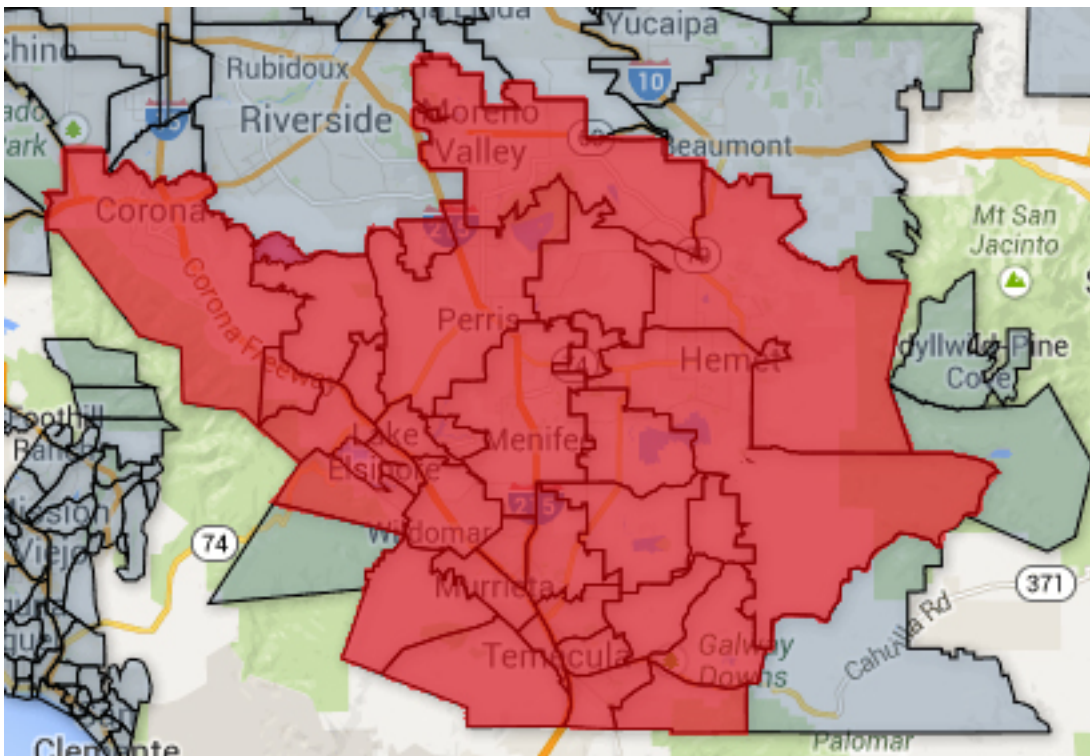




Real Estate Market Report August 2014



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

www.SWRiversideCountyHomes.com

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August, 2014

In August,

The number of homes sold decreased from this time last year by 16.4%. Even with the decrease in the number of homes sold the market for Southwest Riverside County did see many changes in the individual cities within the county. More cities within the county are shifting back towards a balanced market. In July there were 8 cities that and an Extreme Seller's Market, in August there were only 3.

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

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Summary of the SW Riverside County Market

Home Sales in August

1357 Homes Sold

16.4% 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

5609 Homes *for Sale*

Month's of Inventory

4.13 Month's Inventory

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

Average Sold Price

\$306,268 average price of homes

Days on Market

61 Days – Average Days on Market

Cash Buyers in August

19.7% of sales *Cash*

Financing Type

28.0% of sales *FHA*

34.6% of sales *Conventional*

13.0% of sales *VA Loan*

Top selling **Region** = **Moreno Valley**

Distressed Property and Investor Market – **11.2%** of all sales in August 2014 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting **89.4%** of asking price.

