

ADAM BRETT - ERIC URBAN MARKET UPDATE

BREA, CA

- Current Real Estate Market Conditions for Single Family Homes
- Trends in Pricing
- Current Levels of Supply and Demand
- Value Metrics

- Report for the week of
January 02, 2012

- Presented by Adam Brett - Eric Urban
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This Week

- The median list price in BREA, CA this week is \$472,000. The 104 properties have been on the market for an average of 106 days.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

Real-Time Market Profile		Trend
Median List Price	\$ 472,000	↓↓
Average List Price	\$ 472,035	
Asking Price Per Square Foot	\$ 250	↑↑
Average Days on Market (DoM)	106	↑↑
Inventory of Properties Listed	104	↓↓
Most Expensive Listing	\$ 3,950,000	
Least Expensive Listing	\$ 15,500	
Average Age of Listing	32	
Percent of Properties with Price Decrease	40 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	14 %	
Median House Size (sq ft)	1796	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

Altos Research Value Statistics			
Market Action Index	Strong Buyer's	19.9	↔
The Market Action Index answers the question "How's the Market?" by measuring the current rate of sale versus the amount of the inventory. Index above 30 implies a seller's advantage. Below 30, conditions give the advantage to the buyer.			

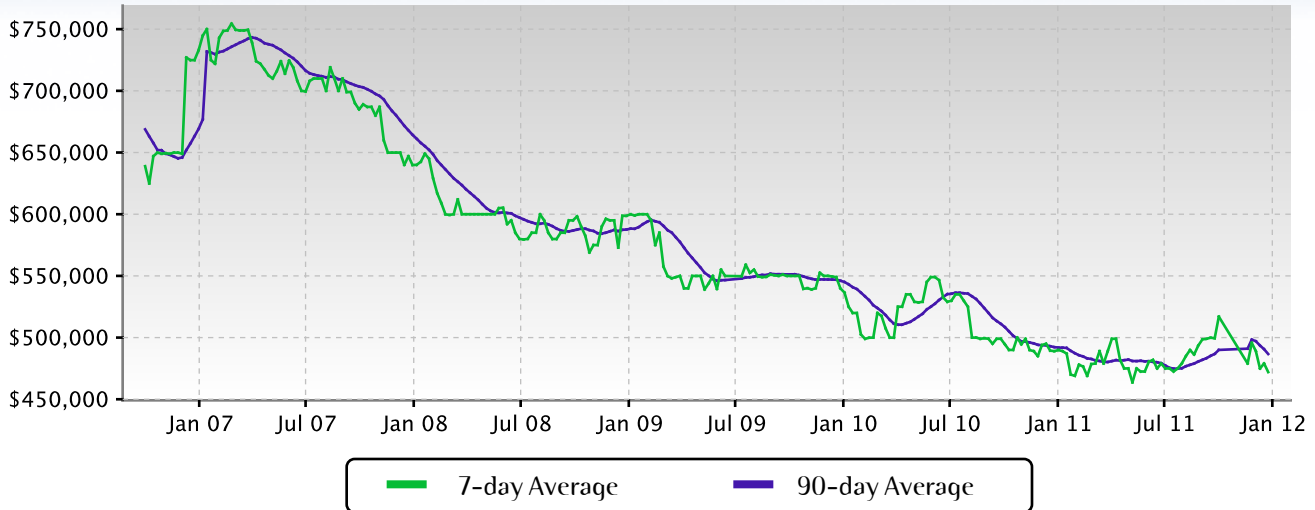
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 650,000	2777	8,001 - 10,000 sqft	4.0	2.8	8	26	2	2	109	Most expensive 25% of properties
Upper/Second	\$ 525,000	2109	4,501 - 6,500 sqft	3.0	2.5	35	26	0	3	105	Upper-middle 25% of properties
Lower/Third	\$ 408,450	1614	6,501 - 8,000 sqft	3.0	2.0	46	26	2	3	127	Lower-middle 25% of properties
Bottom/Fourth	\$ 84,450	1433	4,501 - 6,500 sqft	2.0	2.0	35	26	2	2	83	Least expensive 25% of properties

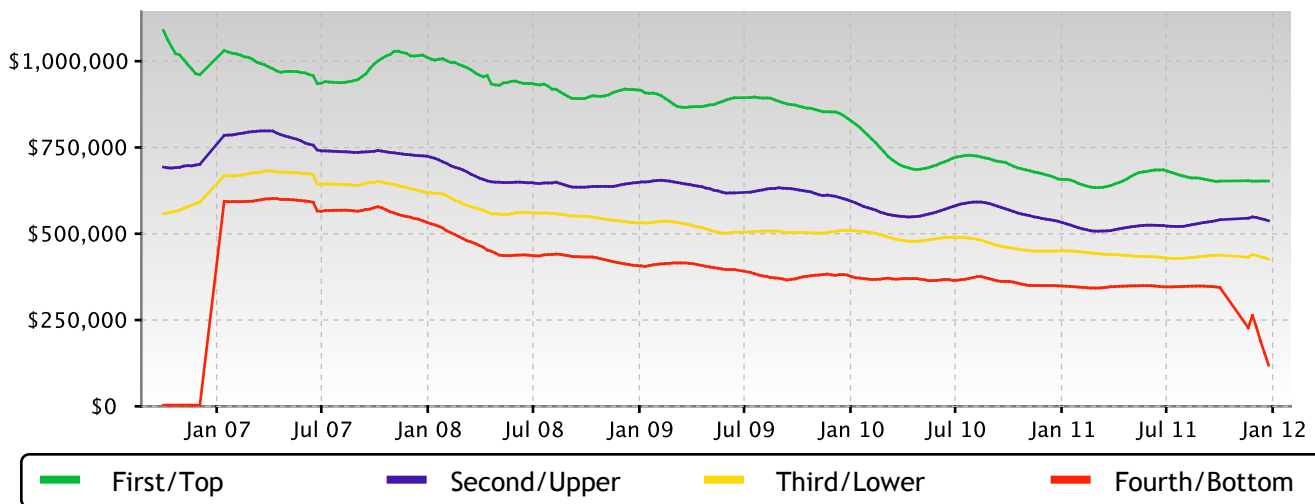
Median Price

Again this week we see a downward notch for prices. Pricing has been weak in recent weeks and versus their absolute-high levels. The Market Action Index is a good leading indicator for the durability of this trend.



