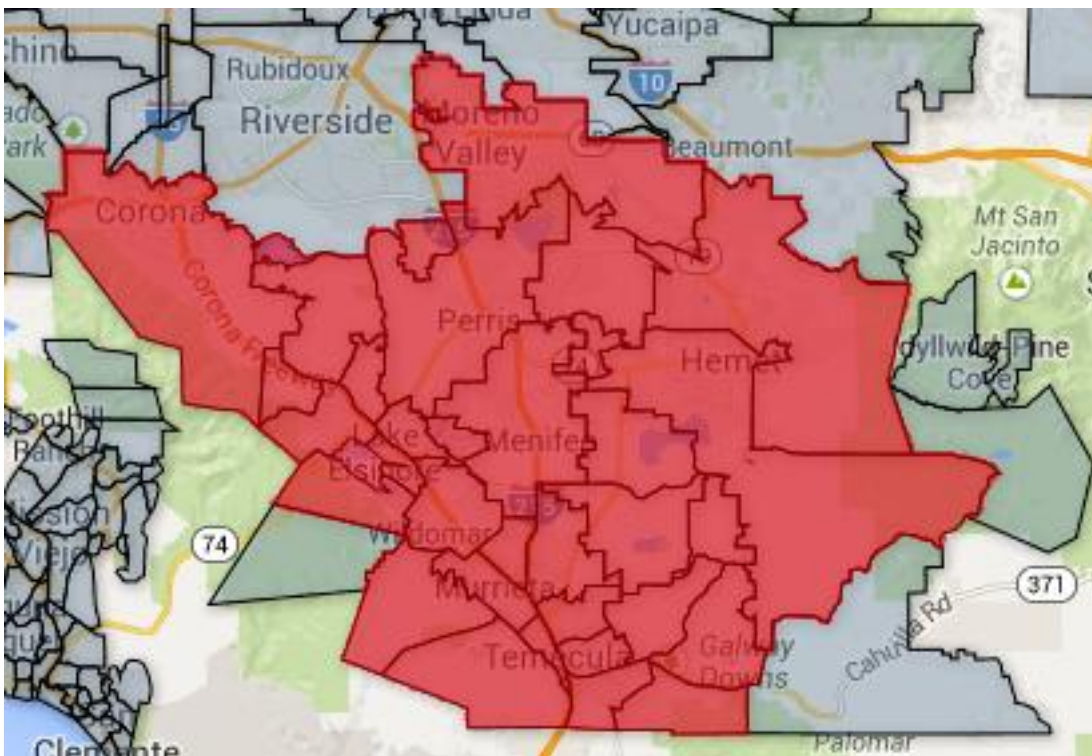




Real Estate Market Report January 2014



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

www.SWRiversideCountyHomes.com

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January, 2014

In January,

Homes sales are down 16.6% from this time last year. The amount of active homes on the market continues to rise. Now that the holidays are over the real estate market will begin to pick up again. Buyers are still out looking at homes and still come across with multiple offer situations on some homes.

With the month of January you really get to see the difference between different price ranges and areas. You can see in the price range chart that the type of market depends on the price of the home. The higher priced homes have more a buyer's market due to the fact that there are not as many buyers looking at those homes compared to the lower priced.

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, flowing style.

Tom Olsewski



Summary of the SW Riverside County Market

Home Sales in January

1083 Homes Sold

16.6% decrease from last year



Market Inventories in different Price Ranges

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

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

\$500K & Up = **Normal Buyer's Market**

Homes for Sale

3040 Homes *for Sale*

Month's of Inventory

2.81 Month's Inventory

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

Average Sold Price

\$294,635 average price of homes

Days on Market

60 Days – Average Days on Market

Cash Buyers in January

25.4% of sales *Cash*

Financing Type

23.8% of sales *FHA*

35.2% of sales *Conventional*

12.0% of sales *VA Loan*

Top selling **Region** = Corona

Distressed Property and Investor Market – **17.8%** of all sales in January 2014 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **94.7%** of asking price.

