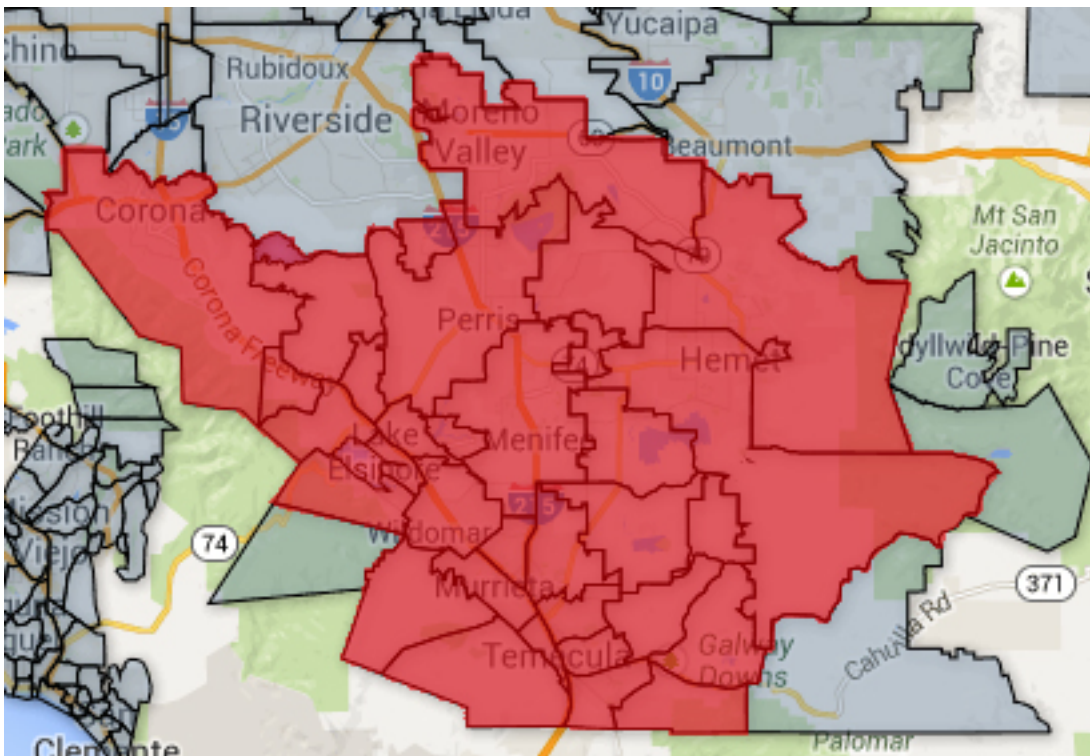




Real Estate Market Report October 2014



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

www.SWRiversideCountyHomes.com

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October, 2014

In October,

The real estate market continued along being a Normal Seller's Market as a whole. There was one change in the market with homes under \$400,000 shifting from an Extreme Seller's Market to a Normal Seller's Market. All this happening while the number of home sold dropped 3.9% from last year and 0.9% from last month.

The price of homes did drop 0.7% from last month to an average sales price of \$302,959. While the average sales price has dropped from last month, the average sales price is up 11% from this time last year, when the sales price was \$238,312. The market in Southwest Riverside County has slowed up some due to the time of year and upcoming holidays, but is still expected to hold strong through the rest of the year.

The number of homes for sale has risen even with the drop of sale price. The number of homes is up 0.7% from last month and up 167% from this time last year.

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 October

1391 Homes Sold

3.9% decrease from last year



Market Inventories in different Price Ranges

Below \$400k = Normal Seller's Market

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

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

Homes for Sale

5202 Homes for Sale

Month's of Inventory

3.74 Month's Inventory

Type of Market: Normal Seller's Market

Average Sold Price

\$302,959 average price of homes

Days on Market

67 Days – Average Days on Market

Cash Buyers in October

19.1% of sales Cash

Financing Type

26.3% of sales FHA

35.4% of sales Conventional

14.9% of sales VA Loan

Top selling Region = Corona

Distressed Property and Investor Market – 10.4% of all sales in October 2014 were in a distressed situation

What Are Sellers Getting for Their Home? – Sellers are getting 89.8% of asking price.

