

Adam Brett - Eric Urban market update

BREA

Current prices for homes on the market
Trends in pricing
Current levels of supply and demand
Value metrics

Report for the week of
Sunday July 24, 2011

Presented by Adam Brett - Eric Urban
714.496.8116 - 714.749.7427
RE/MAX
www.HomeSoldTeam.com



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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 472,500	← →
Average List Price	\$ 495,169	
Least Expensive Listing	\$ 225,000	
Most Expensive Listing	\$ 858,880	
Asking Price per Square Foot	\$ 258	← →
Average Days on Market	109	↑ ↑
Total Inventory	126	↑ ↑
Absorbed This Week*	9	
Percent of Properties with Price Decrease	42 %	
Percent Relisted (reset DOM)	11 %	
Percent Flip (price increased)	7 %	
Median House Size (sq ft)	1,796	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.5	
Median Number of Bathrooms	2.9	
Median Age	39	

Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	16 ↑ ↑

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

Last Month's Trend
 Last Quarter's Trend
 No Clear Monthly/Quarterly Trend

*Metric "Absorbed this Week" covers properties sold and those taken off the market for other reasons. Since sales sometimes take months to close, it is impossible to discern in real-time exactly which properties sold.

Characteristics per Quartile

Quart	Median Price	Med. Sqft.	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 650,000	2,987	6,501 - 8,000 sq ft	4.0	3.0	10	31	2	2	99
2	\$ 525,000	2,084	6,501 - 8,000 sq ft	4.0	3.0	33	31	4	4	93
3	\$ 431,500	1,539	6,501 - 8,000 sq ft	3.0	2.0	46	32	3	2	85
4	\$ 349,000	1,270	4,501 - 6500 sq ft	3.0	2.0	44	32	1	1	158

BREA

THIS WEEK

The median single family home price in BREA this week is \$472,499. The 126 homes have been on the market for an average of 109 days.

Inventory and days-on-market are both trending higher recently. However, the improving Market Action Index implies some increased demand will temper the negative trends.

QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

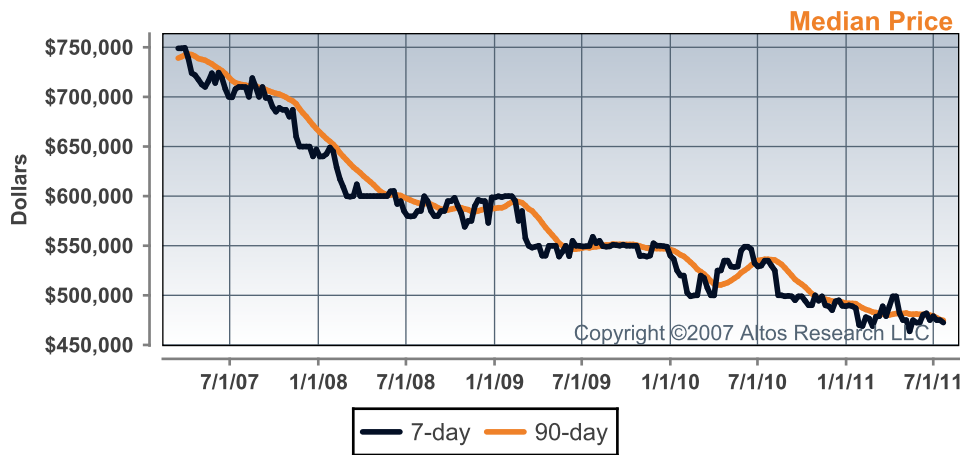
Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

