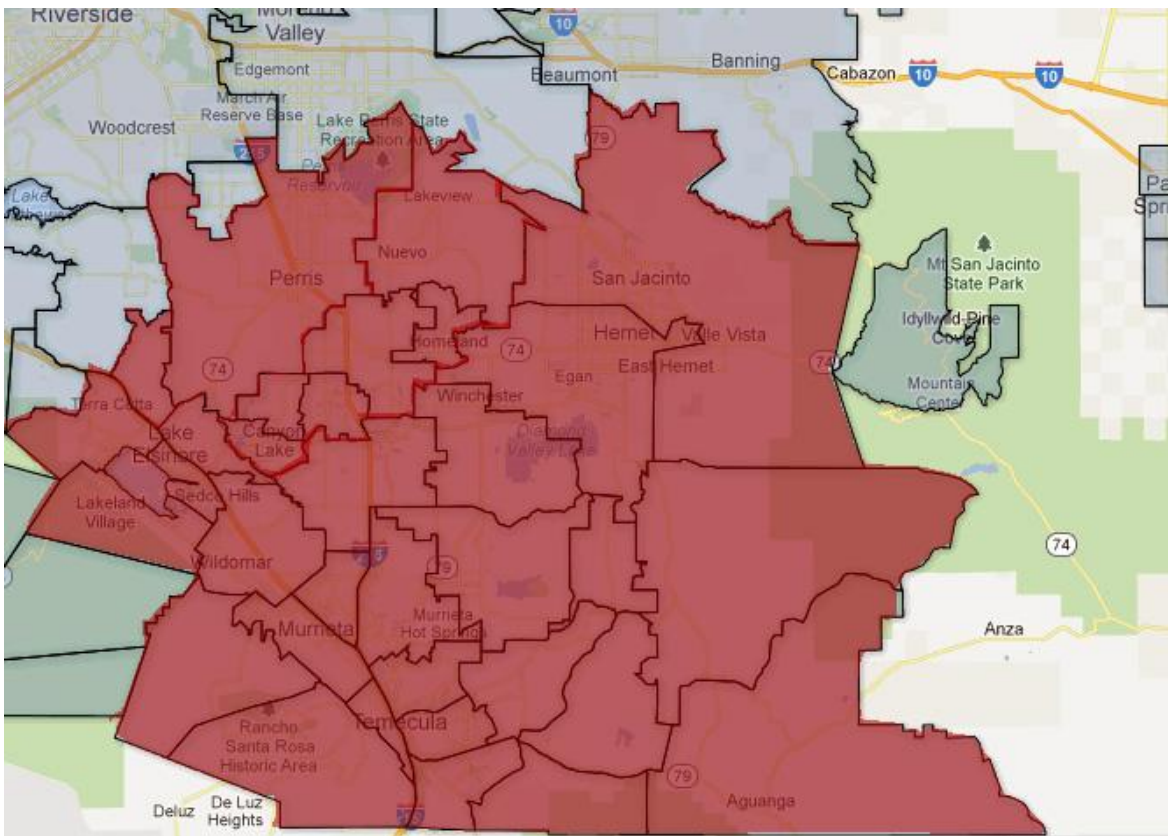




Real Estate Market Report October 2013



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

www.SWRiversideCountyHomes.com

KELLER WILLIAMS® REALTY

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October, 2013

In October,

The number of homes that have sold continues to increase seeing the first back to back month rise from the same time the year before, in over 2 years. Even though the number of homes sold has been on the rise the price of homes have started to top out and is actually down from last month. Along with the price of homes dropping the number of homes available is also down.

The number of homes available is down 27% from 2 years ago but up 47% from last year. Many sellers are holding off until the beginning of the year to list their home so it is not more hectic in the upcoming holiday months. Come the beginning of the year there can be an influx of homes on the market due to the holiday season being over. As a buyer or seller you need to be prepared for this.

Are you working with a Qualified Lender? It is highly 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 the details in getting them pre-approved. We work with lenders that make sure everything is covered and nothing is overlooked. 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 style with a large initial "T" and "O".

