

# 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  
February 06, 2012**

- **Presented by Adam Brett - Eric Urban**  
**RE/MAX**  
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ADAM & ERIC  
BRETT & URBAN

### This Week

- The median list price in BREA, CA this week is \$470,000. The 101 properties have been on the market for an average of 113 days.

Even though the days-on-market is trending higher, so is the Market Action Index at these inventory levels, providing a neutral outlook 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

Median List Price	\$ 470,000	↔
Average List Price	\$ 487,006	
Asking Price Per Square Foot	\$ 242	↓
Average Days on Market (DoM)	113	↑
Inventory of Properties Listed	101	↔
Most Expensive Listing	\$ 3,499,900	
Least Expensive Listing	\$ 15,000	
Average Age of Listing	31	
Percent of Properties with Price Decrease	32 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	1911	
Median Lot Size	4,501 - 6,500 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

#### Trend

#### Altos Research Value Statistics

Market Action Index Strong Buyer's 20.5 ↑

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	\$ 699,000	2830	0.25 - 0.50 acre	4.0	3.0	8	25	4	2	140
Upper/Second	\$ 525,000	2236	4,501 - 6,500 sqft	4.0	2.5	34	25	4	3	98
Lower/Third	\$ 415,000	1666	4,501 - 6,500 sqft	3.0	2.0	35	25	3	4	111
Bottom/Fourth	\$ 84,450	1433	4,501 - 6,500 sqft	2.0	2.0	35	26	2	1	104

Most expensive 25% of properties

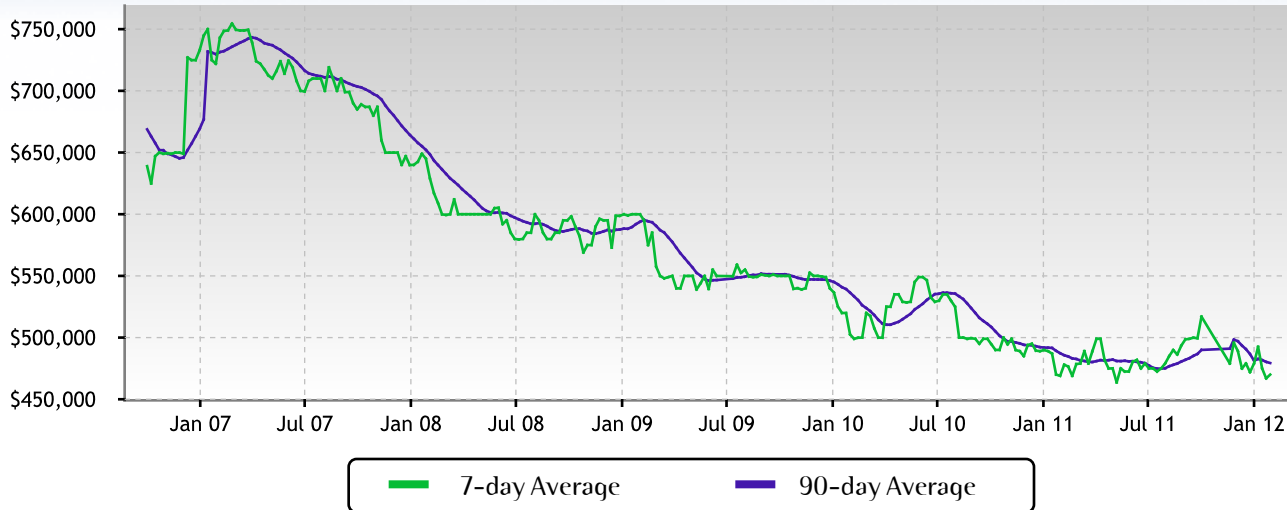
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

