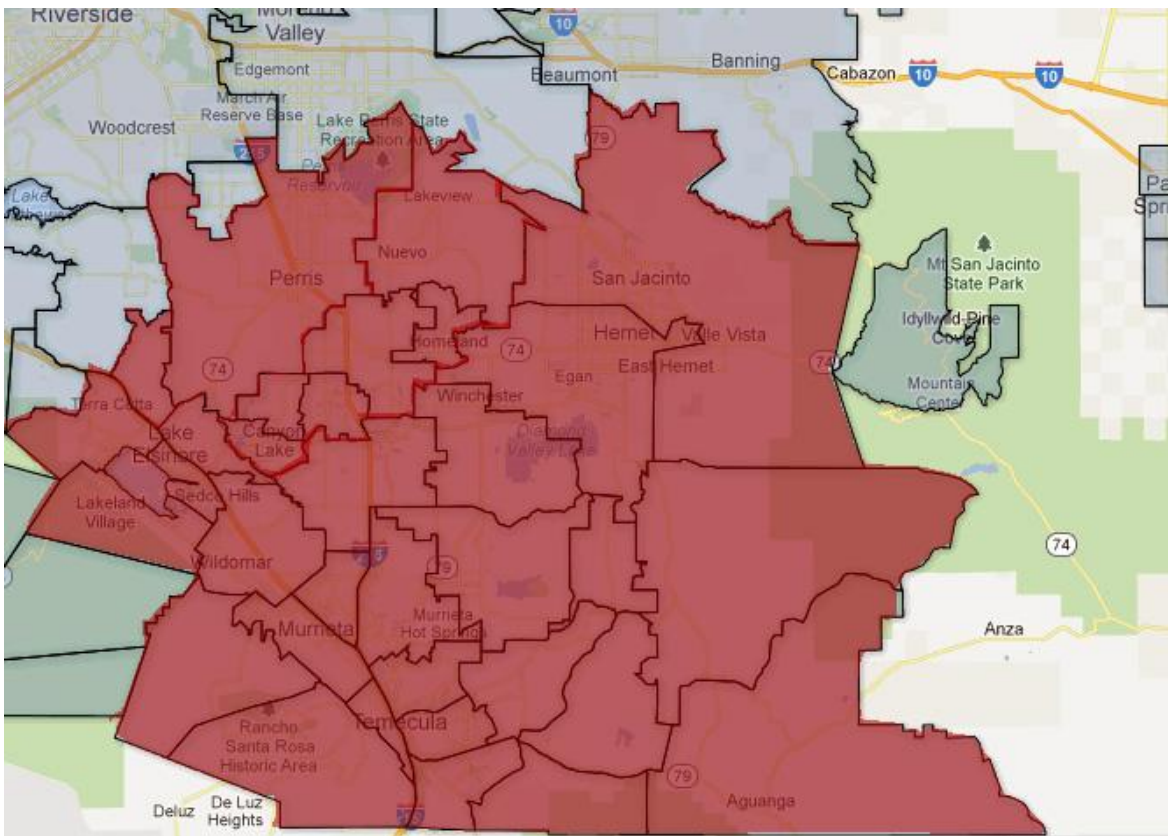




Real Estate Market Report December 2013



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

www.SWRiversideCountyHomes.com

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December, 2013

In December,

The real estate market ended the year strong. The number of homes sold despite being down 7.4% from this time last year home sales are up 5.2% from last month, and up 6.5% from the beginning of the year.

The number of homes available is also up from the beginning of year with 2038 active homes on the market. This is up 81.2% from the beginning of the year when only 1125 homes were available.

The real estate trends that finished the year in 2013 look to continue into the new year. With home prices rising more people are able to sell their home now compared to a year ago. More homes will continue to come on the market which will help with the number of buyers looking for homes.

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 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 style.

