of sales *Conventional*

8.3% of sales *VA Loan*

Top selling **Region** = Hemet

Distressed Property and Investor Market – **37.3%** of all sales in February 2013 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **100.9%** of asking price.

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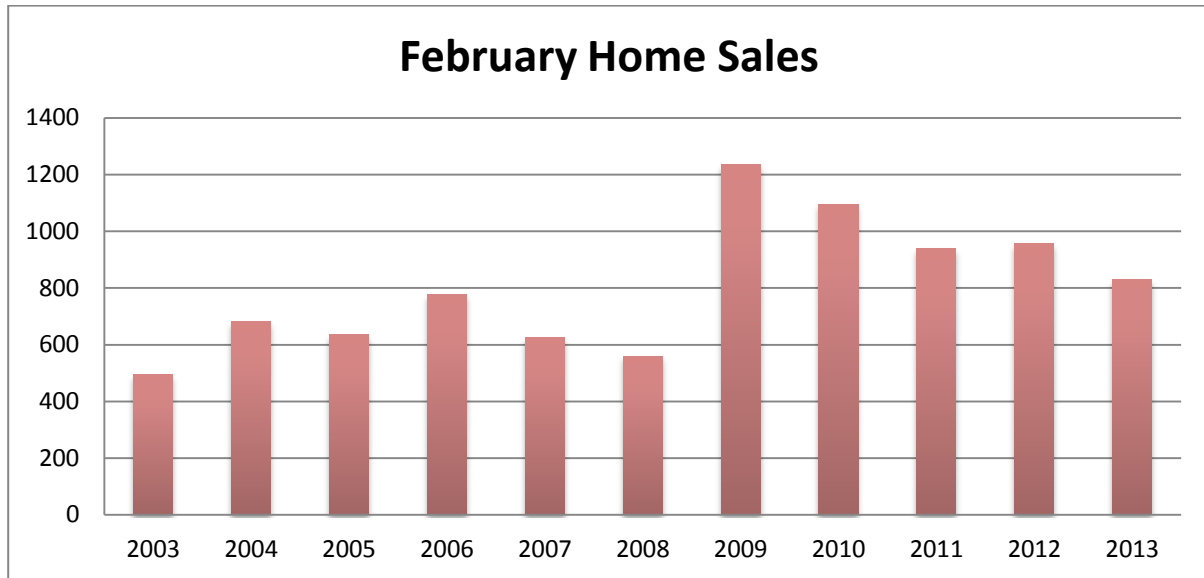
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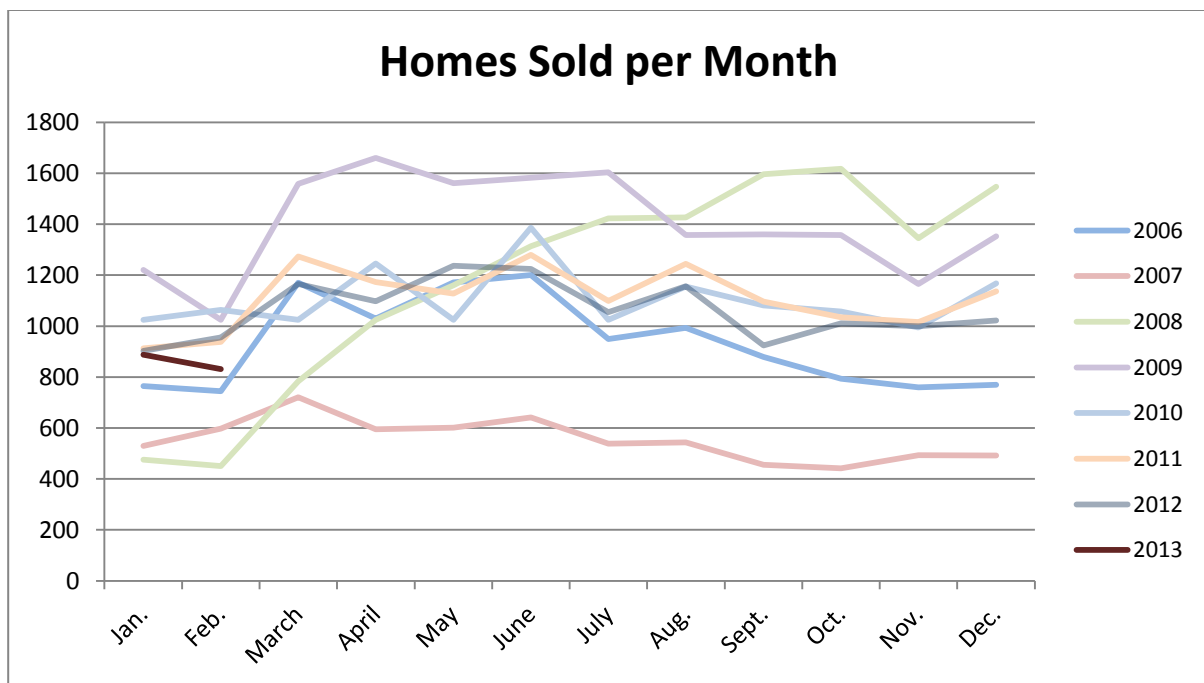
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Sales are on the decline for the month of February. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In February **831** homes sold in Southwest Riverside County. This is a **13.1% decrease** in sold homes since this month last year.