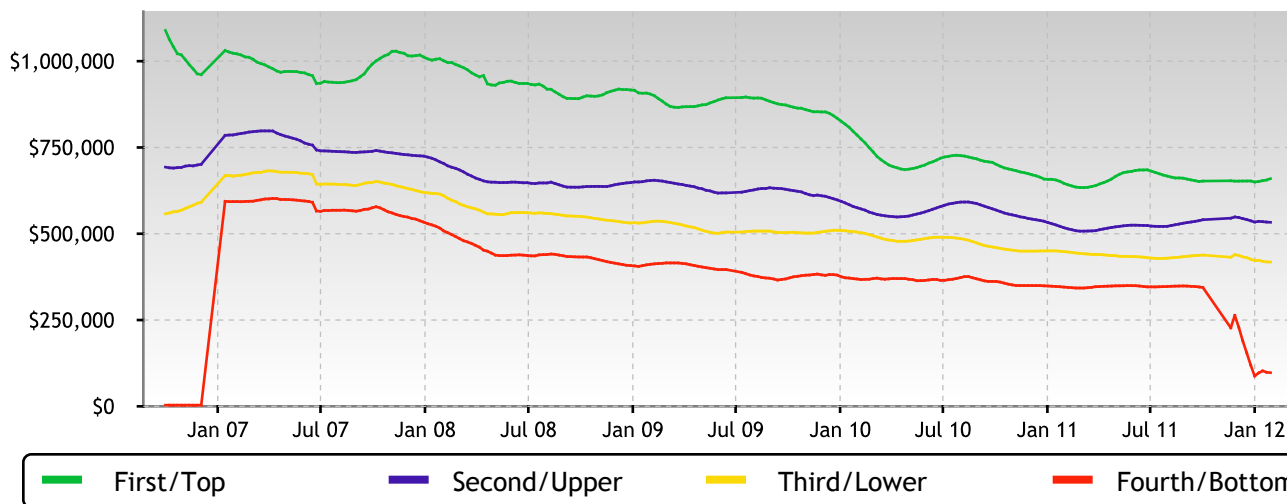
## Median Price

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



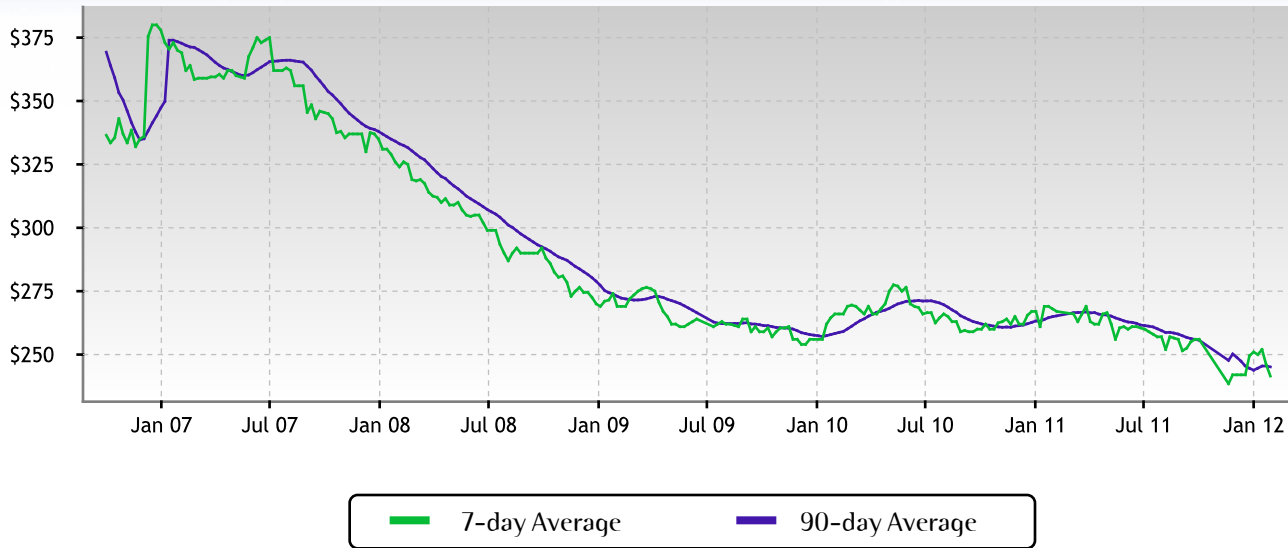
## Quartile Prices

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.



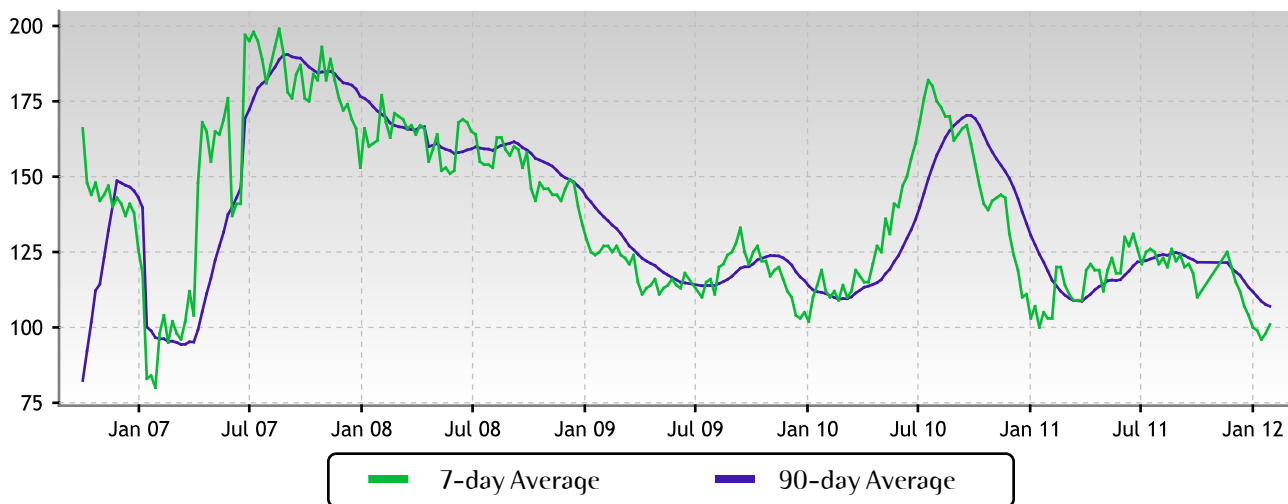
### Price per Square Foot

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 can see more home for their money.



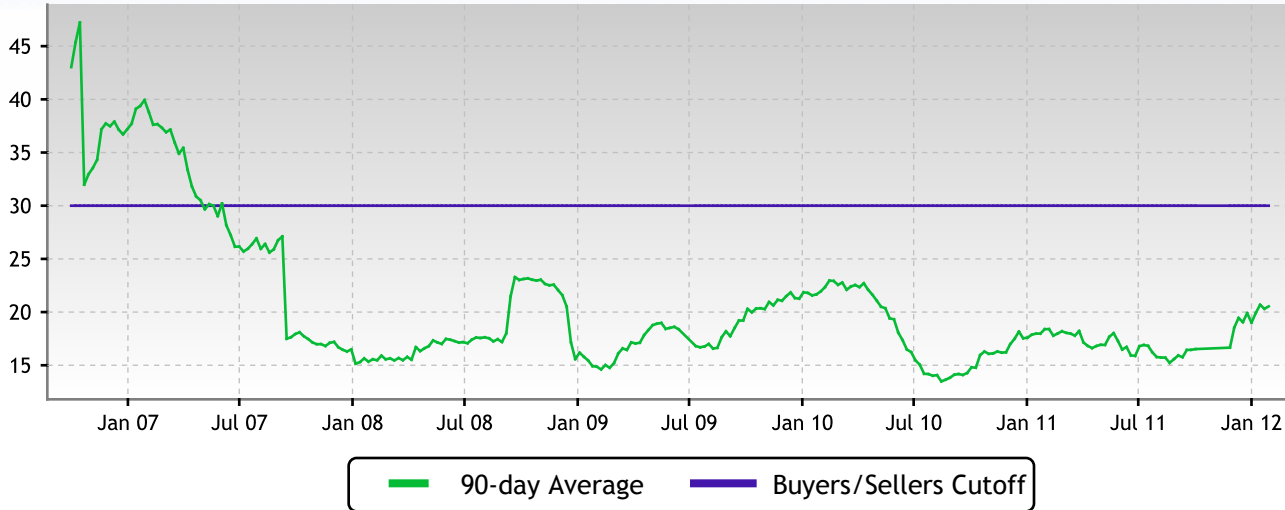
### Inventory of Properties Listed for Sale

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



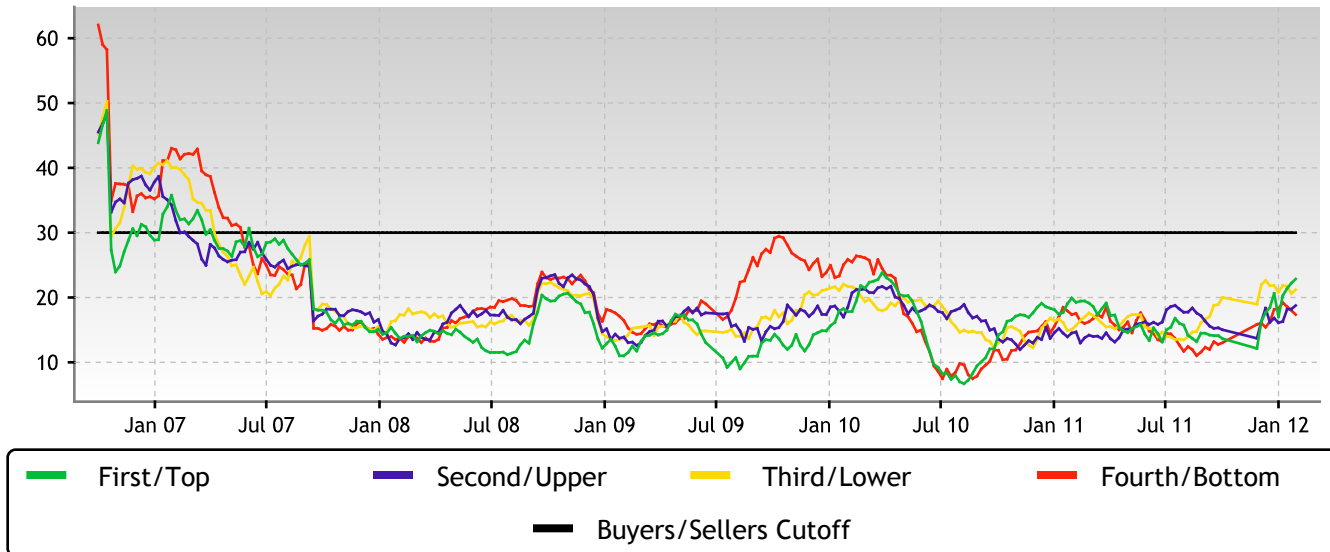
## Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 20.54. With several months of inventory available at the current sales rate, buyers should find ample choice.