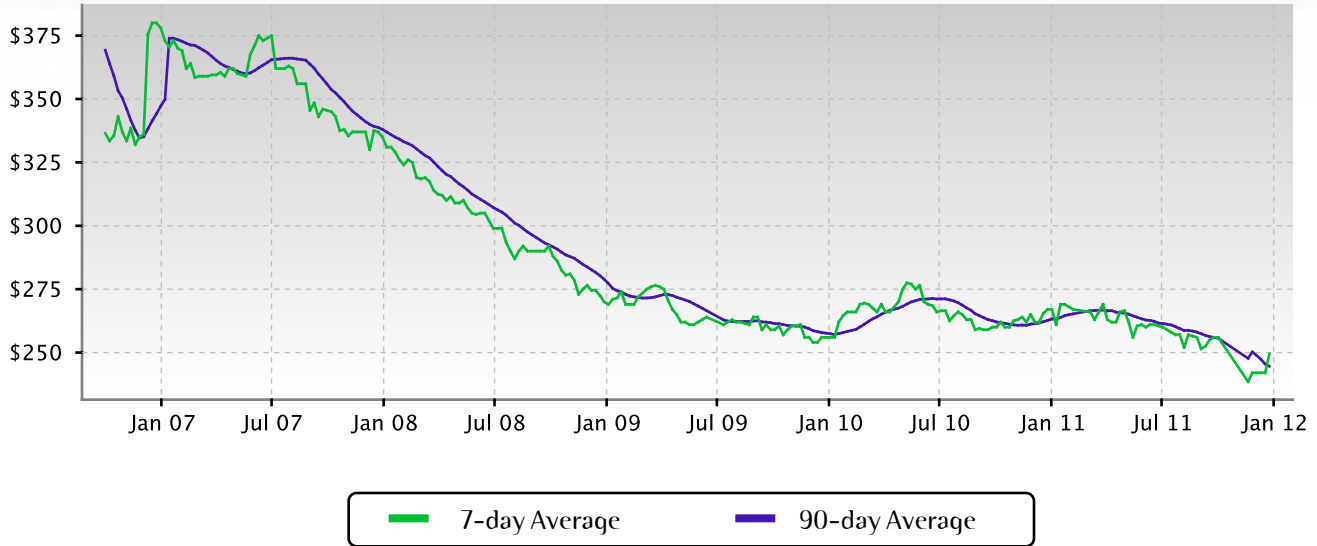
Quartile Prices

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.



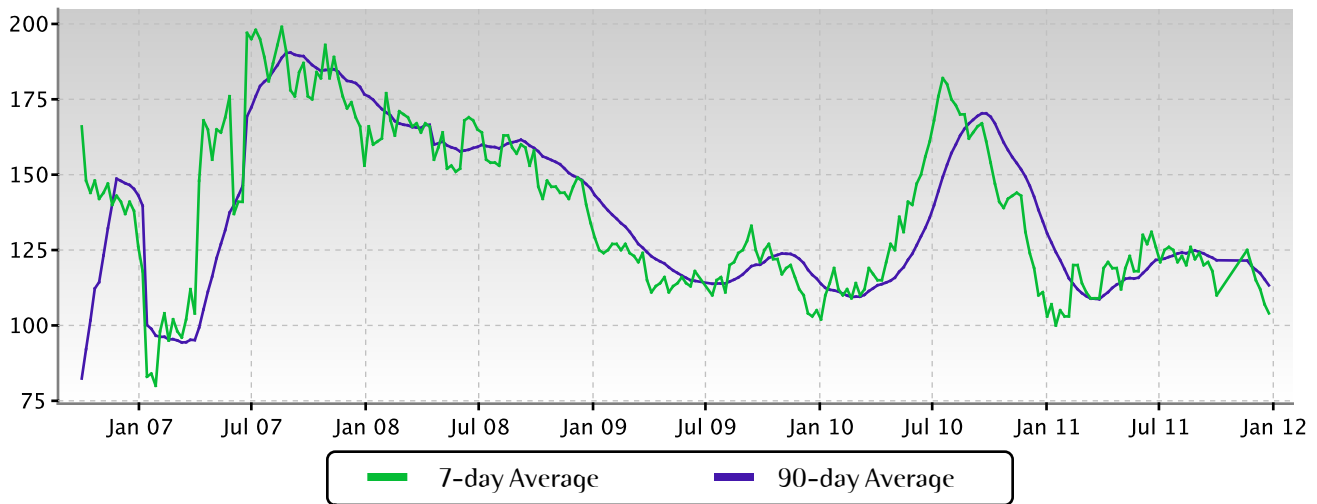
Price per Square Foot

We're seeing fairly unusual market conditions as prices have been in a downward trend but price per square foot is actually increasing. (Buyers are paying less and getting less home for their money.) Anomalies like these can be attributed to micro-location variables.



