

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 February 13, 2011

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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 478,023	↓ ↓
Average List Price	\$ 476,907	
Least Expensive Listing	\$ 249,900	
Most Expensive Listing	\$ 859,000	
Asking Price per Square Foot	\$ 267	↑ ↑
Average Days on Market	148	↑ ↑
Total Inventory	103	↓ ↓
Absorbed This Week*	7	
Percent of Properties with Price Decrease	48 %	
Percent Relisted (reset DOM)	14 %	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	1,778	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.4	
Median Age	36	

Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	18 ↑ ↑

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	\$ 620,000	2,461	4,501 - 6500 sq ft	4.0	3.0	9	25	3	1	126
2	\$ 499,000	1,928	4,501 - 6500 sq ft	3.0	3.0	28	26	1	1	149
3	\$ 435,000	1,500	6,501 - 8,000 sq ft	3.0	2.0	47	26	0	2	142
4	\$ 339,250	1,215	4,501 - 6500 sq ft	3.0	2.0	43	26	3	3	175

BREA

THIS WEEK

The median single family home price in BREA this week is \$478,023. The 103 homes have been on the market for an average of 148 days.

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.

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

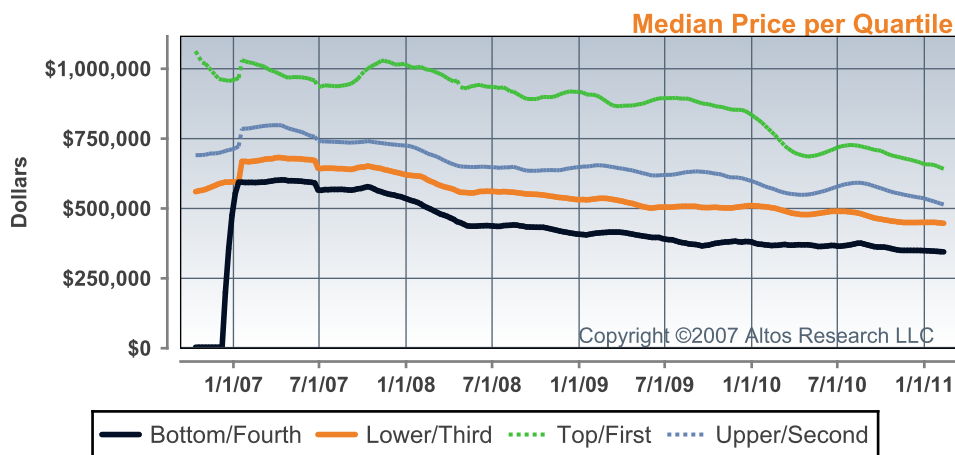
Least expensive 25% of homes

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



PRICE

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

Often, we find insights by watching pricing trends within the quartile segments.

Prices have generally settled at a plateau, although Quartile 2 has been trending a bit downward in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

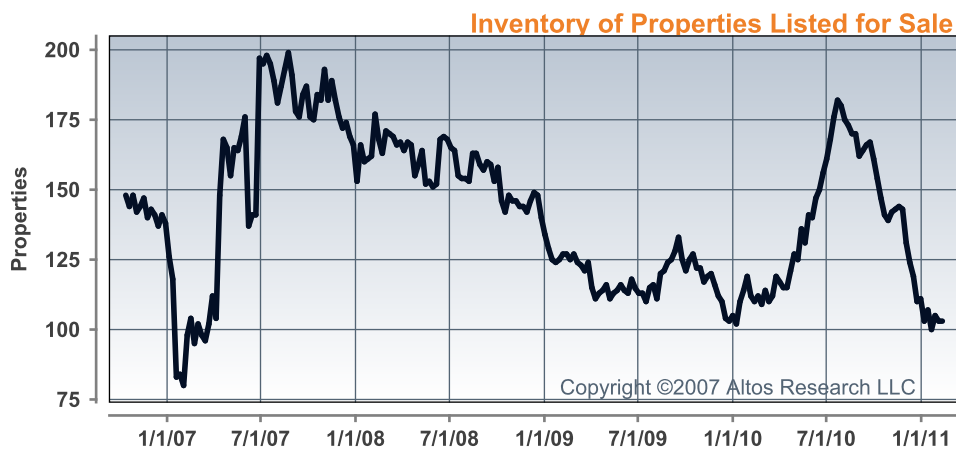
PRICE AND VALUE

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 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.