## Market Action Index per Quartile

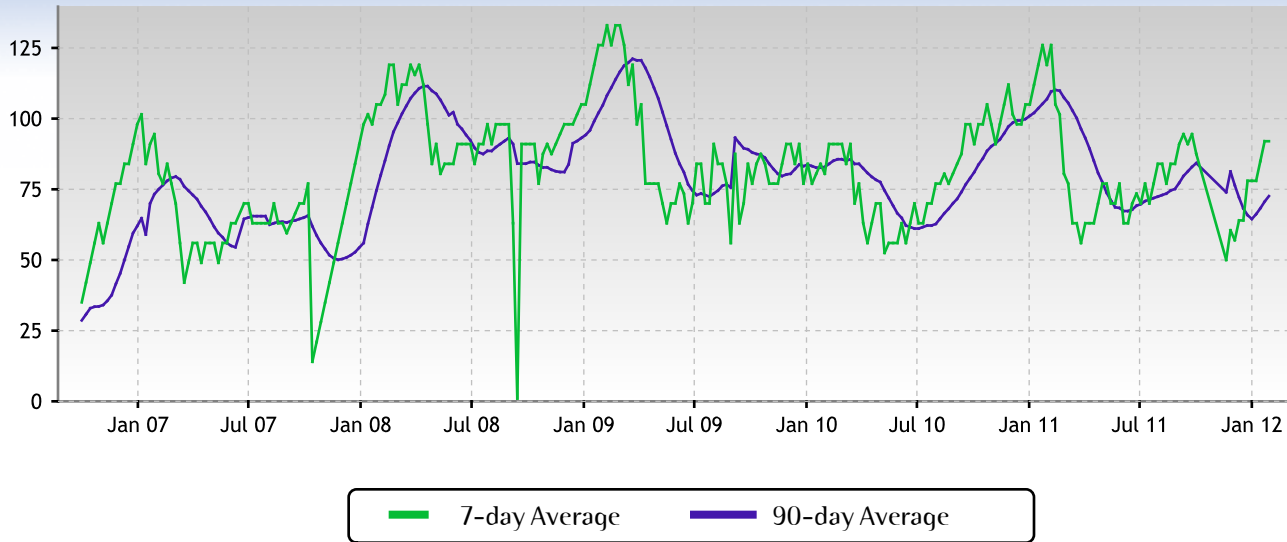
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low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

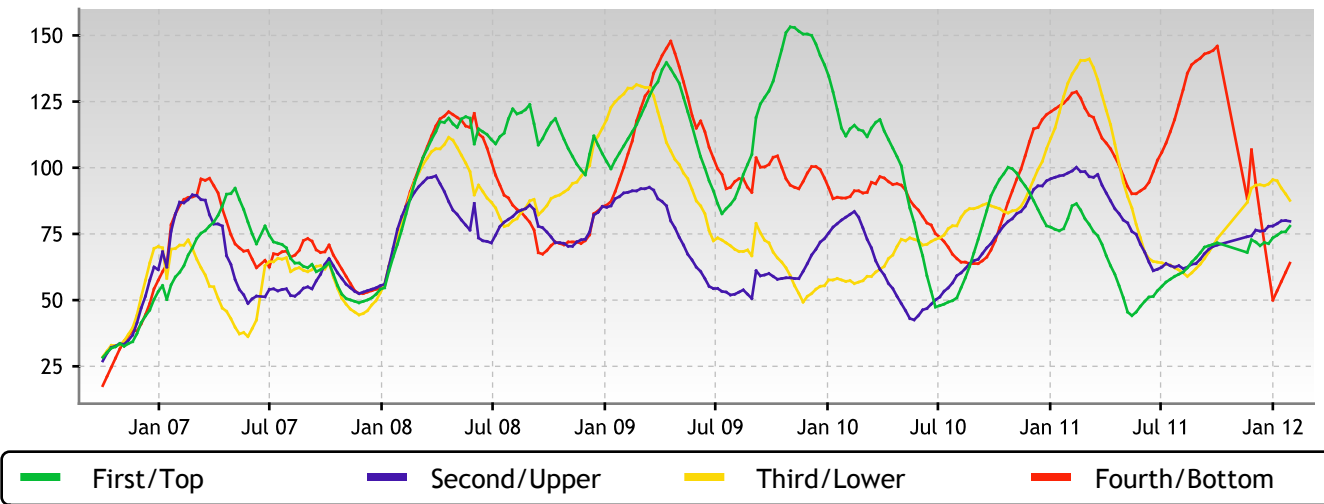
## Days on Market

The properties have been on the market for an average of 113 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 92823 this week is \$587,450. The 20 properties have been on the market for an average of 114 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.

## 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	\$ 587,450 ↑
Average List Price	\$ 723,285 ↓
Asking Price Per Square Foot	\$ 250 ↑
Average Days on Market (DoM)	114 ↑
Inventory of Properties Listed	20 ↑
Most Expensive Listing	\$ 3,499,900
Least Expensive Listing	\$ 15,000
Average Age of Listing	25
Percent of Properties with Price Decrease	30 %
Percent Relisted (reset DOM)	n/a
Percent Flip (price increased)	15 %
Median House Size (sq ft)	2667
Median Lot Size	6,501 - 8,000 sqft
Median Number of Bedrooms	4.0
Median Number of Bathrooms	2.5

### Altos Research Value Statistics

Market Action Index Strong Buyer's 16.1 ↑

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	\$ 949,000	3700	20+ acres	4.0	3.8	10	5	2	0	49
Upper/Second	\$ 650,000	2680	8,001 - 10,000 sqft	5.0	3.0	26	5	1	1	86
Lower/Third	\$ 492,500	2261	4,501 - 6,500 sqft	4.0	2.5	10	5	0	1	167
Bottom/Fourth	\$ 23,000	1077	4,501 - 6,500 sqft	2.0	2.0	37	5	0	0	152