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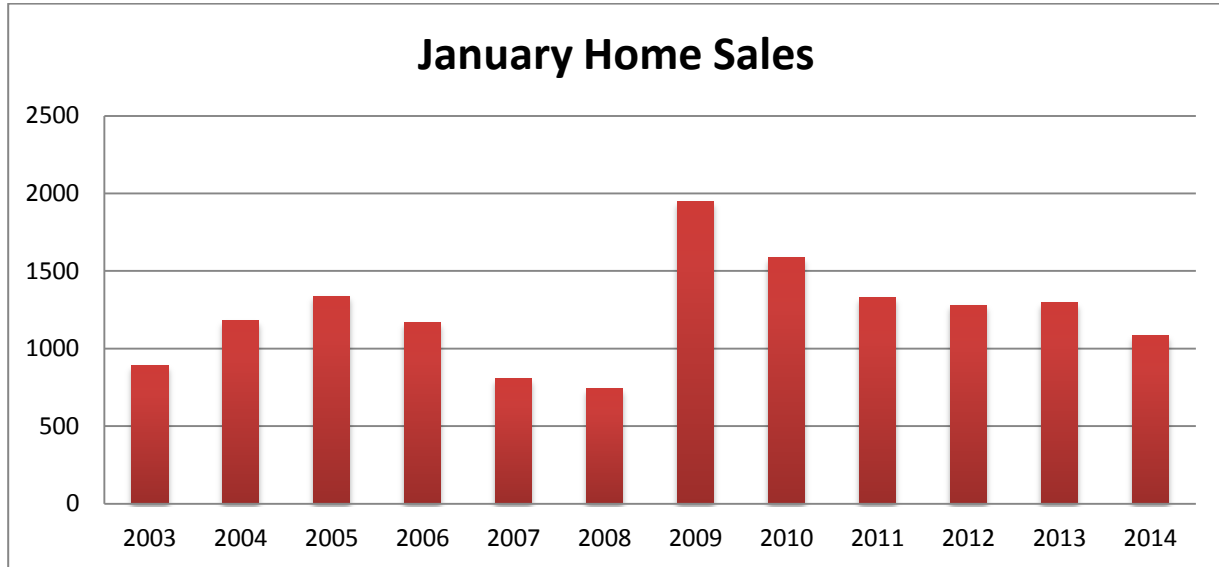
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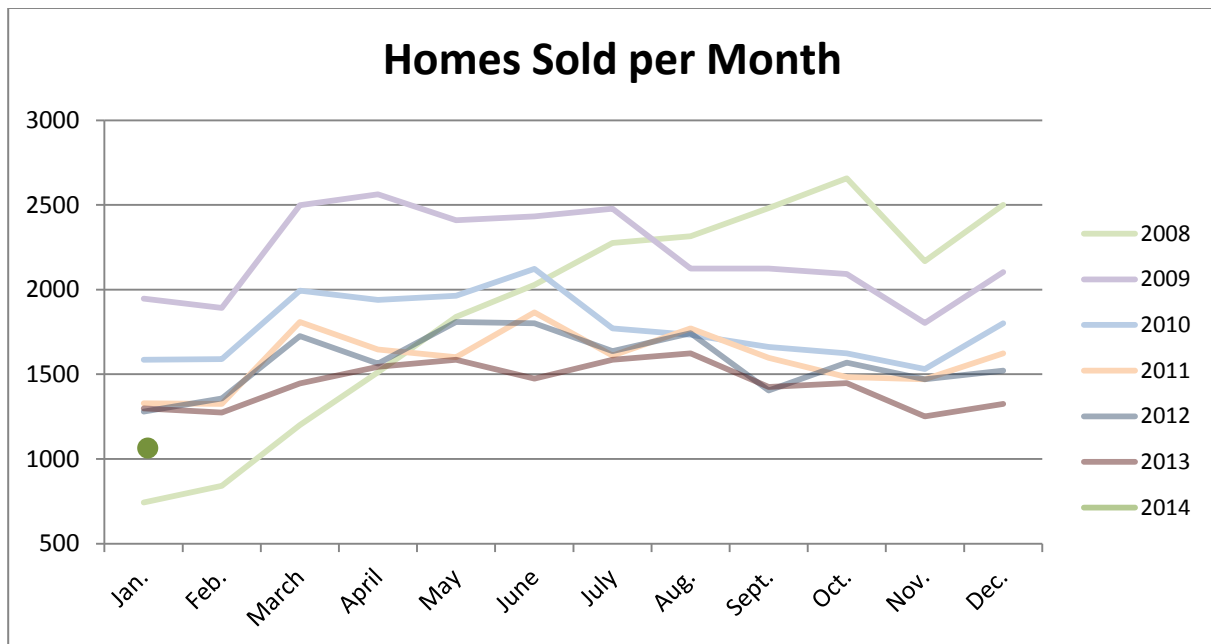
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Sales are on the decline for the month of January. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In January **1083** homes sold in Southwest Riverside County. This is a **16.6% decrease** in sold homes since this month last year.



