

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 20, 2011

Presented by Adam Brett - Eric Urban
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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 476,512	↓ ↓
Average List Price	\$ 479,472	
Least Expensive Listing	\$ 249,900	
Most Expensive Listing	\$ 859,000	
Asking Price per Square Foot	\$ 798	↑ ↑
Average Days on Market	136	↑ ↑
Total Inventory	120	↓ ↓
Absorbed This Week*	3	
Percent of Properties with Price Decrease	42 %	
Percent Relisted (reset DOM)	13 %	
Percent Flip (price increased)	7 %	
Median House Size (sq ft)	1,676	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.5	
Median Age	36	

Altos Research Value Statistics	
Market Action Index	Cold! Buyer's Market 17 ↓ ↓

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	\$ 617,000	690	6,501 - 8,000 sq ft	4.0	3.0	14	30	9	2	102
2	\$ 499,000	825	4,501 - 6500 sq ft	3.0	3.0	28	30	2	0	145
3	\$ 435,000	441	6,501 - 8,000 sq ft	3.0	2.0	46	30	5	1	136
4	\$ 339,900	344	4,501 - 6500 sq ft	3.0	2.0	43	30	4	0	164

BREA

THIS WEEK

The median single family home price in BREA this week is \$476,511. The 120 homes have been on the market for an average of 136 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.

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

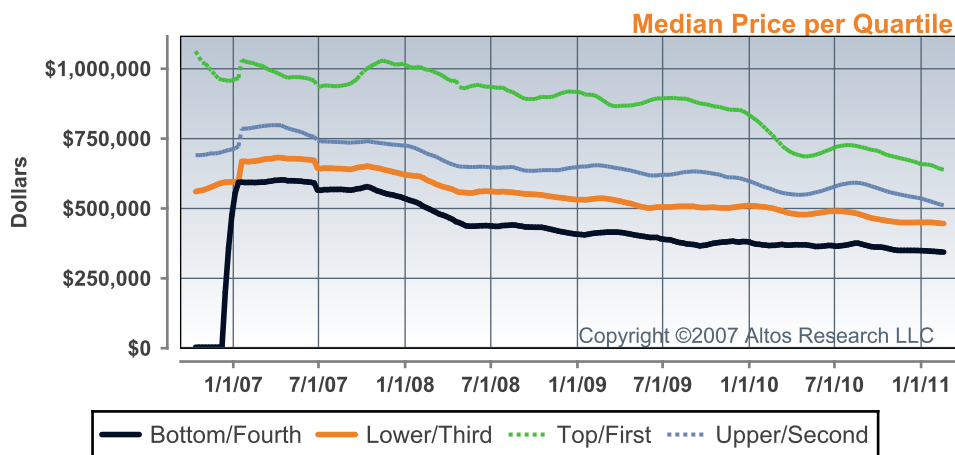
Least expensive 25% of homes

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



PRICE

The market has been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle.