Most expensive 25% of properties

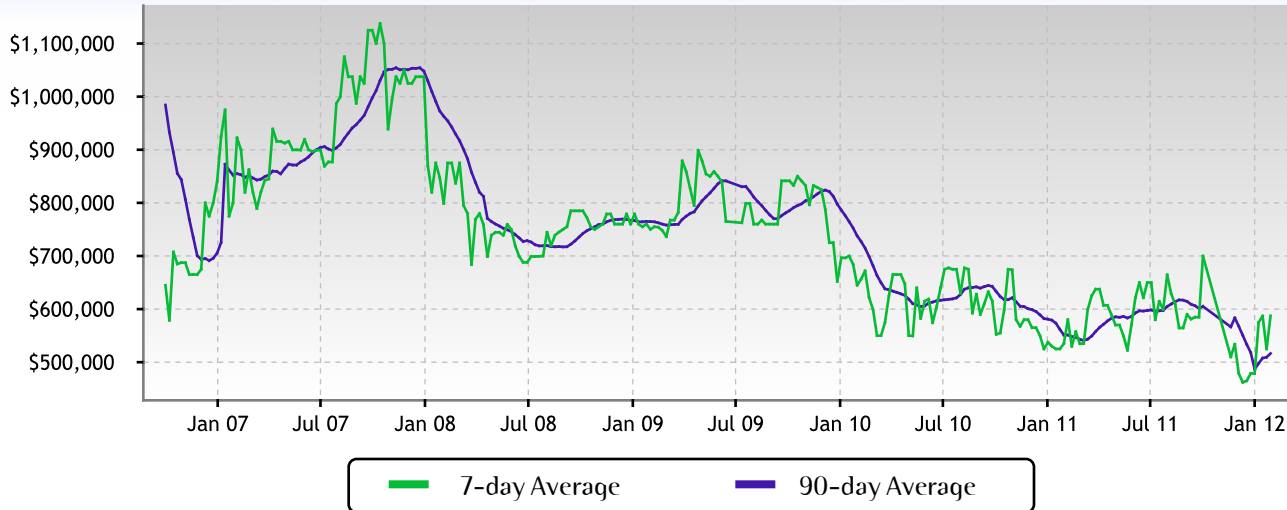
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

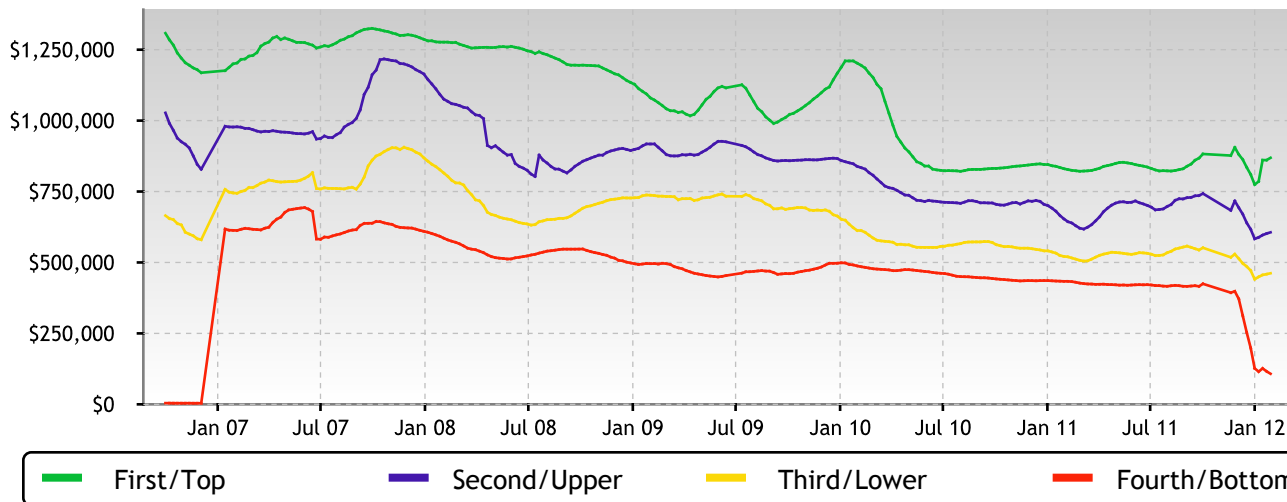
## Median Price

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.



## Quartile Prices

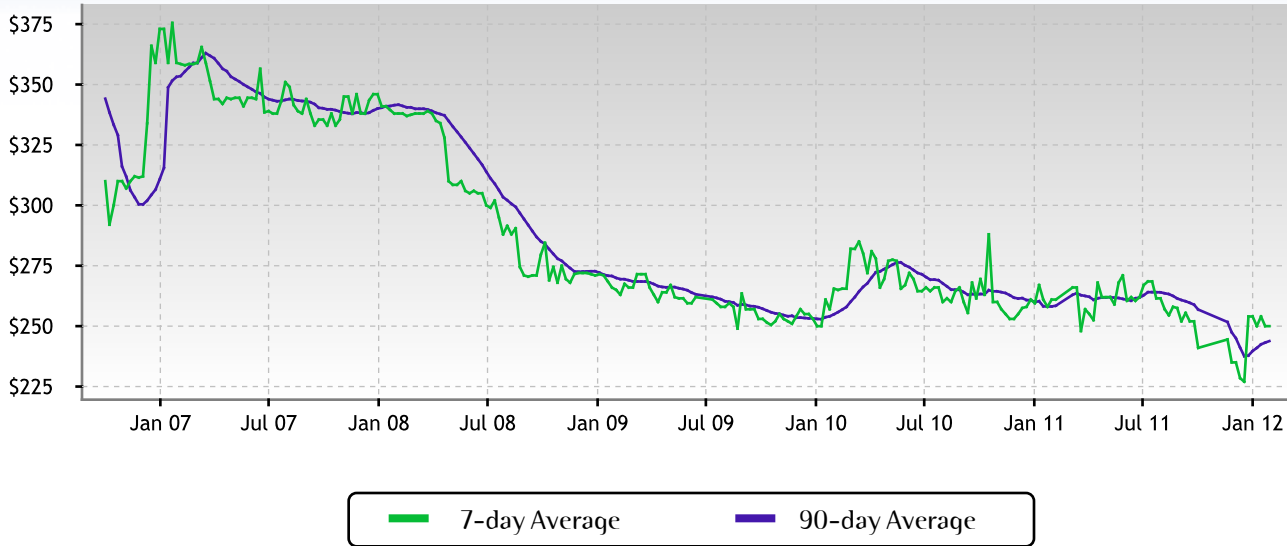
In the quartile market segments, we see prices in this zip code have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.





