

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 23, 2012**

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

This Week

- The median list price in BREA, CA this week is \$475,000. The 96 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

Median List Price	\$ 475,000	↔
Average List Price	\$ 495,919	
Asking Price Per Square Foot	\$ 252	↑
Average Days on Market (DoM)	114	↑
Inventory of Properties Listed	96	↓
Most Expensive Listing	\$ 3,499,900	
Least Expensive Listing	\$ 15,000	
Average Age of Listing	32	
Percent of Properties with Price Decrease	31 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	1791	
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 20.7 ↑

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	\$ 672,995	2693	0.25 - 0.50 acre	4.0	3.0	8	24	2	2	93
Upper/Second	\$ 527,500	2022	4,501 - 6,500 sqft	3.5	2.5	32	24	2	7	123
Lower/Third	\$ 400,000	1628	4,501 - 6,500 sqft	3.0	2.0	50	24	5	2	137
Bottom/Fourth	\$ 149,748	1376	4,501 - 6,500 sqft	3.0	2.0	36	24	2	1	103

Most expensive 25% of properties

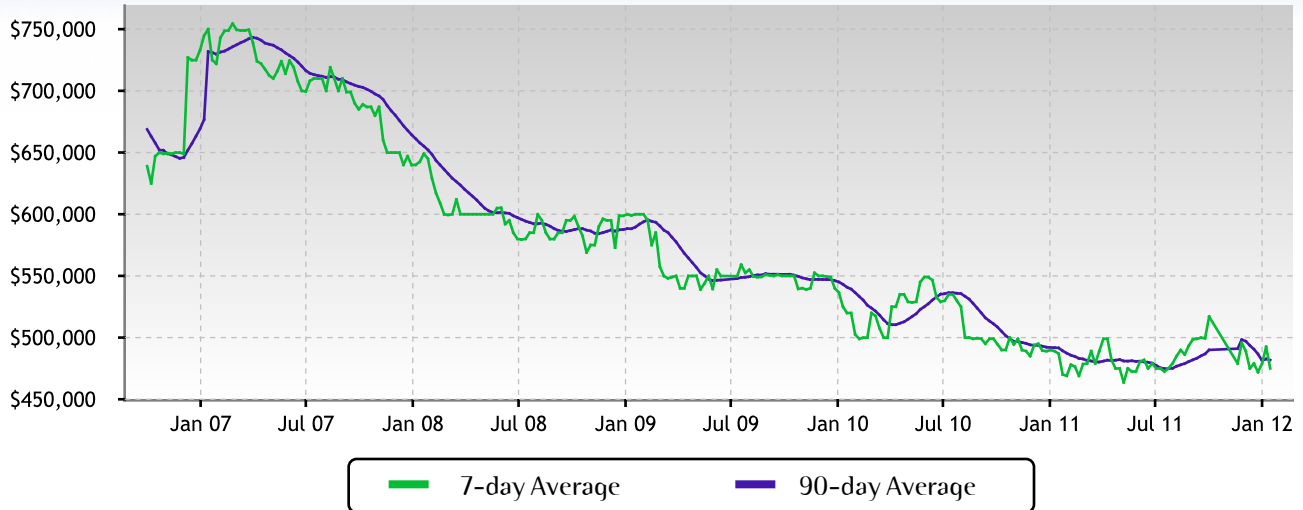
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

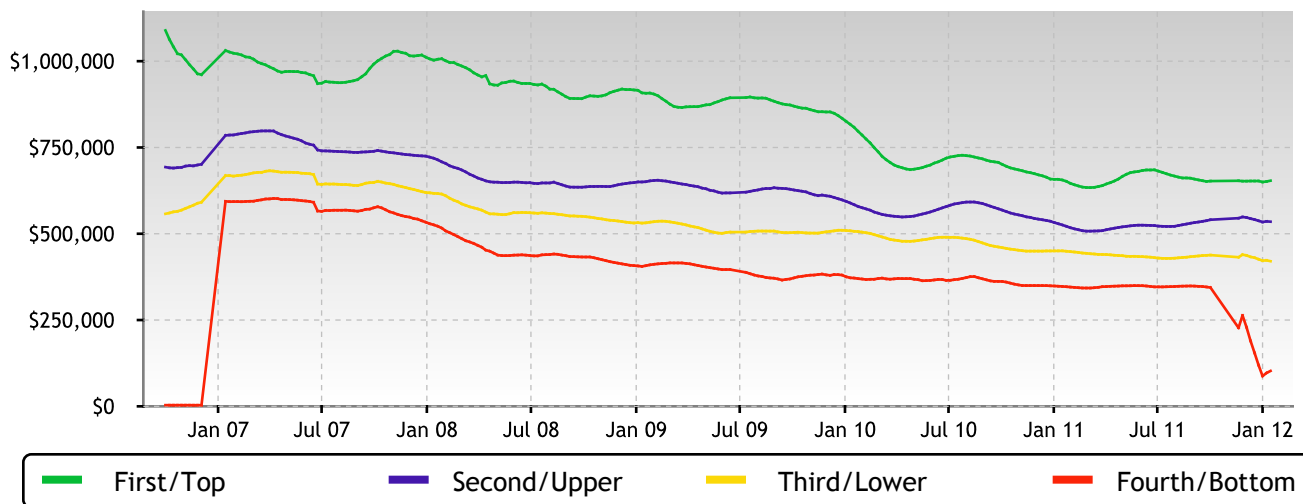
Median Price

Despite this week's down tic, the market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this shift.



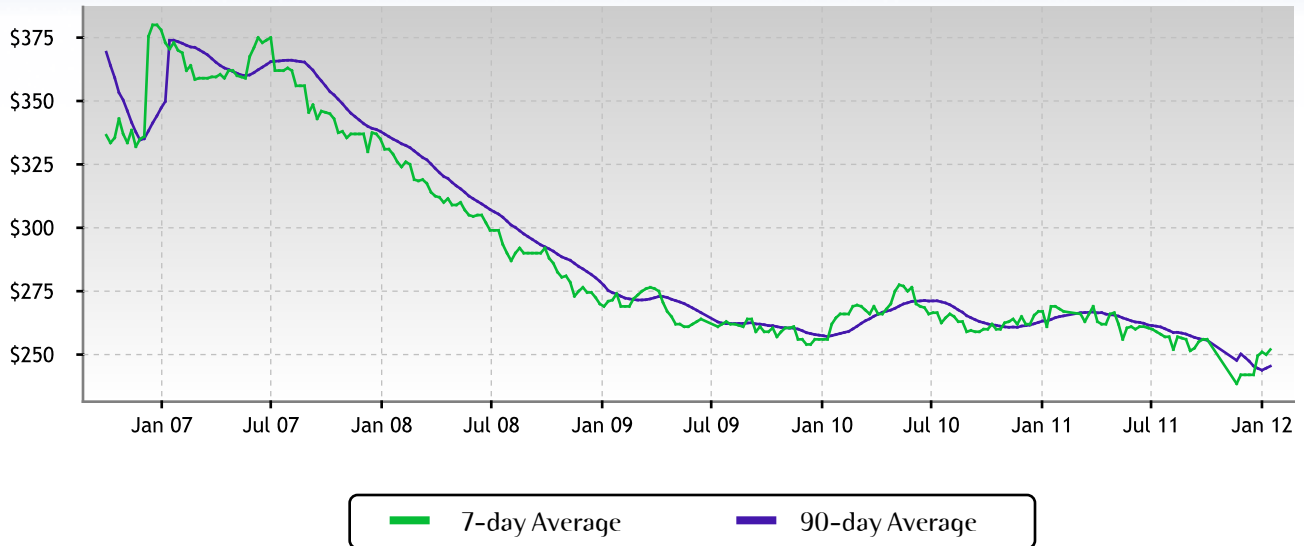
Quartile Prices

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.