QUARTILE PRICES

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

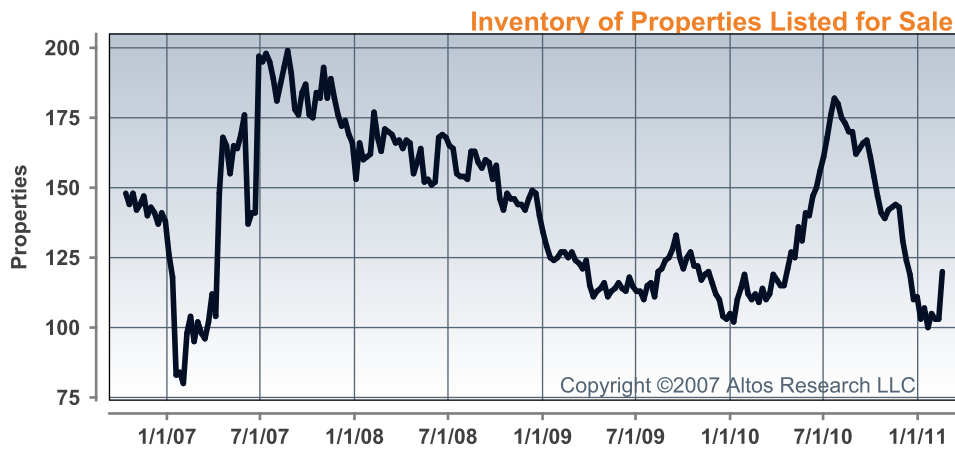
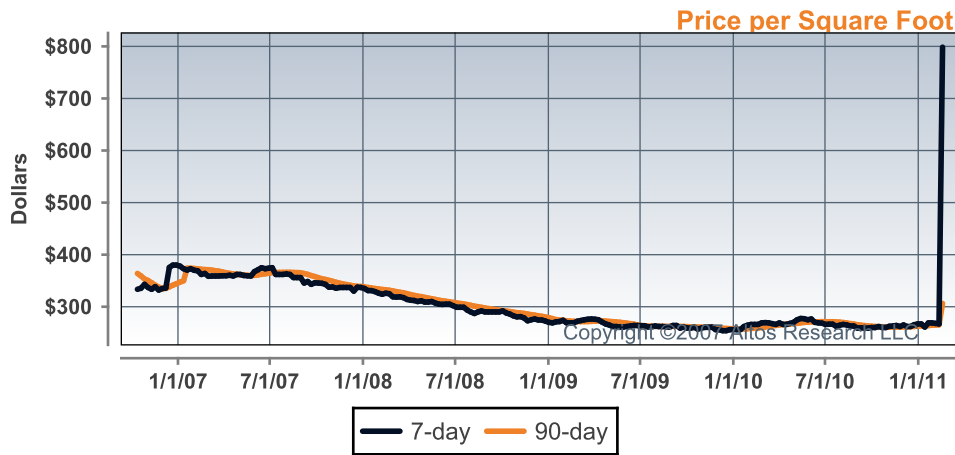
Prices have generally settled at a plateau, although Quartile 2 has been trending a bit downward in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

PRICE AND VALUE

The 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

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.



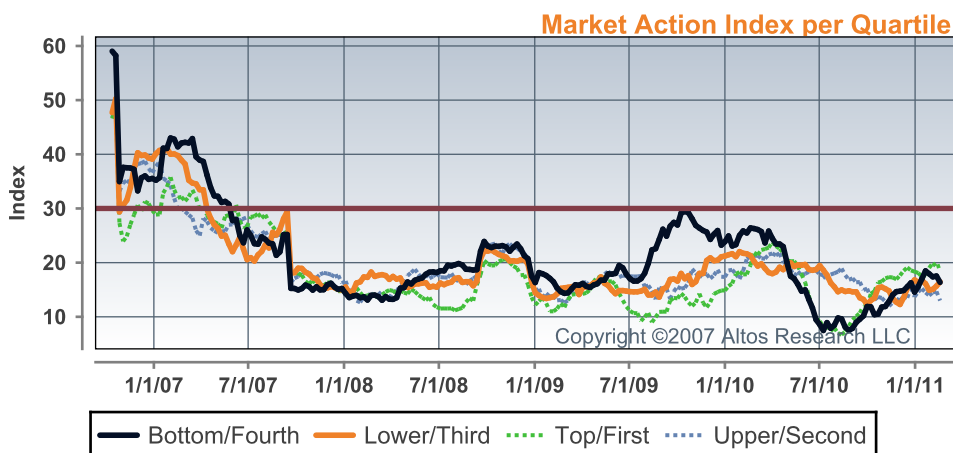
The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

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 17. With several months of inventory available at the current sales rate, buyers should find ample choice.

The Market Action Index has been trending lower for several weeks while prices have remained relatively stable. If inventory continues to grow relative to demand however, it is likely that we will see downward pressure on pricing.