Tom Olsewski

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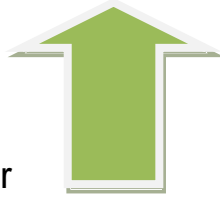


Summary of the SW Riverside County Market

Home Sales in October

1052 Homes Sold

4.1% decrease from last year



Average Sold Price

\$272,187 average price of homes

Days on Market

45 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 October

27.6% of sales *Cash*

Financing Type

24.4% of sales *FHA*

33.8% of sales *Conventional*

11.0% of sales *VA Loan*

Homes for Sale

1943 Homes *for Sale*

Month's of Inventory

1.85 Month's Inventory

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

Top selling **Region** = Hemet

Distressed Property and Investor Market – **17.7%** of all sales in October 2013 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **85.7%** of asking price.

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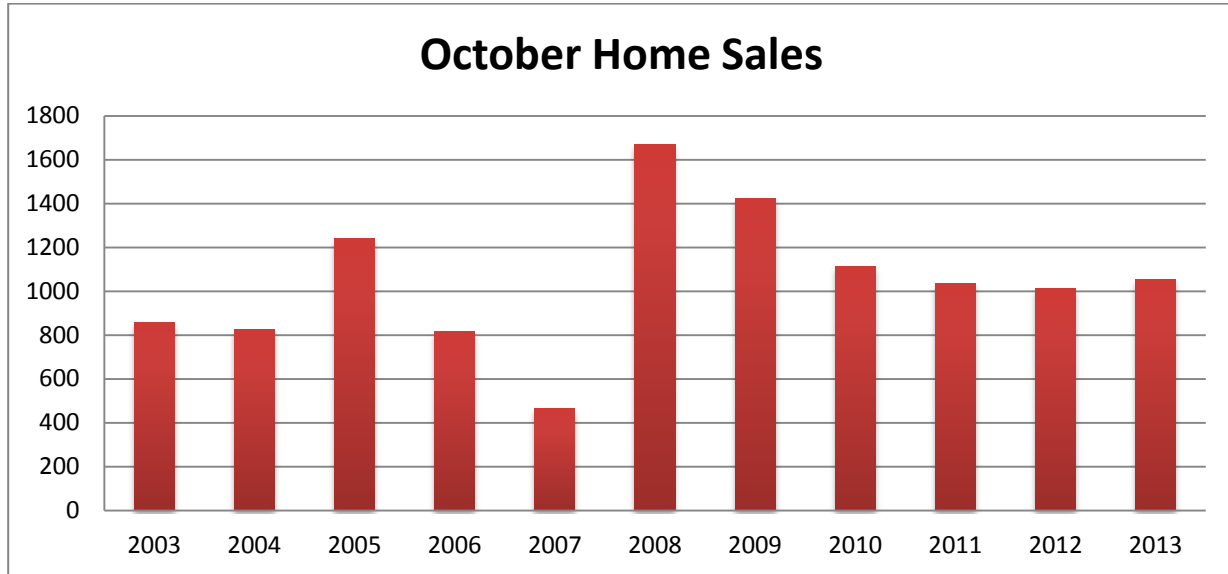
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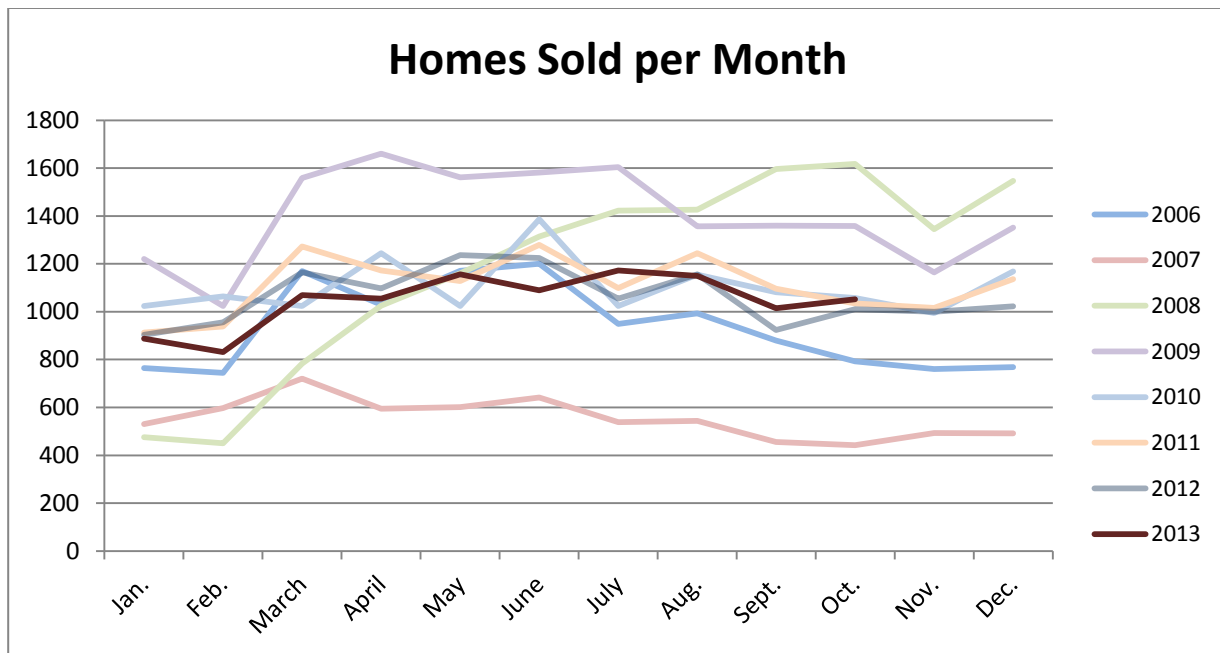
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Sales are on the decline for the month of October. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In October **1052** homes sold in Southwest Riverside County. This is a **4.1% increase** in sold homes since this month last year.