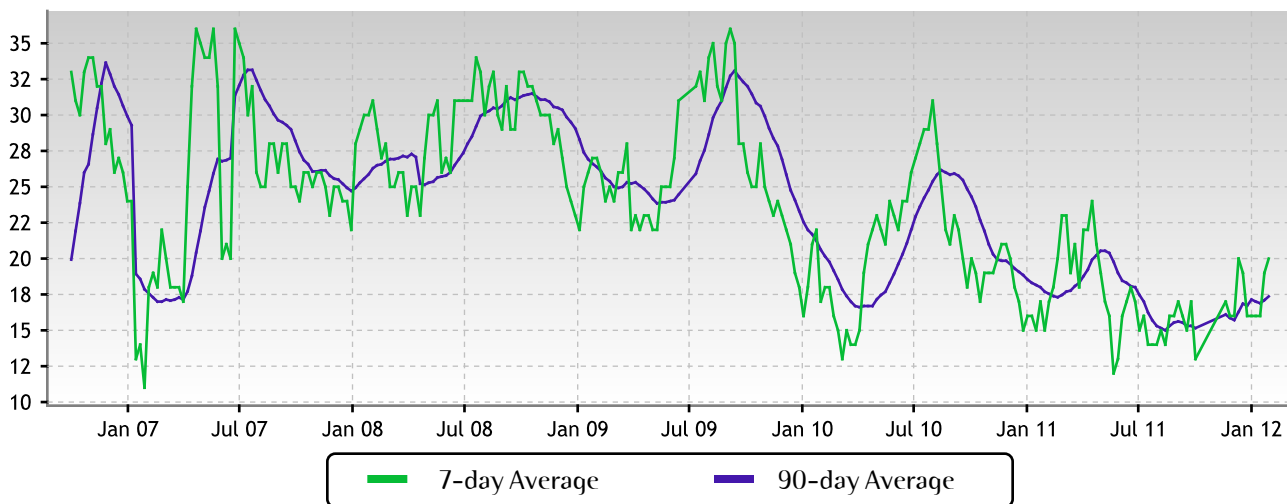
## Price per Square Foot

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. Home prices are rising a bit recently and the price per square foot of homes listed is declining a bit. 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.



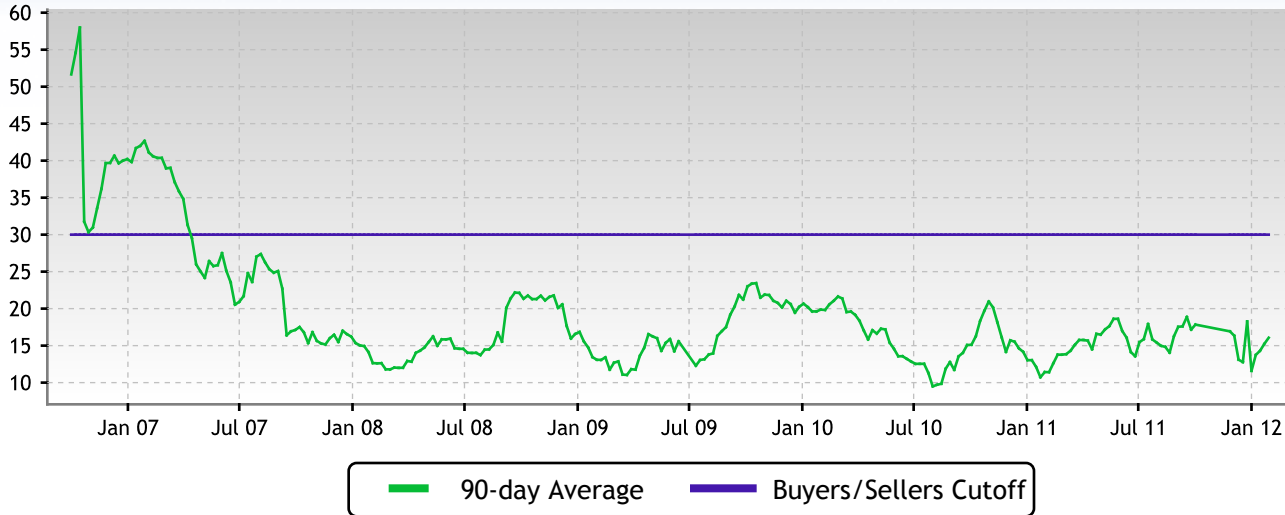
## Inventory of Properties Listed for Sale

Inventory 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.



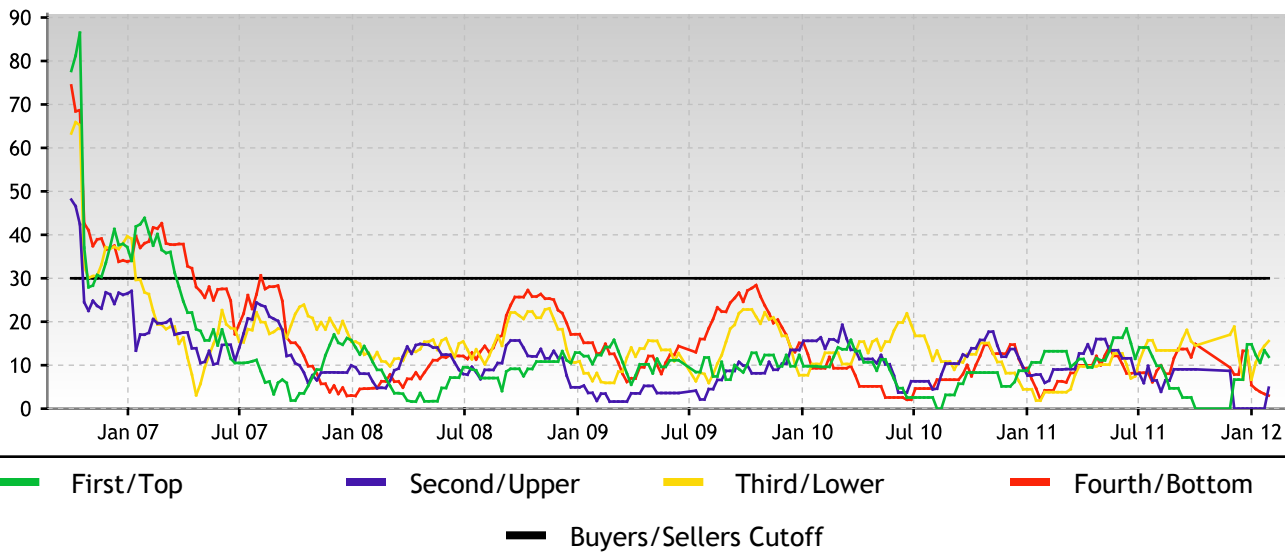
## Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 16.07. With several months of inventory available at the current sales rate, buyers should find ample choice.