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

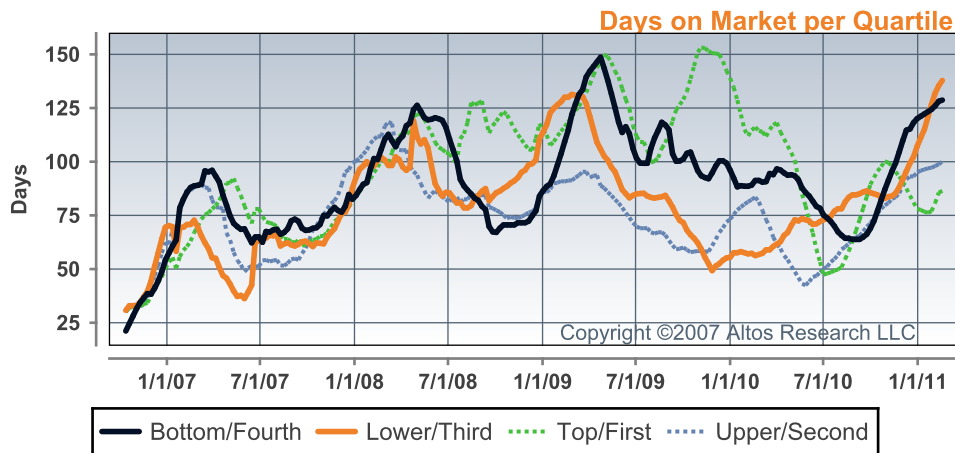
MARKET ACTION QUARTILES

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.



DAYS ON MARKET (DOM)

The properties have been on the market for an average of 136 days. Half of the listings have come newly on the market in the past 105 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	\$ 530,000	← →
Average List Price	\$ 576,711	
Least Expensive Listing	\$ 399,000	
Most Expensive Listing	\$ 859,000	
Asking Price per Square Foot	\$ 772	
Average Days on Market	134	↑ ↑
Total Inventory	18	
Absorbed This Week	1	
Median House Size (sq ft)	1,976	
Median Lot Size	4,501 - 6500 sq ft	
Median Number of Bedrooms	3.3	
Median Number of Bathrooms	3.0	
Median Age	9	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	12 ↑ ↑

THIS WEEK

The median single family home price in BREA 92823 this week is \$530,000.

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.

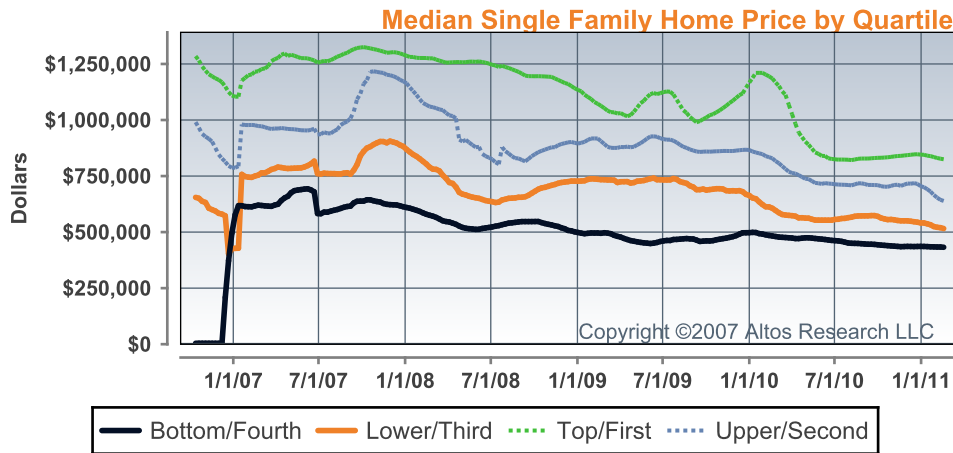
PRICE

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.