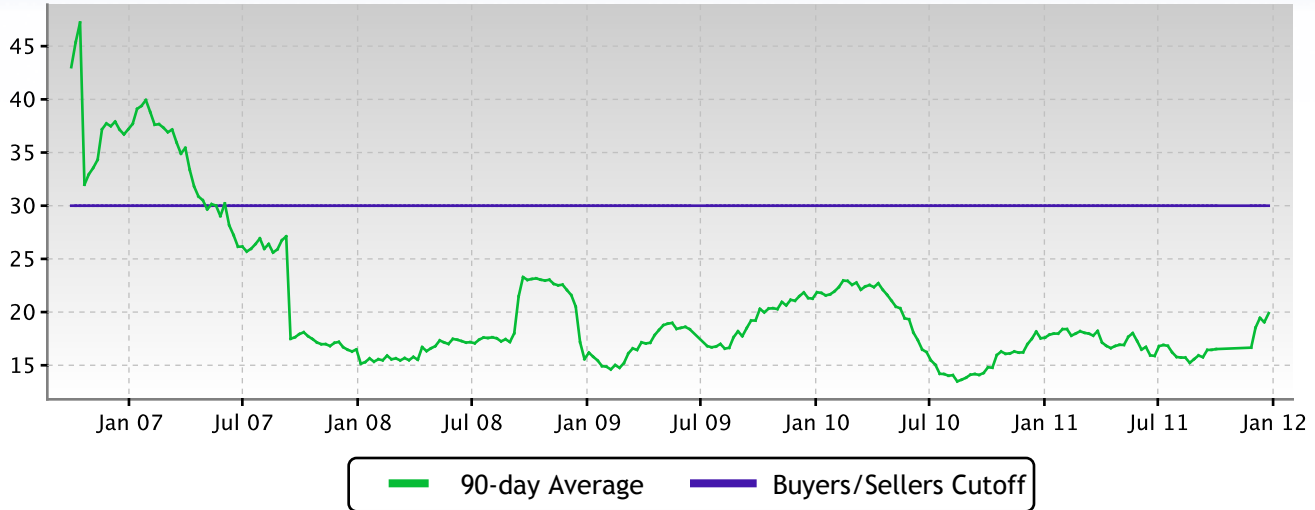
Inventory of Properties Listed for Sale

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



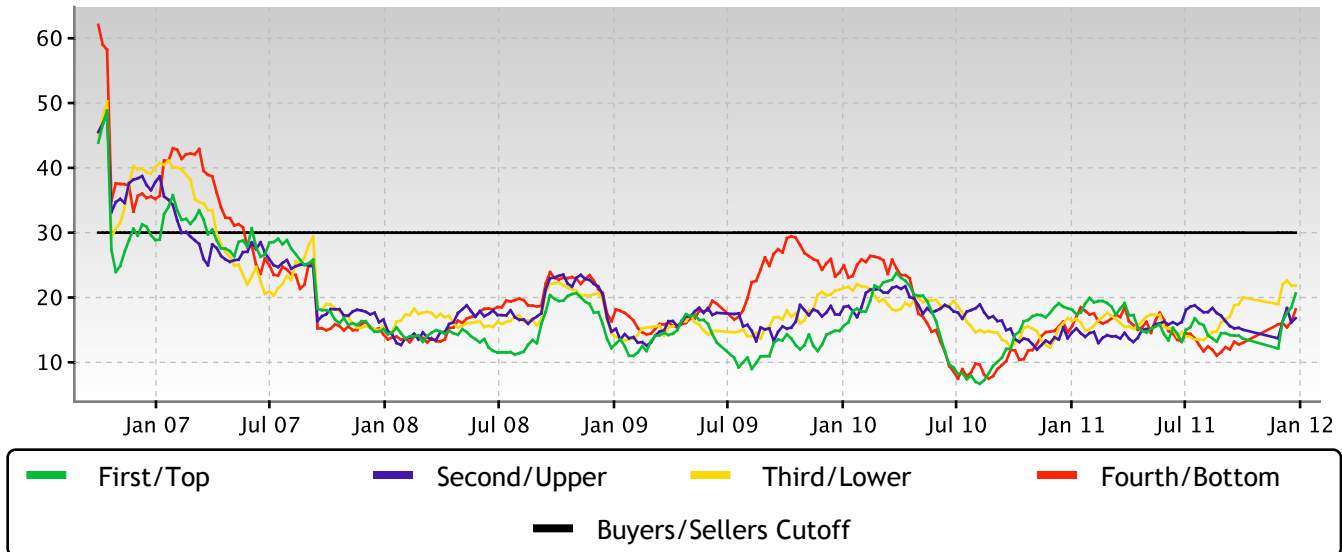
Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 19.90. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

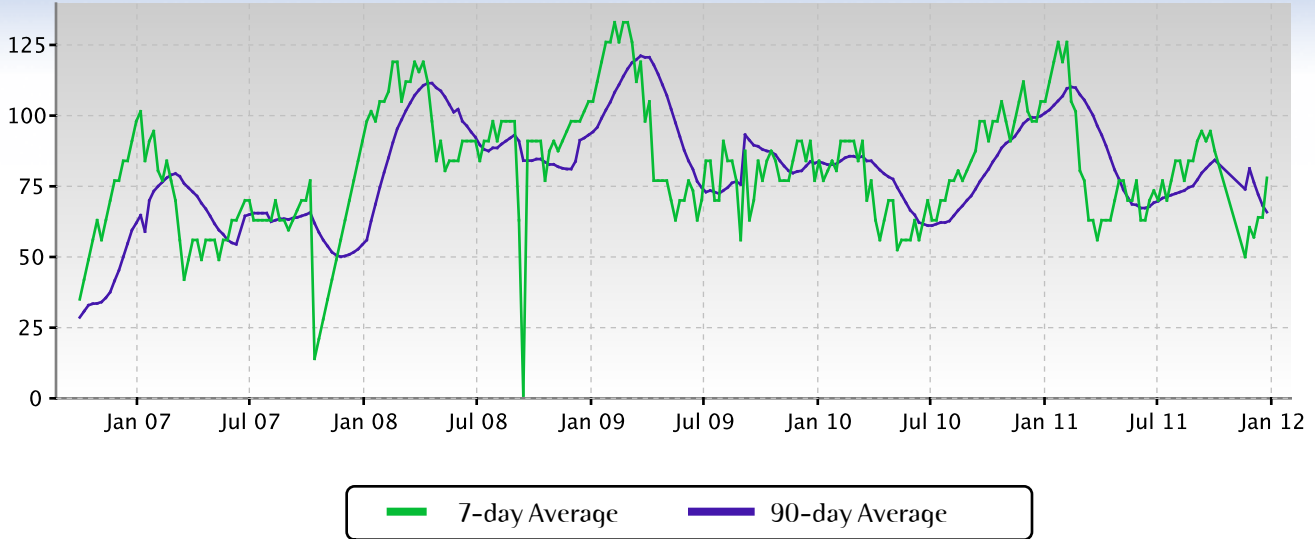
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low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



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 Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

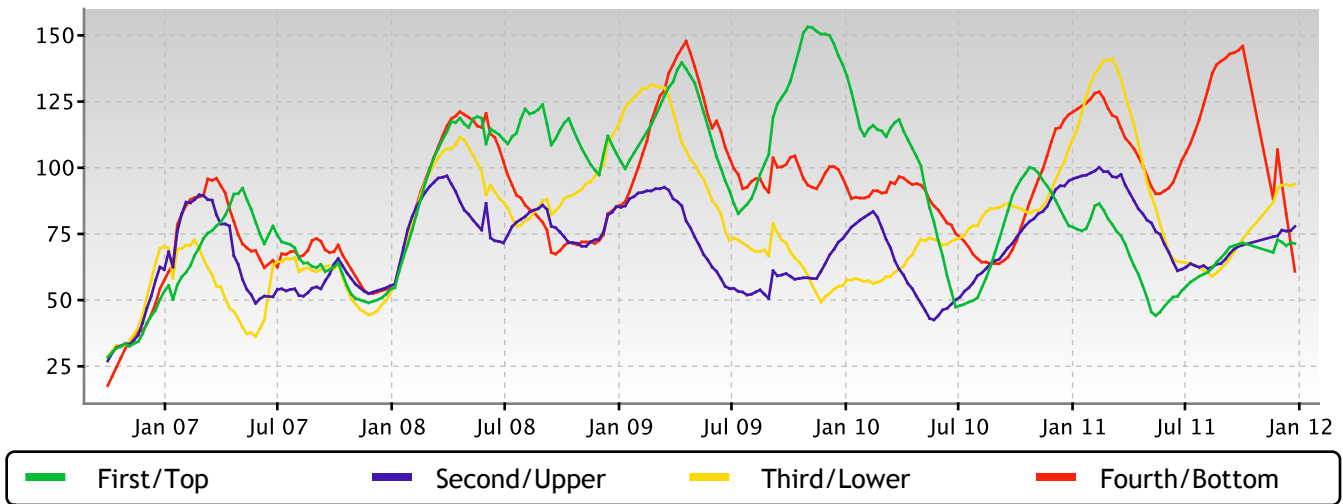
Days on Market

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 78 or so days.



Days on Market 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.



This Week

- The median list price in BREA, CA 92823 this week is \$478,750. The 16 properties have been on the market for an average of 125 days.

The Market Action Index has been basically flat recently, and days-on-market decreasing, there are not strong signals for the direction of the market.

Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 478,750	↓↓
Average List Price	\$ 638,538	
Asking Price Per Square Foot	\$ 254	↑↑
Average Days on Market (DoM)	125	↓↓
Inventory of Properties Listed	16	↔
Most Expensive Listing	\$ 3,950,000	
Least Expensive Listing	\$ 15,500	
Average Age of Listing	23	
Percent of Properties with Price Decrease	50 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	31 %	
Median House Size (sq ft)	2500	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.5	
Median Number of Bathrooms	2.5	

Altos Research Value Statistics

Market Action Index Strong Buyer's 18.3 ↔

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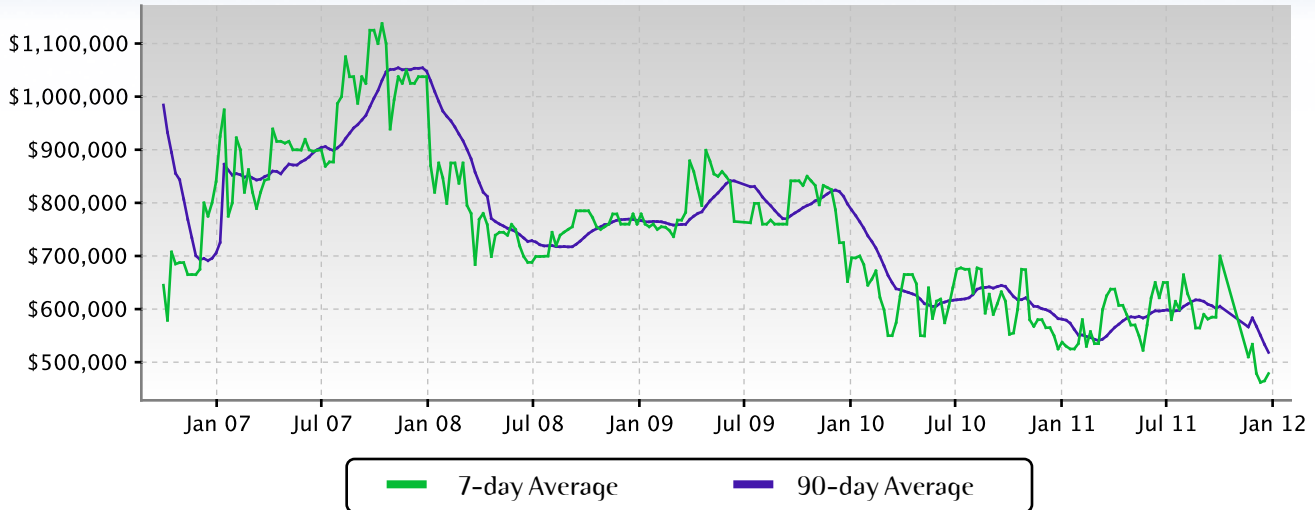
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 749,500	3256	10 - 20 acres	5.0	3.0	31	4	1	2	88	Most expensive 25% of properties
Upper/Second	\$ 575,000	2604	6,501 - 8,000 sqft	4.5	2.8	9	4	0	0	177	Upper-middle 25% of properties
Lower/Third	\$ 424,500	1377	4,501 - 6,500 sqft	3.0	2.5	8	4	0	2	165	Lower-middle 25% of properties
Bottom/Fourth	\$ 19,350	0	not available	2.0	2.0	36	4	0	0	68	Least expensive 25% of properties

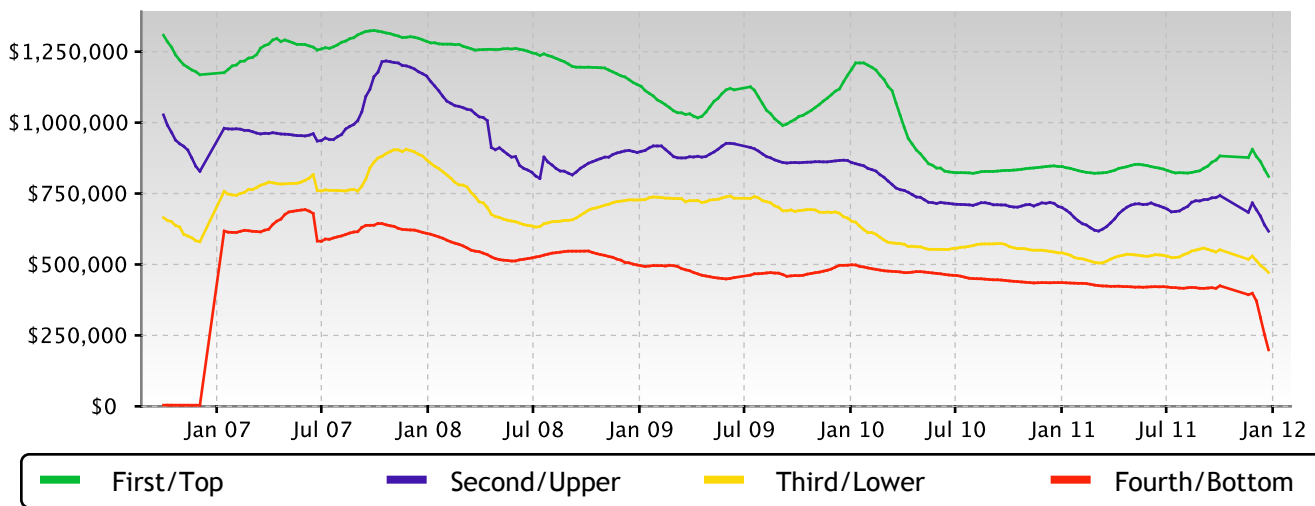
Median Price

This week prices in this zip code bumped up a bit but the trend of recent weeks is generally downward. A pickup in demand will be reflected in the Market Action Index, so watch that chart to try to identify a trough in the market.



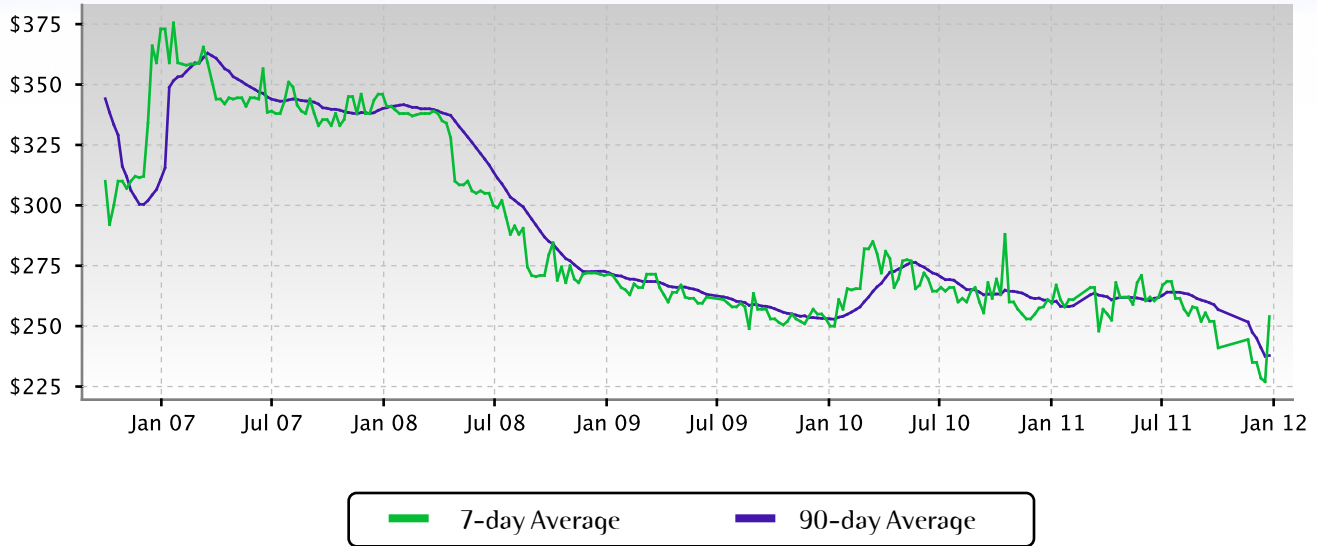
Quartile Prices

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.



