

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 09, 2012

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This Week

- The median list price in BREA, CA this week is \$479,000. The 100 properties have been on the market for an average of 110 days.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for 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 | | Trend |
|---|--------------------|-------|
| Median List Price | \$ 479,000 | ↓↓ |
| Average List Price | \$ 478,186 | |
| Asking Price Per Square Foot | \$ 251 | ↑↑ |
| Average Days on Market (DoM) | 110 | ↑↑ |
| Inventory of Properties Listed | 100 | ↓↓ |
| Most Expensive Listing | \$ 3,950,000 | |
| Least Expensive Listing | \$ 15,500 | |
| Average Age of Listing | 32 | |
| Percent of Properties with Price Decrease | 38 % | |
| Percent Relisted (reset DOM) | n/a | |
| Percent Flip (price increased) | 15 % | |
| Median House Size (sq ft) | 1843 | |
| Median Lot Size | 6,501 - 8,000 sqft | |
| Median Number of Bedrooms | 3.0 | |
| Median Number of Bathrooms | 2.0 | |

| Altos Research Value Statistics | | | Trend |
|---------------------------------|----------------|------|-------|
| Market Action Index | Strong Buyer's | 19.0 | ↓↓ |

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.

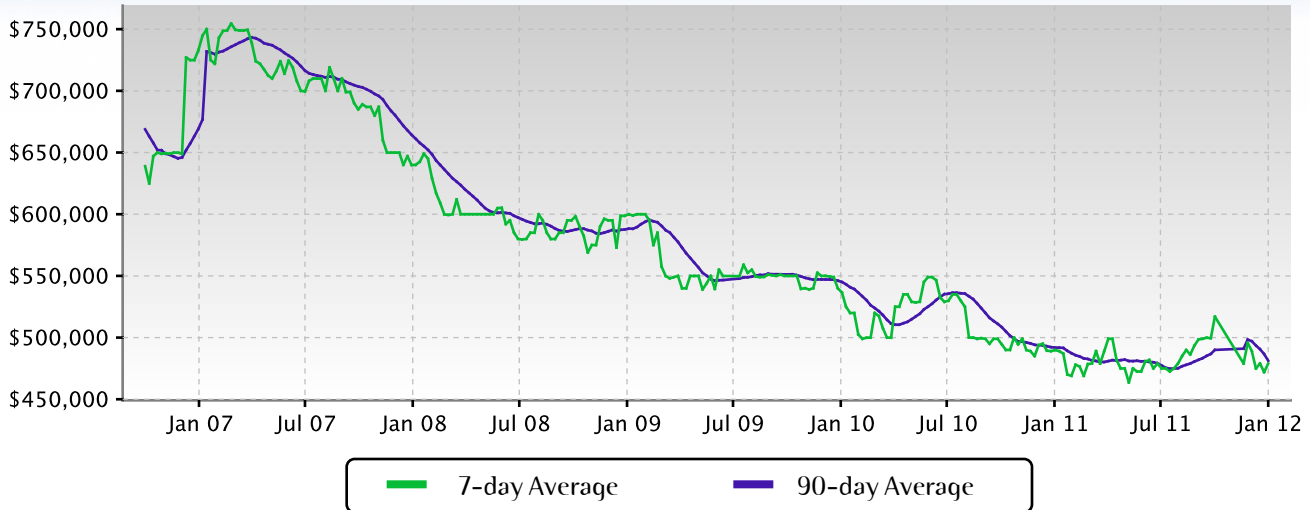
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

| Quartile | Median Price | Sq. Ft. | Lot Size | Beds | Baths | Age | Inventory | New | Absorbed | DOM | |
|---------------|--------------|---------|---------------------|------|-------|-----|-----------|-----|----------|-----|-----------------------------------|
| Top/First | \$ 650,000 | 2861 | 8,001 - 10,000 sqft | 4.0 | 3.0 | 8 | 25 | 0 | 0 | 107 | Most expensive 25% of properties |
| Upper/Second | \$ 525,000 | 2196 | 4,501 - 6,500 sqft | 4.0 | 2.5 | 34 | 25 | 2 | 2 | 109 | Upper-middle 25% of properties |
| Lower/Third | \$ 409,000 | 1538 | 6,501 - 8,000 sqft | 3.0 | 2.0 | 46 | 25 | 0 | 2 | 138 | Lower-middle 25% of properties |
| Bottom/Fourth | \$ 105,000 | 1400 | 4,501 - 6,500 sqft | 2.0 | 2.0 | 36 | 25 | 0 | 2 | 86 | Least expensive 25% of properties |

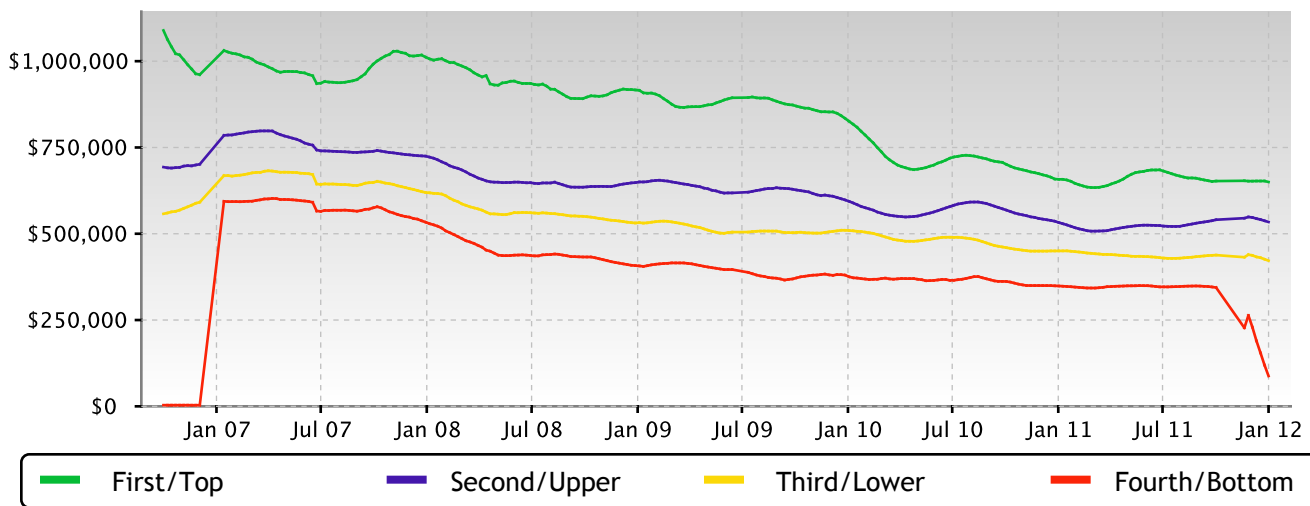
Median Price

This week prices 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 change in the market.