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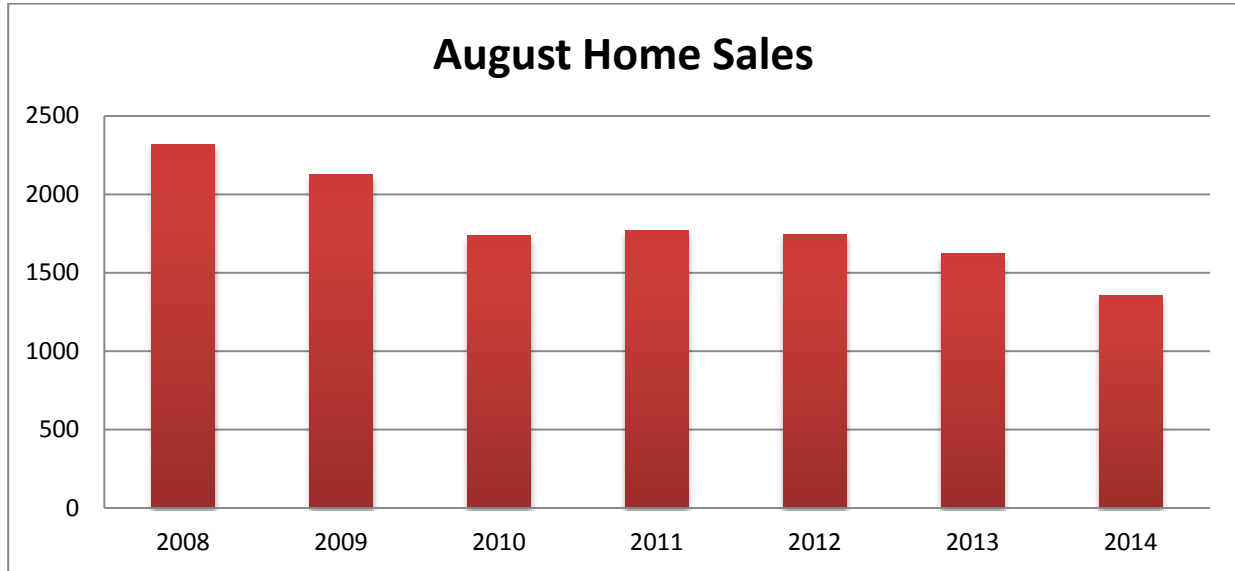
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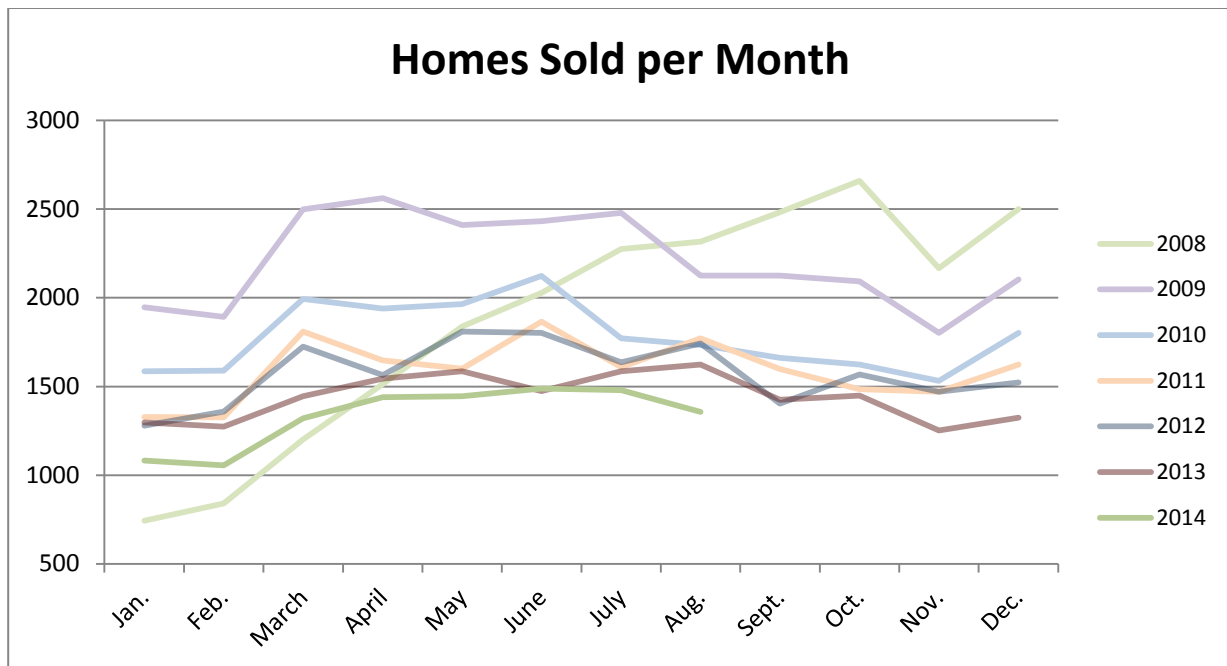
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Sales are on the decline for the month of August. After hitting an all time high in 2008, sales at the beginning of this year have lost steam.



The chart below follows the trends of number of sold homes during any given month. In August **1357** homes sold in Southwest Riverside County. This is a **16.4% decrease** in sold homes since this month last year.