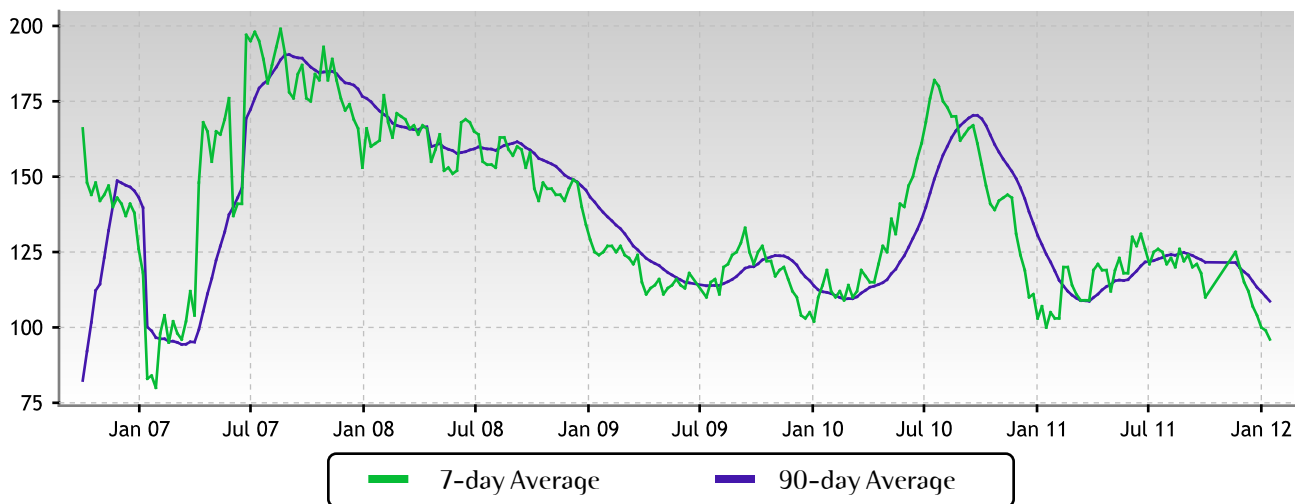
Price per Square Foot

The value placed on homes seems to be trending up, despite the fact that prices in general have remained basically flat. These conditions can arise when inventory is light and more, smaller homes have more influence on overall prices.



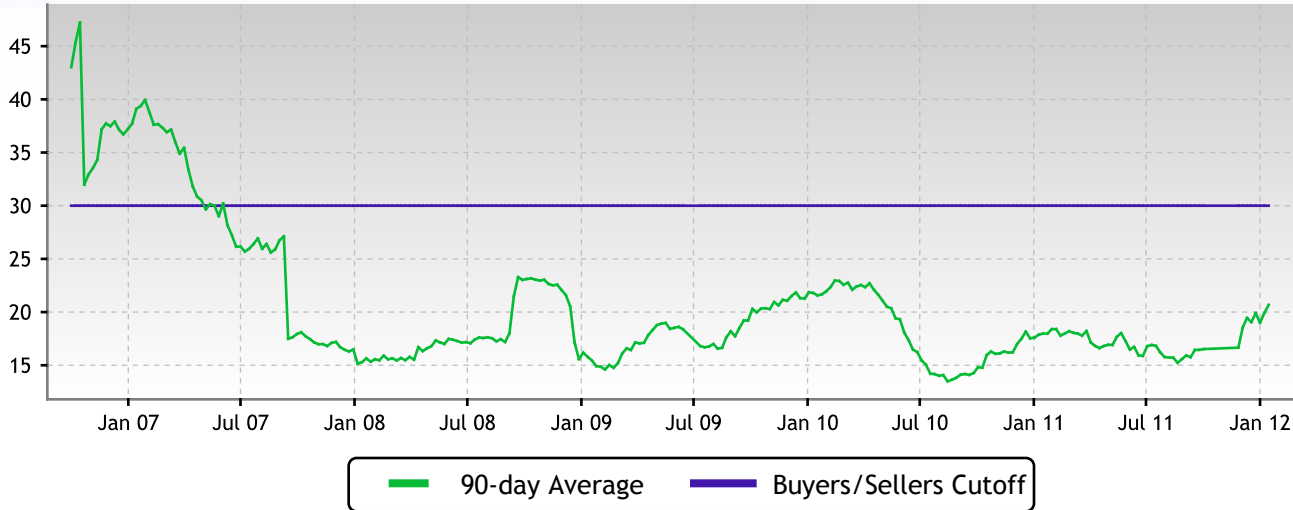
Inventory of Properties Listed for Sale

Inventory has been 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.



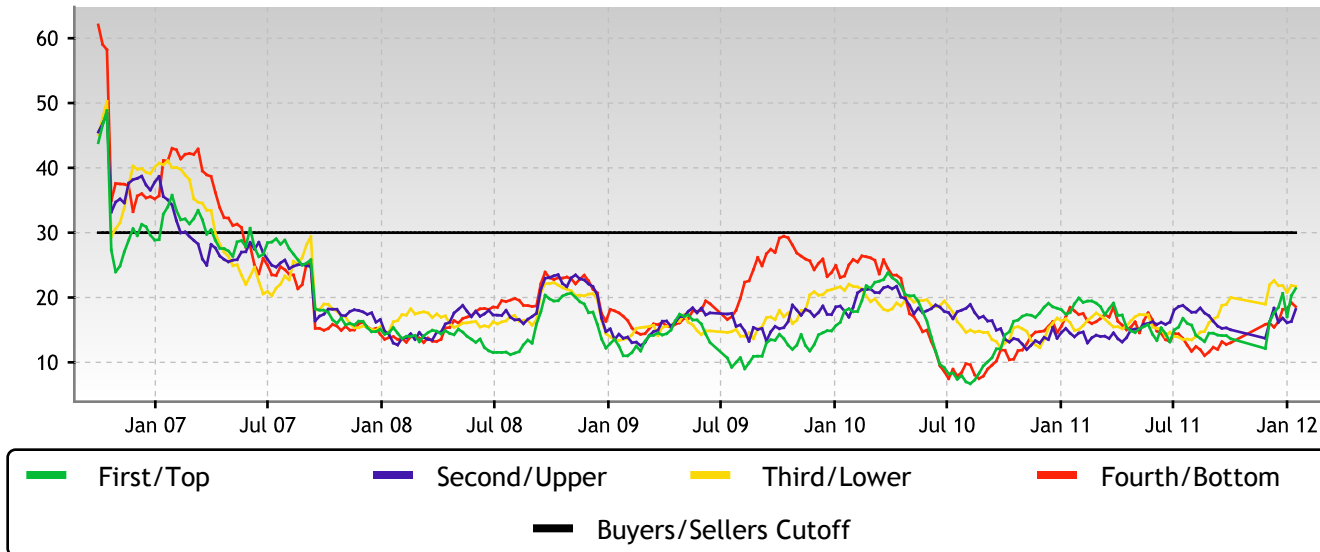
Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 20.69. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

