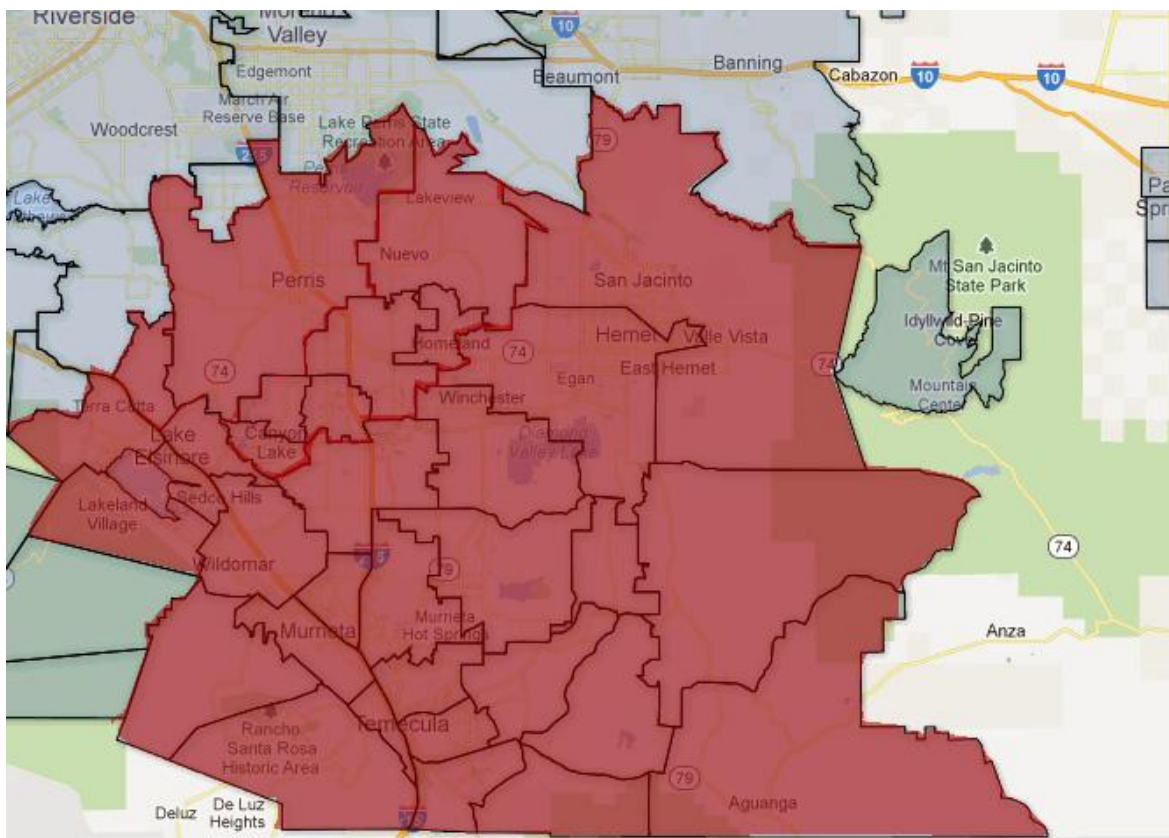




# Real Estate Market Report August 2013



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

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

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August, 2013

In August,

More homes become available on the market slowing the fast spike in home prices. The average price of homes was down from last month. The real estate market had been riding on a fast and furious road to recovery.

Along with the rising price of homes the current interest rates continue to rise as well. Many buyers have been discouraged to buy with the fierce competition with the low inventory but that has subsided. Homes are staying on the market on average 4 days longer then they were last month.

Investors are also playing a smaller role in the market today with the rising home prices along with the rising interest rates. The rising prices and interest rates have shrunk investors' profit margins.

It is very important to work with a qualified lender when buying a home. We have seen more and more buyers fall out of escrow because their lender is overlooking details in getting them pre-approved. We work with lenders that make sure everything is covered and nothing is over looked. For lender information please feel free to contact us!