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	\$ 814,500	818	6,501 - 8,000 sq ft	4.5	4.0	9	4	0	0	135
2	\$ 612,000	1,398	Less than 4,500 sq ft	4.0	3.0	9	4	0	1	79
3	\$ 498,000	901	Less than 4,500 sq ft	3.0	2.0	9	5	1	0	179
4	\$ 419,900	100	Less than 4,500 sq ft	3.0	2.0	8	5	1	0	130

Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

Least expensive 25% of homes

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 climbing lately with 18 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.

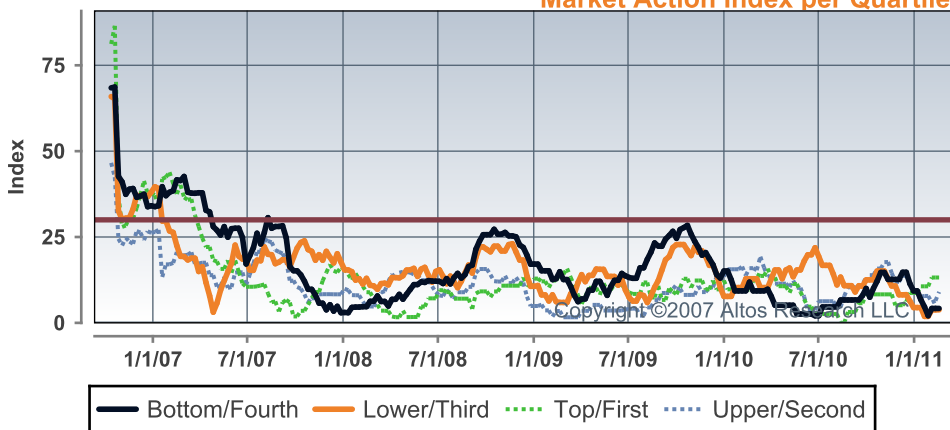
Market Action Index



MARKET ACTION INDEX

The BREA 92823 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 12. With several months of inventory available at the current sales rate, buyers should find ample choice.

Market Action Index per Quartile



MARKET ACTION QUARTILES

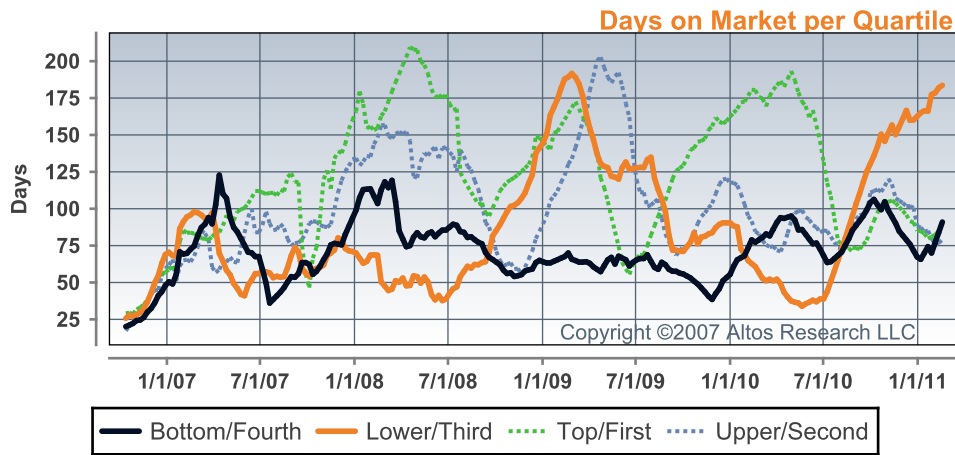
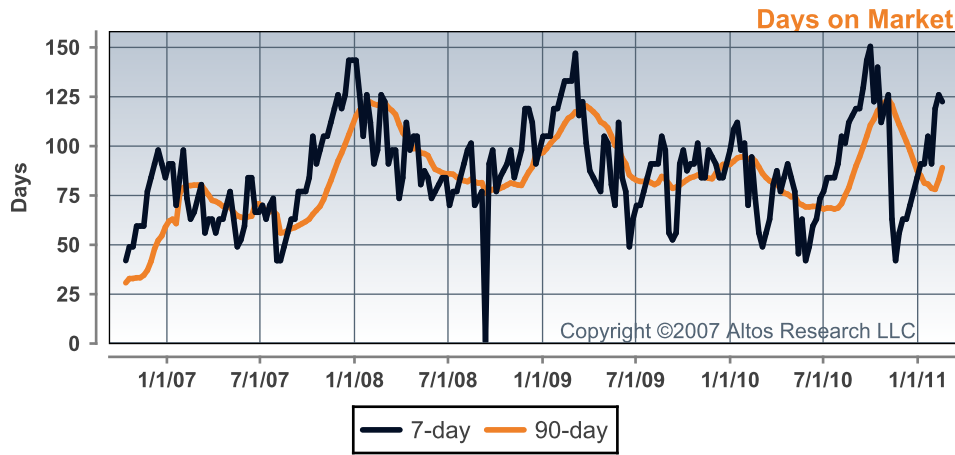
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.