October 2013 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	62	105	1.69	Extreme Seller's Market
\$100K-\$200k	263	350	1.33	Extreme Seller's Market
\$200K-\$300K	361	404	1.12	Extreme Seller's Market
\$300K-\$400K	244	537	2.20	Extreme Seller's Market
\$400K-\$500K	78	200	2.56	Extreme Seller's Market
\$500K-\$600K	16	93	5.81	Normal Seller's Market
\$600K-\$700K	12	50	4.17	Normal Seller's Market
\$700K-\$800K	10	33	3.30	Normal Seller's Market
\$800K-\$900K	2	26	13.00	Extreme Buyer's Market
\$900K-\$1M	1	19	19.00	Extreme Buyer's Market
\$1M-\$2M	3	92	30.67	Extreme Buyer's Market
\$2M-\$3M	0	21	N/A	Extreme Buyer's Market
\$3M<	0	13	N/A	Extreme Buyer's Market
Overall MKT	1052	1943	1.85	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 October. 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 a **Extreme Seller's Market**, while the \$500K and up is a **Balanced Market**.



October 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	69	123	1.78	\$405,309	57
Temecula North	94	176	1.87	\$415,072	55
Temecula West	3	39	13.00	\$679,167	121
Murrieta North	63	71	1.13	\$324,051	37
Murrieta West	39	110	2.82	\$403,889	54
Murrieta East	78	144	1.85	\$314,352	42
Winchester	51	52	1.02	\$298,309	44
Wildomar	40	74	1.85	\$256,157	39
Menifee	125	176	1.41	\$255,774	39
Hemet	164	343	2.09	\$159,665	53
San Jacinto	55	116	2.11	\$180,144	37
Perris	89	133	1.49	\$211,717	30
Lake Elsinore	100	196	1.96	\$251,098	43
Canyon Lake	28	102	3.64	\$329,433	73
Quail Valley	6	5	0.83	\$154,733	20
Sun City	21	38	1.81	\$167,845	31
Romoland	14	12	0.86	\$222,104	64
Homeland	2	17	8.50	\$100,000	44
Nuevo	12	18	1.50	\$204,825	37