Tom Olsewski



Summary of the SW Riverside County Market

Home Sales in December

946 Homes Sold

7.4% decrease from last year



Average Sold Price

\$282,308 average price of homes

Days on Market

57 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 December

25.7% of sales *Cash*

Financing Type

24.8% of sales *FHA*

33.2% of sales *Conventional*

12.5% of sales *VA Loan*

Homes for Sale

2038 Homes *for Sale*

Month's of Inventory

2.15 Month's Inventory

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

Top selling **Region** = **Hemet**

Distressed Property and Investor Market – **17.8%** of all sales in December 2013 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **90.7%** of asking price.

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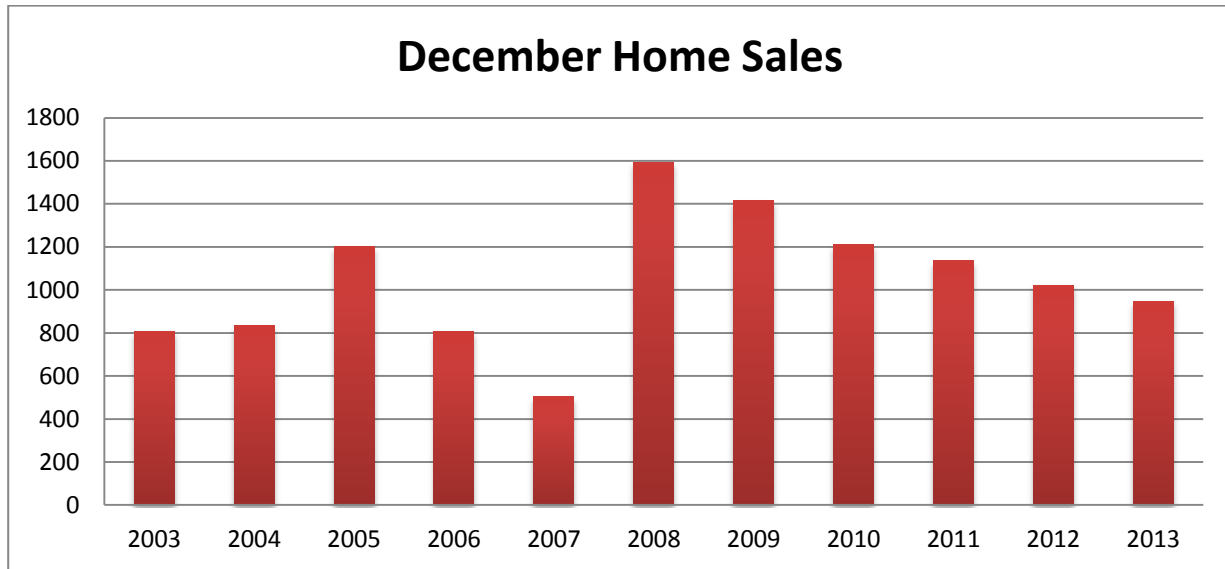
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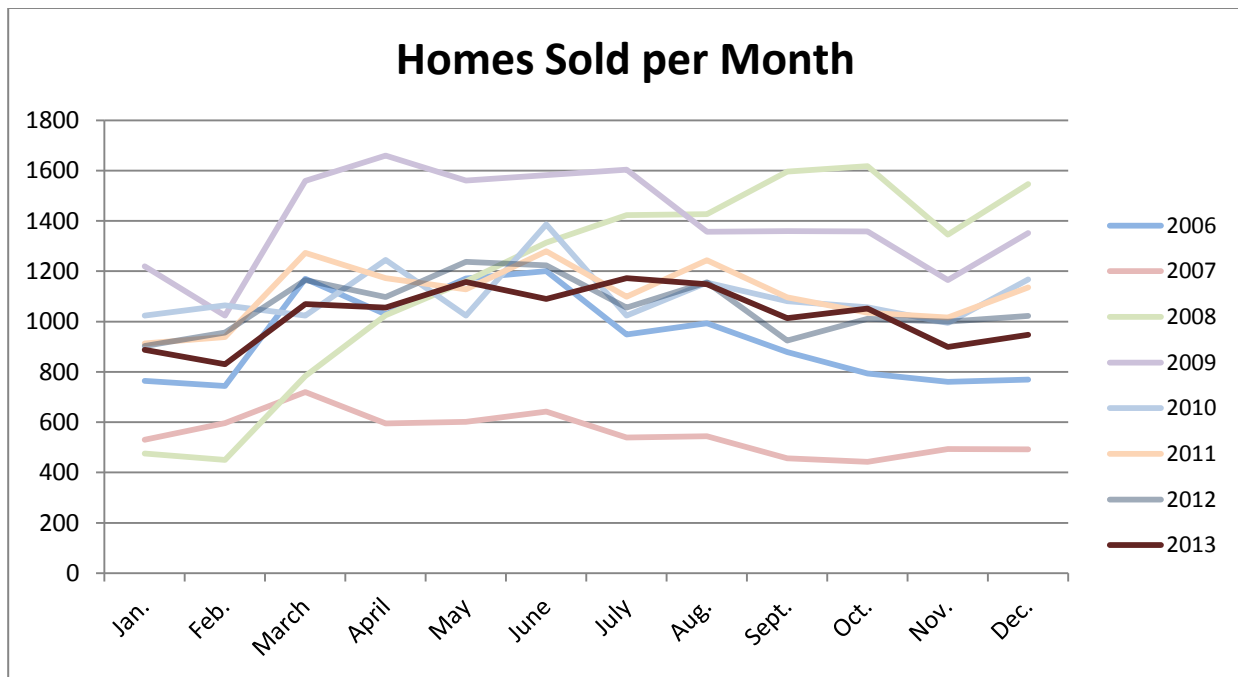
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Sales are on the decline for the month of December. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In December **946** homes sold in Southwest Riverside County. This is a **7.4% decrease** in sold homes since this month last year.