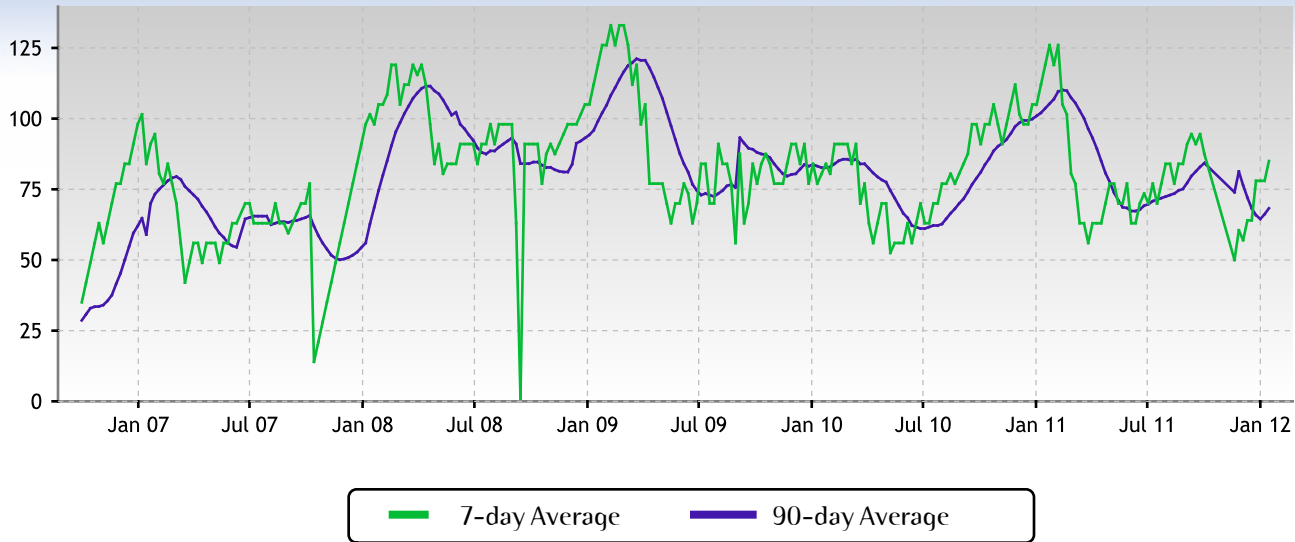
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low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

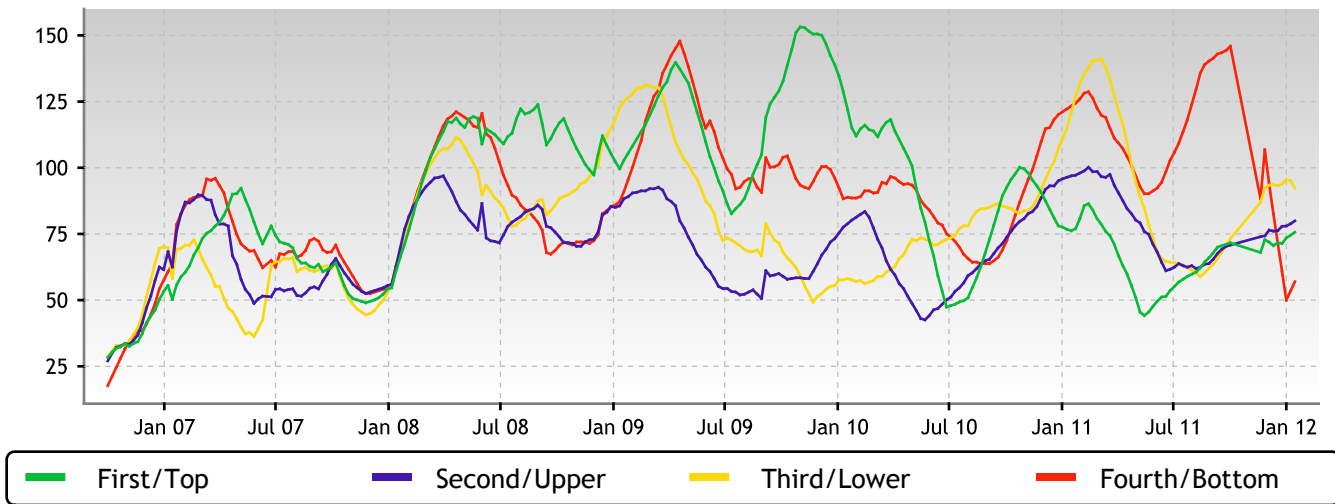
Days on Market

The properties have been on the market for an average of 114 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 92823 this week is \$586,949. The 16 properties have been on the market for an average of 117 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	\$ 586,949	↑
Average List Price	\$ 801,700	
Asking Price Per Square Foot	\$ 254	↑
Average Days on Market (DoM)	117	↑
Inventory of Properties Listed	16	↓
Most Expensive Listing	\$ 3,499,900	
Least Expensive Listing	\$ 15,000	
Average Age of Listing	24	
Percent of Properties with Price Decrease	31 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	12 %	
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 14.3 ↑

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	\$ 1,462,500	3760	20+ acres	4.5	3.0	21	4	1	0	48
Upper/Second	\$ 661,000	2693	0.25 - 0.50 acre	4.5	2.8	8	4	0	0	97
Lower/Third	\$ 508,750	2134	4,501 - 6,500 sqft	3.5	2.5	31	4	1	1	160
Bottom/Fourth	\$ 217,450	1561	4,501 - 6,500 sqft	2.5	2.0	24	4	0	0	165