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	\$405,309	\$421,278	96.2%
Temecula North	\$415,072	\$432,759	95.9%
Temecula West	\$679,167	\$1,242,500	54.7%
Murrieta North	\$324,051	\$351,616	92.2%
Murrieta West	\$403,889	\$647,156	62.4%
Murrieta East	\$314,352	\$329,512	95.4%
Winchester	\$298,309	\$335,550	88.9%
Wildomar	\$256,157	\$282,588	90.6%
Menifee	\$255,774	\$284,086	90.0%
Hemet	\$159,665	\$185,614	86.0%
San Jacinto	\$180,144	\$193,310	93.2%
Perris	\$211,717	\$228,704	92.6%
Lake Elsinore	\$251,098	\$304,121	82.6%
Canyon Lake	\$329,433	\$496,984	66.3%
Quail Valley	\$154,733	\$130,725	118.4%
Sun City	\$167,845	\$188,708	88.9%
Romoland	\$222,104	\$282,582	78.6%
Homeland	\$100,000	\$99,450	100.6%
Nuevo	\$204,825	\$202,057	101.4%
TOTAL MKT	\$272,187	\$317,589	85.7%

This chart shows that for the month of October home sellers are getting **85.7%** 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 **17.7%** 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.

	2011 Sales	%	2012 Sales	%	October 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	48	4.6%
Short Sales	3,433	26.84%	4,252	32.44%	138	13.1%
Total Distressed Sales	8,319	65.05%	7,100	54.17%	186	17.7%
Total Sales (Normal Resale and Distressed)	12,788		13,108		1,052	

Strong Performing Areas – for Investors

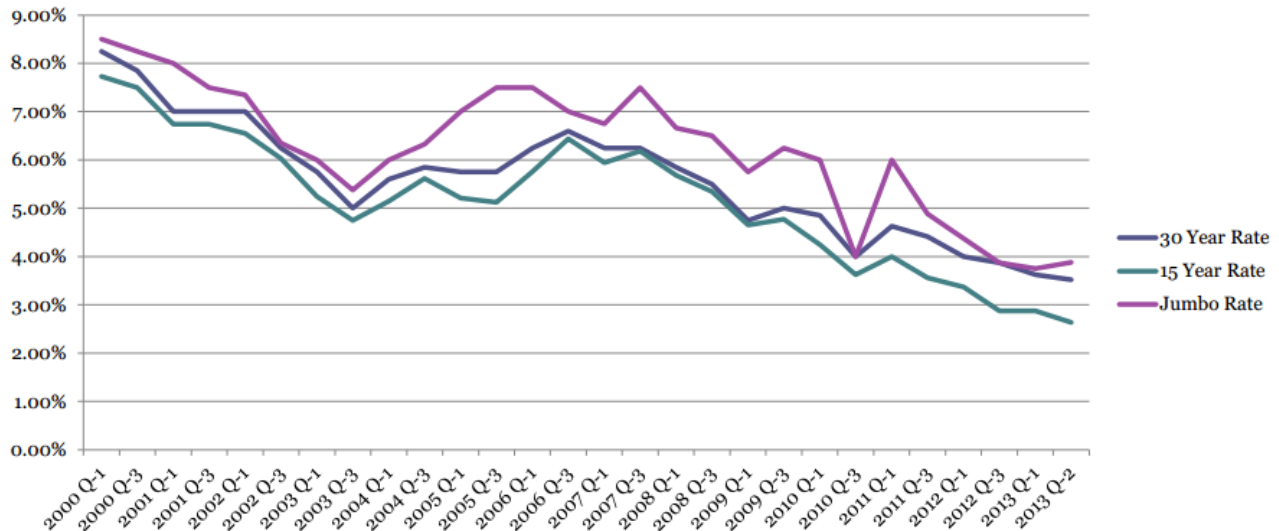
Hemet	
Month's of Inventory	2.09
Low Selling Price	\$40,000
Average Selling Price	\$159,665
Average Rent	\$1,281
Estimated Cap Rate	9.63%
Estimated Cash on Cash Return (25% down)	38.51%

Menifee	
Month's of Inventory	1.41
Low Selling Price	\$22,000
Average Selling Price	\$255,774
Average Rent	\$1,606
Estimated Cap Rate	7.53%
Estimated Cash on Cash Return (25% down)	30.14%

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.