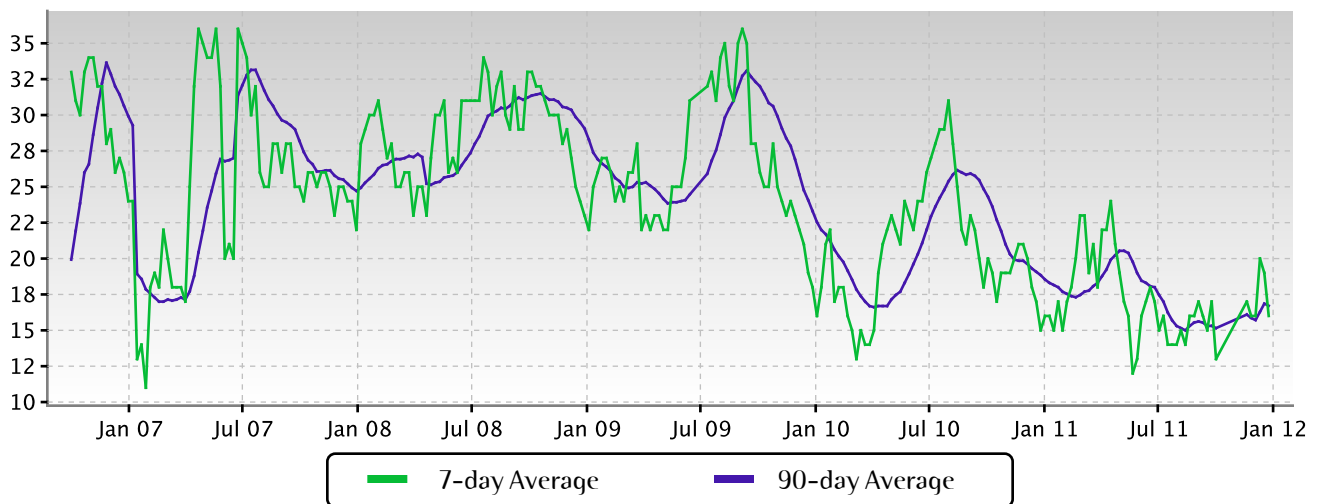
Price per Square Foot

We're seeing fairly unusual market conditions as prices have been in a downward trend but price per square foot is actually increasing. (Buyers are paying less and getting less home for their money.) Anomalies like these can be attributed to micro-location variables.



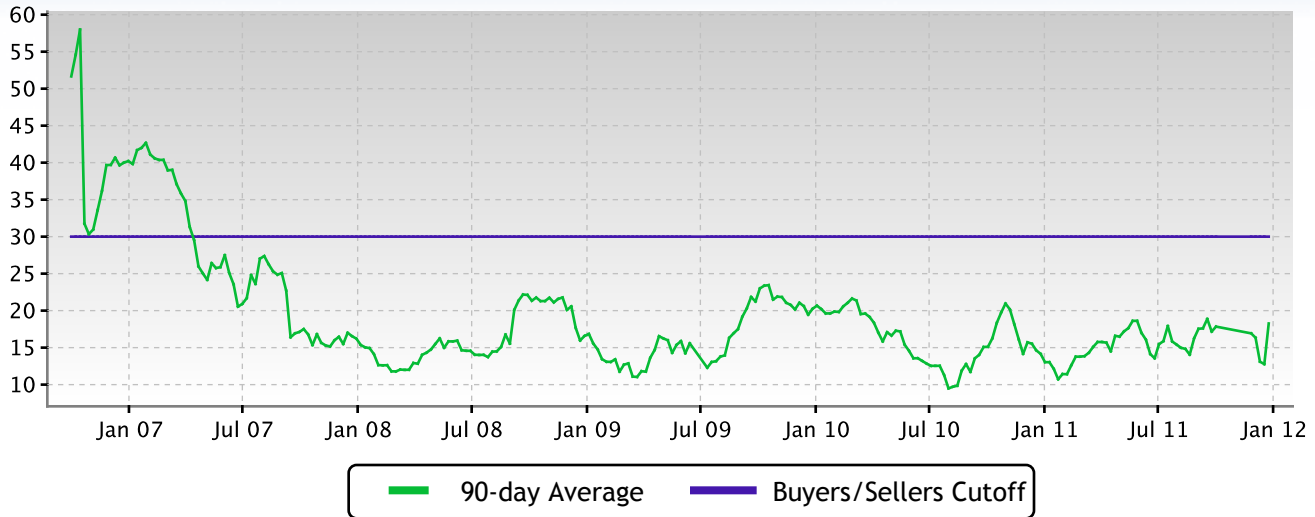
Inventory of Properties Listed for Sale

Inventory has been relatively steady around these levels in recent weeks.



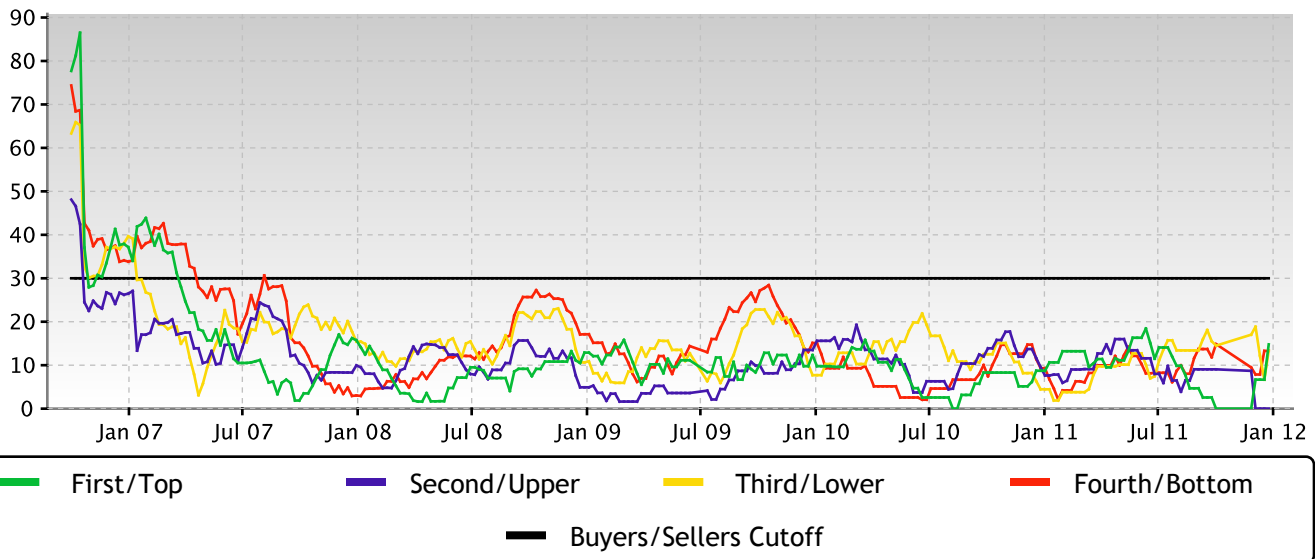
Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 18.26. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