Most expensive 25% of properties

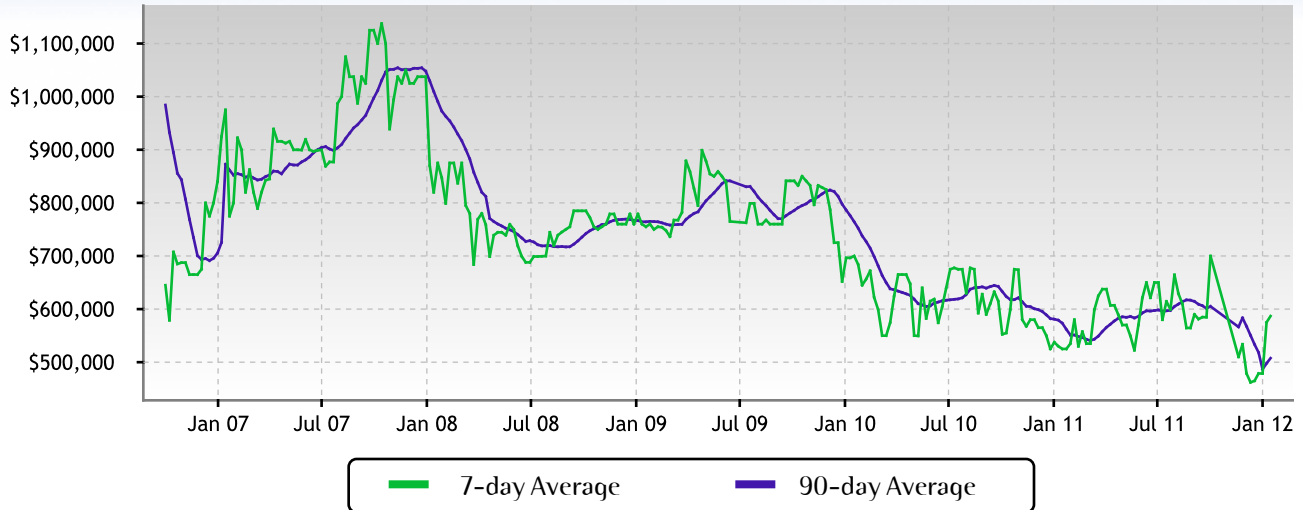
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

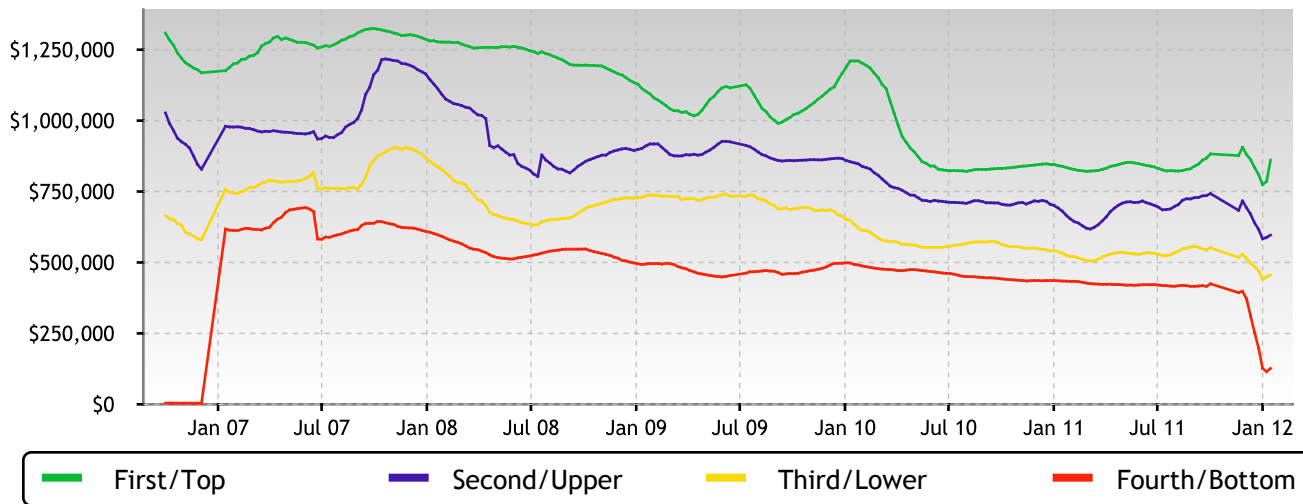
Median Price

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.



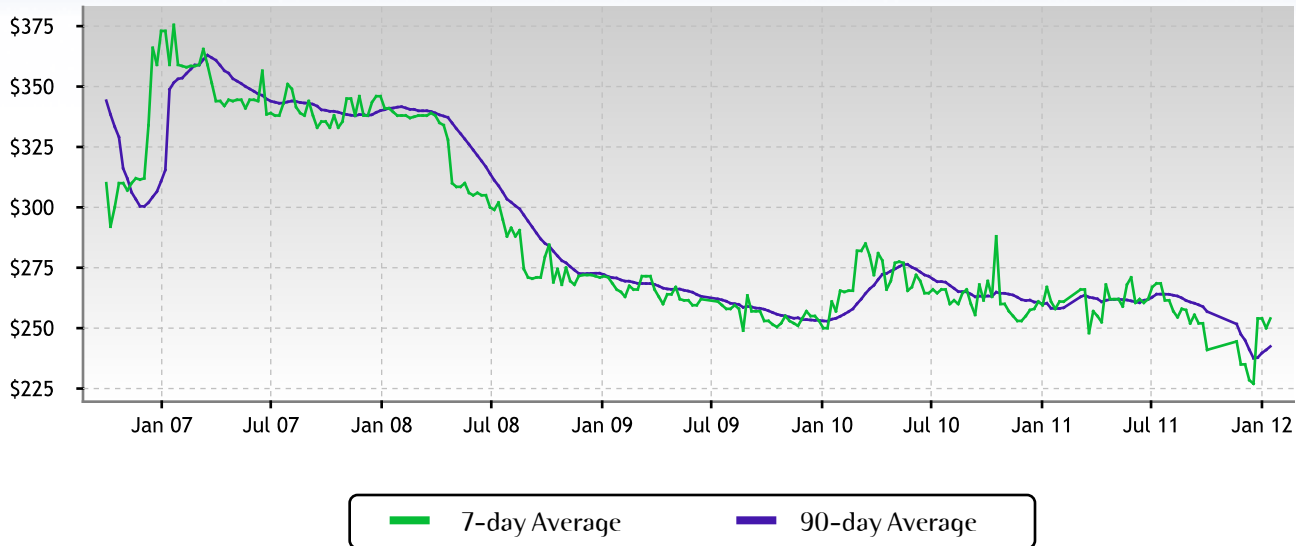
Quartile Prices

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.