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.

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 18. 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.

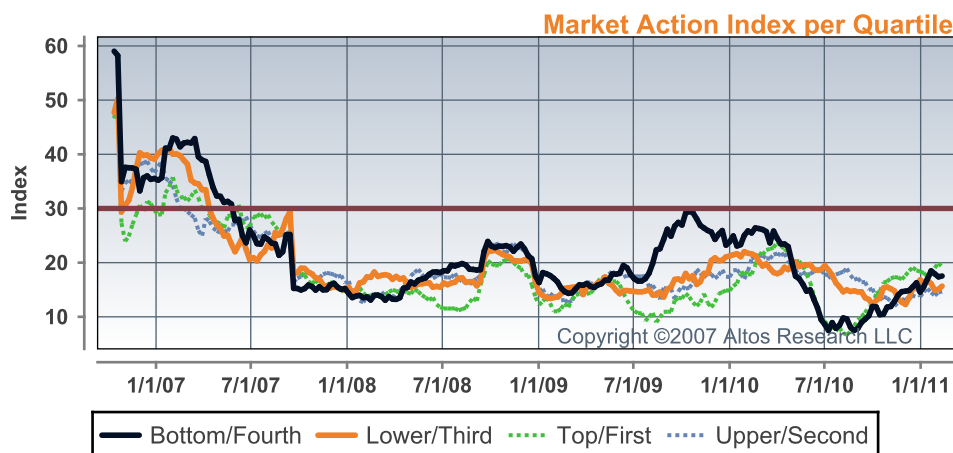
MARKET ACTION QUARTILES

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.

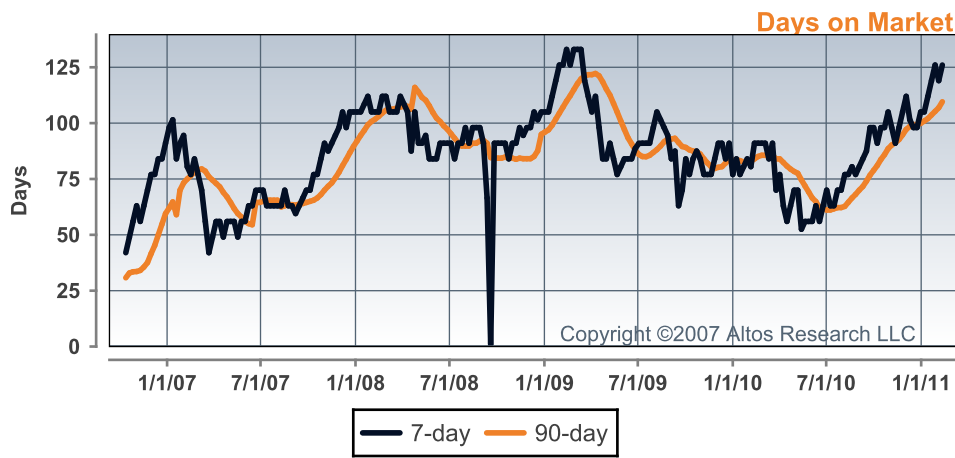


The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

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.

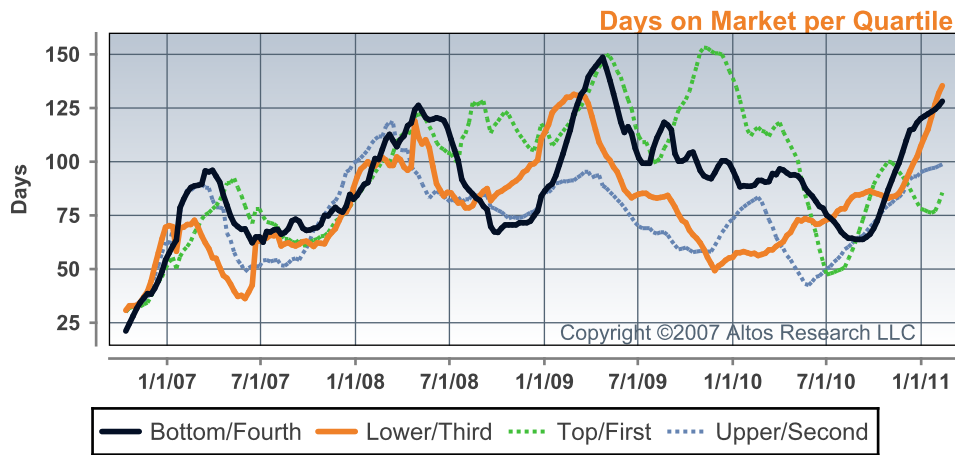


The quartiles can help you answer the question, "How hot is the market for homes in my price range?"