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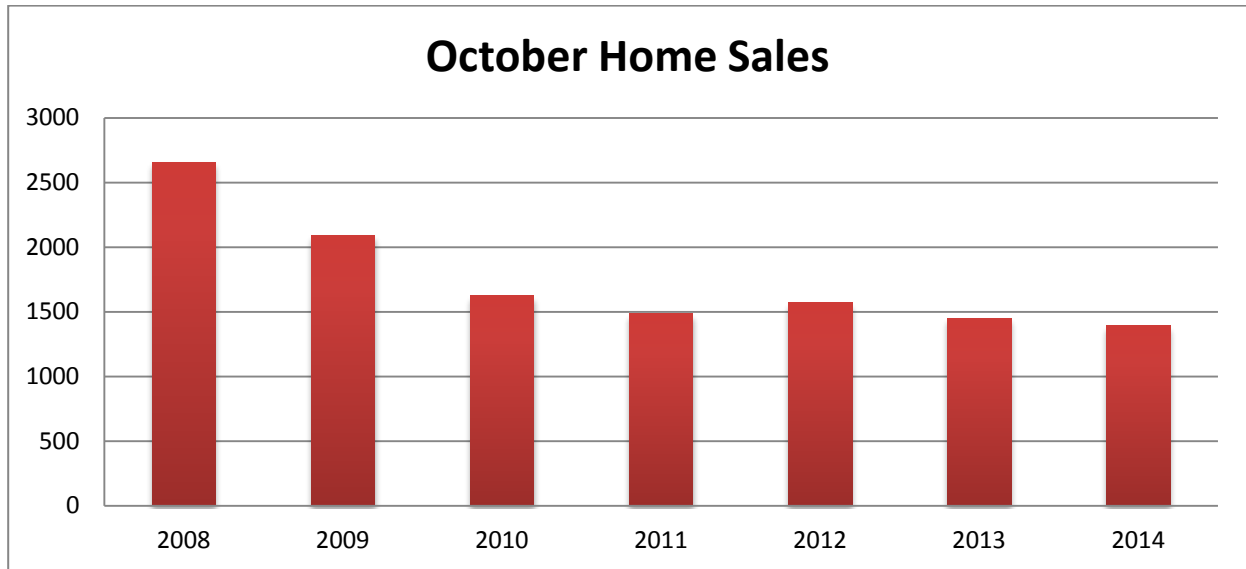
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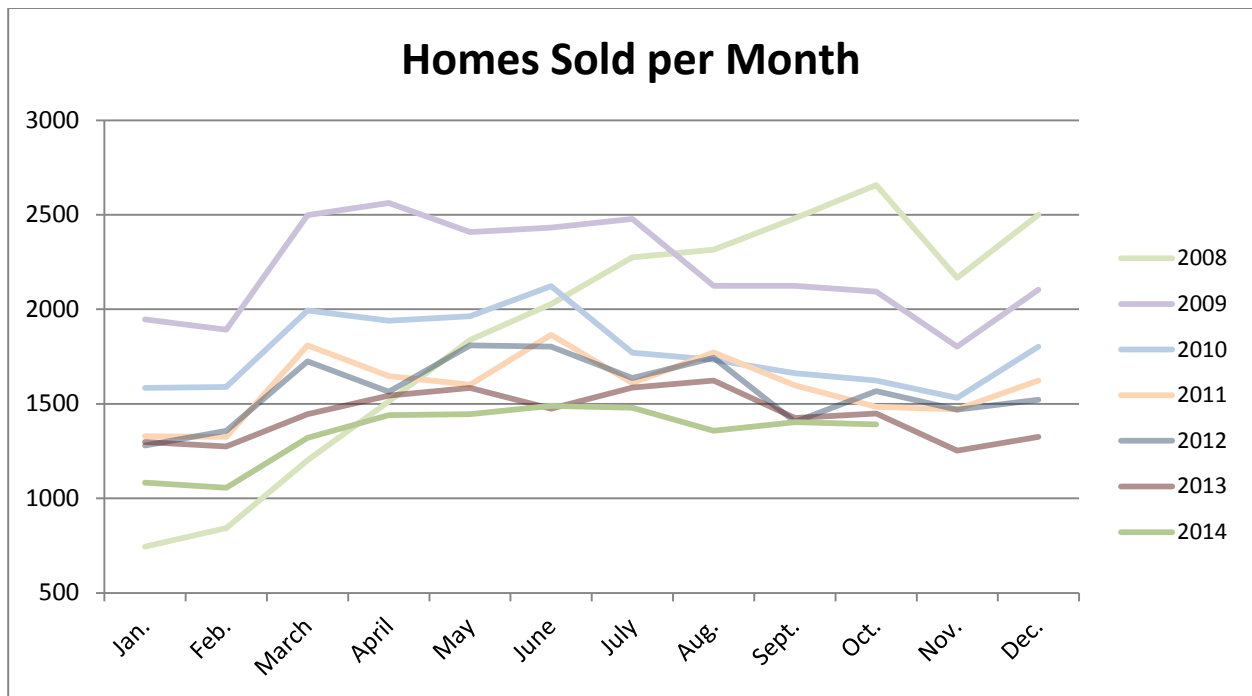
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Sales are on the decline for the month of October. After hitting an all time high in 2008, sales seem to be leveling out.



The chart below follows the trends of number of sold homes during any given month. In October **1391** homes sold in Southwest Riverside County. This is a **3.9% decrease** in sold homes since this month last year.