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January 2014 Homes Sales By Price Band				
Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	37	113	3.05	Normal Seller's Market
\$100K-\$200k	219	537	2.45	Extreme Seller's Market
\$200K-\$300K	355	736	2.07	Extreme Seller's Market
\$300K-\$400K	309	811	2.62	Extreme Seller's Market
\$400K-\$500K	113	354	3.13	Normal Seller's Market
\$500K-\$600K	29	163	5.62	Normal Seller's Market
\$600K-\$700K	10	82	8.20	Balanced Market
\$700K-\$800K	6	46	7.67	Balanced Market
\$800K-\$900K	0	32	N/A	Extreme Buyer's Market
\$900K-\$1M	2	28	14.00	Extreme Buyer's Market
\$1M-\$2M	4	102	25.50	Extreme Buyer's Market
\$2M-\$3M	0	22	N/A	Extreme Buyer's Market
\$3M<	0	14	N/A	Extreme Buyer's Market
Overall MKT	1083	3040	2.81	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 low number of homes on the market.

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



January 2014 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	57	163	2.86	\$383,248	64
Temecula North	75	221	2.95	\$385,317	56
Temecula West	1	39	39.00	\$267,000	43
Murrieta North	51	117	2.29	\$325,275	55
Murrieta West	28	123	4.39	\$440,553	65
Murrieta East	67	218	3.25	\$318,695	56
Winchester	30	100	3.33	\$323,827	62
Wildomar	29	101	3.48	\$258,687	59
Menifee	91	308	3.38	\$274,379	61
Hemet	107	443	4.14	\$174,294	59
San Jacinto	36	154	4.28	\$188,028	53
Perris	67	234	3.49	\$224,674	51
Lake Elsinore	69	286	4.14	\$269,325	69
Canyon Lake	17	115	6.76	\$390,735	72
Quail Valley	2	5	2.50	\$184,950	116
Sun City	20	62	3.10	\$169,910	55
Romoland	6	28	4.67	\$242,167	61
Homeland	6	24	4.00	\$98,365	41
Nuevo	5	26	5.20	\$181,600	47
Corona	181	525	2.90	\$391,811	63
Glen Ivy	0	0	N/A	N/A	N/A
Gavilan Hills	0	11	N/A	N/A	N/A
Moreno Valley	138	382	2.77	\$235,449	56
Sage	3	24	8.00	\$284,000	85
Mead Valley	0	2	N/A	N/A	N/A
<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>	

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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	\$383,248	\$433,561	88.4%
Temecula North	\$385,317	\$421,506	91.4%
Temecula West	\$267,000	\$1,304,867	20.5%
Murrieta North	\$325,275	\$334,058	97.4%
Murrieta West	\$440,553	\$525,312	83.9%
Murrieta East	\$318,695	\$337,426	94.4%
Winchester	\$323,827	\$356,883	90.7%
Wildomar	\$258,687	\$299,162	86.5%
Menifee	\$274,379	\$284,676	96.4%
Hemet	\$174,294	\$184,705	94.4%
San Jacinto	\$188,028	\$222,590	84.5%
Perris	\$224,674	\$237,936	94.4%
Lake Elsinore	\$269,325	\$296,289	90.9%
Canyon Lake	\$390,735	\$535,190	73.0%
Quail Valley	\$184,950	\$139,950	132.2%
Sun City	\$169,910	\$164,717	103.2%
Romoland	\$242,167	\$278,336	87.0%
Homeland	\$98,365	\$172,977	56.9%
Nuevo	\$181,600	\$304,644	59.6%
Corona	\$391,811	436045	89.9%
Glen Ivy	N/A	N/A	N/A
Gavilan Hills	N/A	\$588,882	N/A
Moreno Valley	\$235,449	\$243,656	96.6%
Sage	\$284,000	\$209,962	135.3%
Mead Valley	N/A	\$419,450	N/A
TOTAL MKT	\$294,635	\$311,133	94.7%