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December 2013 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	50	94	1.88	Extreme Seller's Market
\$100K-\$200k	230	383	1.67	Extreme Seller's Market
\$200K-\$300K	296	489	1.65	Extreme Seller's Market
\$300K-\$400K	259	565	2.18	Extreme Seller's Market
\$400K-\$500K	76	205	2.70	Extreme Seller's Market
\$500K-\$600K	13	82	6.31	Balanced Market
\$600K-\$700K	8	41	5.13	Normal Seller's Market
\$700K-\$800K	6	37	6.17	Balanced Market
\$800K-\$900K	2	20	10.00	Normal Buyer's Market
\$900K-\$1M	0	18	N/A	Extreme Buyer's Market
\$1M-\$2M	5	72	14.40	Extreme Buyer's Market
\$2M-\$3M	0	19	N/A	Extreme Buyer's Market
\$3M<	1	13	13.00	Extreme Buyer's Market
Overall MKT	946	2038	2.15	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 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 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**.



December 2013 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	78	160	2.05	\$380,732	59
Temecula North	81	251	3.10	\$422,349	61
Temecula West	5	34	6.80	\$886,800	107
Murrieta North	49	118	2.41	\$315,464	59
Murrieta West	28	119	4.25	\$474,351	66
Murrieta East	82	207	2.52	\$304,990	61
Winchester	43	78	1.81	\$332,015	47
Wildomar	41	94	2.29	\$270,654	44
Menifee	115	258	2.24	\$283,635	56
Hemet	138	416	3.01	\$170,146	51
San Jacinto	55	143	2.60	\$183,999	47
Perris	100	236	2.36	\$210,264	54
Lake Elsinore	78	278	3.56	\$267,970	68
Canyon Lake	13	117	9.00	\$331,377	65
Quail Valley	3	7	2.33	\$147,000	139
Sun City	18	71	3.94	\$178,422	44
Romoland	8	17	2.13	\$216,337	50
Homeland	6	22	3.67	\$87,767	38
Nuevo	5	26	5.20	\$214,000	55