August 2014 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	43	88	2.05	Extreme Seller's Market
\$100K-\$200k	235	373	1.59	Extreme Seller's Market
\$200K-\$300K	471	809	1.72	Extreme Seller's Market
\$300K-\$400K	380	892	2.35	Extreme Seller's Market
\$400K-\$500K	147	429	2.92	Extreme Seller's Market
\$500K-\$600K	37	193	5.22	Normal Seller's Market
\$600K-\$700K	13	94	7.23	Balanced Market
\$700K-\$800K	8	55	6.88	Balanced Market
\$800K-\$900K	6	39	6.50	Balanced Market
\$900K-\$1M	1	30	30.00	Extreme Buyer's Market
\$1M-\$2M	13	129	9.92	Extreme Buyer's Market
\$2M-\$3M	0	17	N/A	Extreme Buyer's Market
\$3M<	0	7	N/A	Extreme Buyer's Market
Overall MKT	1357	5609	4.13	Normal 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 August. That combined with the lower number of homes for sale has created a **Normal Seller's Market**. Although it shows a **Normal 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 2014 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	70	270	3.86	\$407,980	60
Temecula North	99	441	4.45	\$427,067	71
Temecula West	6	52	8.67	\$901,490	130
Murrieta North	69	203	2.94	\$341,507	54
Murrieta West	29	216	7.45	\$486,910	63
Murrieta East	89	337	3.79	\$335,141	74
Winchester	32	153	4.78	\$310,845	65
Wildomar	51	144	2.82	\$292,702	69
Menifee	118	403	3.42	\$284,785	55
Hemet	154	615	3.99	\$174,873	61
San Jacinto	64	220	3.44	\$186,520	63
Perris	70	272	3.89	\$222,932	57
Lake Elsinore	97	410	4.23	\$279,518	65
Canyon Lake	27	184	6.81	\$469,189	88
Quail Valley	1	4	4.00	\$183,000	94
Sun City	26	75	2.88	\$186,517	54
Romoland	5	16	3.20	\$248,800	78
Homeland	3	17	5.67	\$126,185	53
Nuevo	10	36	3.60	\$242,900	62
Corona	156	906	5.81	\$417,336	61
Gavilan Hills	2	10	5.00	\$326,000	26
Moreno Valley	174	624	3.59	\$244,293	45
Sage	6	28	4.67	\$347,483	61

<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	\$407,980	\$443,179	92.1%
Temecula North	\$427,067	\$504,146	84.7%
Temecula West	\$901,490	\$946,317	95.3%
Murrieta North	\$341,507	\$338,543	100.9%
Murrieta West	\$486,910	\$655,070	74.3%
Murrieta East	\$335,141	\$342,800	97.8%
Winchester	\$310,845	\$337,823	92.0%
Wildomar	\$292,702	\$323,418	90.5%
Menifee	\$284,785	\$304,082	93.7%
Hemet	\$174,873	\$195,443	89.5%
San Jacinto	\$186,520	\$212,828	87.6%
Perris	\$222,932	\$233,620	95.4%
Lake Elsinore	\$279,518	\$302,601	92.4%
Canyon Lake	\$469,189	\$521,085	90.0%
Quail Valley	\$183,000	\$222,450	82.3%
Sun City	\$186,517	\$200,800	92.9%
Romoland	\$248,800	\$253,956	98.0%
Homeland	\$126,185	\$155,227	81.3%
Nuevo	\$242,900	\$269,422	90.2%
Corona	\$417,336	\$445,610	93.7%
Gavilan Hills	\$326,000	\$573,984	56.8%
Moreno Valley	\$244,293	\$264,199	92.5%
Sage	\$347,483	\$317,630	109.4%
TOTAL MKT	\$306,268	\$342,559	89.4%

This chart shows that for the month of August home sellers are getting **89.4%** 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 **11.2%** 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	%	August 2014 Sales	%
REO Sales	4,146	21.96%	1,277	7.39%	83	6.1%
Short Sales	6,394	33.86%	3,423	19.81%	69	5.1%
Total Distressed Sales	10,540	55.82%	4,700	27.20%	152	11.2%
Total Sales (Normal Resale and Distressed)	18,881		17,281		1,357	

Strong Performing Areas – for Investors

Moreno Valley	
Month's of Inventory	3.59
Low Selling Price	\$49,999
Average Selling Price	\$244,293
Average Rent	\$1,504
Estimated Cap Rate	7.39%
Estimated Cash on Cash Return (25% down)	29.55%

Corona	
Month's of Inventory	5.81
Low Selling Price	\$165,000
Average Selling Price	\$417,336
Average Rent	\$2,125
Estimated Cap Rate	6.11%
Estimated Cash on Cash Return (25% down)	24.44%

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 4.19%

15 Yr Fixed 3.24%

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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