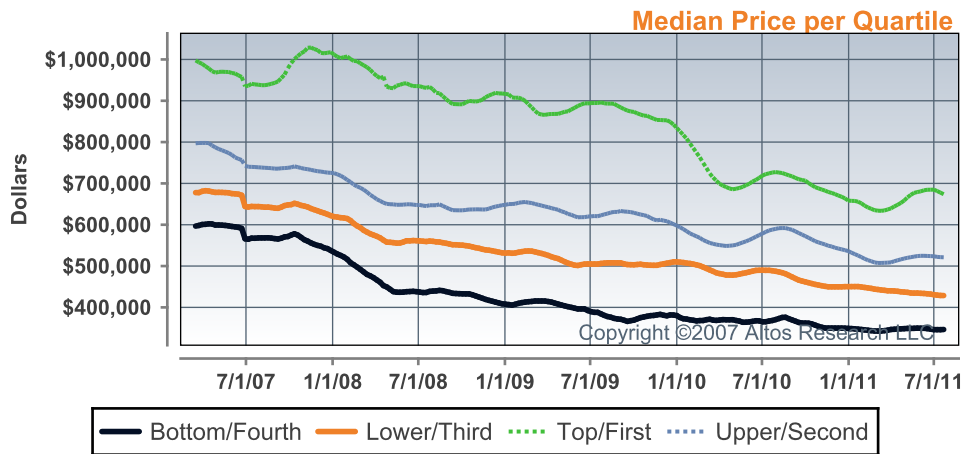
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



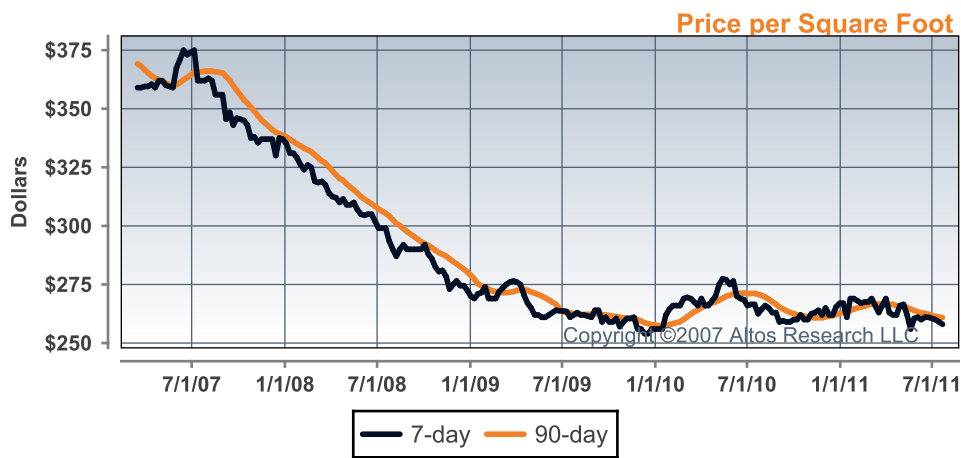
PRICE

The market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this trend.



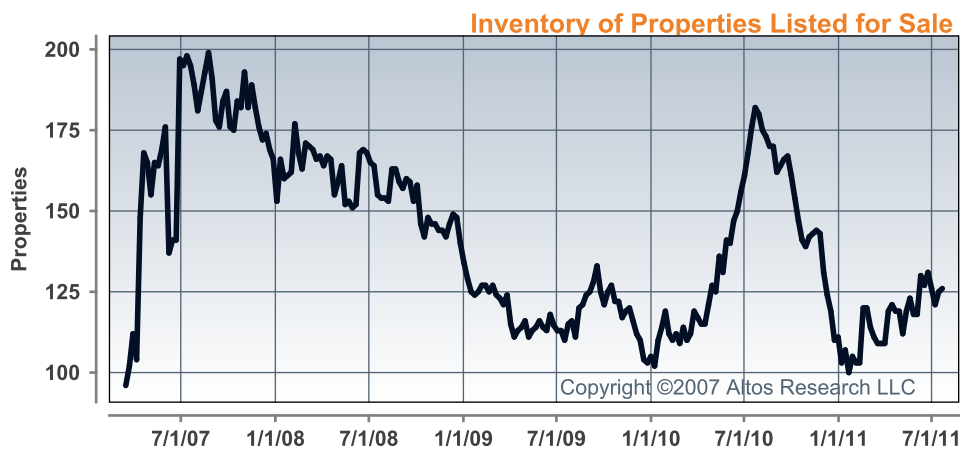
QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Prices have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.



