

# 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  
December 05, 2011

- Presented by Adam Brett - Eric Urban  
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## This Week

- The median list price in BREA, CA this week is \$495,750. The 120 properties have been on the market for an average of 106 days.

Inventory is up and Market Action is trending down recently. While days-on-market appears to be trending lower, the overall conditions are weakening a bit.

## 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	\$ 495,750	↓↓
Average List Price	\$ 457,757	↓↓
Asking Price Per Square Foot	\$ 242	↓↓
Average Days on Market (DoM)	106	↓↓
Inventory of Properties Listed	120	↑↑
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 15,000	
Average Age of Listing	29	
Percent of Properties with Price Decrease	46 %	
Percent Relisted (reset DOM)	12 %	
Percent Flip (price increased)	14 %	
Median House Size (sq ft)	1968	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

### Trend

### Altos Research Value Statistics

Market Action Index	Strong Buyer's	16.7	↓↓
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:

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	2924	6,501 - 8,000 sqft	4.0	3.0	7	30	3	1	114
Upper/Second	\$ 549,900	2166	4,501 - 6,500 sqft	4.0	2.5	30	30	2	4	91
Lower/Third	\$ 434,500	1666	6,501 - 8,000 sqft	3.0	2.0	44	30	1	1	154
Bottom/Fourth	\$ 100,000	1426	6,501 - 8,000 sqft	2.0	2.0	34	30	0	5	65

Most expensive 25% of properties

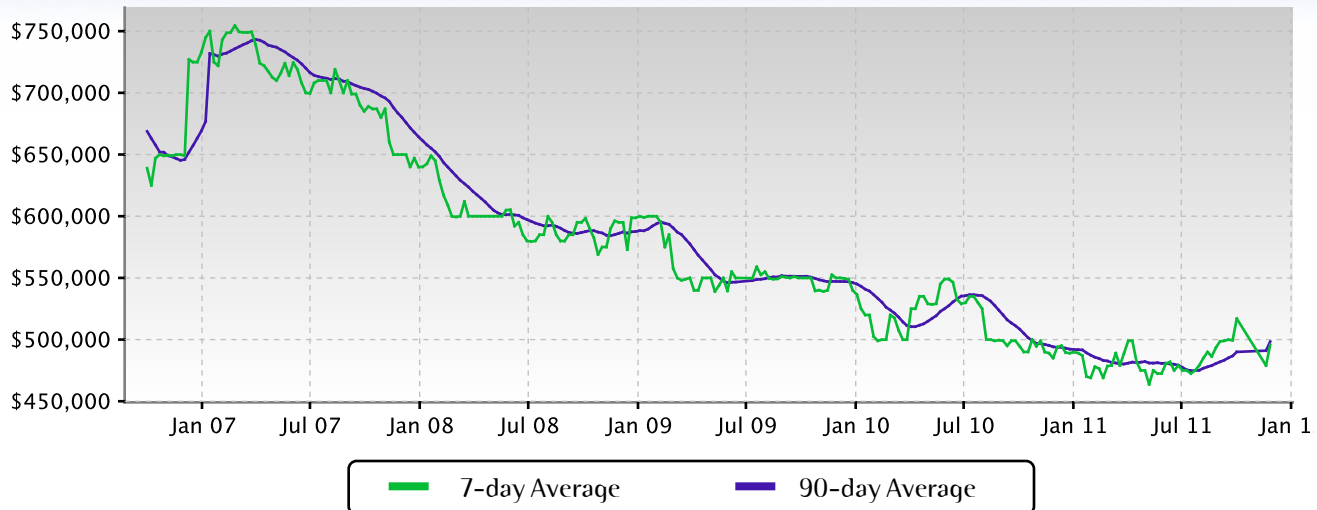
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