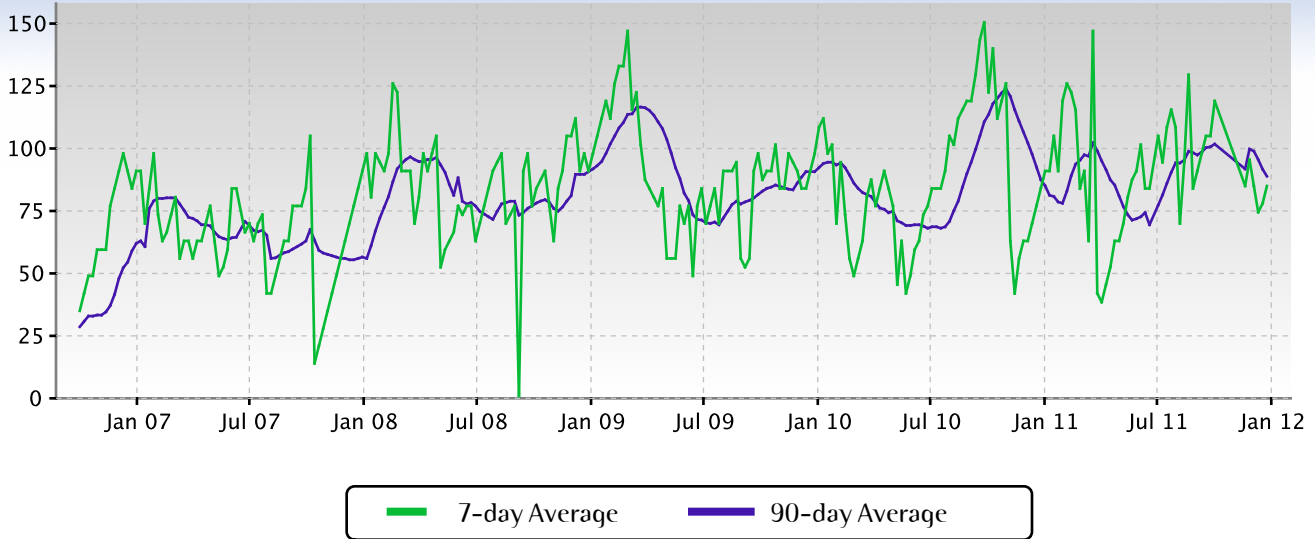
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.



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 Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

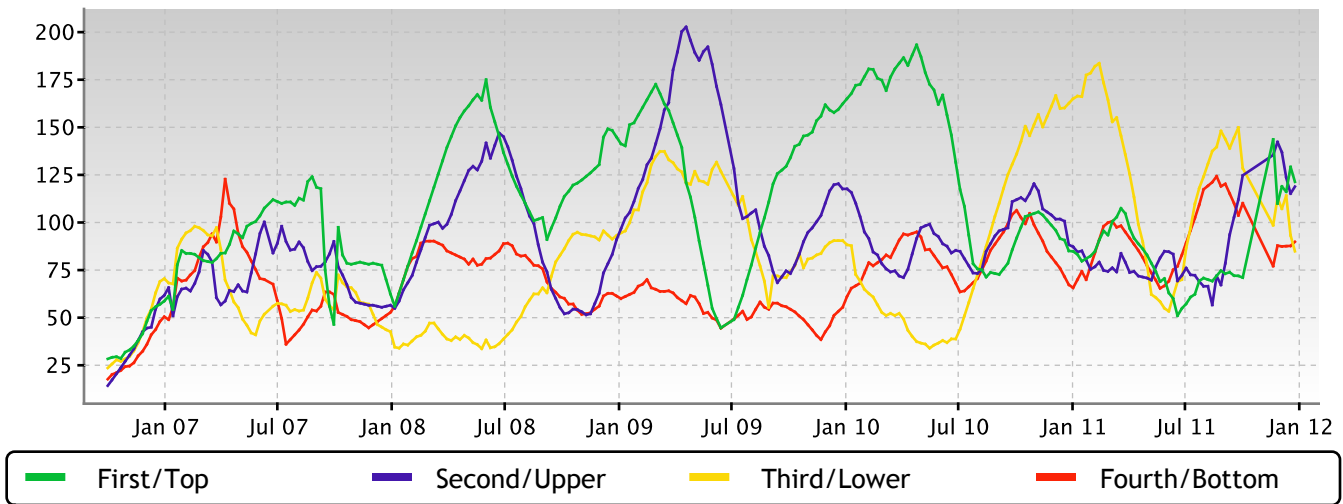
Days on Market

The properties have been on the market for an average of 125 days. Half of the listings have come newly on the market in the past 85 or so days.



Days on Market 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.



This Week

- The median list price in BREA, CA 92821 this week is \$472,000. The 88 properties have been on the market for an average of 103 days.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

Supply and Demand

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Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 472,000	↓↓
Average List Price	\$ 441,761	
Asking Price Per Square Foot	\$ 249	↑↑
Average Days on Market (DoM)	103	↑↑
Inventory of Properties Listed	88	↓↓
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 23,000	
Average Age of Listing	34	
Percent of Properties with Price Decrease	39 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	11 %	
Median House Size (sq ft)	1734	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

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Market Action Index Strong Buyer's 19.2 ↔

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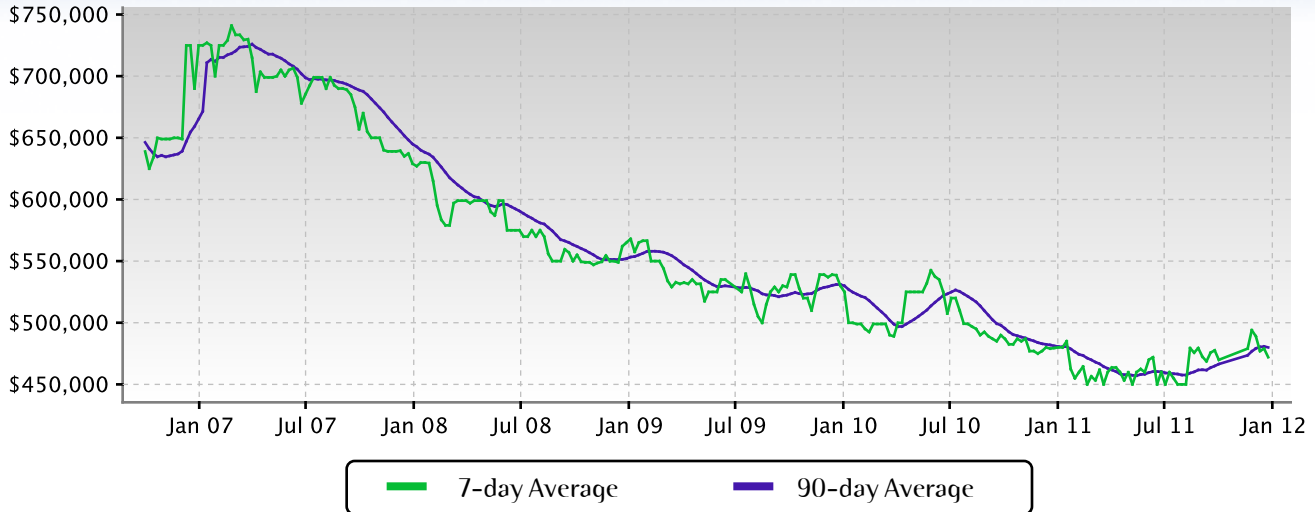
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Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 639,995	2727	6,501 - 8,000 sqft	4.0	2.5	8	22	1	1	105	Most expensive 25% of properties
Upper/Second	\$ 522,000	2014	4,501 - 6,500 sqft	3.0	2.5	34	22	0	2	99	Upper-middle 25% of properties
Lower/Third	\$ 408,450	1628	6,501 - 8,000 sqft	3.0	2.0	48	22	2	1	120	Lower-middle 25% of properties
Bottom/Fourth	\$ 149,748	1433	4,501 - 6,500 sqft	3.0	2.0	35	22	2	2	86	Least expensive 25% of properties