PRICE AND VALUE

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.



INVENTORY

Inventory has been climbing lately. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is keeping up with available supply.

Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

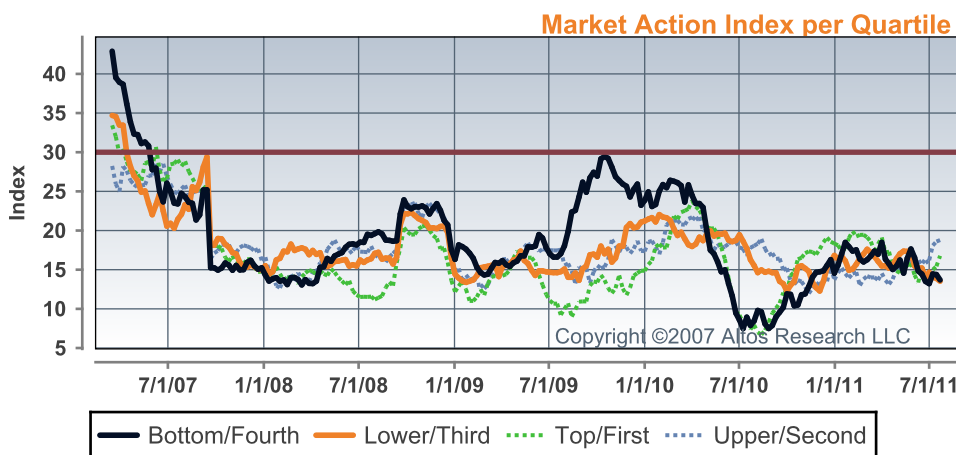
MARKET ACTION INDEX

The BREA market is currently quite strongly in the Buyer's Market zone (below 30). The 90-day Market Action Index stands at 16. With several months of inventory available at the current sales rate, buyers should find ample choice.

Home sales have been exceeding new inventory for several weeks. Since this is a Buyer's market prices are not yet moving higher as excess inventory is consumed. However, as the supply and demand trends continue, the market moves into the Seller's zone, and we are likely to see upward pressure on pricing.

MARKET ACTION QUARTILES

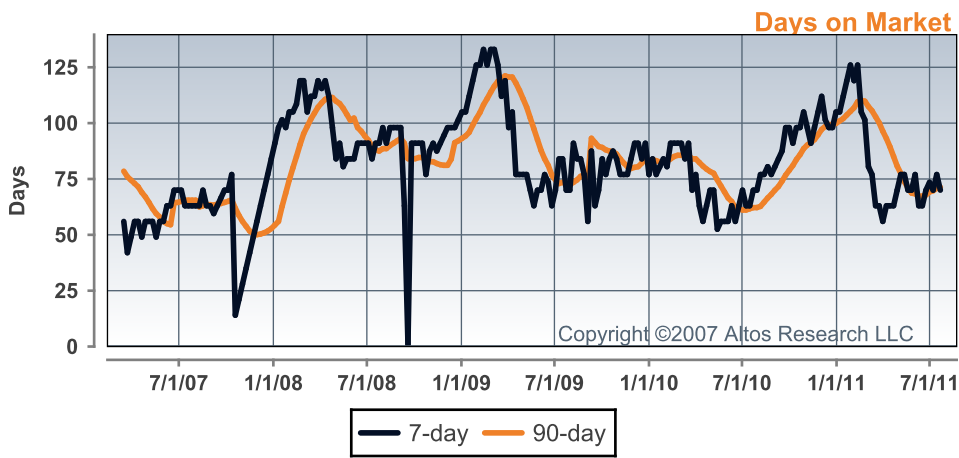
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.



The quartiles can help you answer the question, "How hot is the market for homes in my price range?"