## Market Action Index per Quartile

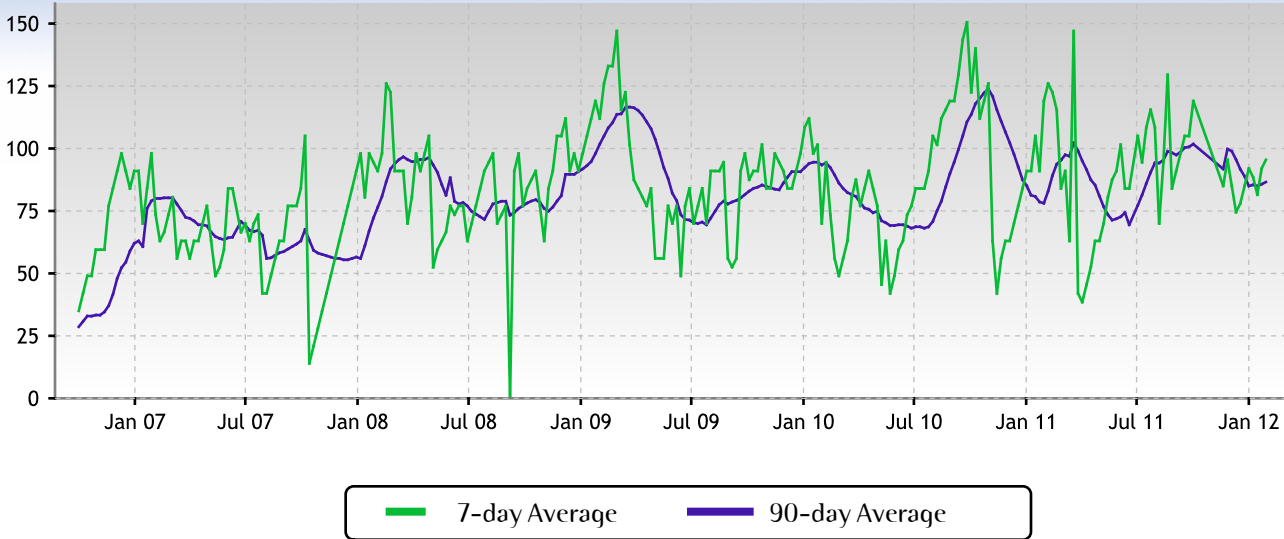
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.



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.

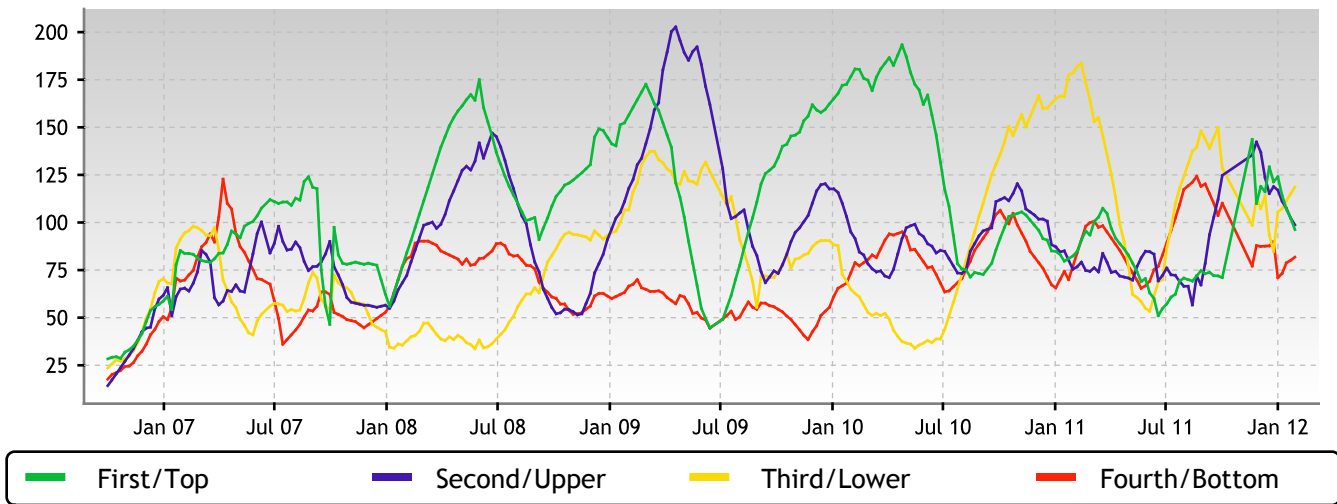
### Days on Market

The properties have been on the market for an average of 114 days. Half of the listings have come newly on the market in the past 96 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 \$449,950. The 80 properties have been on the market for an average of 114 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.

## 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	\$ 449,950	↓
Average List Price	\$ 429,836	
Asking Price Per Square Foot	\$ 240	↓
Average Days on Market (DoM)	114	↑
Inventory of Properties Listed	80	↓
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 22,500	
Average Age of Listing	32	
Percent of Properties with Price Decrease	32 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	6 %	
Median House Size (sq ft)	1818	
Median Lot Size	4,501 - 6,500 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

### Altos Research Value Statistics

Market Action Index      Strong Buyer's      20.7      ↑

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#### Trend Key:

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↔ 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	\$ 649,000	2830	4,501 - 6,500 sqft	4.0	3.0	8	20	3	2	164
Upper/Second	\$ 514,000	1932	4,501 - 6,500 sqft	4.0	2.5	36	20	2	1	90
Lower/Third	\$ 400,000	1600	6,501 - 8,000 sqft	3.0	2.0	46	20	2	4	97
Bottom/Fourth	\$ 117,350	1440	4,501 - 6,500 sqft	2.5	2.0	32	20	2	1	106

Most expensive 25% of properties

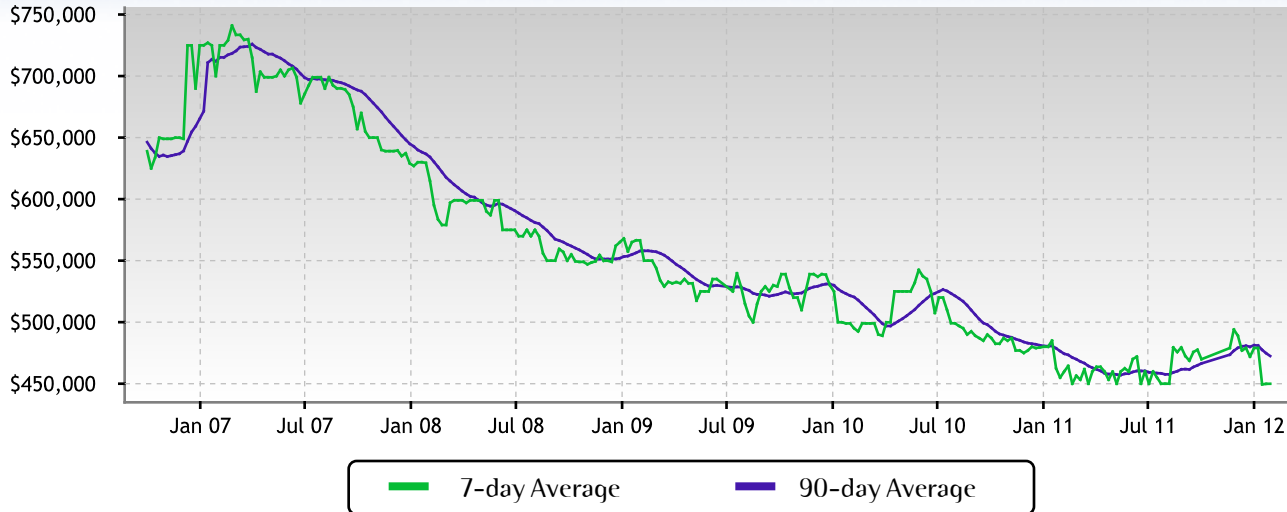
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