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	\$380,732	\$419,649	90.7%
Temecula North	\$422,349	\$485,877	86.9%
Temecula West	\$886,800	\$699,450	126.8%
Murrieta North	\$315,464	\$324,772	97.1%
Murrieta West	\$474,351	\$593,675	79.9%
Murrieta East	\$304,990	\$345,391	88.3%
Winchester	\$332,015	\$330,951	100.3%
Wildomar	\$270,654	\$279,821	96.7%
Menifee	\$283,635	\$291,440	97.3%
Hemet	\$170,146	\$187,253	90.9%
San Jacinto	\$183,999	\$190,592	96.5%
Perris	\$210,264	\$236,587	88.9%
Lake Elsinore	\$267,970	\$288,344	92.9%
Canyon Lake	\$331,377	\$411,068	80.6%
Quail Valley	\$147,000	\$270,000	54.4%
Sun City	\$178,422	\$166,800	107.0%
Romoland	\$216,337	\$254,292	85.1%
Homeland	\$87,767	\$138,880	63.2%
Nuevo	\$214,000	\$222,000	96.4%
TOTAL MKT	\$282,308	\$311,133	90.7%

This chart shows that for the month of December home sellers are getting **90.7%** 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 **17.8%** 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	%	December 2013 Sales	%
REO Sales	4,886	38.21%	2,848	21.73%	54	5.7%
Short Sales	3,433	26.84%	4,252	32.44%	114	12.1%
Total Distressed Sales	8,319	65.05%	7,100	54.17%	168	17.8%
Total Sales (Normal Resale and Distressed)	12,788		13,108		946	

Strong Performing Areas – for Investors

Hemet	
Month's of Inventory	3.01
Low Selling Price	\$50,000
Average Selling Price	\$170,146
Average Rent	\$1,067
Estimated Cap Rate	7.53%
Estimated Cash on Cash Return (25% down)	30.10%

Menifee	
Month's of Inventory	2.24
Low Selling Price	\$110,000
Average Selling Price	\$283,635
Average Rent	\$1,456
Estimated Cap Rate	6.16%
Estimated Cash on Cash Return (25% down)	24.64%

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.

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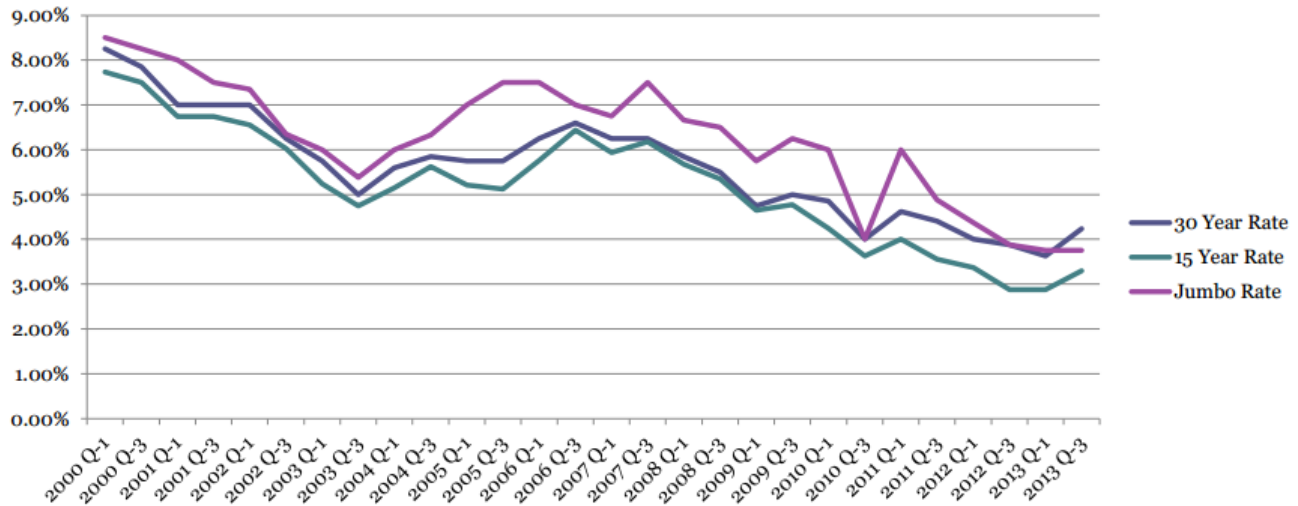
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Mortgage Rates – 12 Year Summary



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 4.24%

15 Yr Fixed 3.30%

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.