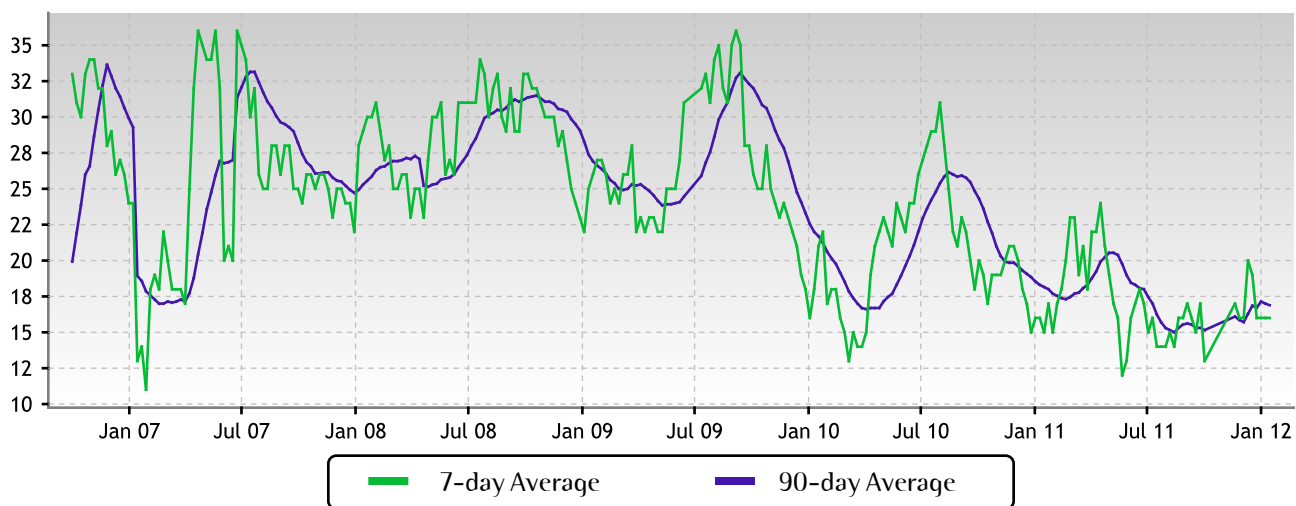
Price per Square Foot

The price per square foot is increasing a bit recently and overall price trends haven't shown a consistent upwardly push. This can imply that investment conditions are opportunistic. Watch the Remodel Index for a more detailed analysis of the investment opportunity in the area.



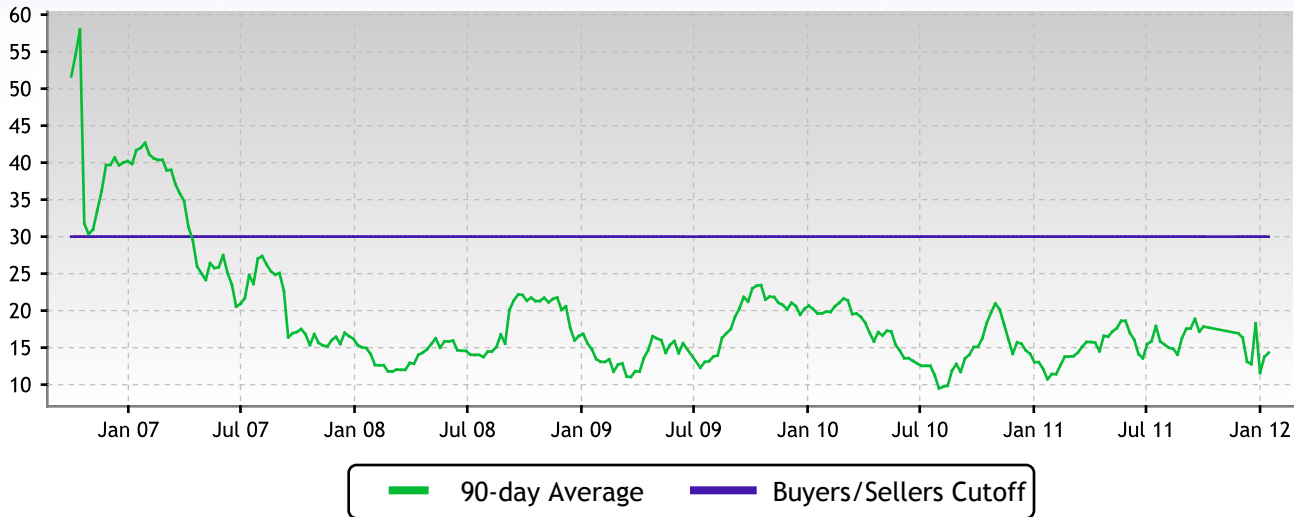
Inventory of Properties Listed for Sale

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.



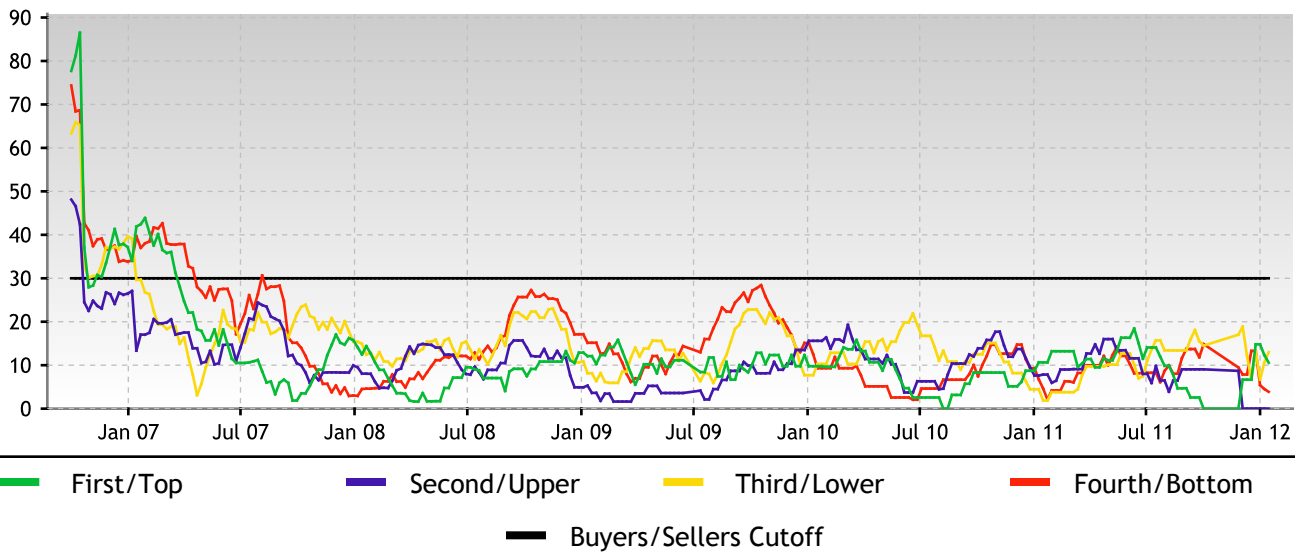
Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 14.32. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