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 122 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	\$ 464,450	↓ ↓
Average List Price	\$ 462,313	
Least Expensive Listing	\$ 249,900	
Most Expensive Listing	\$ 749,000	
Asking Price per Square Foot	\$ 798	
Average Days on Market	137	↑ ↑
Total Inventory	102	
Absorbed This Week	2	
Median House Size (sq ft)	1,641	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	
Median Age	40	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	17 ↓ ↓

THIS WEEK

The median single family home price in BREA 92821 this week is \$464,450.

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.

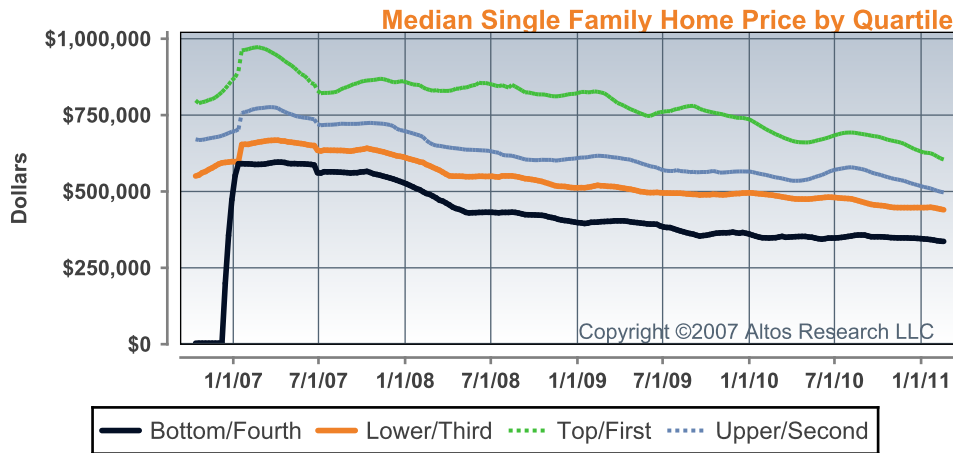
PRICE

Prices in this zip code have been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle.



PRICE PER QUARTILE

In the quartile market segments, we see the upper end of the market in this zip code showing weakness. While there is enough demand in the low end (Quartiles 3 and 4) to keep prices flat, unless there is a persistent up-shift in the Market Action Index, the entire market may resume a down trend soon.