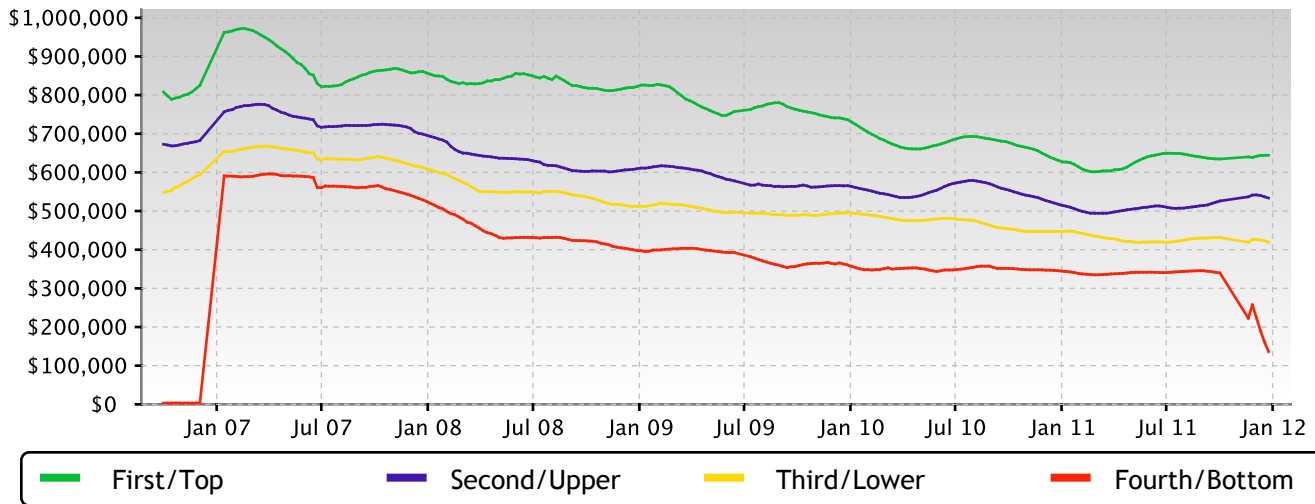
Median Price

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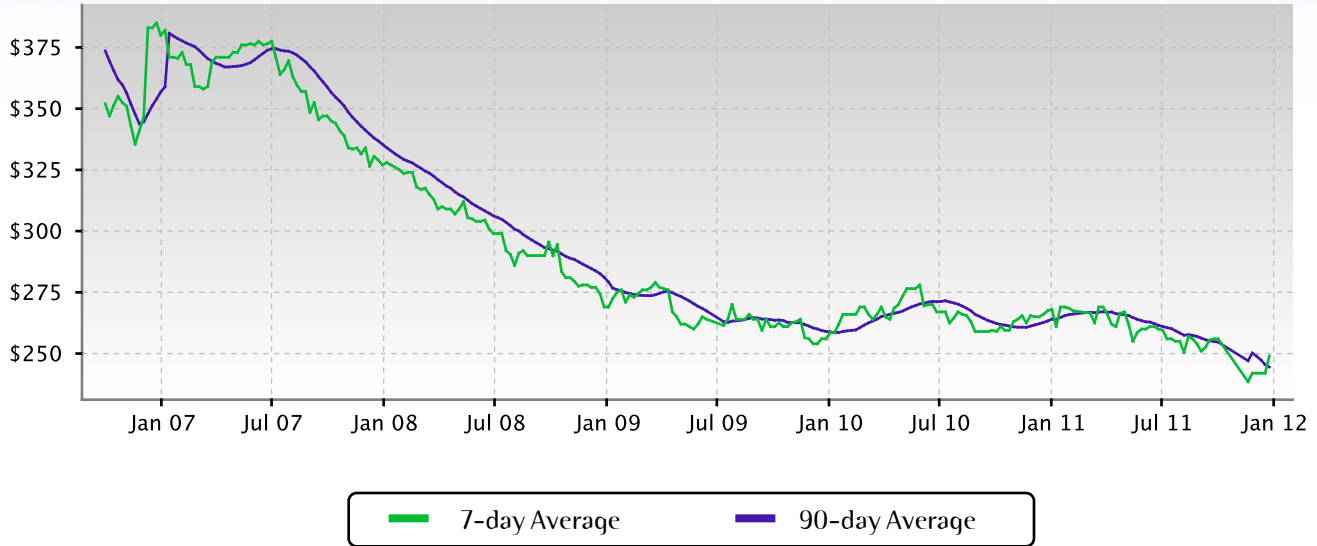
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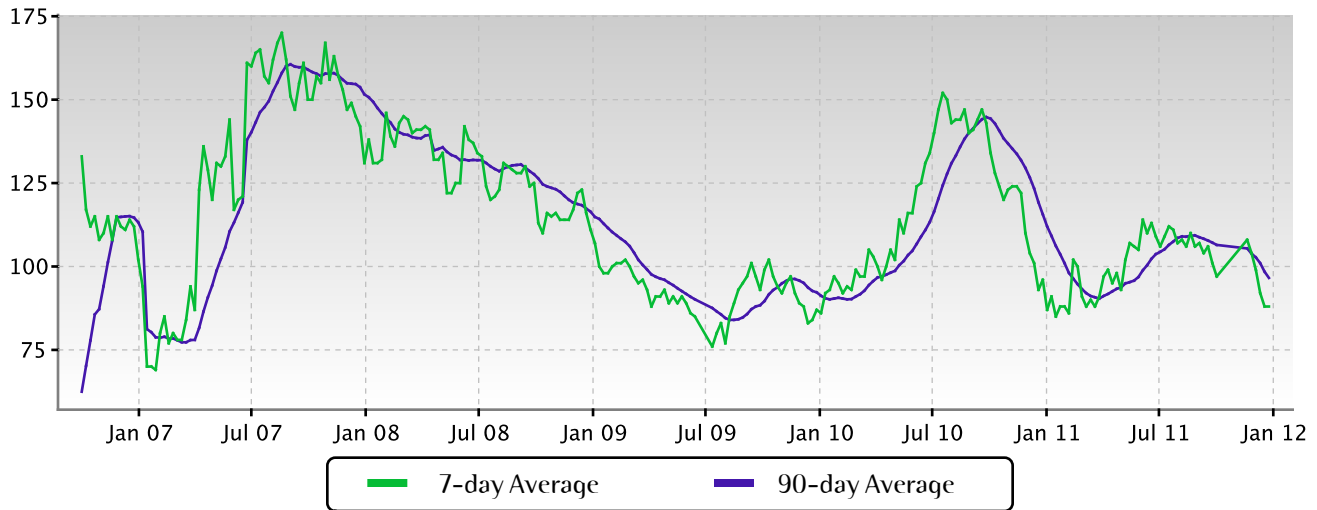
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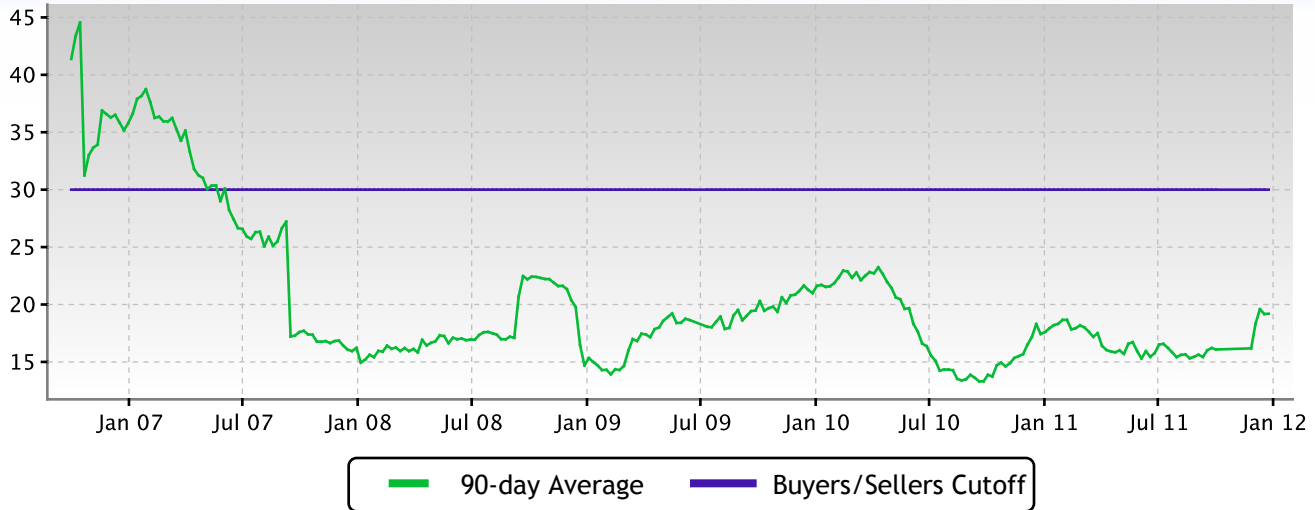