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February 2013 Homes Sales By Price Band				
Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	86	111	1.29	Extreme Seller's Market
\$100K-\$200k	283	280	0.99	Extreme Seller's Market
\$200K-\$300K	302	202	0.67	Extreme Seller's Market
\$300K-\$400K	109	165	1.51	Extreme Seller's Market
\$400K-\$500K	31	79	2.55	Extreme Seller's Market
\$500K-\$600K	6	40	6.67	Balanced Market
\$600K-\$700K	6	36	6.00	Balanced Market
\$700K-\$800K	1	21	21.00	Extreme Buyer's Market
\$800K-\$900K	1	22	22.00	Extreme Buyer's Market
\$900K-\$1M	1	15	15.00	Extreme Buyer's Market
\$1M-\$2M	4	68	17.00	Extreme Buyer's Market
\$2M-\$3M	1	20	20.00	Extreme Buyer's Market
\$3M<	0	8	N/A	Extreme Buyer's Market
Overall MKT	831	1067	1.28	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 February. 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 **Extreme Seller's Market**, while the \$500K and up is a **Normal Buyers Market**.



February 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	64	47	0.73	\$320,510	58
Temecula North	64	92	1.44	\$333,927	58
Temecula West	2	40	20.00	\$1,335,000	196
Murrieta North	38	26	0.68	\$273,079	42
Murrieta West	39	92	2.36	\$388,921	72
Murrieta East	81	48	0.59	\$256,159	48
Winchester	29	31	1.07	\$246,804	67
Wildomar	43	25	0.58	\$203,384	73
Menifee	88	70	0.80	\$206,931	55
Hemet	120	230	1.92	\$143,813	48
San Jacinto	50	64	1.28	\$154,001	41
Perris	70	78	1.11	\$175,647	44
Lake Elsinore	73	81	1.11	\$210,317	54
Canyon Lake	21	69	3.29	\$302,619	74
Quail Valley	1	5	5.00	\$142,500	75
Sun City	29	30	1.03	\$140,033	48
Romoland	12	11	0.92	\$191,667	71
Homeland	3	14	4.67	\$112,000	63
Nuevo	4	7	1.75	\$219,625	79