DAYS ON MARKET (DOM)

The properties have been on the market for an average of 148 days. Half of the listings have come newly on the market in the past 126 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	\$ 580,000	↑ ↑
Average List Price	\$ 595,053	
Least Expensive Listing	\$ 419,000	
Most Expensive Listing	\$ 859,000	
Asking Price per Square Foot	\$ 261	
Average Days on Market	146	← →
Total Inventory	17	
Absorbed This Week	1	
Median House Size (sq ft)	2,097	
Median Lot Size	4,501 - 6500 sq ft	
Median Number of Bedrooms	3.4	
Median Number of Bathrooms	3.0	
Median Age	9	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	11 ↓ ↓

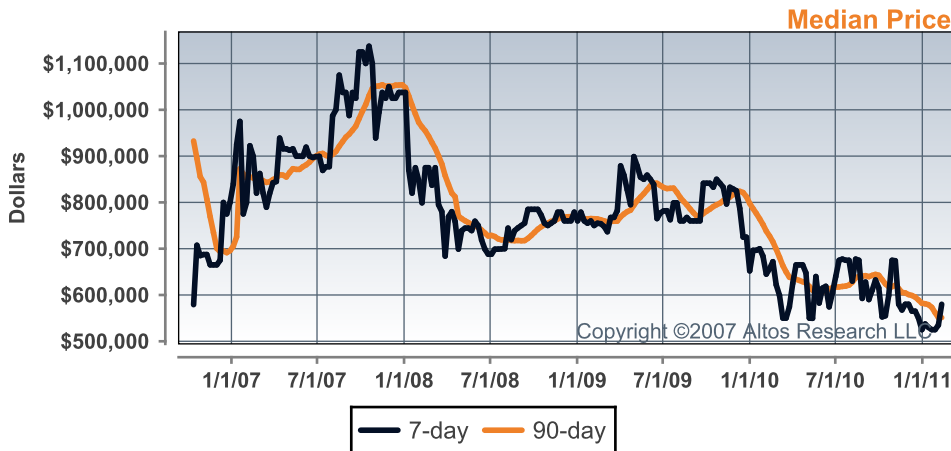
THIS WEEK

The median single family home price in BREA 92823 this week is \$580,000.

The Market Action Index has been trending down lately, indicating demand falling along with supply. Conditions point to mildly negative trends for the market.

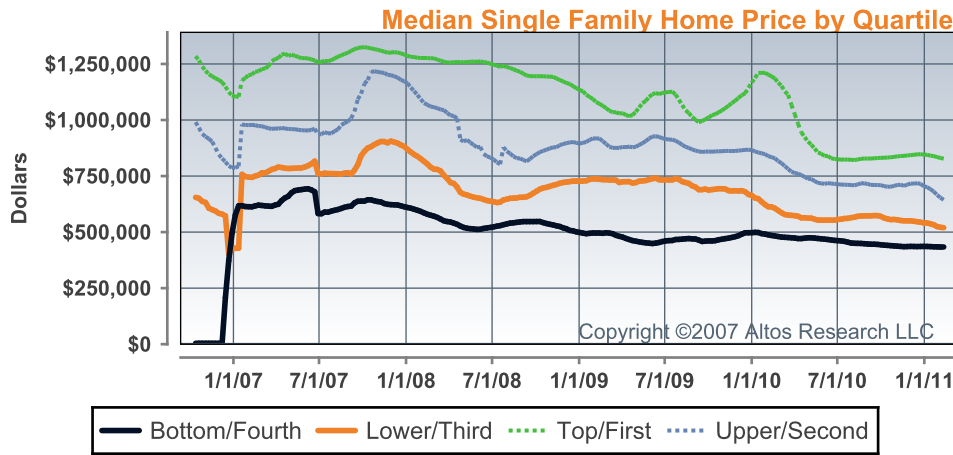
PRICE

The market for this zip code continues its bounce again this week. We're a long way from the market's high point so watch the Market Action Index to predict how long this trend will last.



PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 2 has been trending a bit downward in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.



Characteristics per Quartile

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 814,500	3,687	6,501 - 8,000 sq ft	4.5	4.0	9	4	1	0	128
2	\$ 622,500	2,522	Less than 4,500 sq ft	4.0	2.8	8	4	2	1	88
3	\$ 530,000	1,928	Less than 4,500 sq ft	3.0	2.5	9	4	0	0	233
4	\$ 435,000	1,377	Less than 4,500 sq ft	3.0	3.0	9	5	0	0	137

QUARTILES

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

PRICE AND VALUE

This is a market where watching the value metrics (like price per square foot) can provide insight that you don't get at first glance. Despite the fact that home prices are rising fairly consistently, the price per square foot of homes listed is declining. Often this can be attributed to new and remodeled homes on the market. Buyers in the area are paying more but also getting more for their money.



Inventory of Properties Listed for Sale



INVENTORY

Inventory has been climbing lately with 17 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.

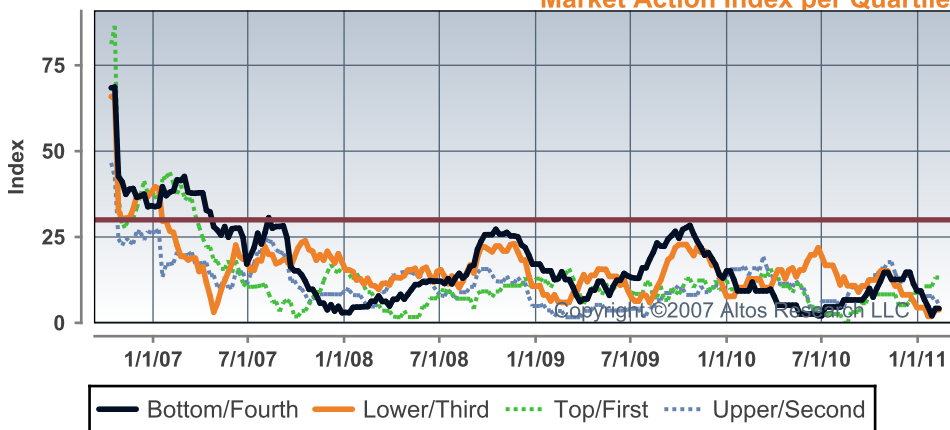
Market Action Index



MARKET ACTION INDEX

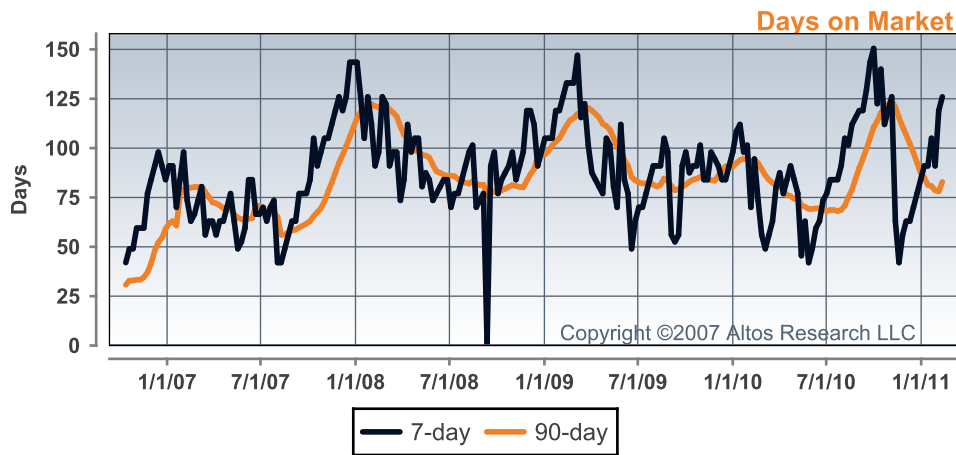
The BREA 92823 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 11. With several months of inventory available at the current sales rate, buyers should find ample choice.