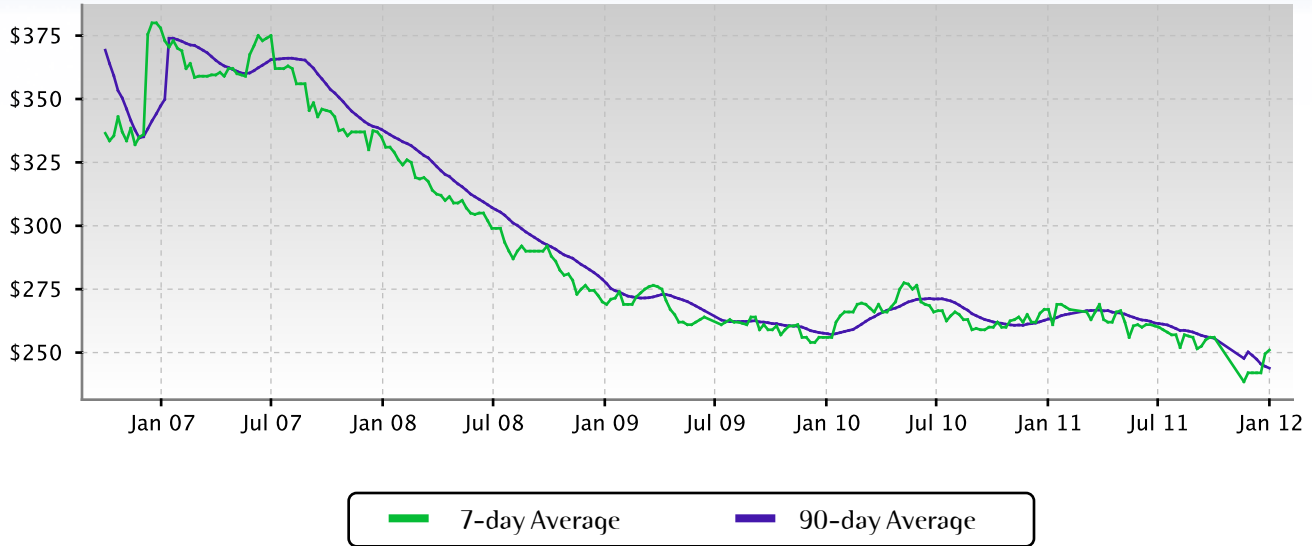
Quartile Prices

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.



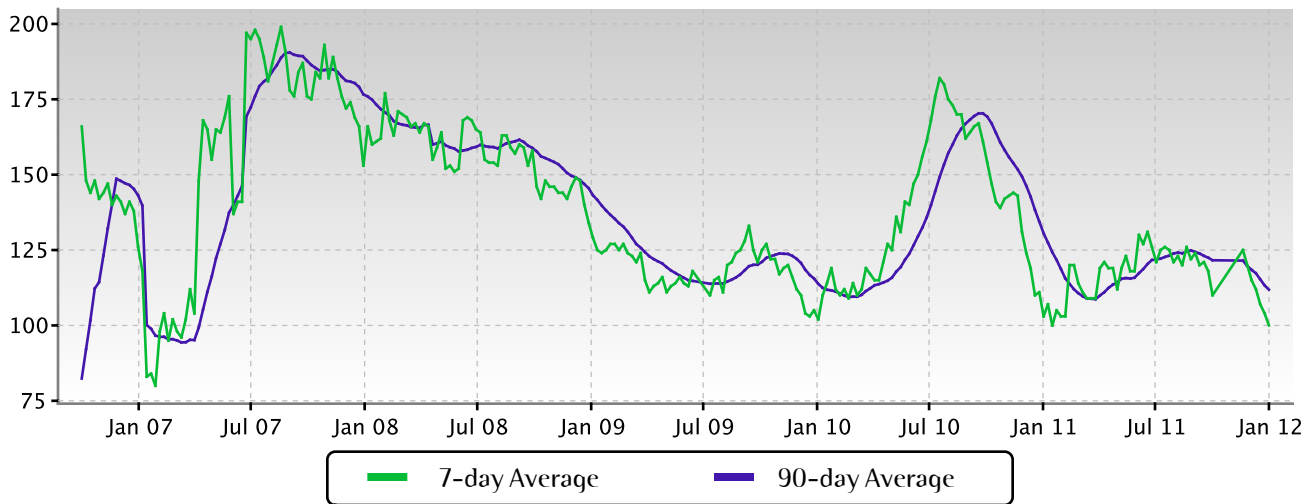
Price per Square Foot

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.



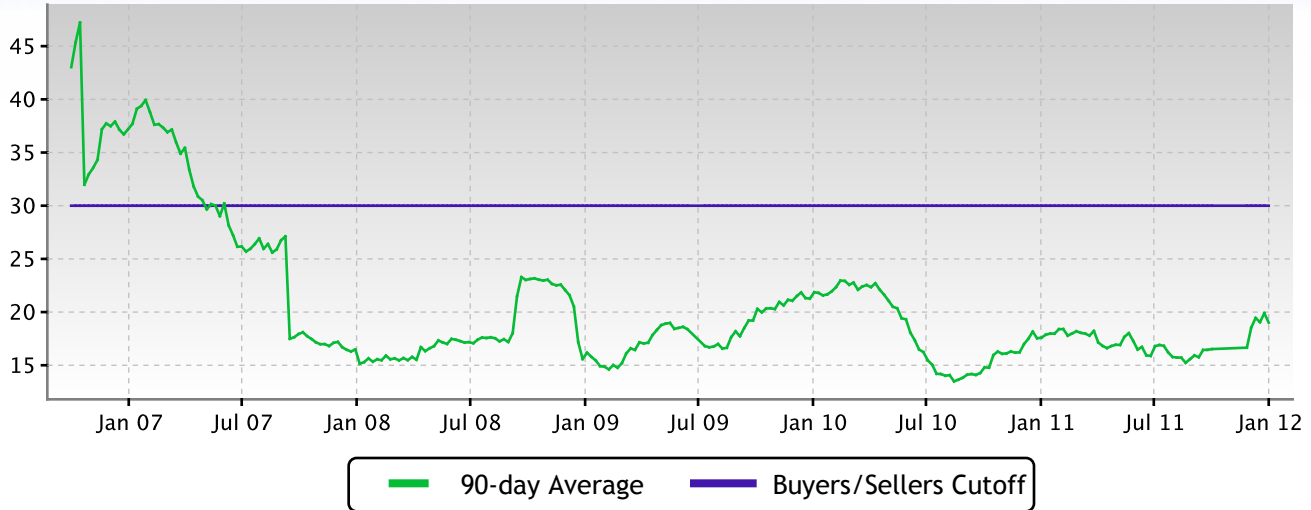
Inventory of Properties Listed for Sale

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.



