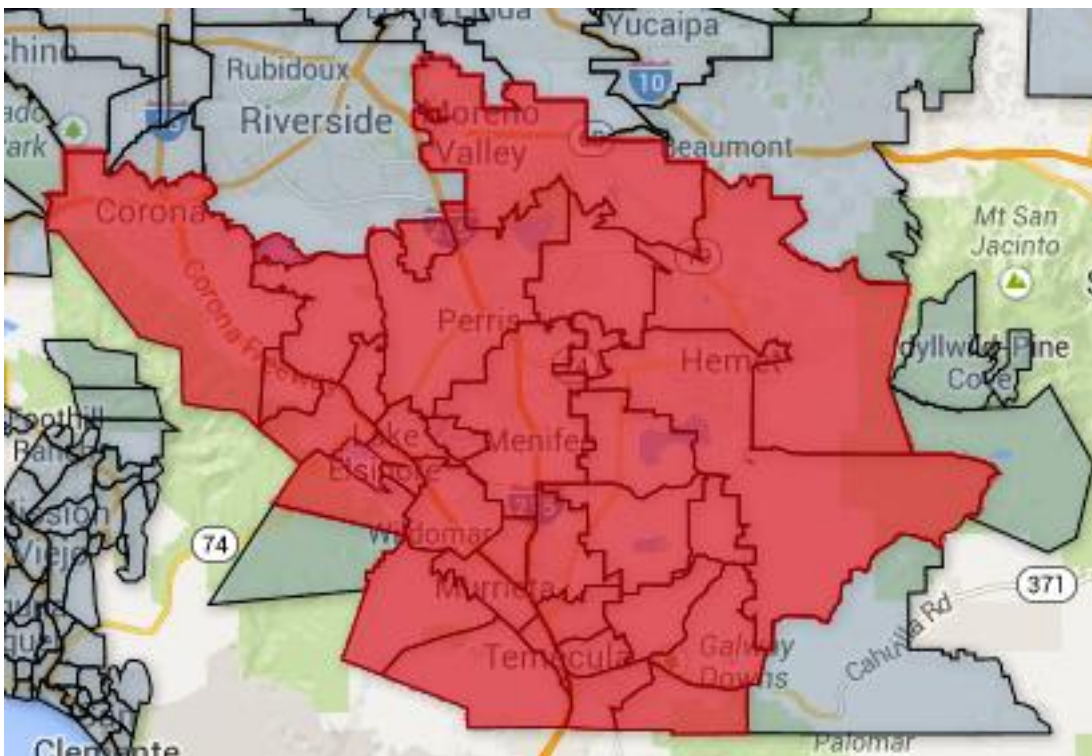




Real Estate Market Report May 2014



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

www.SWRiversideCountyHomes.com

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May, 2014

In May,

Home prices continue to rise this month. Home prices are on the rise, now with the average sales price of homes up to \$302,545 for Southwest Riverside County. 2014 is continuing to follow the same path that 2013 took; this can be seen in the chart on page 4. Along with home prices on the rise the number of homes available continues to stay relative, while only 6 more homes were sold in May than in April. There is 1.82 months of inventory throughout SW Riverside County.

Along with the price of homes continuing to rise in SW Riverside County, interest rates continue to rise as well. Interest rates are projected to continue to rise. With the rising mortgage rates along with the rising prices of homes now is the time to buy!

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 May

1446 Homes Sold

8.8% 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

2628 Homes *for Sale*

Month's of Inventory

1.82 Month's Inventory

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

Average Sold Price

\$302,545 average price of homes

Days on Market

61 Days – Average Days on Market

Cash Buyers in May

21.4% of sales *Cash*

Financing Type

25.9% of sales *FHA*

36.4% of sales *Conventional*

11.2% of sales *VA Loan*

Top selling **Region** = Corona

Distressed Property and Investor Market – **13.7%** of all sales in May 2014 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **84.0%** of asking price.