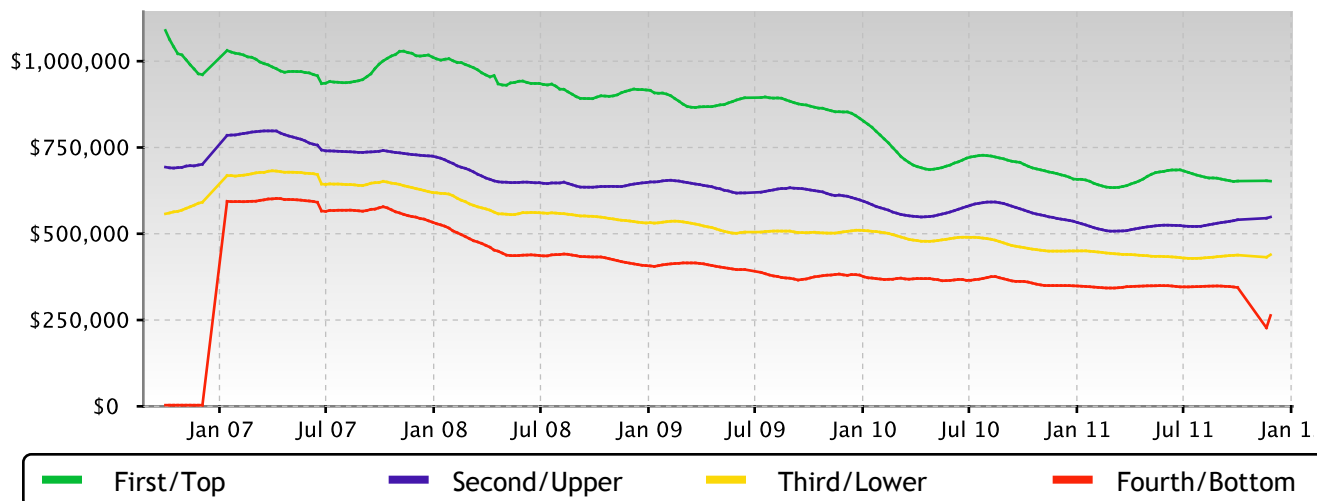
## Median Price

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.



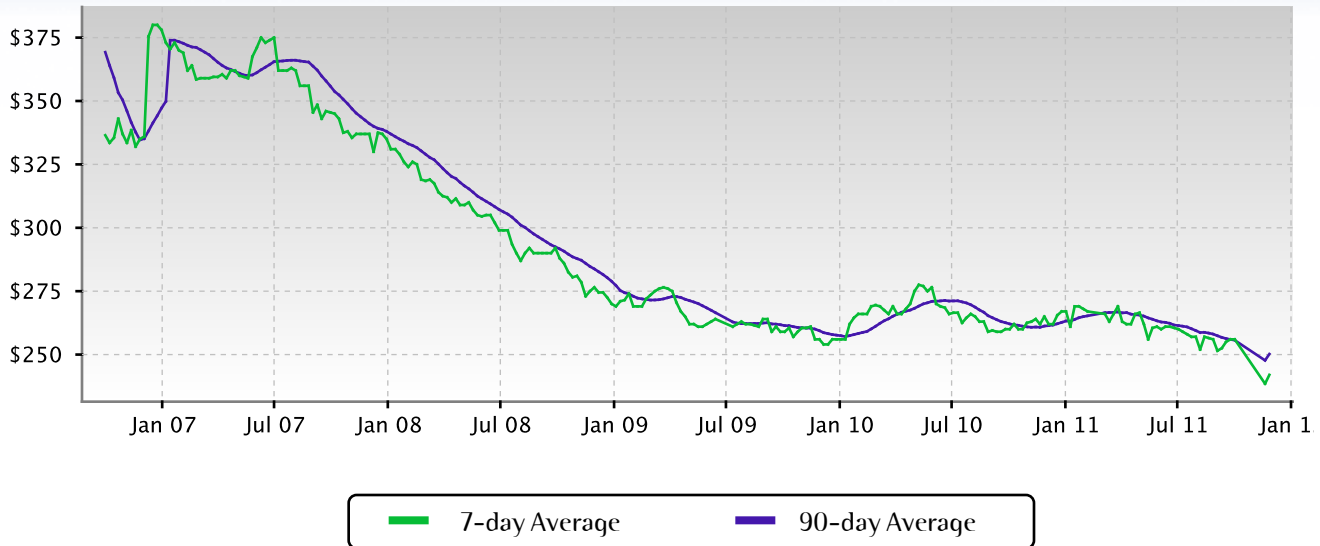
## Quartile Prices

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.