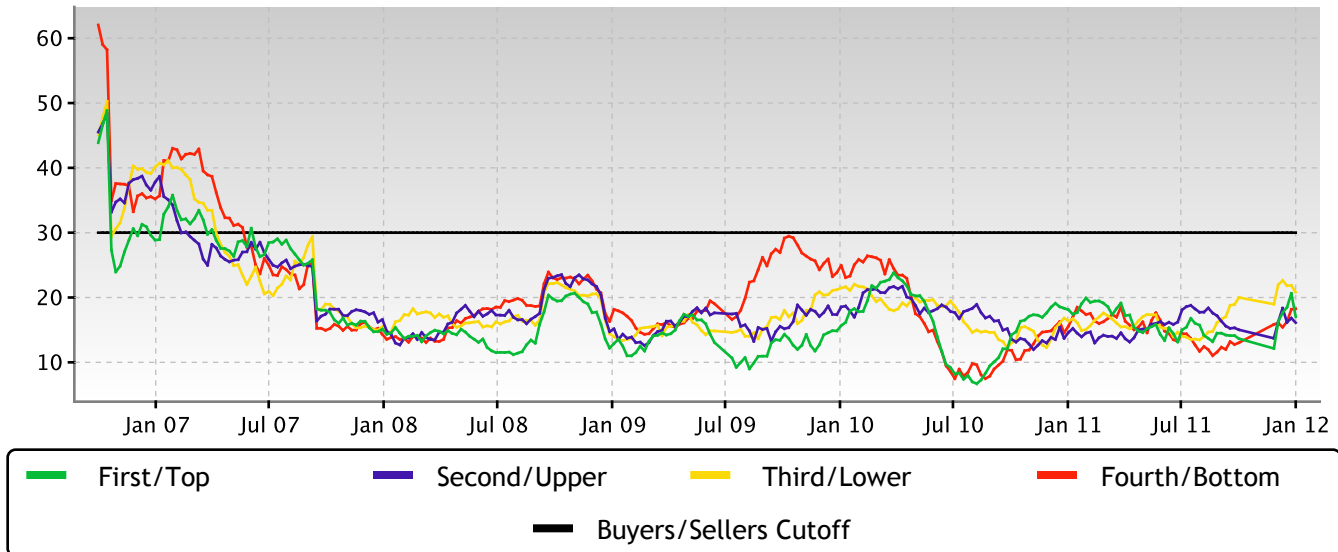
Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 19.00. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

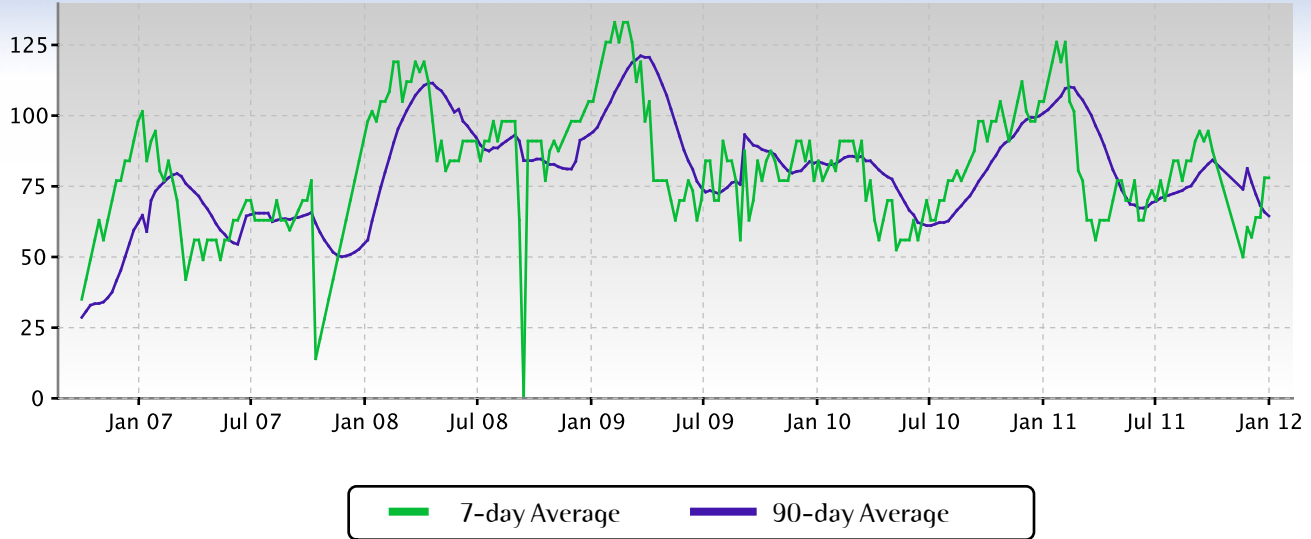
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low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

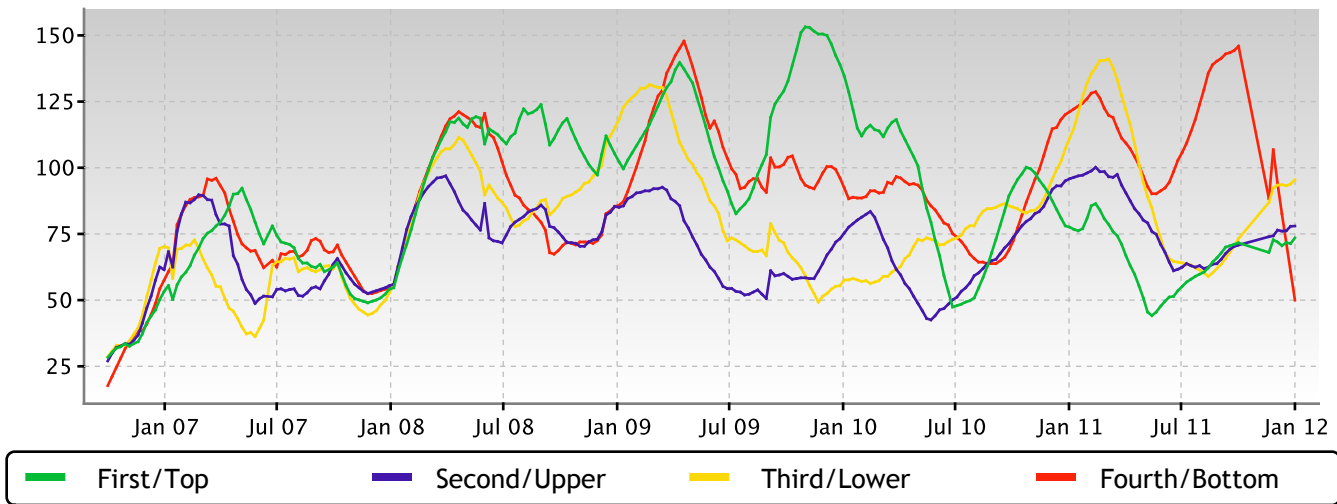
Days on Market

The properties have been on the market for an average of 110 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 132 days.

Days-on-market has been trending up recently but the Market Action Index and inventory levels are basically flat and not providing strong indications for 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) | 132 | ↑↑ |
| Inventory of Properties Listed | 16 | ↔ |
| Most Expensive Listing | \$ 3,950,000 | |
| Least Expensive Listing | \$ 15,500 | |
| Average Age of Listing | 24 | |
| 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 11.6 ↔

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.