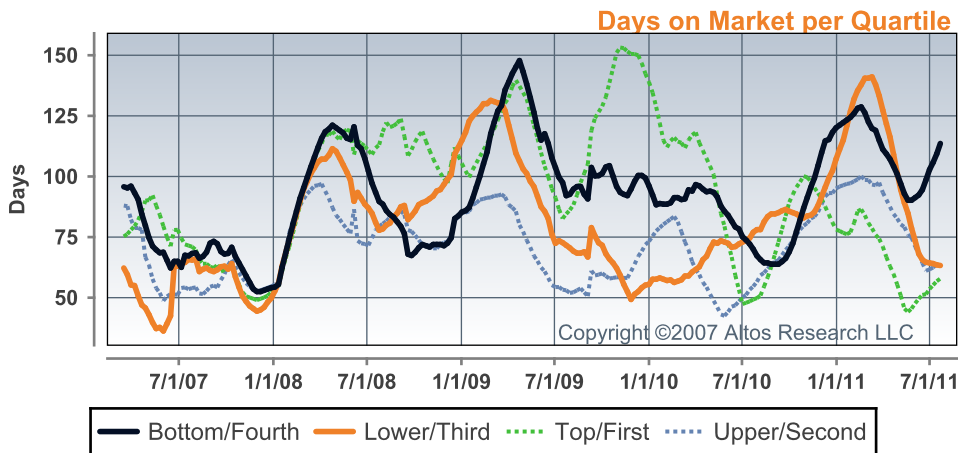
DAYS ON MARKET (DOM)

The properties have been on the market for an average of 109 days. Half of the listings have come newly on the market in the past 70 or so days.



DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.



Neighborhood Detail

BREA
92823

Real-Time Market Profile		Trend
Median List Price	\$ 614,500	← →
Average List Price	\$ 607,041	
Least Expensive Listing	\$ 389,900	
Most Expensive Listing	\$ 858,880	
Asking Price per Square Foot	\$ 268	
Average Days on Market	133	↑ ↑
Total Inventory	14	
Absorbed This Week	2	
Median House Size (sq ft)	2,487	
Median Lot Size	4,501 - 6500 sq ft	
Median Number of Bedrooms	3.8	
Median Number of Bathrooms	3.0	
Median Age	9	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	17 ↑ ↑

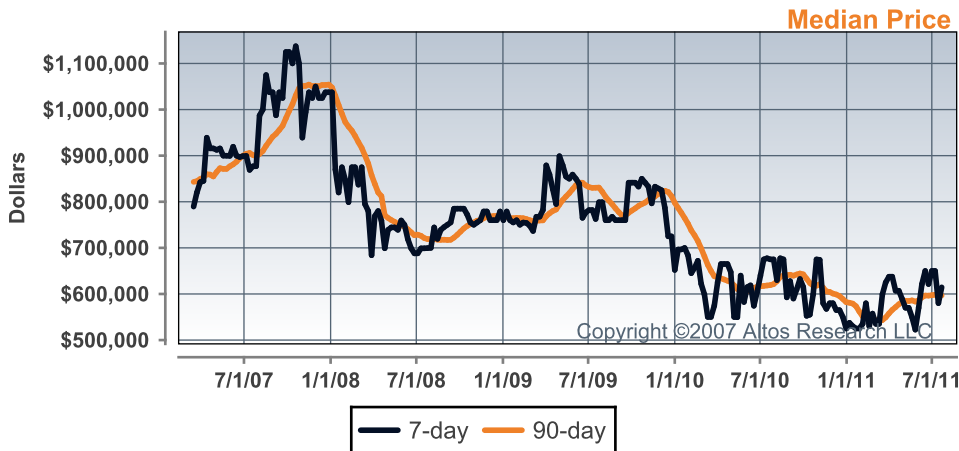
THIS WEEK

The median single family home price in BREA 92823 this week is \$614,500.