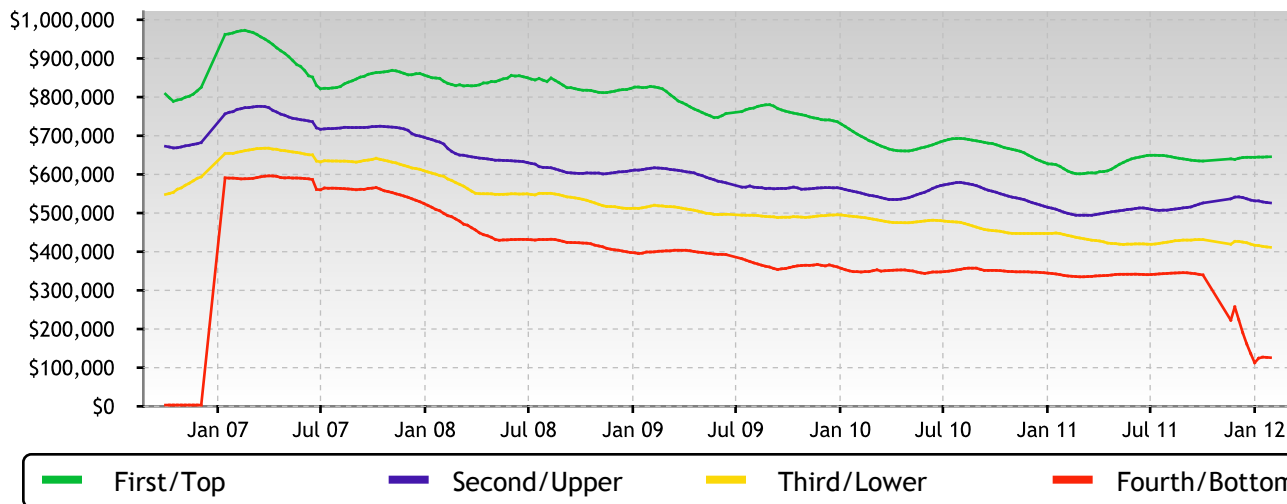
## Median Price

Prices in this zip code been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle. Watch the Market Action Index for any signs of demand increasing.



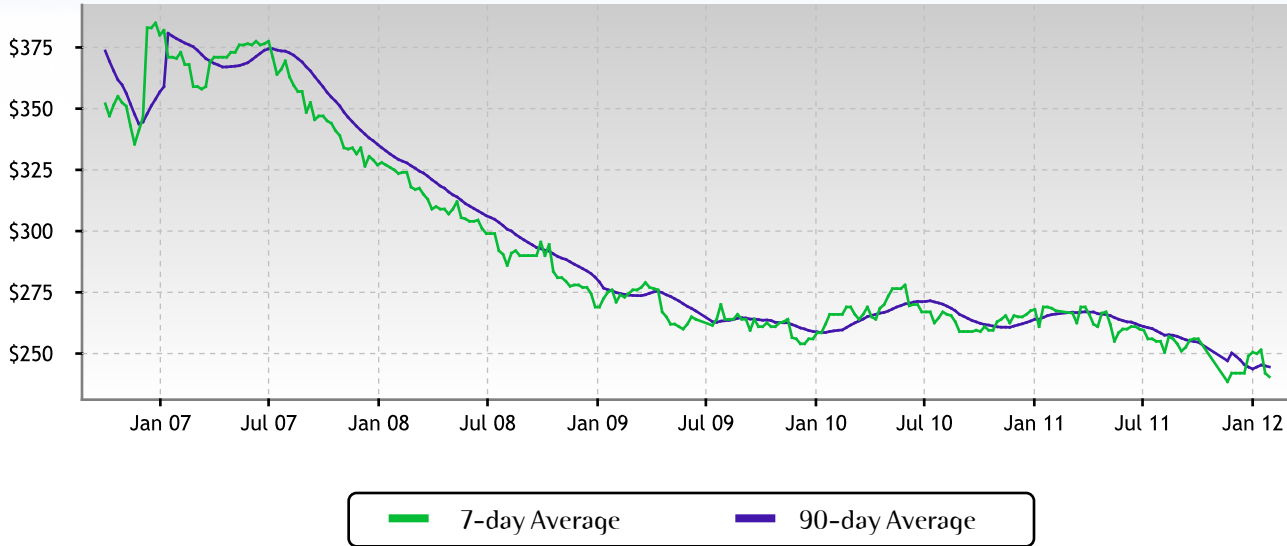
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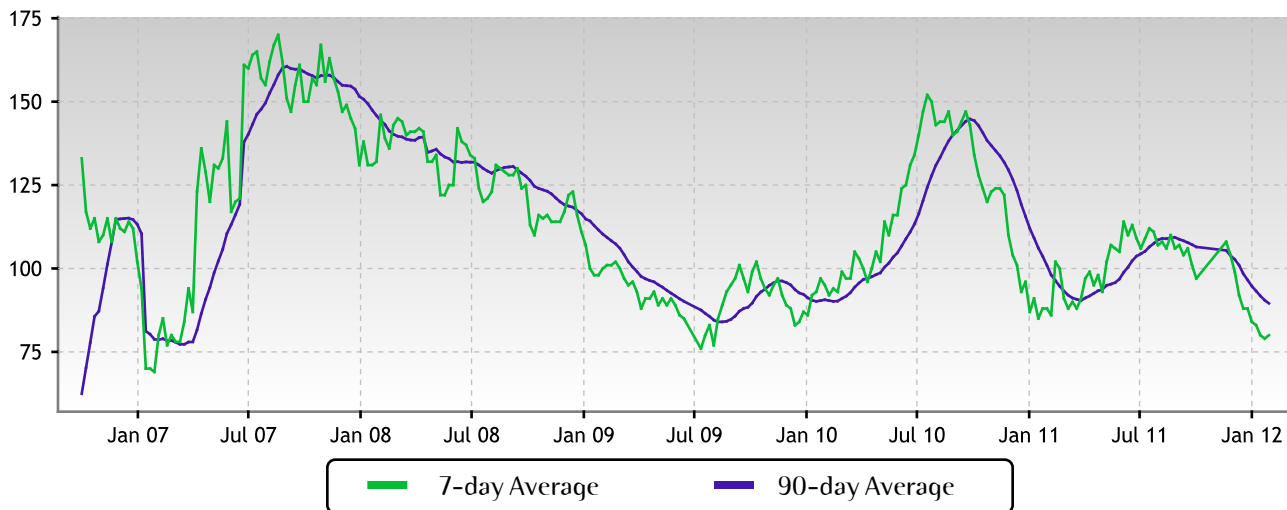
## Price per Square Foot

The market's light downward trends are shared across both price and value. People are recently placing less value on homes (you can see the recent declines in price per square foot as evidence.) Look for significant changes in the Market Action Index as a precursor to price and value changes, possibly as inflection points for good investment opportunities.