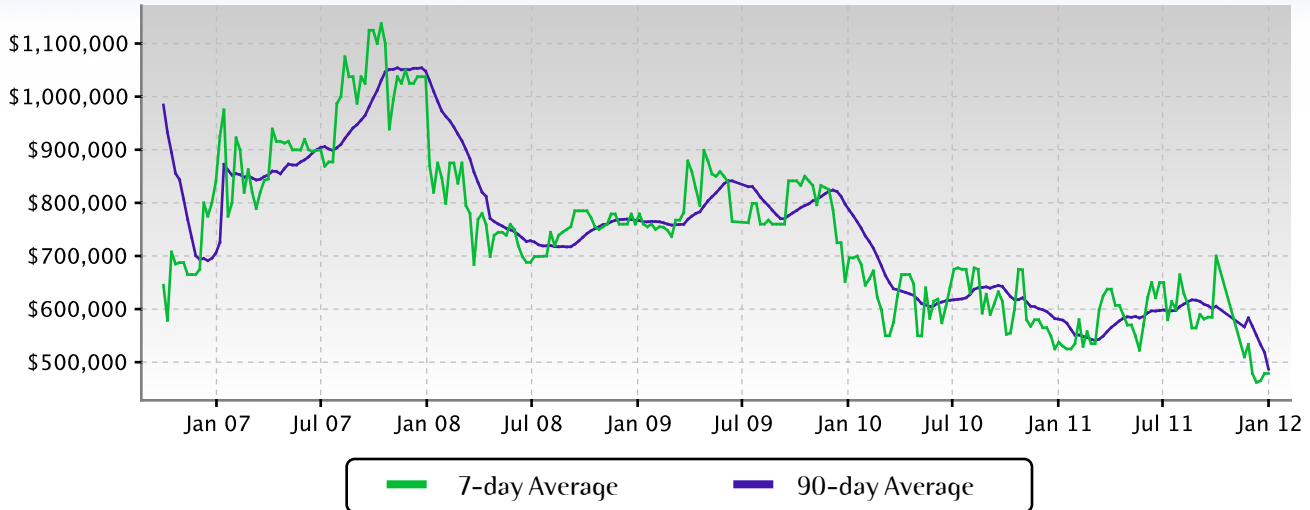
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

| Quartile | Median Price | Sq. Ft. | Lot Size | Beds | Baths | Age | Inventory | New | Absorbed | DOM | |
|---------------|--------------|---------|--------------------|------|-------|-----|-----------|-----|----------|-----|-----------------------------------|
| Top/First | \$ 749,500 | 3256 | 10 - 20 acres | 5.0 | 3.0 | 32 | 4 | 0 | 0 | 95 | Most expensive 25% of properties |
| Upper/Second | \$ 575,000 | 2604 | 6,501 - 8,000 sqft | 4.5 | 2.8 | 10 | 4 | 0 | 0 | 184 | Upper-middle 25% of properties |
| Lower/Third | \$ 424,500 | 1377 | 4,501 - 6,500 sqft | 3.0 | 2.5 | 10 | 4 | 0 | 0 | 172 | Lower-middle 25% of properties |
| Bottom/Fourth | \$ 19,350 | 0 | not available | 2.0 | 2.0 | 36 | 4 | 0 | 0 | 74 | Least expensive 25% of properties |

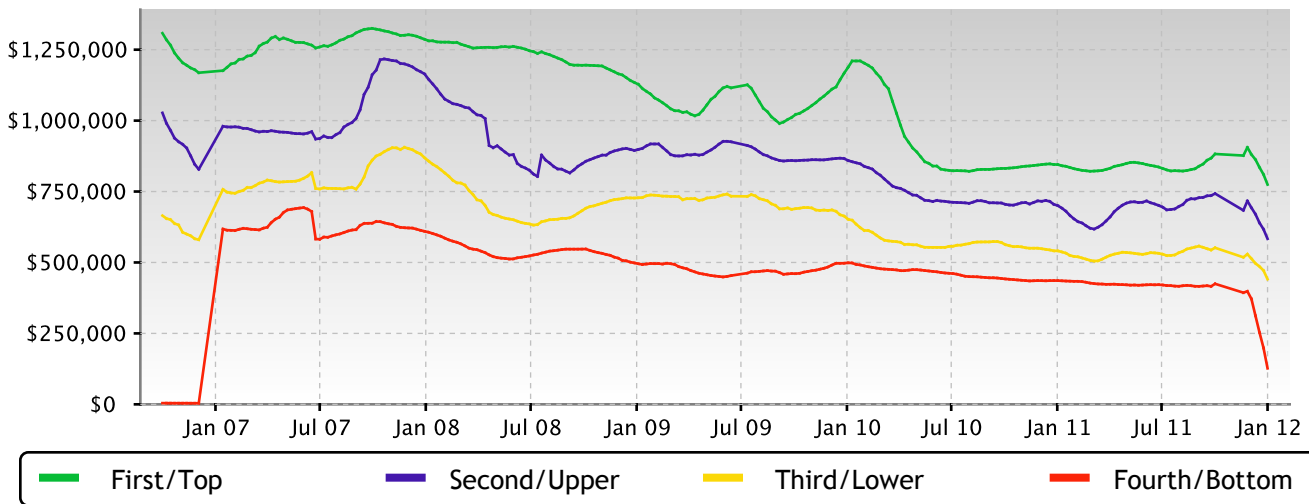
Median Price

We continue to see prices in this zip code bouncing around this plateau. Look for a persistent up-shift in the Market Action Index before we see prices move from these levels.



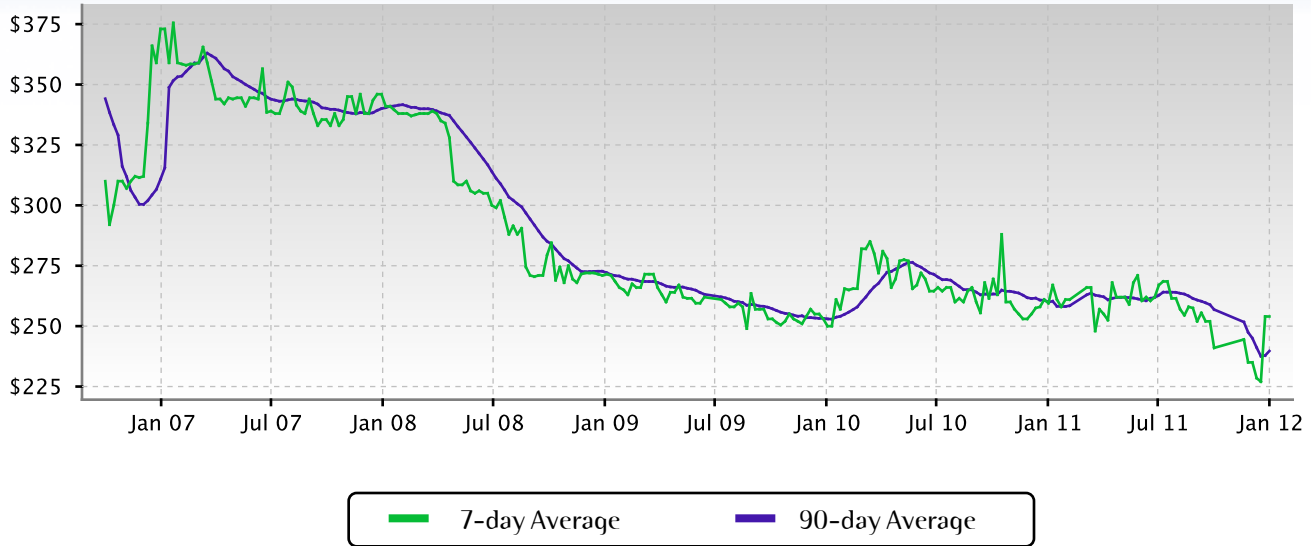
Quartile Prices

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.