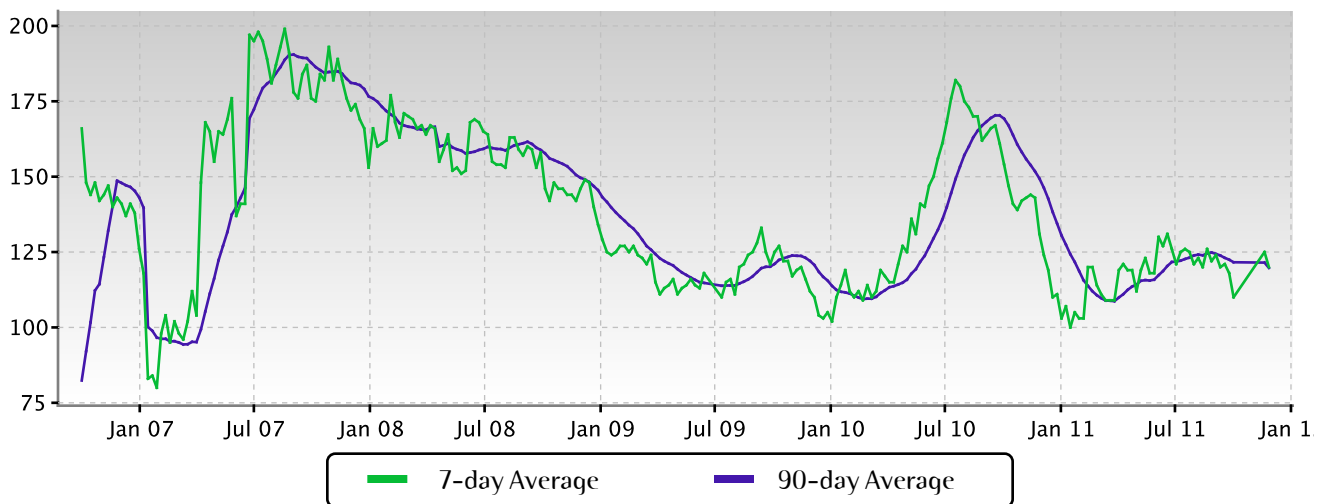
## Price per Square Foot

The market's 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.



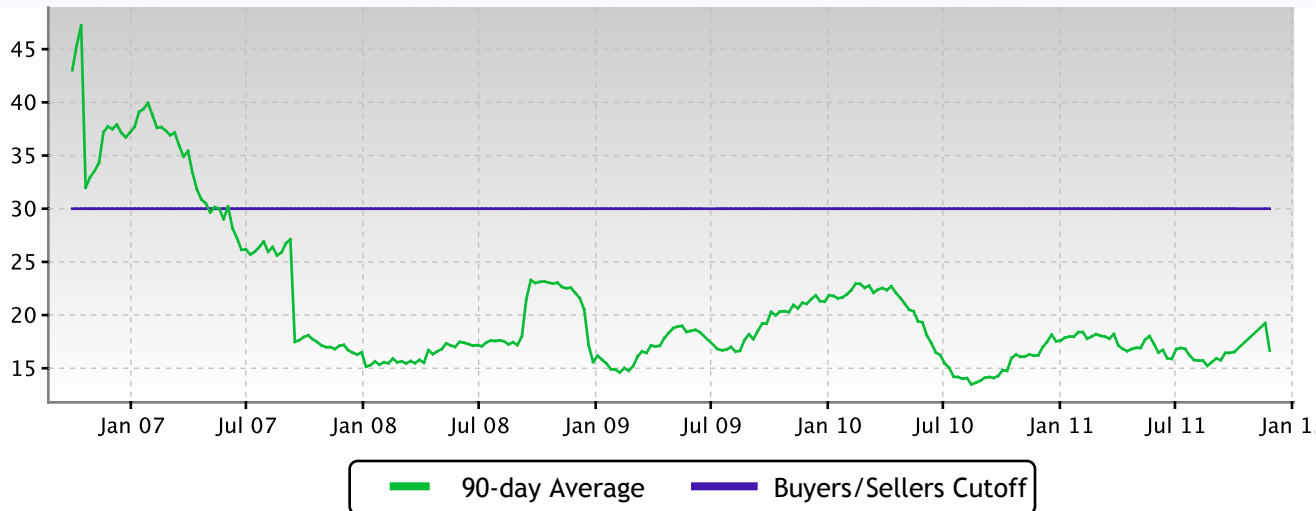
## Inventory of Properties Listed for Sale

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.