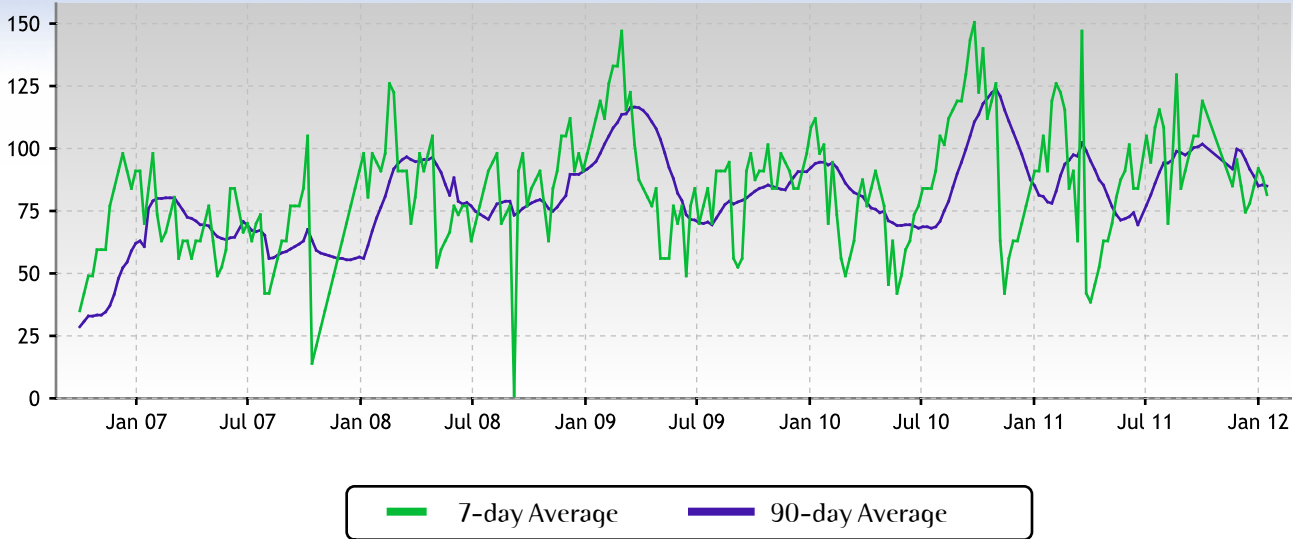
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.



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.

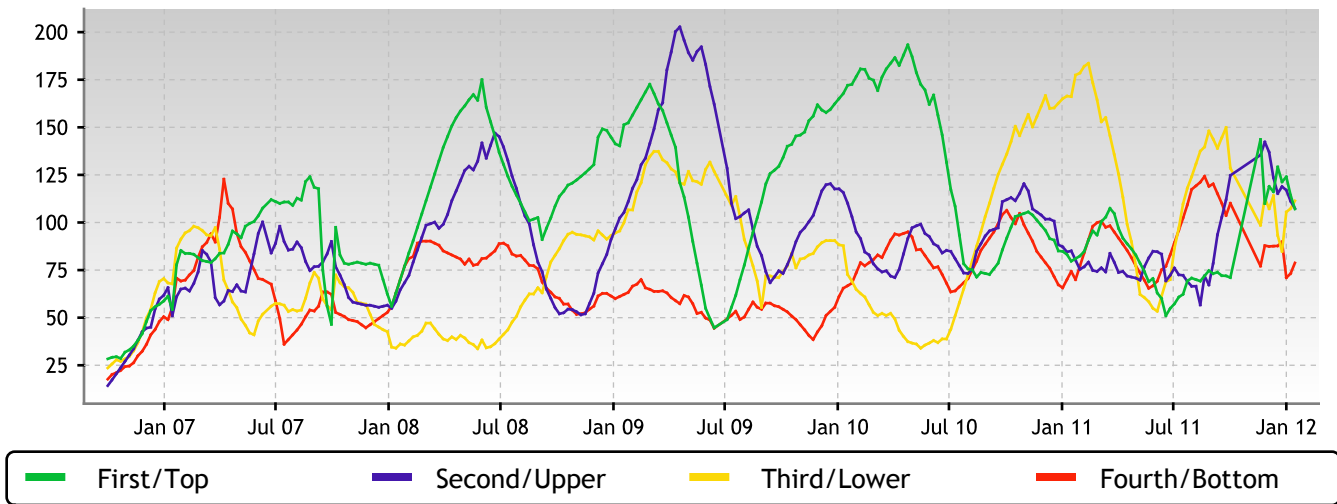
Days on Market

The properties have been on the market for an average of 117 days. Half of the listings have come newly on the market in the past 82 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 \$449,450. The 80 properties have been on the market for an average of 113 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	\$ 449,450	↓
Average List Price	\$ 434,763	
Asking Price Per Square Foot	\$ 252	↑
Average Days on Market (DoM)	113	↑
Inventory of Properties Listed	80	↓
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 23,000	
Average Age of Listing	33	
Percent of Properties with Price Decrease	31 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	1699	
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 21.1 ↑

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Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 643,995	2422	6,501 - 8,000 sqft	4.0	3.0	8	20	1	2	102
Upper/Second	\$ 508,600	1917	4,501 - 6,500 sqft	3.0	2.5	35	20	2	6	106
Lower/Third	\$ 399,000	1510	6,501 - 8,000 sqft	3.0	2.0	56	20	4	2	138
Bottom/Fourth	\$ 149,748	1384	4,501 - 6,500 sqft	3.0	2.0	35	20	2	1	106

Most expensive 25% of properties

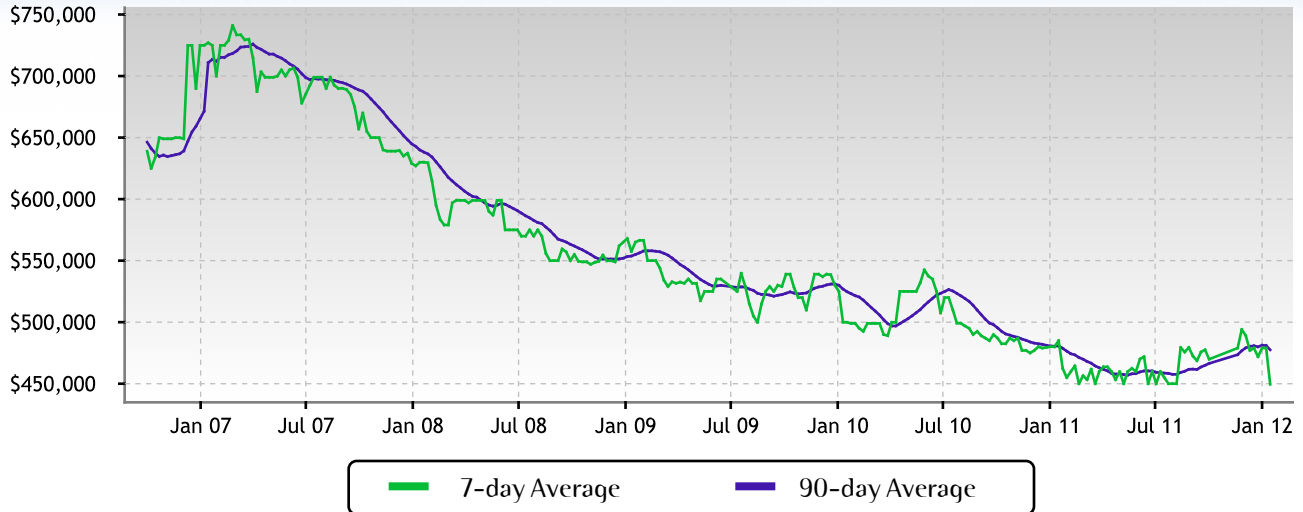
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