Characteristics per Quartile

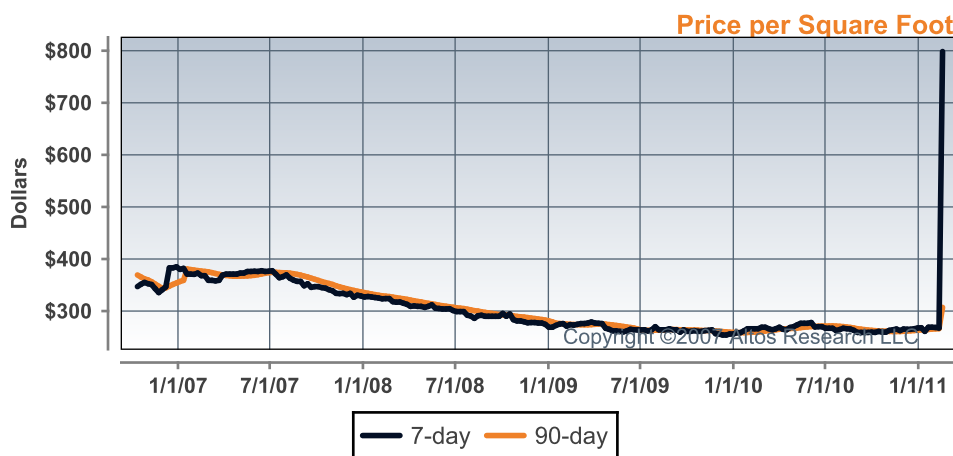
QUARTILES

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 589,900	662	6,501 - 8,000 sq ft	4.0	3.0	33	25	9	1	96
2	\$ 489,888	800	4,501 - 6500 sq ft	3.0	3.0	31	25	3	1	142
3	\$ 422,000	474	6,501 - 8,000 sq ft	3.0	2.0	52	26	3	0	136
4	\$ 339,250	297	4,501 - 6500 sq ft	2.5	2.0	43	26	3	0	174

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

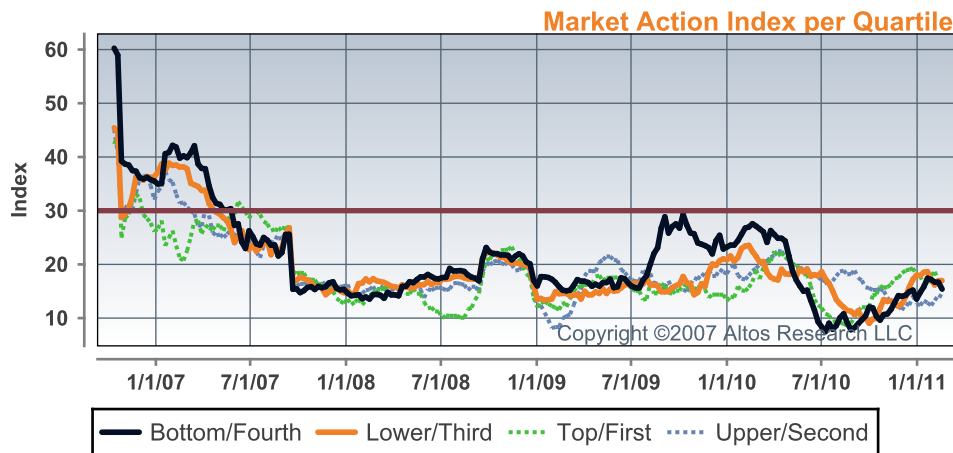
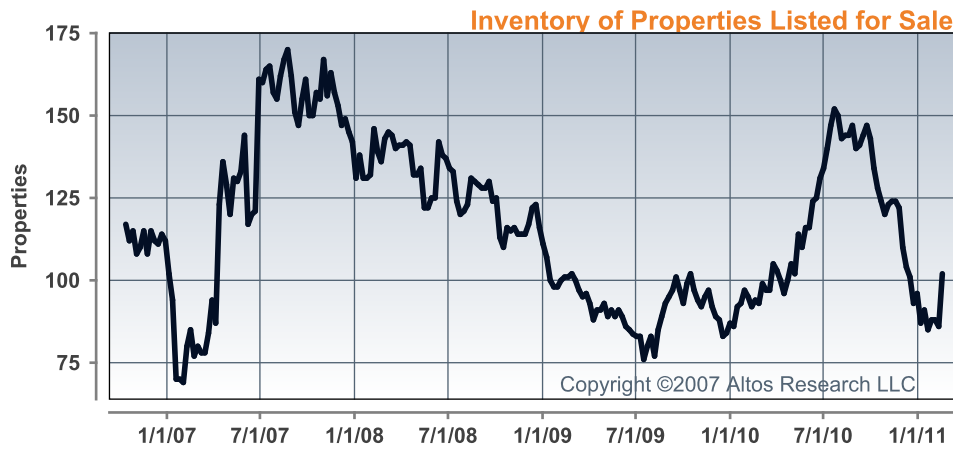
Inventory has been climbing lately with 102 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.