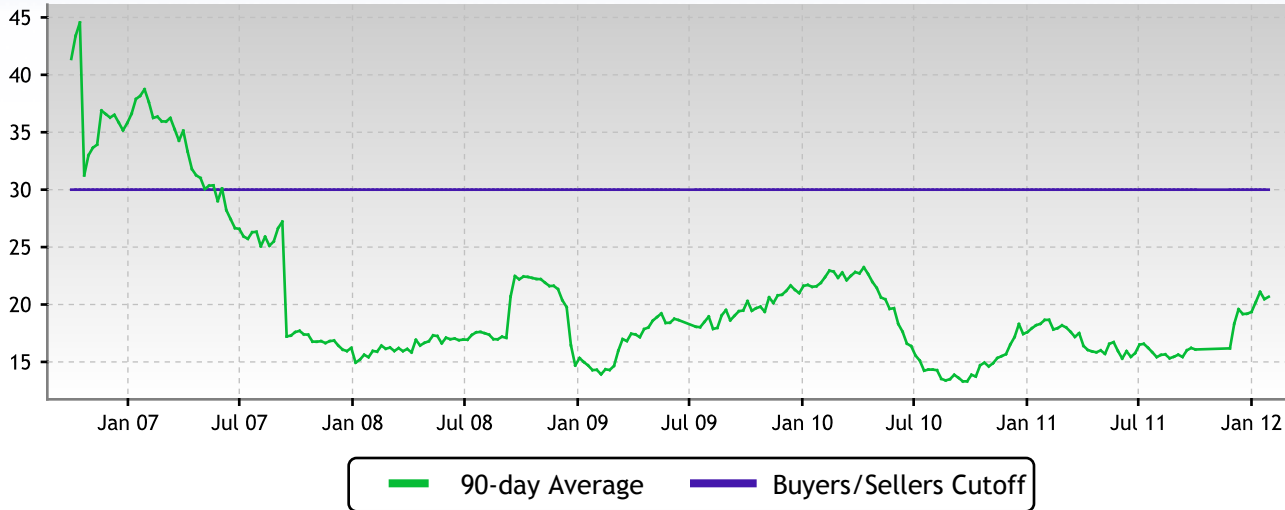
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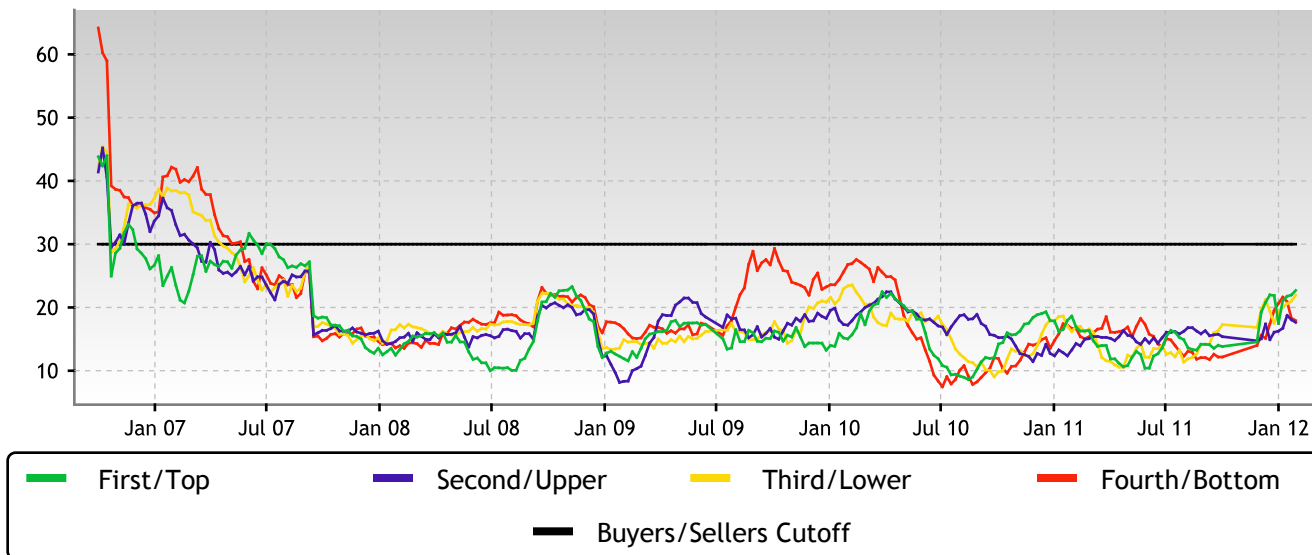
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## Market Action Index per Quartile

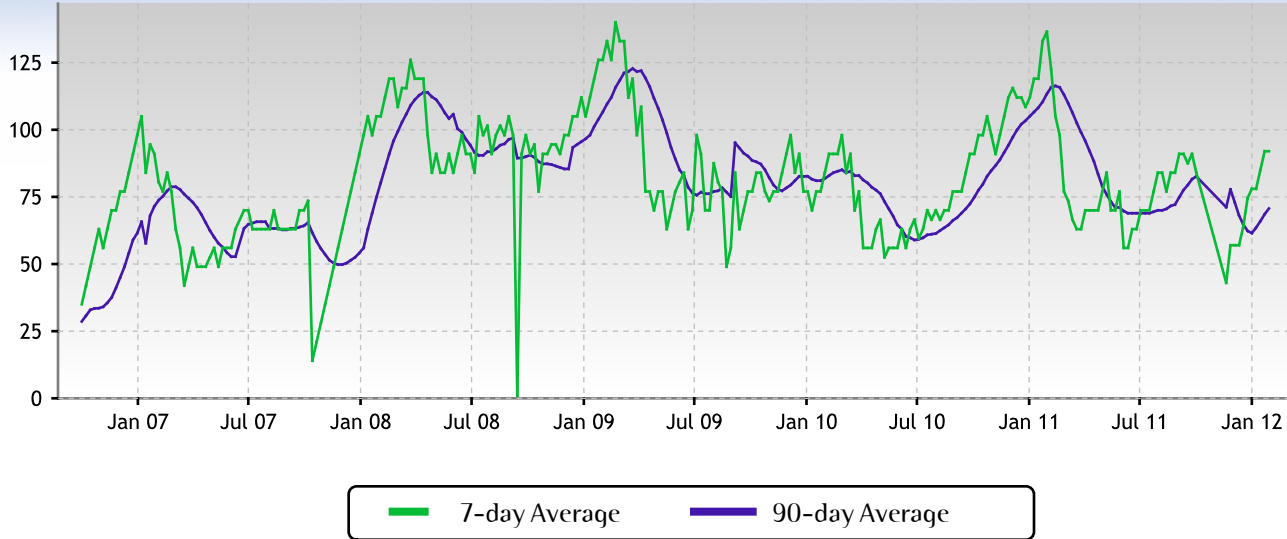
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