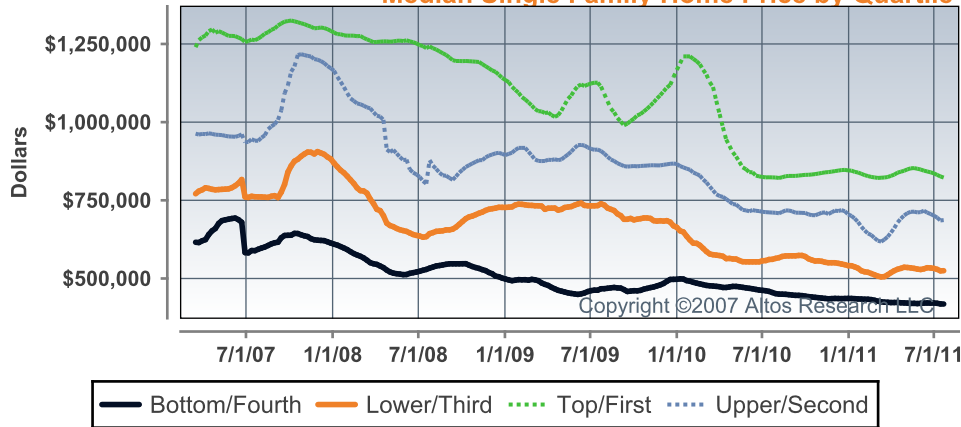
Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

PRICE

We continue to see prices in this zip code hovering around these current levels, even though they bumped up a bit this week. Look for a persistent up-shift in the Market Action Index before we see prices move significantly from here.



Median Single Family Home Price by Quartile



PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.

Characteristics per Quartile

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 810,000	3,700	6,501 - 8,000 sq ft	4.0	5.0	9	3	0	0	166
2	\$ 739,000	2,722	0.25 - 0.50 acre	5.0	3.0	8	3	0	1	null
3	\$ 539,500	2,257	Less than 4,500 sq ft	3.5	3.0	9	4	0	1	175
4	\$ 404,500	1,333	Less than 4,500 sq ft	3.0	2.0	8	4	0	0	114

QUARTILES

Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

Least expensive 25% of homes

Price per Square Foot



PRICE AND VALUE

The value placed on homes continues to increase, despite the fact that prices in general have been basically flat recently. These conditions can arise when inventory is light and more, smaller homes have more influence on overall prices.

Inventory of Properties Listed for Sale



INVENTORY

Inventory has been falling in recent weeks with 14 properties available this week. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index to gauge whether buyer interest is falling with the available supply.

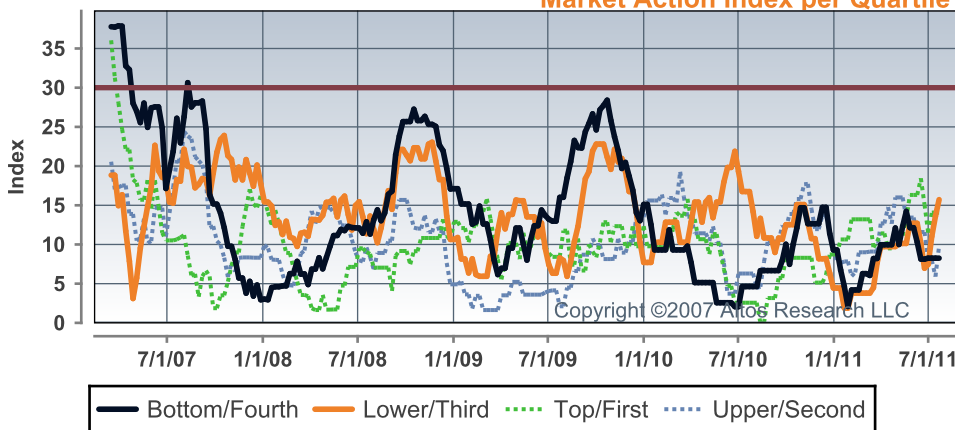
Market Action Index



MARKET ACTION INDEX

The BREA 92823 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 17. With several months of inventory available at the current sales rate, buyers should find ample choice.