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 August

1149 Homes Sold

0.6% decrease from last year



### Market Inventories in different Price Ranges

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

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

\$500K & Up = **Balanced Market**

### Homes for Sale

1815 Homes *for Sale*

### Month's of Inventory

1.58 Month's Inventory

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

### Average Sold Price

\$266,518 average price of homes

### Days on Market

49 Days – Average Days on Market

### Cash Buyers in August

31.2% of sales *Cash*

### Financing Type

22.6% of sales *FHA*

31.1% of sales *Conventional*

11.1% of sales *VA Loan*

Top selling **Region** = Hemet

Distressed Property and Investor Market – **20.4%** of all sales in August 2013 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **85.6%** of asking price.

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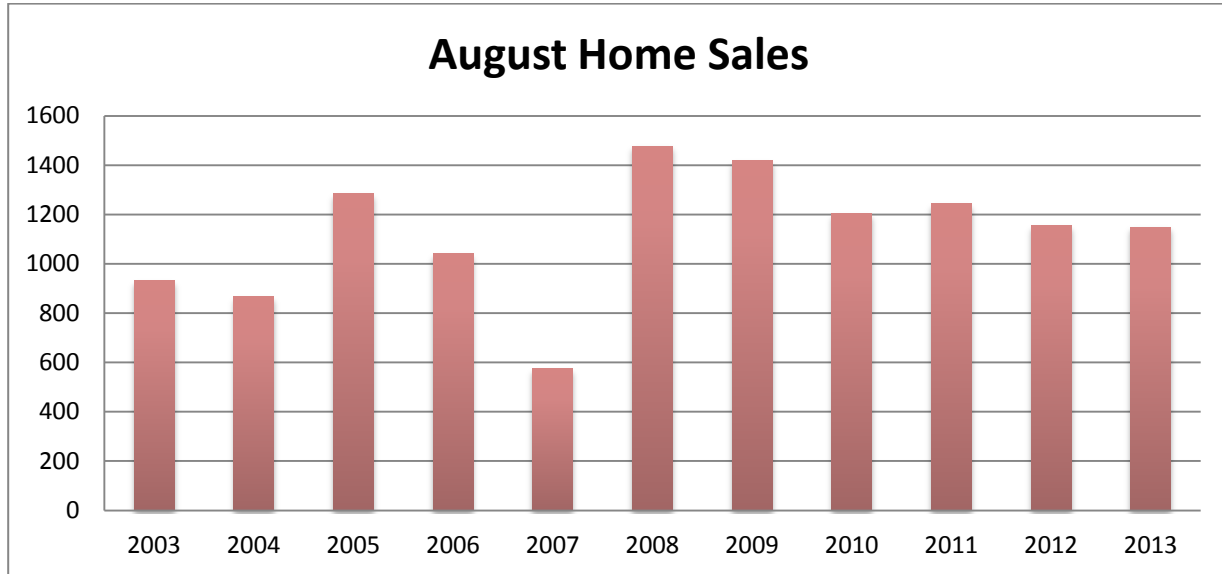
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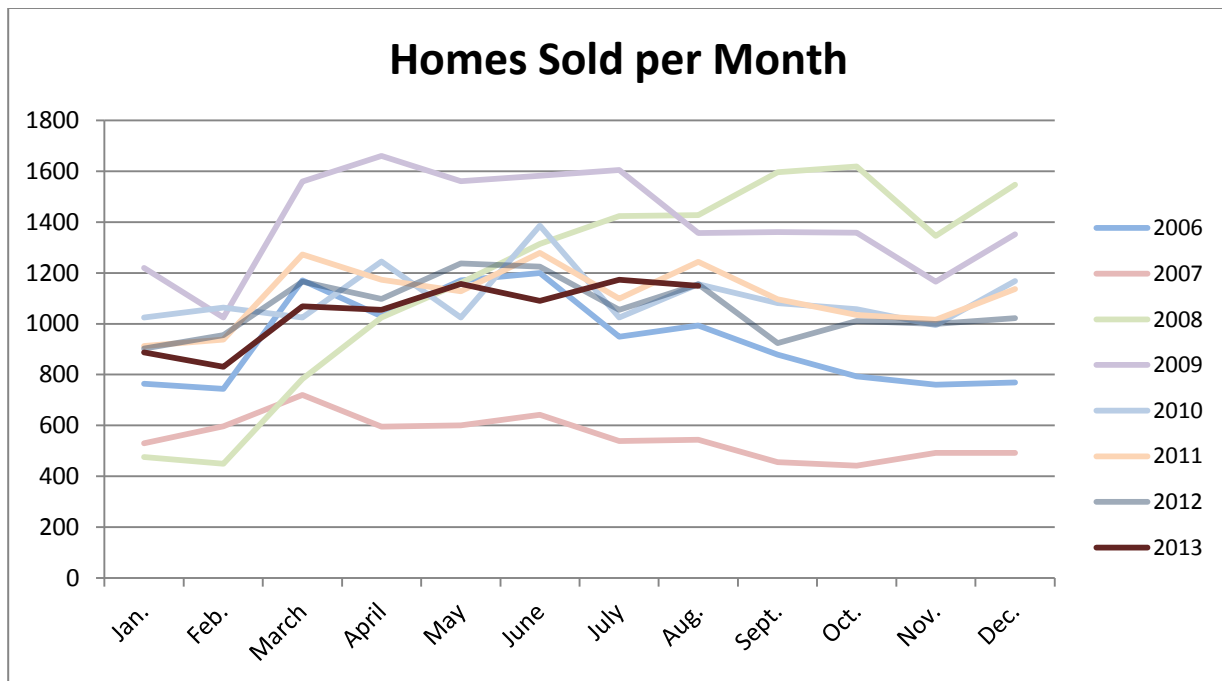
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Sales are on the decline for the month of August. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In August **1149** homes sold in Southwest Riverside County. This is a **0.6% decrease** in sold homes since this month last year.