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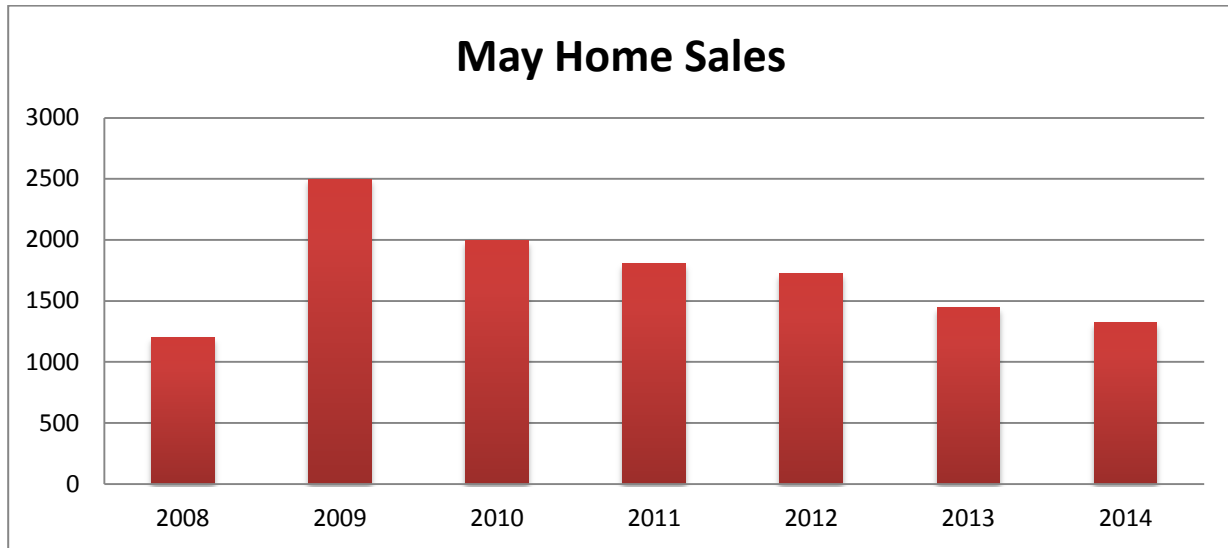
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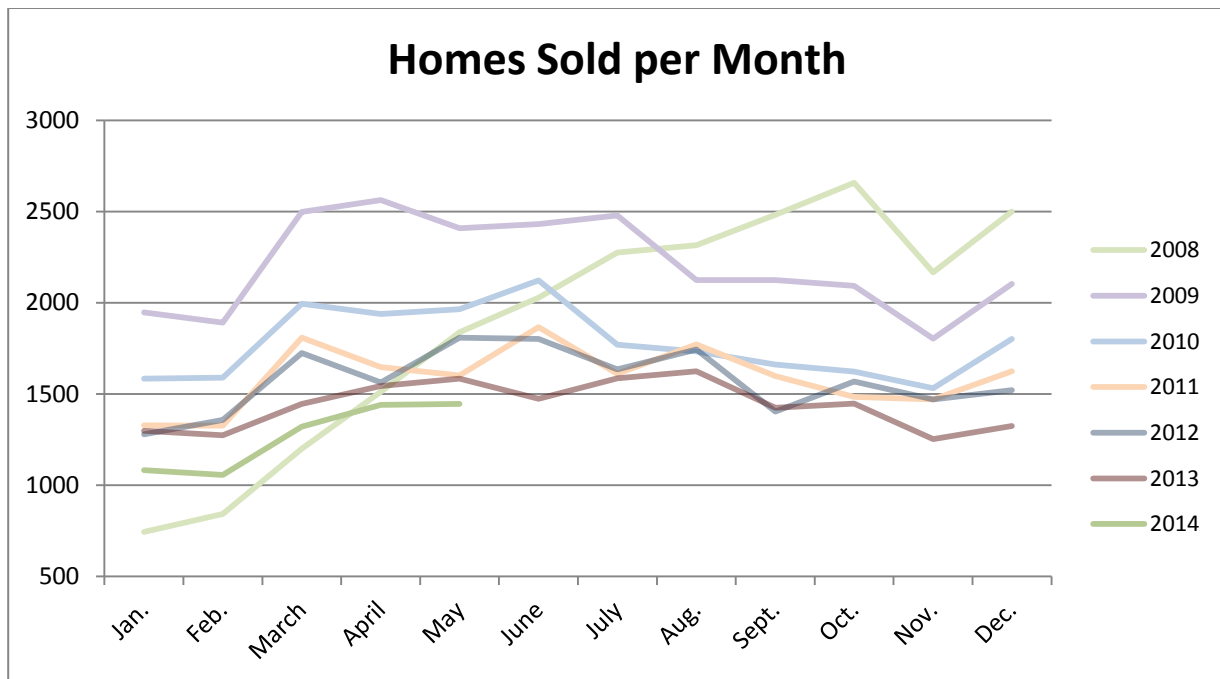
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Sales are on the decline for the month of May. After hitting an all time high in 2009, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In May **1446** homes sold in Southwest Riverside County. This is a **8.8% decrease** in sold homes since this month last year.