Market Action Index per Quartile



MARKET ACTION QUARTILES

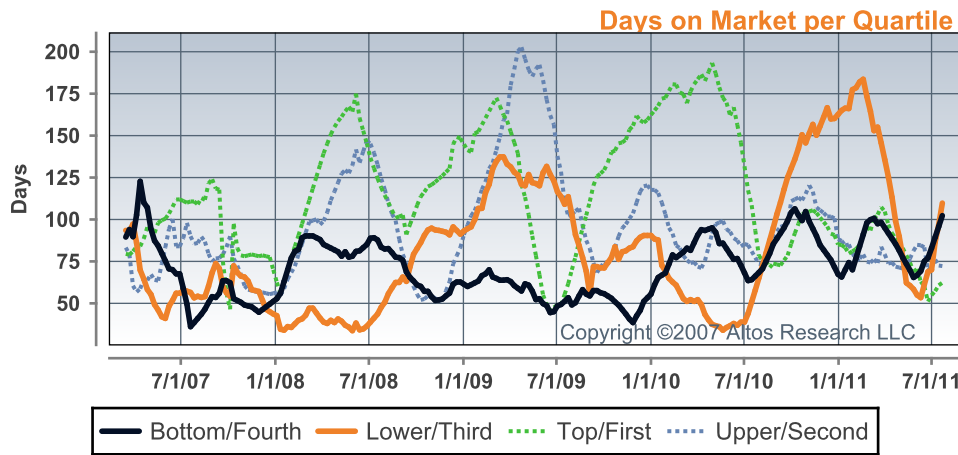
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.

DAYS ON MARKET

The properties have been on the market for an average of 133 days. Half of the listings have come newly on the market in the past 108 or so days. Watch the 90-day DOM trend for signals of a changing market.

DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.



Neighborhood Detail

BREA
92821

Real-Time Market Profile		Trend
Median List Price	\$ 454,950	← →
Average List Price	\$ 481,185	
Least Expensive Listing	\$ 225,000	
Most Expensive Listing	\$ 825,000	
Asking Price per Square Foot	\$ 256	
Average Days on Market	106	← →
Total Inventory	112	
Absorbed This Week	7	
Median House Size (sq ft)	1,720	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.2	
Median Number of Bathrooms	2.2	
Median Age	42	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	16 ↑ ↑

THIS WEEK

The median single family home price in BREA 92821 this week is \$454,950.

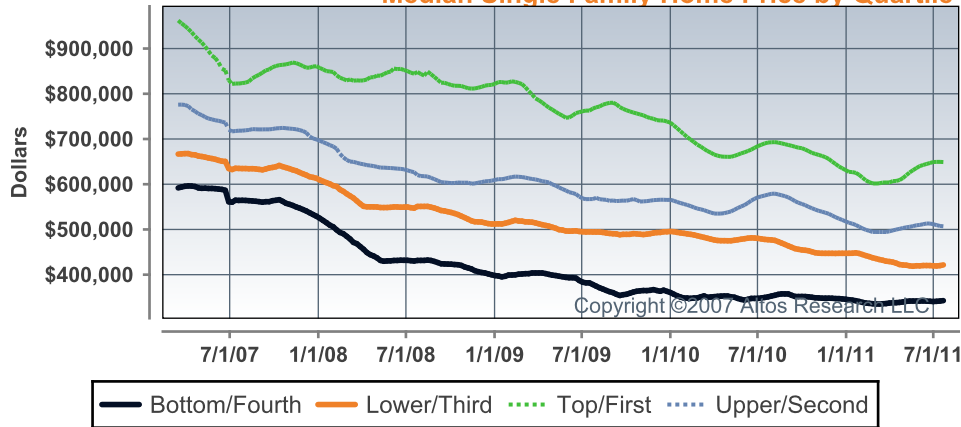
Demand measured by the Market Action Index is increasing and days-on-market is holding steady. With more properties coming available, conditions are mildly positive.

PRICE

Recently prices in this zip have settled at a plateau even though they dipped this week. Look for a persistent up-shift in the Market Action Index before we see prices significantly move from these levels.



Median Single Family Home Price by Quartile



PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.