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 **Menifee** 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	\$320,510	\$323,962	98.9%
Temecula North	\$333,927	\$340,582	98.0%
Temecula West	\$1,335,000	\$1,209,500	110.4%
Murrieta North	\$273,079	\$271,607	100.5%
Murrieta West	\$388,921	\$398,599	97.6%
Murrieta East	\$256,159	\$257,346	99.5%
Winchester	\$246,804	\$249,981	98.7%
Wildomar	\$203,384	\$207,327	98.1%
Menifee	\$206,931	\$208,929	99.0%
Hemet	\$143,813	\$154,020	93.4%
San Jacinto	\$154,001	\$158,142	97.4%
Perris	\$175,647	\$182,782	96.1%
Lake Elsinore	\$210,317	\$211,981	99.2%
Canyon Lake	\$302,619	\$311,879	97.0%
Quail Valley	\$142,500	\$150,000	95.0%
Sun City	\$140,033	\$138,538	101.1%
Romoland	\$191,667	\$190,208	100.8%
Homeland	\$112,000	\$118,017	94.9%
Nuevo	\$219,625	\$227,475	96.5%
TOTAL MKT	\$281,944	\$279,520	100.9%

This chart shows that for the month of February home sellers are getting **100.9%** of their asking price. The days of buyer's coming in and offering well below the asking price are no longer here.

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Distressed Property and Investor Market

With about **37.3%** 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.

	2011 Sales	%	2012 Sales	%	February 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	108	13.0%
Short Sales	3,433	26.84%	4,252	32.44%	202	24.3%
Total Distressed Sales	8,319	65.05%	7,100	54.17%	310	37.3%
Total Sales (Normal Resale and Distressed)	12,788		13,108		831	

Strong Performing Areas – for Investors

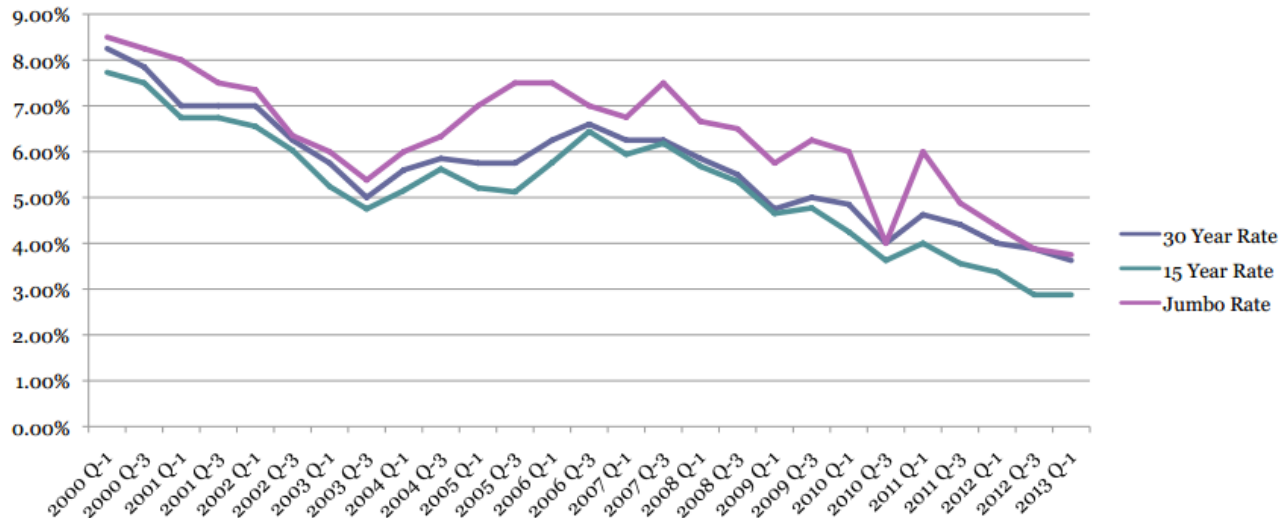
Hemet	
Month's of Inventory	1.92
Low Selling Price	\$17,900
Average Selling Price	\$143,813
Average Rent	\$1,126
Estimated Cap Rate	9.40%
Estimated Cash on Cash Return (25% down)	37.58%

Menifee	
Month's of Inventory	0.80
Low Selling Price	\$51,000
Average Selling Price	\$206,931
Average Rent	\$1,557
Estimated Cap Rate	9.03%
Estimated Cash on Cash Return (25% down)	36.12%

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.