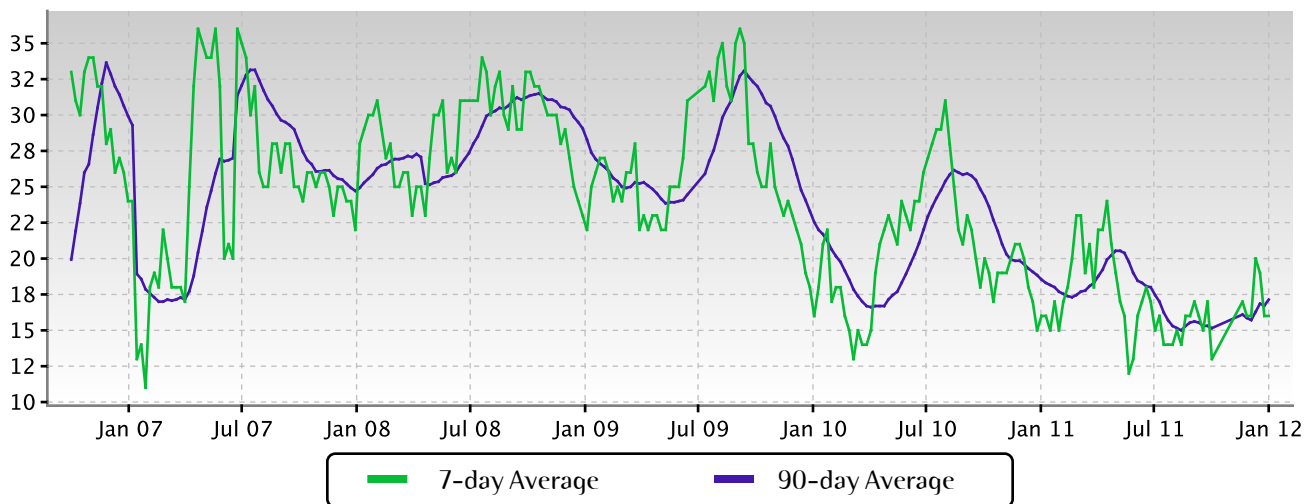
Price per Square Foot

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.



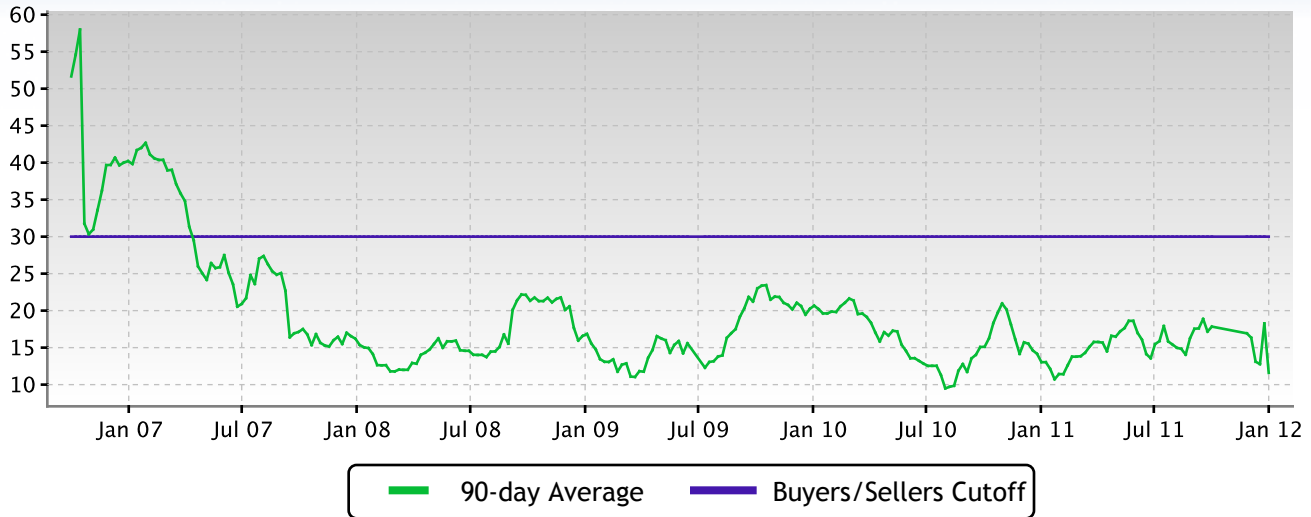
Inventory of Properties Listed for Sale

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



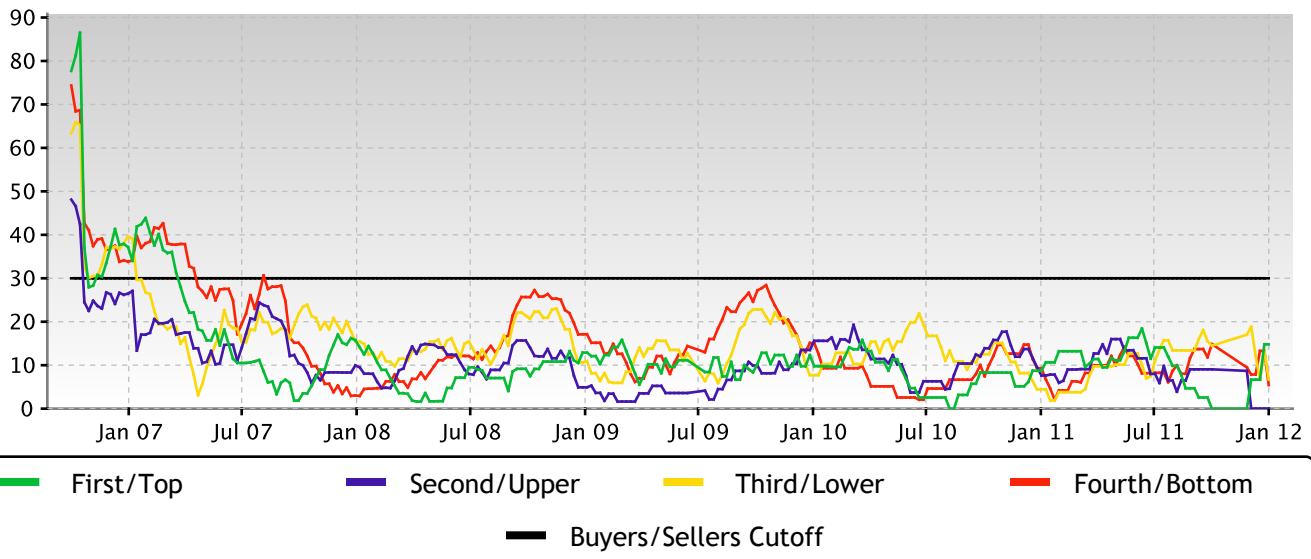
Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 11.59. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