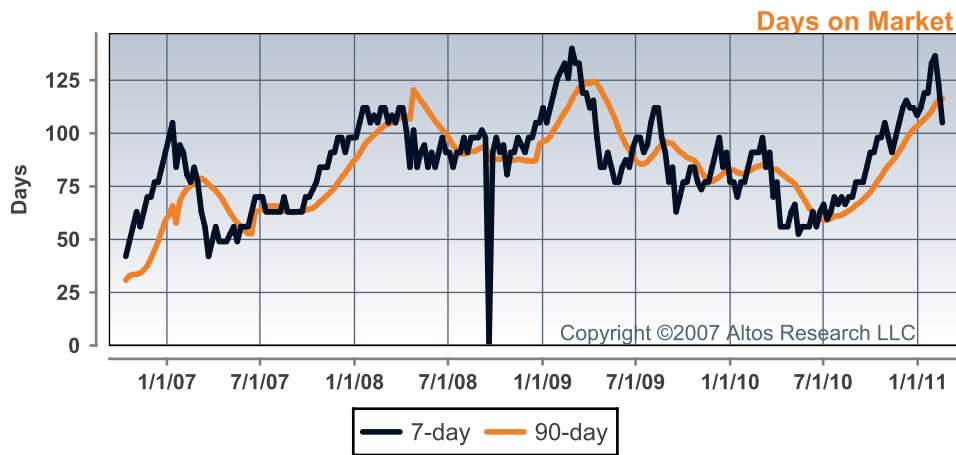
MARKET ACTION INDEX

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MARKET ACTION QUARTILES

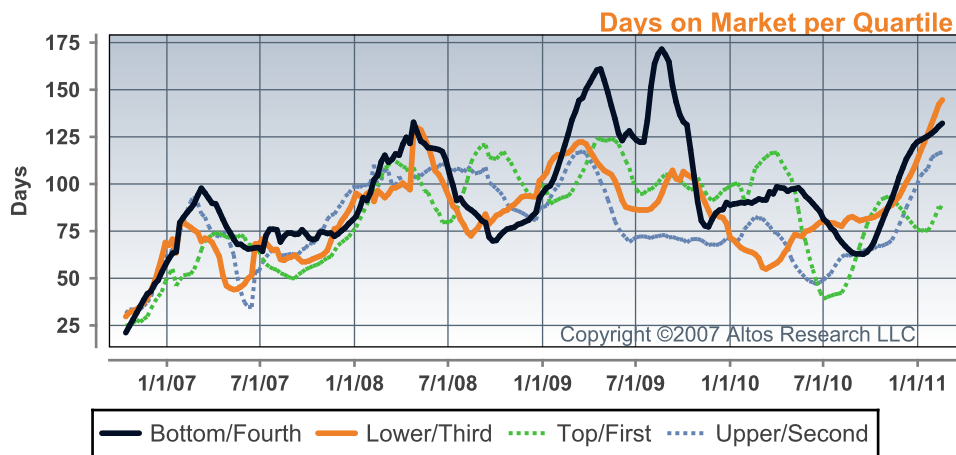
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 137 days. Half of the listings have come newly on the market in the past 105 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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