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### August 2013 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	98	119	1.21	Extreme Seller's Market
\$100K-\$200k	314	331	1.05	Extreme Seller's Market
\$200K-\$300K	364	332	0.91	Extreme Seller's Market
\$300K-\$400K	257	496	1.93	Extreme Seller's Market
\$400K-\$500K	70	198	2.83	Extreme Seller's Market
\$500K-\$600K	22	85	3.86	Normal Seller's Market
\$600K-\$700K	10	50	5.00	Normal Seller's Market
\$700K-\$800K	7	31	4.43	Normal Seller's Market
\$800K-\$900K	2	24	12.00	Normal Buyer's Market
\$900K-\$1M	0	19	N/A	Extreme Buyer's Market
\$1M-\$2M	5	104	20.80	Extreme Buyer's Market
\$2M-\$3M	0	14	N/A	Extreme Buyer's Market
\$3M<	0	12	N/A	Extreme Buyer's Market
<b>Overall MKT</b>	<b>1149</b>	<b>1815</b>	<b>1.58</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 August. 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 low number of homes on the market.

The \$400K-\$500K ranges, is an **Extreme Seller's Market**, while the \$500K and up is a **Balanced Market**.



### August 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	70	108	1.54	\$379,549	35
Temecula North	90	159	1.77	\$388,303	48
Temecula West	2	41	20.50	\$445,000	144
Murrieta North	68	77	1.13	\$315,693	40
Murrieta West	42	125	2.98	\$398,853	44
Murrieta East	93	126	1.35	\$301,610	44
Winchester	49	71	1.45	\$278,825	44
Wildomar	42	56	1.33	\$267,284	31
Menifee	130	168	1.29	\$255,369	38
Hemet	191	316	1.65	\$154,951	50
San Jacinto	82	91	1.11	\$165,480	46
Perris	87	145	1.67	\$191,611	45
Lake Elsinore	89	170	1.91	\$260,267	48
Canyon Lake	44	86	1.95	\$388,910	79
Quail Valley	4	6	1.50	\$149,750	42
Sun City	25	23	0.92	\$160,159	42
Romoland	14	9	0.64	\$229,550	48
Homeland	13	15	1.15	\$117,667	37
Nuevo	14	19	1.36	\$215,011	32