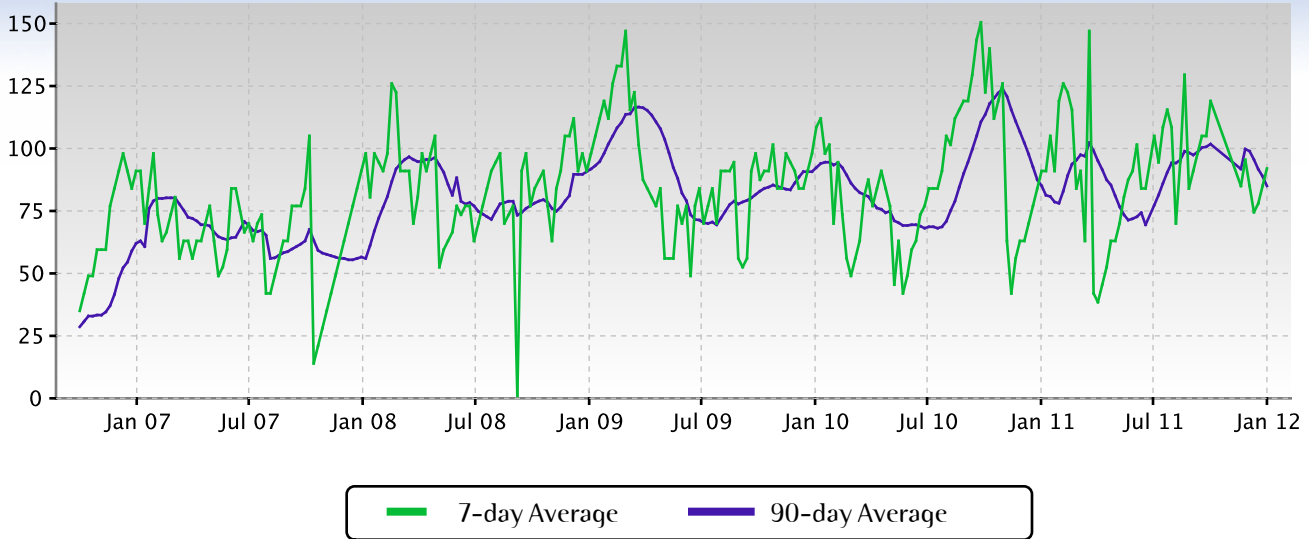
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.



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.

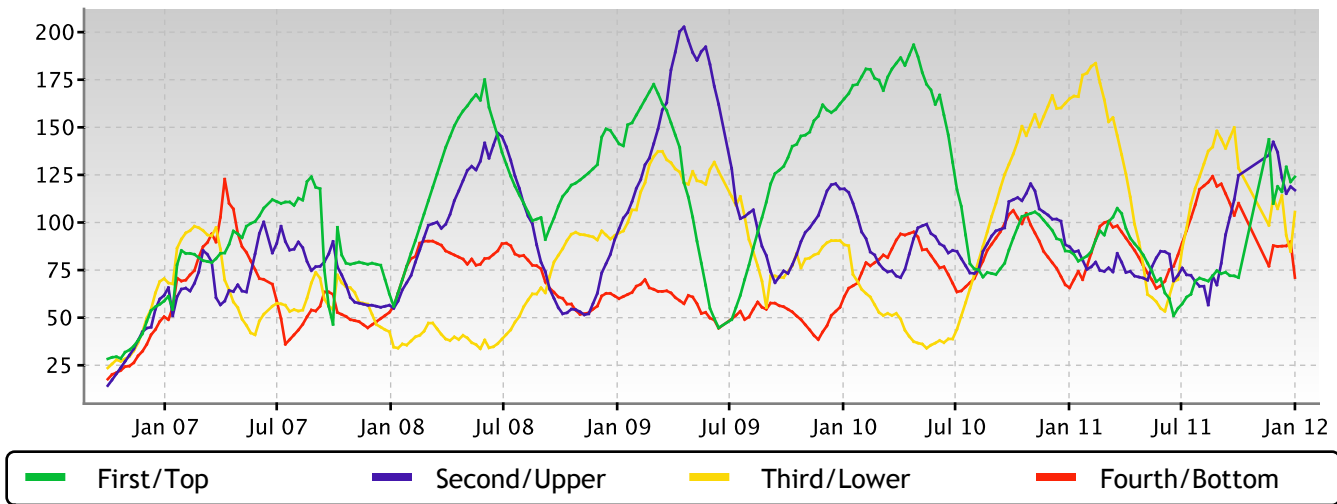
Days on Market

The properties have been on the market for an average of 132 days. Half of the listings have come newly on the market in the past 92 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 \$479,000. The 84 properties have been on the market for an average of 106 days.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for 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 | \$ 479,000 | ↓↓ |
| Average List Price | \$ 447,643 | |
| Asking Price Per Square Foot | \$ 250 | ↑↑ |
| Average Days on Market (DoM) | 106 | ↑↑ |
| Inventory of Properties Listed | 84 | ↓↓ |
| Most Expensive Listing | \$ 949,000 | |
| Least Expensive Listing | \$ 23,000 | |
| Average Age of Listing | 34 | |
| Percent of Properties with Price Decrease | 36 % | |
| Percent Relisted (reset DOM) | n/a | |
| Percent Flip (price increased) | 12 % | |
| Median House Size (sq ft) | 1760 | |
| Median Lot Size | 6,501 - 8,000 sqft | |
| Median Number of Bedrooms | 3.0 | |
| Median Number of Bathrooms | 2.0 | |

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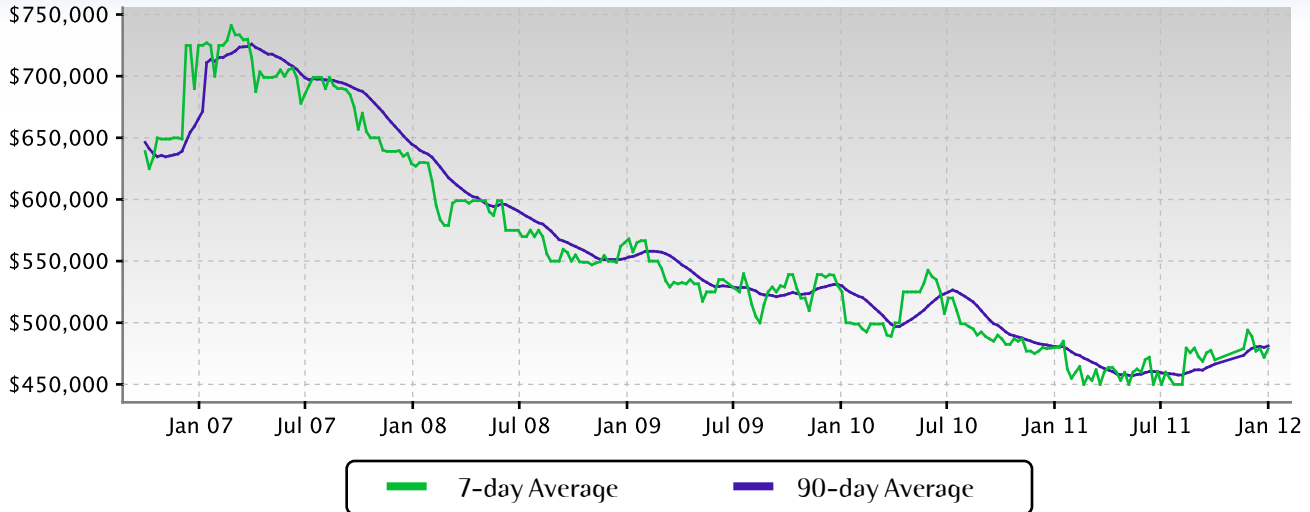
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Characteristics per Quartile

| Quartile | Median Price | Sq. Ft. | Lot Size | Beds | Baths | Age | Inventory | New | Absorbed | DOM | |
|---------------|--------------|---------|--------------------|------|-------|-----|-----------|-----|----------|-----|-----------------------------------|
| Top/First | \$ 640,000 | 2600 | 6,501 - 8,000 sqft | 4.0 | 2.8 | 8 | 21 | 1 | 0 | 108 | Most expensive 25% of properties |
| Upper/Second | \$ 525,000 | 2030 | 4,501 - 6,500 sqft | 3.0 | 2.5 | 34 | 21 | 1 | 2 | 96 | Upper-middle 25% of properties |
| Lower/Third | \$ 409,000 | 1569 | 6,501 - 8,000 sqft | 3.0 | 2.0 | 48 | 21 | 0 | 2 | 131 | Lower-middle 25% of properties |
| Bottom/Fourth | \$ 159,500 | 1400 | 4,501 - 6,500 sqft | 3.0 | 2.0 | 35 | 21 | 0 | 2 | 88 | Least expensive 25% of properties |