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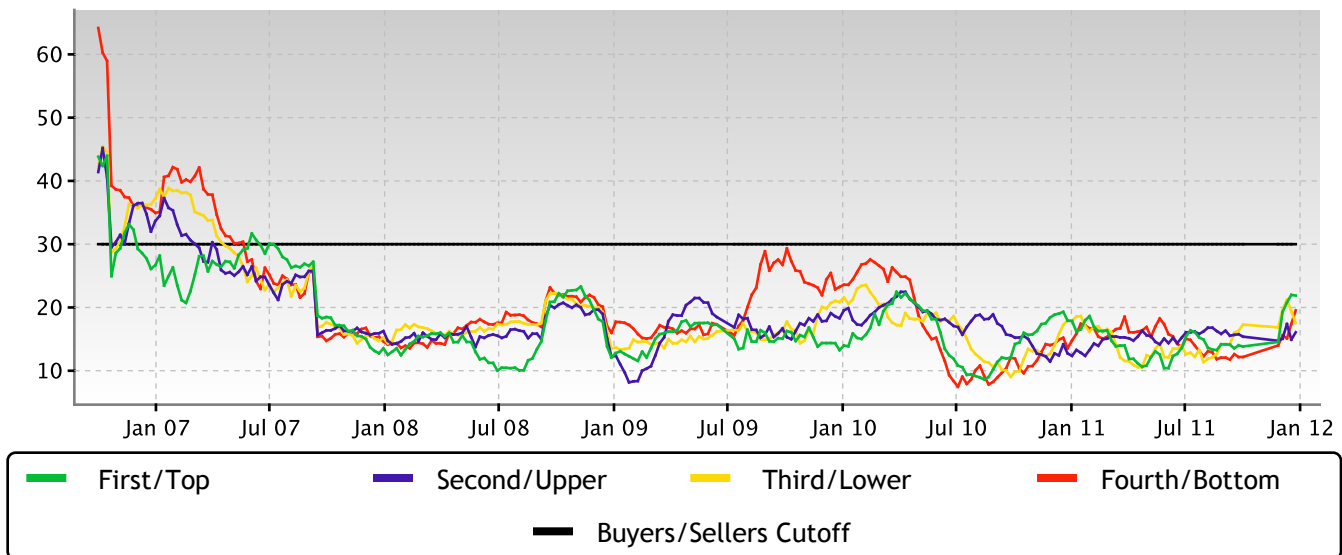
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Market Action Index per Quartile

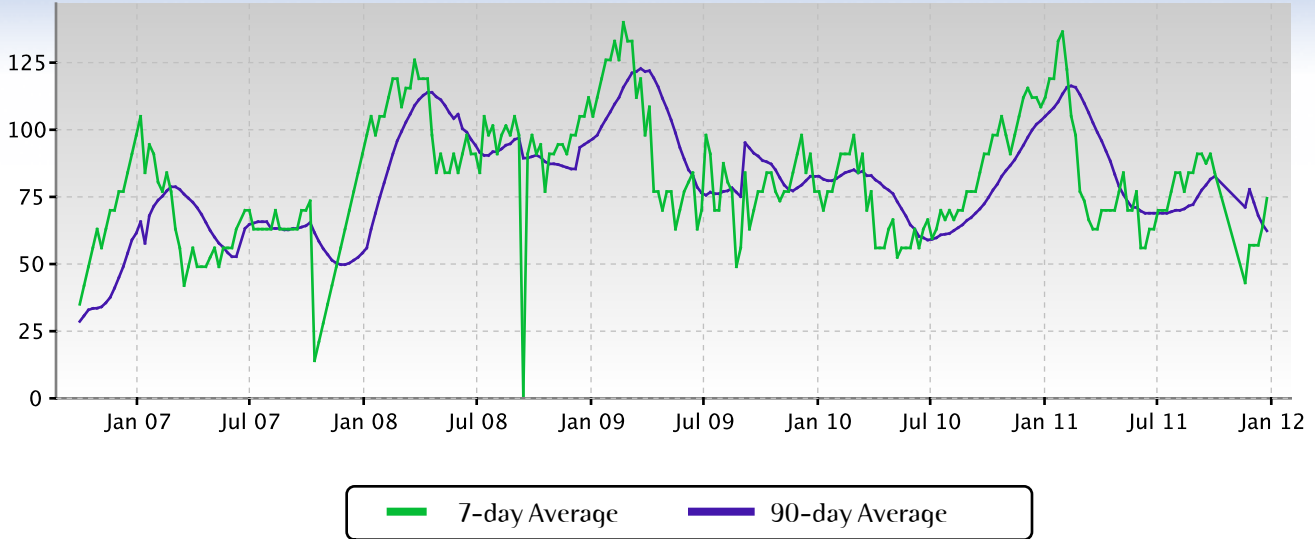
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