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May 2014 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	32	93	2.91	Extreme Seller's Market
\$100K-\$200k	284	307	1.08	Extreme Seller's Market
\$200K-\$300K	483	576	1.19	Extreme Seller's Market
\$300K-\$400K	395	767	1.94	Extreme Seller's Market
\$400K-\$500K	166	397	2.39	Extreme Seller's Market
\$500K-\$600K	48	155	3.23	Normal Seller's Market
\$600K-\$700K	19	94	4.95	Normal Seller's Market
\$700K-\$800K	5	44	8.80	Balanced Market
\$800K-\$900K	6	47	7.83	Balanced Market
\$900K-\$1M	2	30	15.00	Extreme Buyer's Market
\$1M-\$2M	6	110	18.33	Extreme Buyer's Market
\$2M-\$3M	0	19	N/A	Extreme Buyer's Market
\$3M<	0	12	N/A	Extreme Buyer's Market
Overall MKT	1446	2628	1.82	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 May. 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**.



May 2014 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	76	256	3.37	\$439,024	78
Temecula North	113	403	3.57	\$413,383	61
Temecula West	2	55	27.50	\$802,500	385
Murrieta North	55	190	3.45	\$341,553	55
Murrieta West	35	194	5.54	\$403,434	60
Murrieta East	100	304	3.04	\$320,479	59
Winchester	31	136	4.39	\$311,460	45
Wildomar	38	126	3.32	\$258,121	40
Menifee	144	394	2.74	\$281,648	67
Hemet	150	551	3.67	\$186,712	59
San Jacinto	63	223	3.54	\$182,892	50
Perris	76	247	3.25	\$227,457	59
Lake Elsinore	100	360	3.60	\$268,440	75
Canyon Lake	28	168	6.00	\$449,430	75
Quail Valley	0	5	N/A	\$0	0
Sun City	32	54	1.69	\$167,780	56
Romoland	6	22	3.67	\$227,083	58
Homeland	4	16	4.00	\$133,225	46
Nuevo	10	27	2.70	\$257,061	44
Corona	200	730	3.65	\$404,527	66
Gavilan Hills	1	9	9.00	\$450,000	5
Moreno Valley	179	438	2.45	\$241,086	48
Sage	7	27	3.86	\$206,371	23
<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	\$439,024	\$450,662	97.4%
Temecula North	\$413,383	\$480,099	86.1%
Temecula West	\$802,500	\$1,210,106	66.3%
Murrieta North	\$341,553	\$351,759	97.1%
Murrieta West	\$403,434	\$622,231	64.8%
Murrieta East	\$320,479	\$341,829	93.8%
Winchester	\$311,460	\$343,391	90.7%
Wildomar	\$258,121	\$316,339	81.6%
Menifee	\$281,648	\$300,256	93.8%
Hemet	\$186,712	\$196,635	95.0%
San Jacinto	\$182,892	\$217,711	84.0%
Perris	\$227,457	\$238,619	95.3%
Lake Elsinore	\$268,440	\$296,410	90.6%
Canyon Lake	\$449,430	\$526,797	85.3%
Quail Valley	\$0	\$176,333	0.0%
Sun City	\$167,780	\$183,640	91.4%
Romoland	\$227,083	\$245,100	92.6%
Homeland	\$133,225	\$173,567	76.8%
Nuevo	\$257,061	\$303,600	84.7%
Corona	\$404,527	\$474,251	85.3%
Gavilan Hills	\$450,000	\$352,445	127.7%
Moreno Valley	\$241,086	\$250,735	96.2%
Sage	\$206,371	\$377,311	54.7%
TOTAL MKT	\$302,545	\$360,278	84.0%