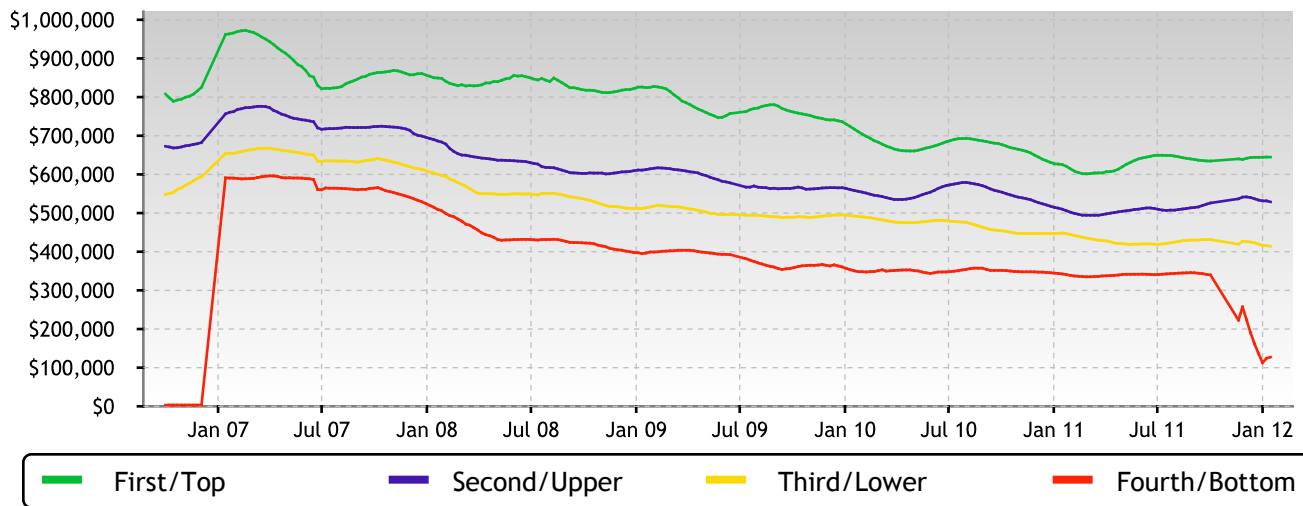
Median Price

Again this week we see a downward notch for prices in this zip code. Pricing has been weak recently and versus their absolute-high level. At this point, we will be looking for a persistent upward shift in the Market Action Index as a leading indicator for a trough in prices.



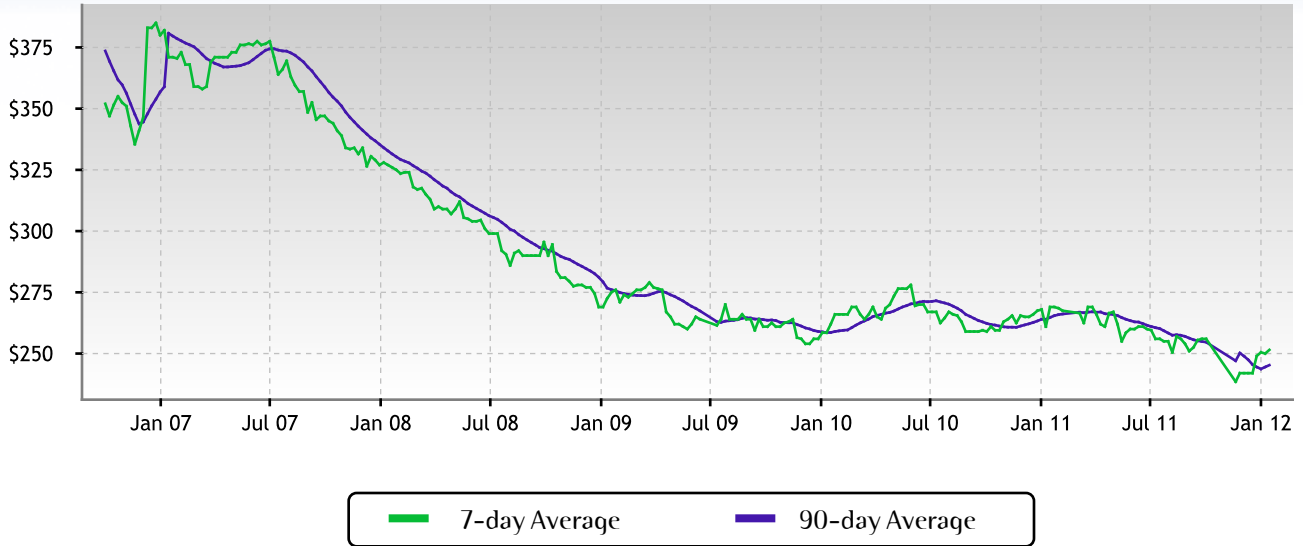
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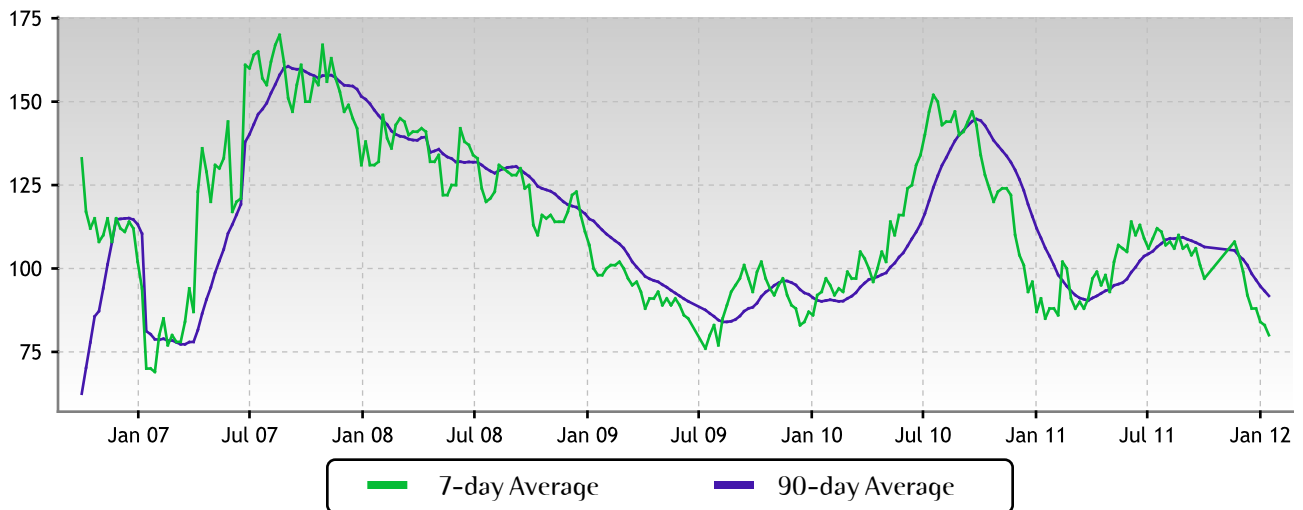
Price per Square Foot

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.