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October 2014 Homes Sales By Price Band

Price Range	# of Sold	Active Listings	Month's of Inventory	Market
\$0-\$100K	35	145	4.14	Normal Seller's Market
\$100K-\$200k	230	682	2.97	Extreme Seller's Market
\$200K-\$300K	482	1513	3.14	Normal Seller's Market
\$300K-\$400K	436	1514	3.47	Normal Seller's Market
\$400K-\$500K	138	629	4.56	Normal Seller's Market
\$500K-\$600K	34	273	8.03	Balanced Market
\$600K-\$700K	19	131	6.89	Balanced Market
\$700K-\$800K	4	67	16.75	Extreme Buyer's Market
\$800K-\$900K	5	46	9.20	Normal Buyer's Market
\$900K-\$1M	1	26	26.00	Extreme Buyer's Market
\$1M-\$2M	7	144	20.57	Extreme Buyer's Market
\$2M-\$3M	0	24	N/A	Extreme Buyer's Market
\$3M<	0	8	N/A	Extreme Buyer's Market
Overall MKT	1391	5202	3.74	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 October. 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 a **Normal Seller's Market**, while the \$500K and up is a **Normal Buyer's Market**.



October 2014 Homes Sales By Region

Region	# of Sold	Active Listings	Month's of Inventory	Avg. Sale Price	Avg. DOM
Temecula South	81	223	2.75	\$400,907	84
Temecula North	109	382	3.50	\$379,644	68
Temecula West	2	48	24.00	\$999,500	255
Murrieta North	61	221	3.62	\$318,509	55
Murrieta West	34	178	5.24	\$450,691	117
Murrieta East	100	284	2.84	\$317,017	70
Winchester	37	149	4.03	\$345,487	71
Wildomar	43	131	3.05	\$271,859	54
Menifee	99	363	3.67	\$283,031	79
Hemet	137	635	4.64	\$177,966	62
San Jacinto	70	196	2.80	\$211,568	59
Perris	72	270	3.75	\$225,210	58
Lake Elsinore	88	368	4.18	\$273,325	66
Canyon Lake	21	172	8.19	\$378,238	126
Quail Valley	1	5	5.00	\$340,000	86
Sun City	20	73	3.65	\$195,962	44
Romoland	7	24	3.43	\$228,693	53
Homeland	6	22	3.67	\$216,500	32
Nuevo	8	23	2.88	\$247,088	83
Corona	222	795	3.58	\$398,380	64
Gavilan Hills	0	12	N/A	N/A	N/A
Moreno Valley	166	592	3.57	\$242,108	56
Sage	7	37	5.29	\$206,843	57
<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	\$400,907	\$423,488	94.7%
Temecula North	\$379,644	\$449,782	84.4%
Temecula West	\$999,500	\$865,082	115.5%
Murrieta North	\$318,509	\$339,185	93.9%
Murrieta West	\$450,691	\$599,298	75.2%
Murrieta East	\$317,017	\$392,205	80.8%
Winchester	\$345,487	\$516,826	66.8%
Wildomar	\$271,859	\$312,598	87.0%
Menifee	\$283,031	\$292,437	96.8%
Hemet	\$177,966	\$200,253	88.9%
San Jacinto	\$211,568	\$206,690	102.4%
Perris	\$225,210	\$252,647	89.1%
Lake Elsinore	\$273,325	\$305,086	89.6%
Canyon Lake	\$378,238	\$483,597	78.2%
Quail Valley	\$340,000	\$269,900	126.0%
Sun City	\$195,962	\$193,727	101.2%
Romoland	\$228,693	\$228,693	100.0%
Homeland	\$216,500	\$236,273	91.6%
Nuevo	\$247,088	\$212,160	116.5%
Corona	\$398,380	\$445,743	89.4%
Gavilan Hills	N/A	\$320,100	N/A
Moreno Valley	\$242,108	\$260,337	93.0%
Sage	\$206,843	\$200,020	103.4%
TOTAL MKT	\$302,959	\$337,230	89.8%

This chart shows that for the month of October home sellers are getting **89.8%** 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 **10.4%** 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	%	October 2014 Sales	%
REO Sales	4,146	21.96%	1,277	7.39%	59	4.2%
Short Sales	6,394	33.86%	3,423	19.81%	85	6.1%
Total Distressed Sales	10,540	55.82%	4,700	27.20%	144	10.4%
Total Sales (Normal Resale and Distressed)	18,881		17,281		1,391	

Strong Performing Areas – for Investors

Corona	
Month's of Inventory	3.58
Low Selling Price	\$120,000
Average Selling Price	\$398,380
Average Rent	\$2,034
Estimated Cap Rate	6.13%
Estimated Cash on Cash Return (25% down)	24.51%

Moreno Valley	
Month's of Inventory	3.57
Low Selling Price	\$110,000
Average Selling Price	\$242,108
Average Rent	\$1,495
Estimated Cap Rate	7.41%
Estimated Cash on Cash Return (25% down)	29.64%

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.



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.