Characteristics per Quartile

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 644,000	2,870	4,501 - 6500 sq ft	4.0	3.0	15	28	2	1	87
2	\$ 509,950	2,072	6,501 - 8,000 sq ft	4.0	3.0	39	28	4	4	93
3	\$ 429,900	1,550	6,501 - 8,000 sq ft	3.5	2.0	47	28	3	1	85
4	\$ 347,450	1,292	4,501 - 6500 sq ft	3.0	2.0	43	28	1	1	160

QUARTILES

Most expensive 25% of homes
 Upper-middle 25% of homes
 Lower-middle 25% of homes
 Least expensive 25% of homes

Price per Square Foot



PRICE AND VALUE

While prices have been basically flat, the price per square foot has been heading downward. While not a sign of broad strength in a market, larger homes are coming more available and buyers are tending to get more home for their money.

INVENTORY

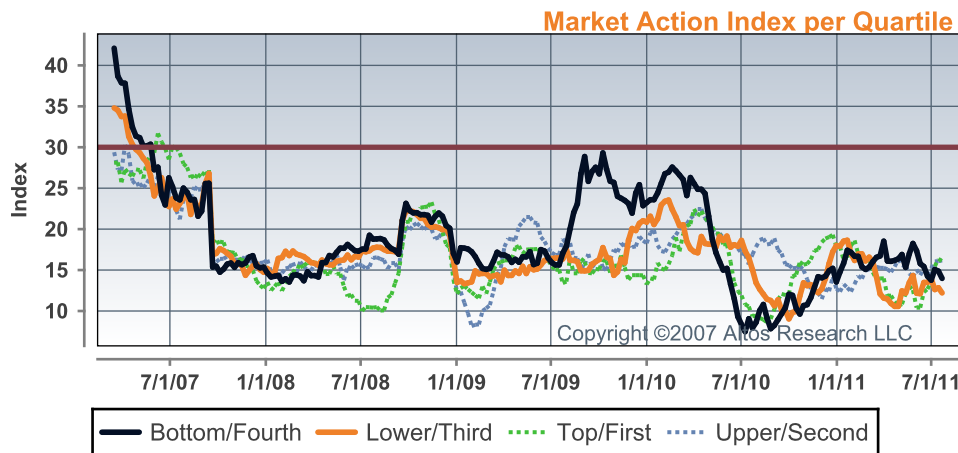
Inventory has been steady around these levels in recent weeks with 112 properties currently available.

MARKET ACTION INDEX

The BREA 92821 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 16. With several months of inventory available at the current sales rate, buyers should find ample choice.

MARKET ACTION QUARTILES

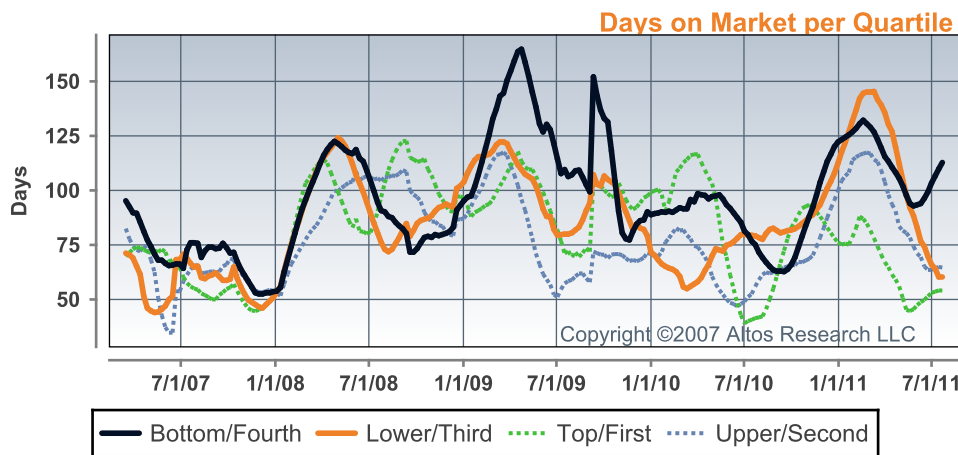
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 106 days. Half of the listings have come newly on the market in the past 70 or so days. Watch the 90-day DOM trend for signals of a changing market.



DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

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