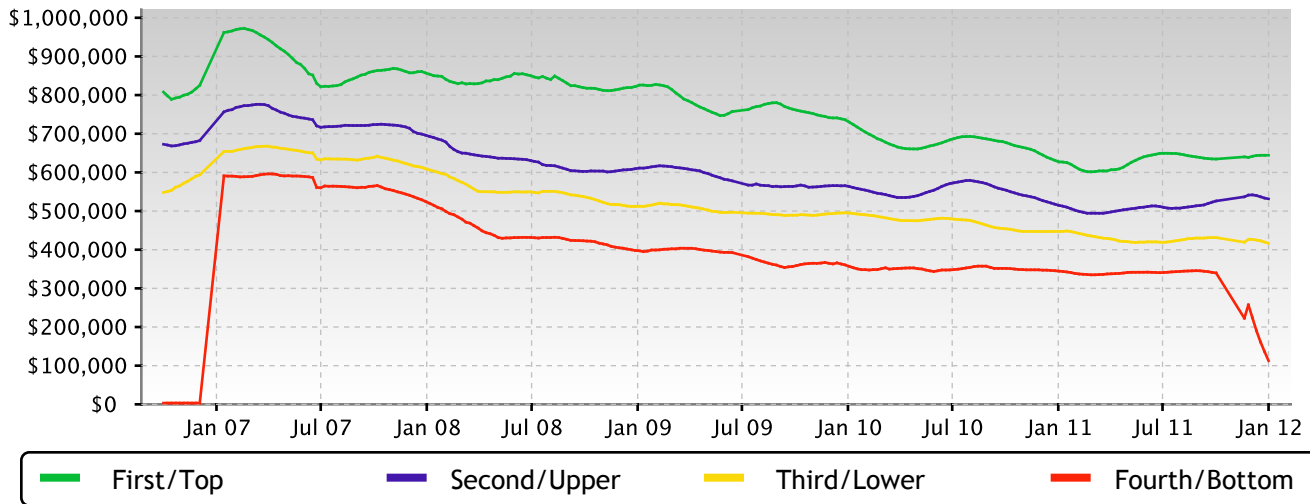
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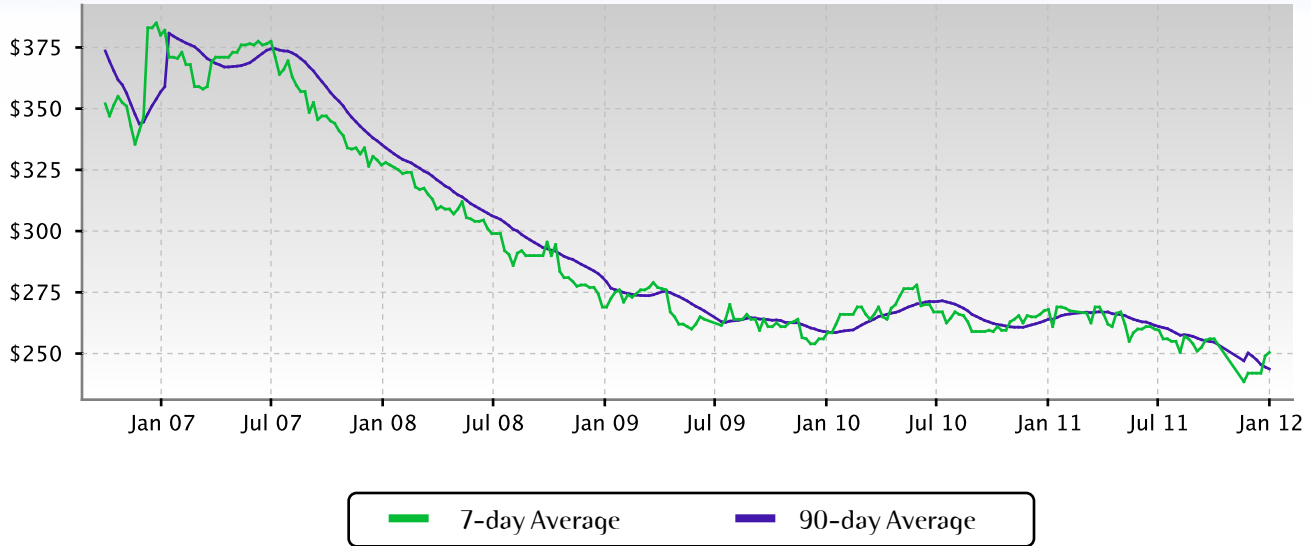
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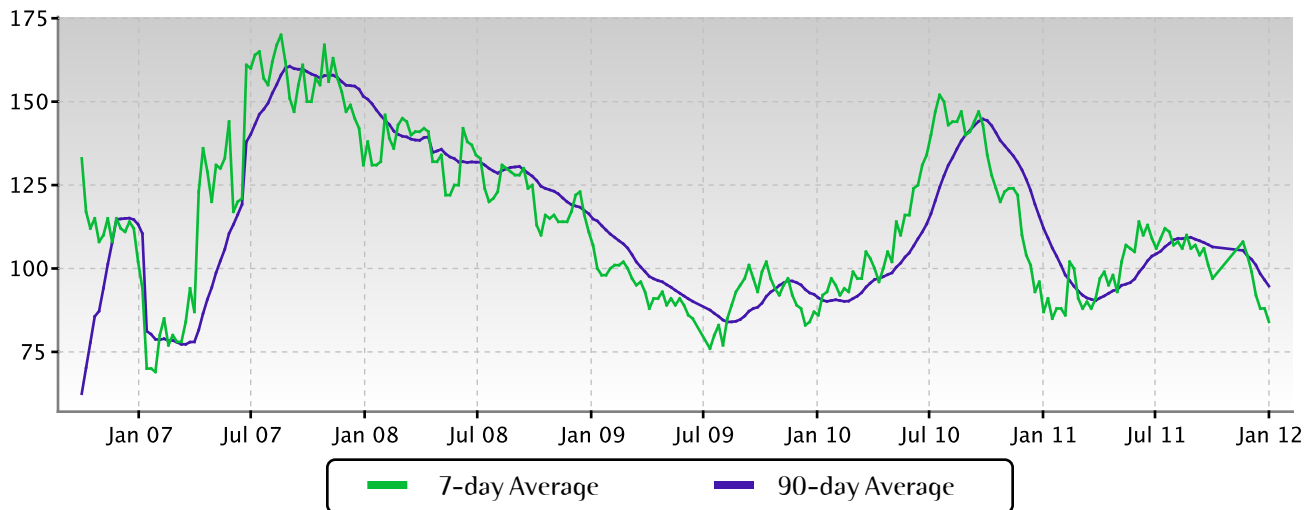
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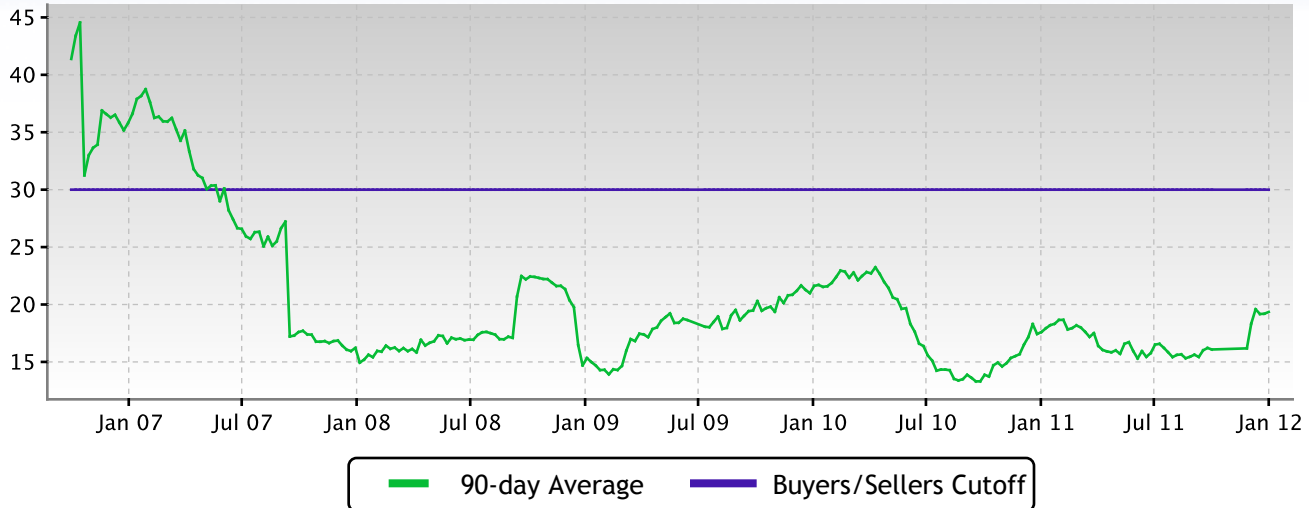
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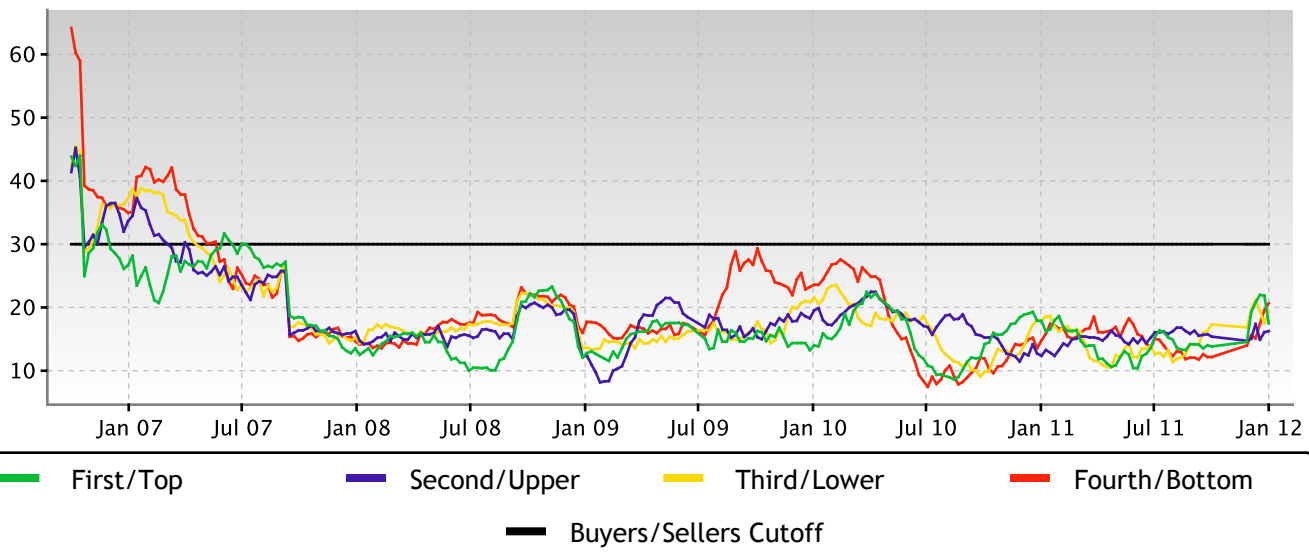
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Market Action Index per Quartile