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. Sale Price	Avg. List Price	% of Listing Price
Temecula South	\$379,549	\$406,008	93.5%
Temecula North	\$388,303	\$478,842	81.1%
Temecula West	\$445,000	\$1,131,200	39.3%
Murrieta North	\$315,693	\$346,452	91.1%
Murrieta West	\$398,853	\$515,431	77.4%
Murrieta East	\$301,610	\$315,216	95.7%
Winchester	\$278,825	\$329,788	84.5%
Wildomar	\$267,284	\$281,221	95.0%
Menifee	\$255,369	\$283,740	90.0%
Hemet	\$154,951	\$200,987	77.1%
San Jacinto	\$165,480	\$179,115	92.4%
Perris	\$191,611	\$236,238	81.1%
Lake Elsinore	\$260,267	\$280,047	92.9%
Canyon Lake	\$388,910	\$424,390	91.6%
Quail Valley	\$149,750	\$156,100	95.9%
Sun City	\$160,159	\$166,904	96.0%
Romoland	\$229,550	\$265,541	86.4%
Homeland	\$117,667	\$185,108	63.6%
Nuevo	\$215,011	\$224,047	96.0%
<b>TOTAL MKT</b>	<b>\$260,440</b>	<b>\$304,113</b>	<b>85.6%</b>

This chart shows that for the month of August home sellers are getting **85.6%** 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 **20.4%** 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	%	August 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	56	4.9%
Short Sales	3,433	26.84%	4,252	32.44%	178	15.5%
<b>Total Distressed Sales</b>	<b>8,319</b>	<b>65.05%</b>	<b>7,100</b>	<b>54.17%</b>	<b>234</b>	<b>20.4%</b>
Total Sales (Normal Resale and Distressed)	12,788		13,108		1,149	

## Strong Performing Areas – for Investors

Hemet	
Month's of Inventory	2.01
Low Selling Price	\$38,000
Average Selling Price	\$171,955
Average Rent	\$1,243
Estimated Cap Rate	8.67%
Estimated Cash on Cash Return (25% down)	34.70%

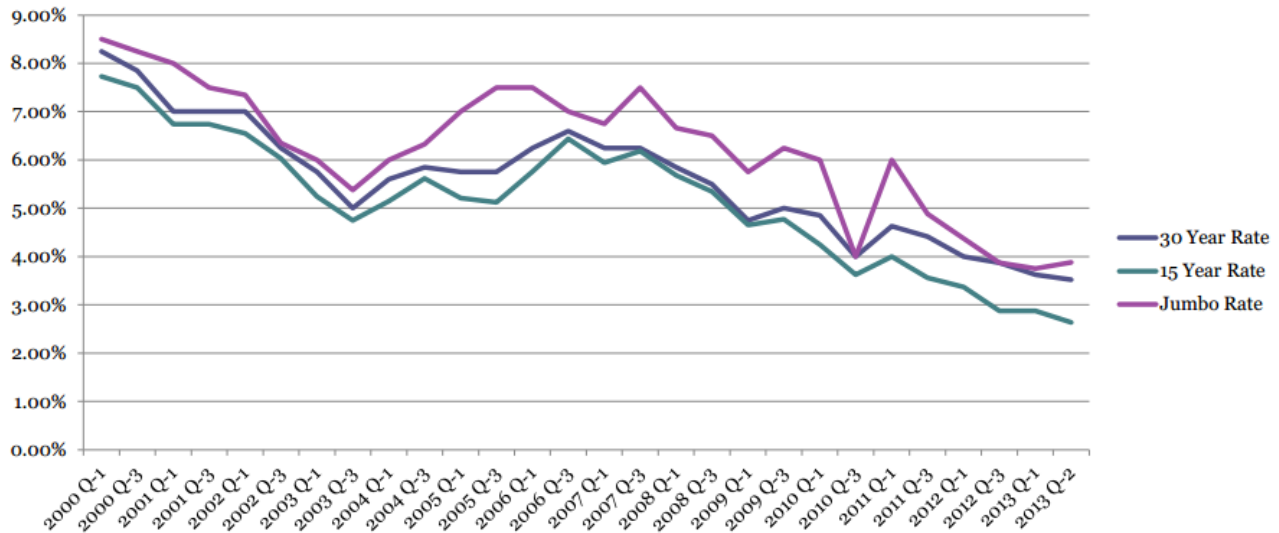
Menifee	
Month's of Inventory	1.29
Low Selling Price	\$114,000
Average Selling Price	\$255,369
Average Rent	\$1,535
Estimated Cap Rate	7.21%
Estimated Cash on Cash Return (25% down)	28.85%

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 4.61%

15 Yr Fixed 3.61%

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

30 Yr Fixed 4.87%

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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