This chart shows that for the month of May home sellers are getting **84.0%** of their asking price. The days of buyer's coming in and offering well below the asking price are no longer here.



Distressed Property and Investor Market

With about **13.7%** 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.

	2012 Sales	%	2013 Sales	%	May 2014 Sales	%
REO Sales	4,146	21.96%	1,277	7.39%	85	5.9%
Short Sales	6,394	33.86%	3,423	19.81%	113	7.8%
Total Distressed Sales	10,540	55.82%	4,700	27.20%	198	13.7%
Total Sales (Normal Resale and Distressed)	18,881		17,281		1,446	

Strong Performing Areas – for Investors

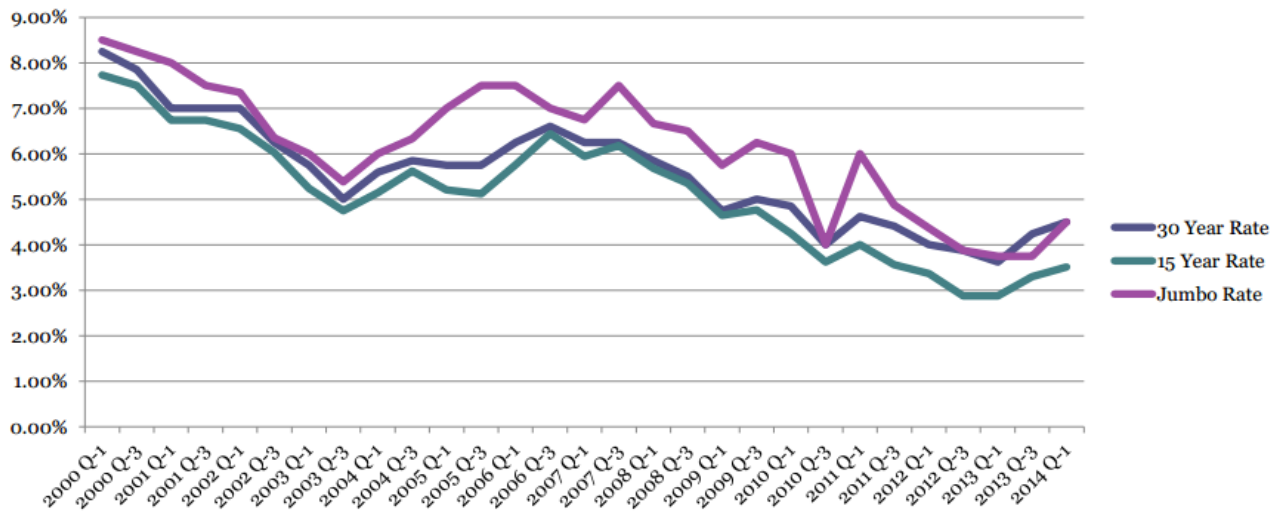
Corona	
Month's of Inventory	3.65
Low Selling Price	\$115,000
Average Selling Price	\$404,527
Average Rent	\$2,092
Estimated Cap Rate	6.21%
Estimated Cash on Cash Return (25% down)	24.82%

Moreno Valley	
Month's of Inventory	2.45
Low Selling Price	\$82,000
Average Selling Price	\$241,086
Average Rent	\$1,506
Estimated Cap Rate	7.50%
Estimated Cash on Cash Return (25% down)	29.98%

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 4.28%

15 Yr Fixed 3.31%

JUMBO (over \$417K loan amount)

30 Yr Fixed 4.25%

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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