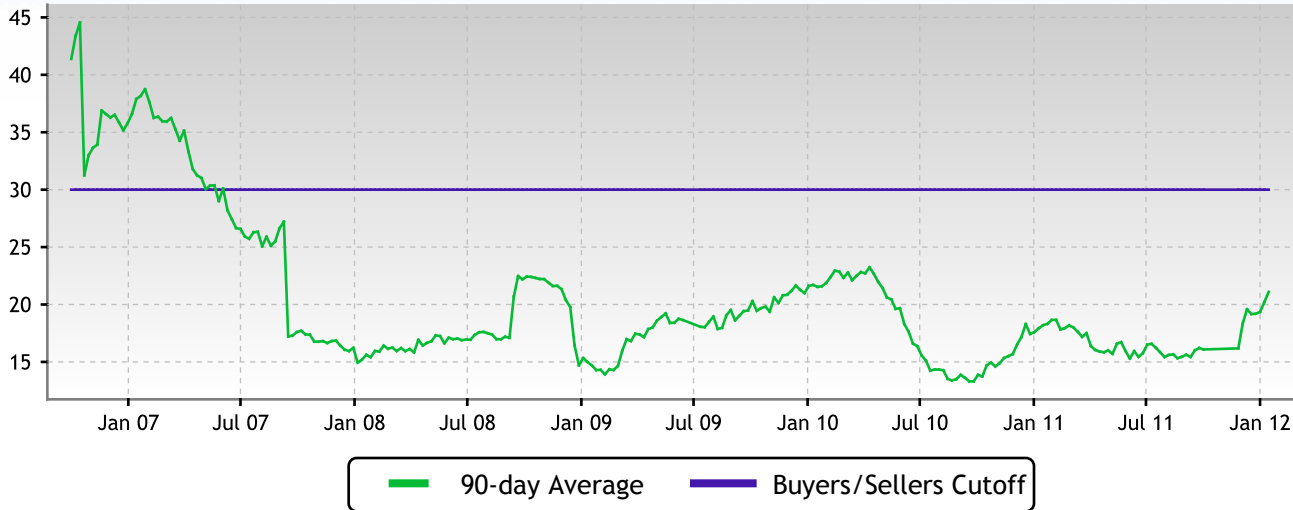
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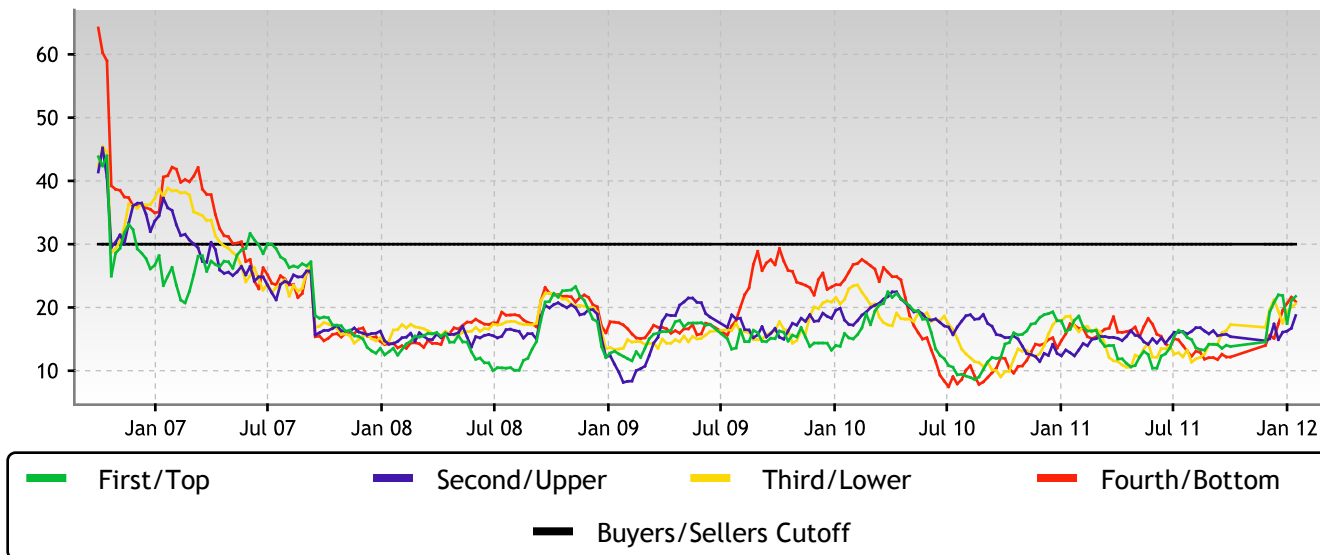
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Market Action Index per Quartile

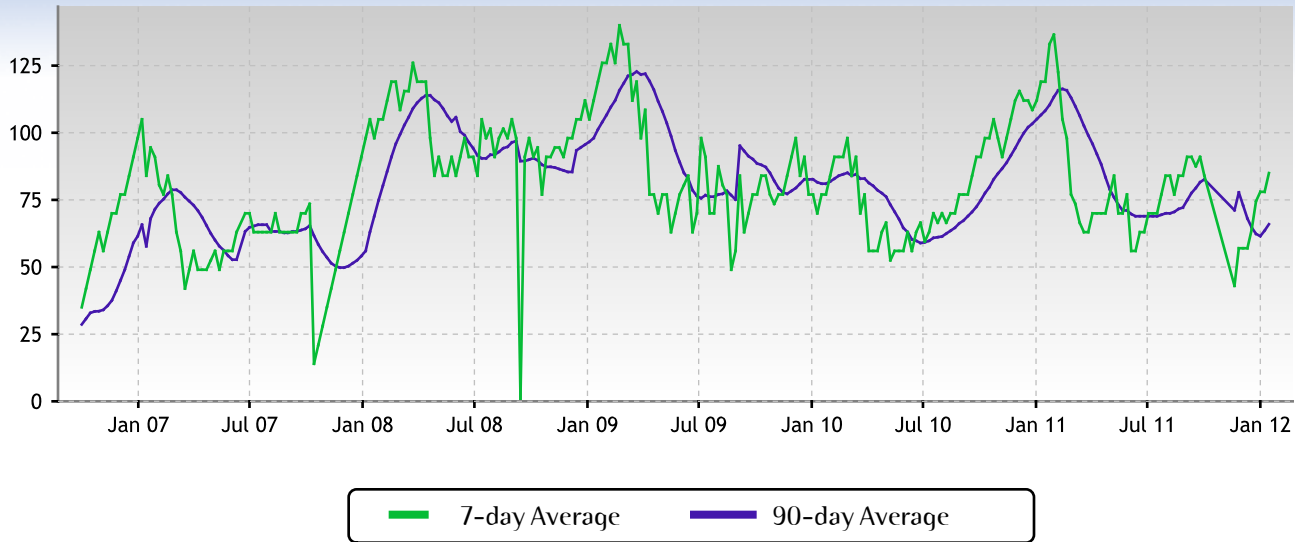
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