Market Action Index per Quartile



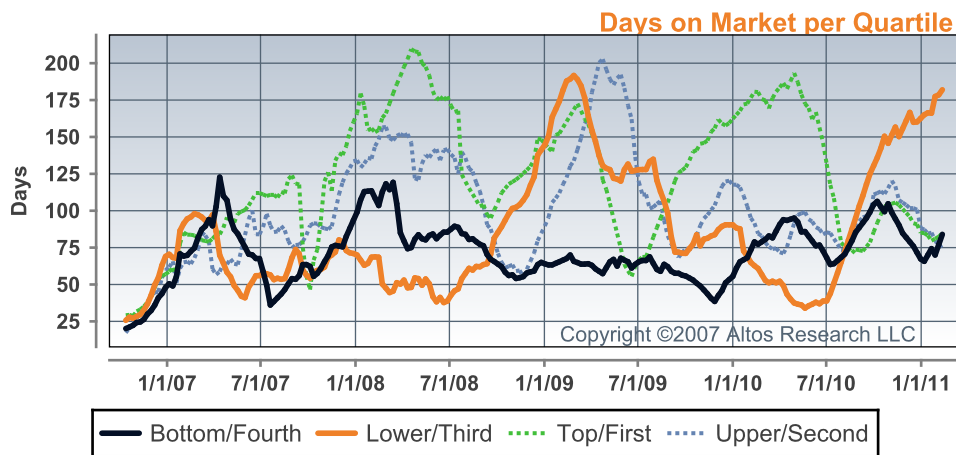
MARKET ACTION QUARTILES

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 145 days. Half of the listings have come newly on the market in the past 126 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	\$ 459,900	↓ ↓
Average List Price	\$ 453,552	
Least Expensive Listing	\$ 249,900	
Most Expensive Listing	\$ 700,000	
Asking Price per Square Foot	\$ 268	
Average Days on Market	148	↑ ↑
Total Inventory	86	
Absorbed This Week	6	
Median House Size (sq ft)	1,742	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	
Median Age	39	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	18 ↑ ↑

THIS WEEK

The median single family home price in BREA 92821 this week is \$459,900.

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.

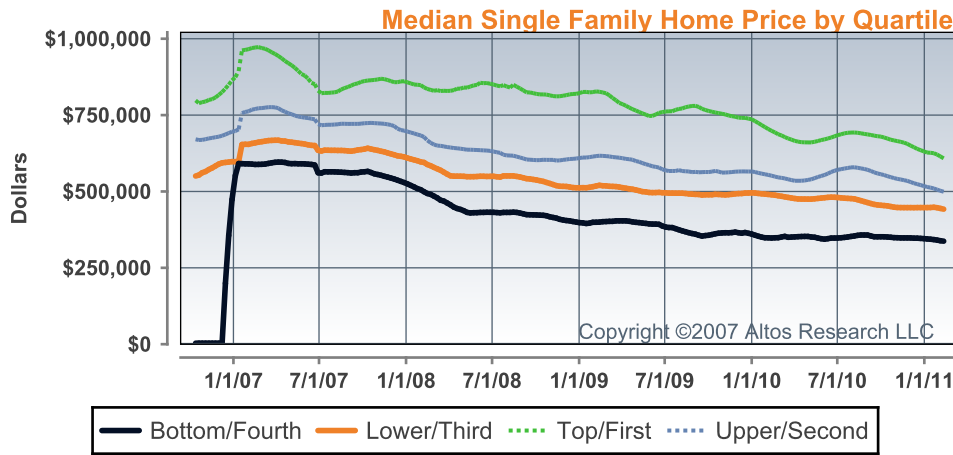
PRICE

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.



PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 2 has been trending a bit downward in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.



Characteristics per Quartile

QUARTILES

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 570,000	2,230	4,501 - 6500 sq ft	4.0	3.0	31	21	0	0	136
2	\$ 485,001	1,832	6,501 - 8,000 sq ft	3.0	3.0	42	21	1	1	128
3	\$ 417,544	1,442	6,501 - 8,000 sq ft	3.0	2.0	50	22	1	3	142
4	\$ 330,000	1,158	4,501 - 6500 sq ft	2.0	2.0	41	22	2	2	186