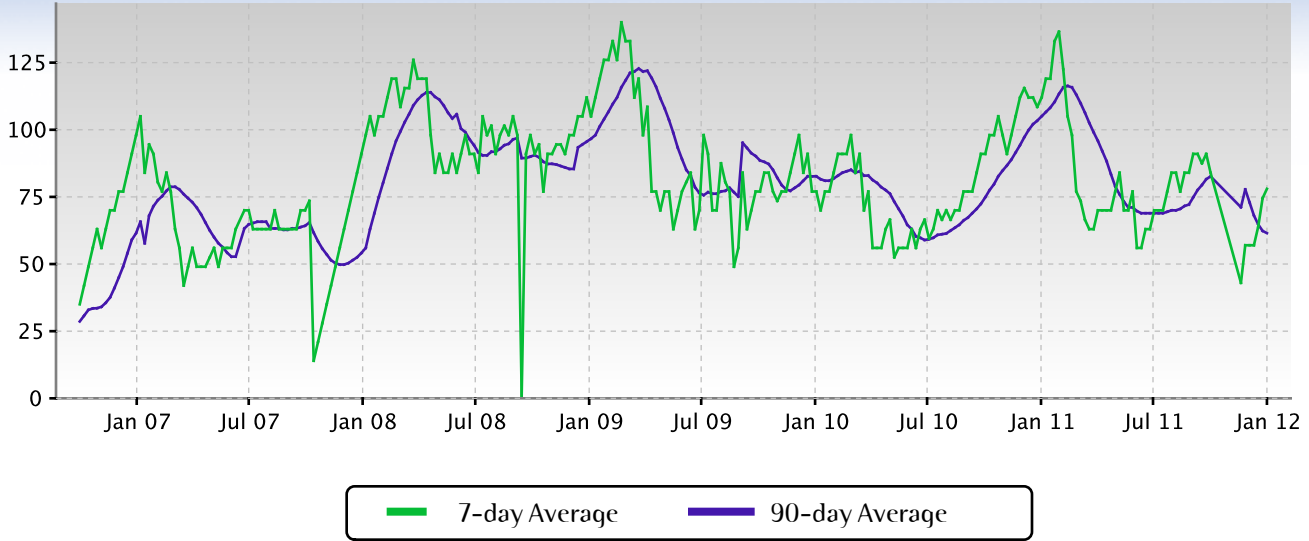
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