This chart shows that for the month of January home sellers are getting **94.7%** 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.

	2012 Sales	%	2013 Sales	%	January 2014 Sales	%
REO Sales	4,146	21.96%	1,277	7.39%	54	5.0%
Short Sales	6,394	33.86%	3,423	19.81%	139	12.8%
Total Distressed Sales	10,540	55.82%	4,700	27.20%	193	17.8%
Total Sales (Normal Resale and Distressed)	18,881		17,281		1,083	

Strong Performing Areas – for Investors

Corona	
Month's of Inventory	2.90
Low Selling Price	\$120,000
Average Selling Price	\$391,811
Average Rent	\$1,949
Estimated Cap Rate	5.97%
Estimated Cash on Cash Return (25% down)	23.88%

Moreno Valley	
Month's of Inventory	2.77
Low Selling Price	\$50,000
Average Selling Price	\$235,449
Average Rent	\$1,464
Estimated Cap Rate	7.46%
Estimated Cash on Cash Return (25% down)	29.85%

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.

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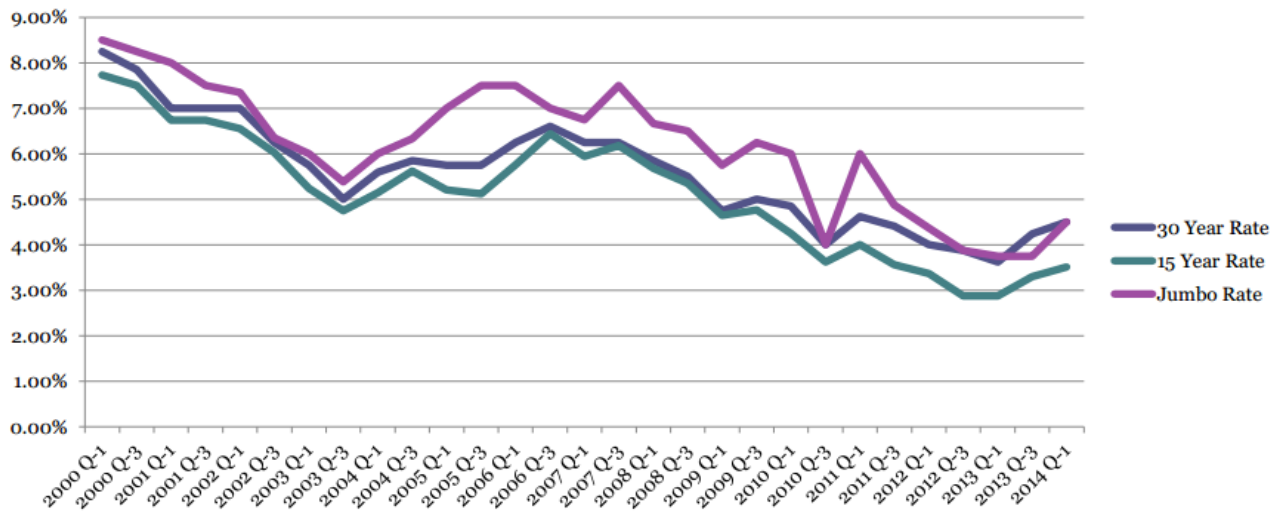
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Mortgage Rates – 12 Year Summary



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 4.50%

15 Yr Fixed 3.51%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.50%

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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