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

PRICE AND VALUE

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

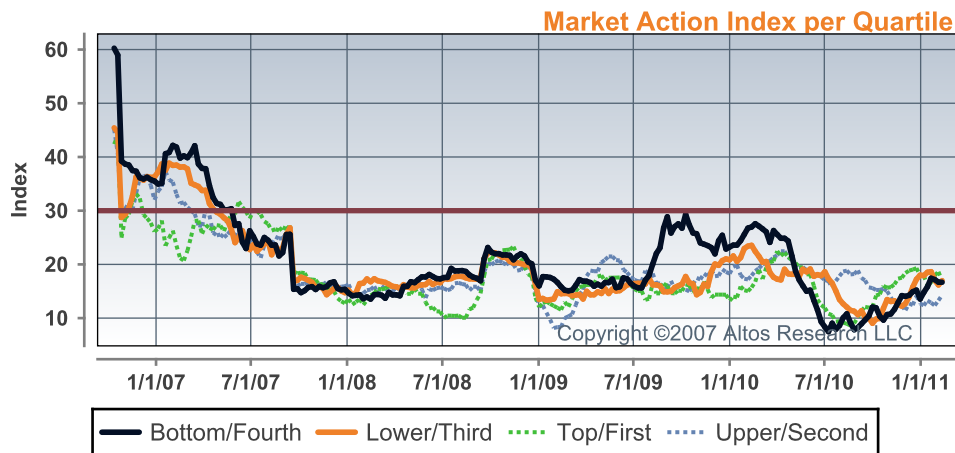
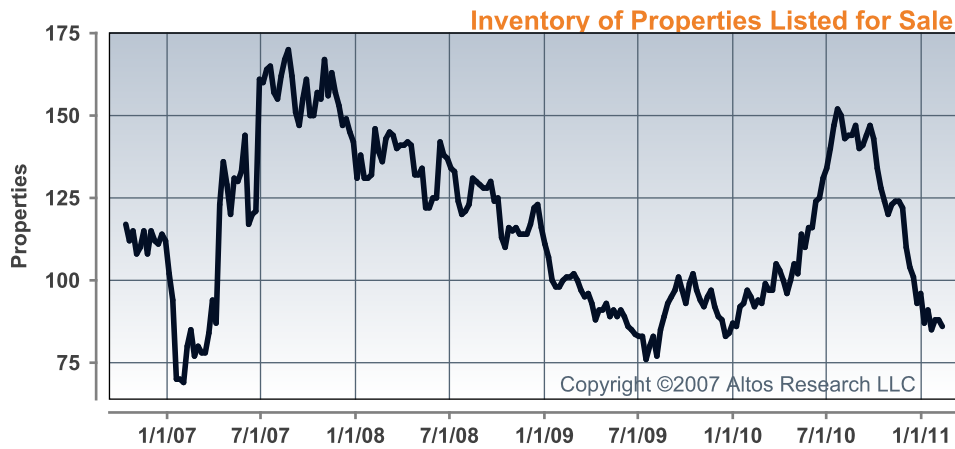
Inventory has been falling in recent weeks with 86 properties available this week. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index to gauge whether buyer interest is falling with the available supply.

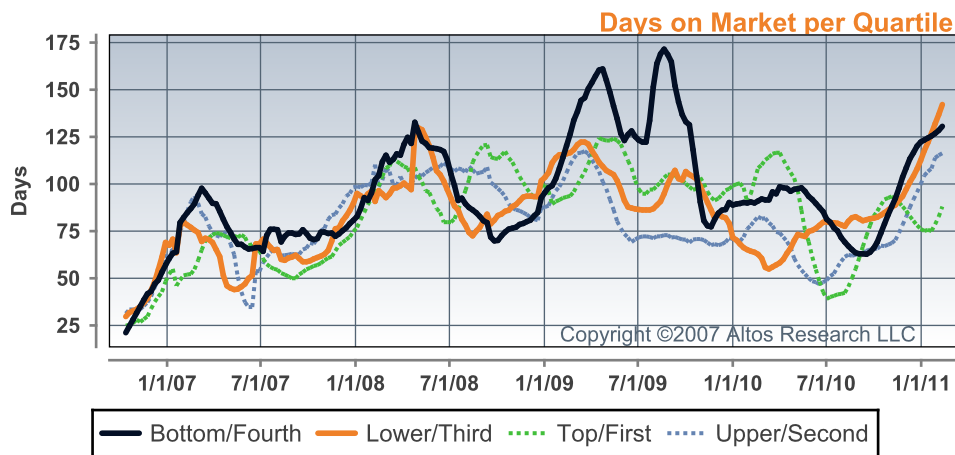
MARKET ACTION INDEX

The BREA 92821 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 18. 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.





About Altos Research Corporation

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