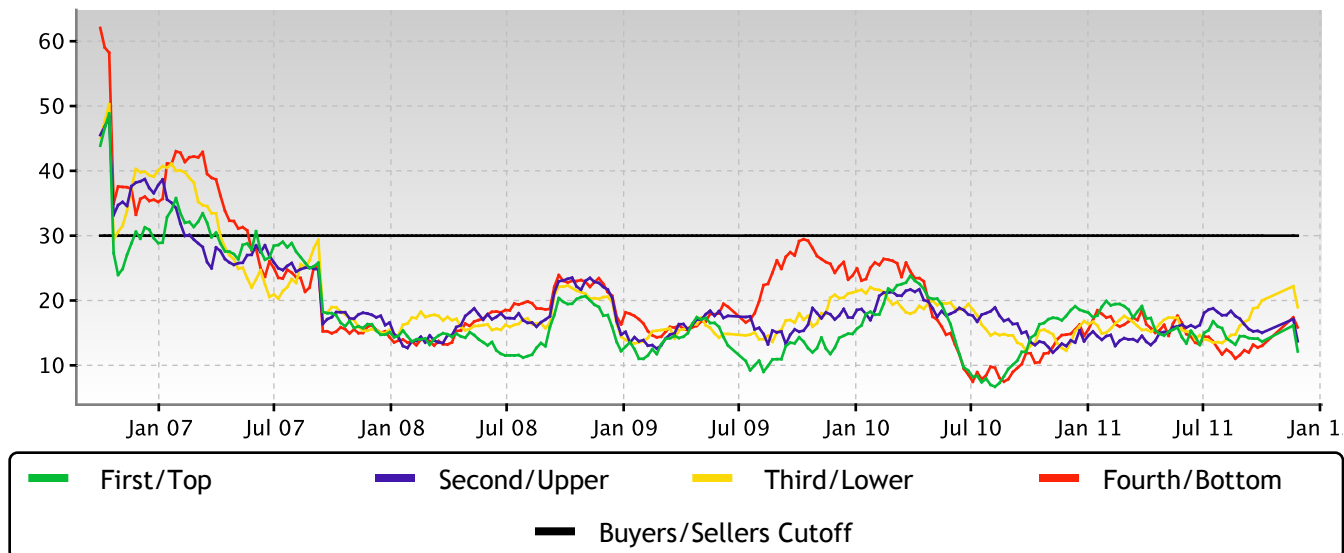
## Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 16.66. 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.

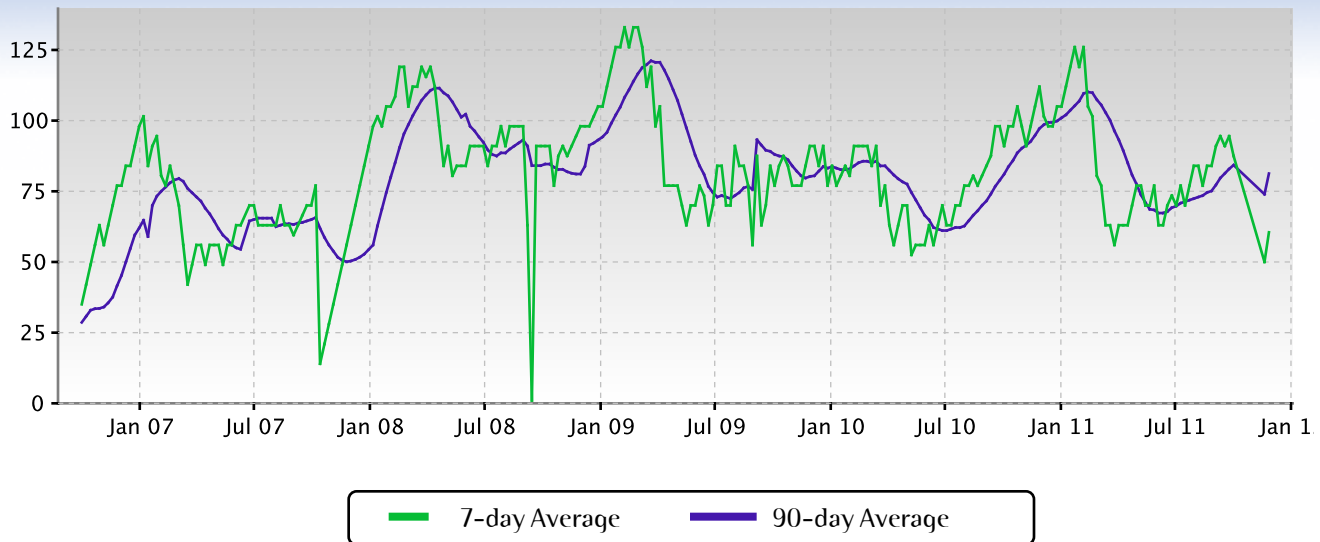


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

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

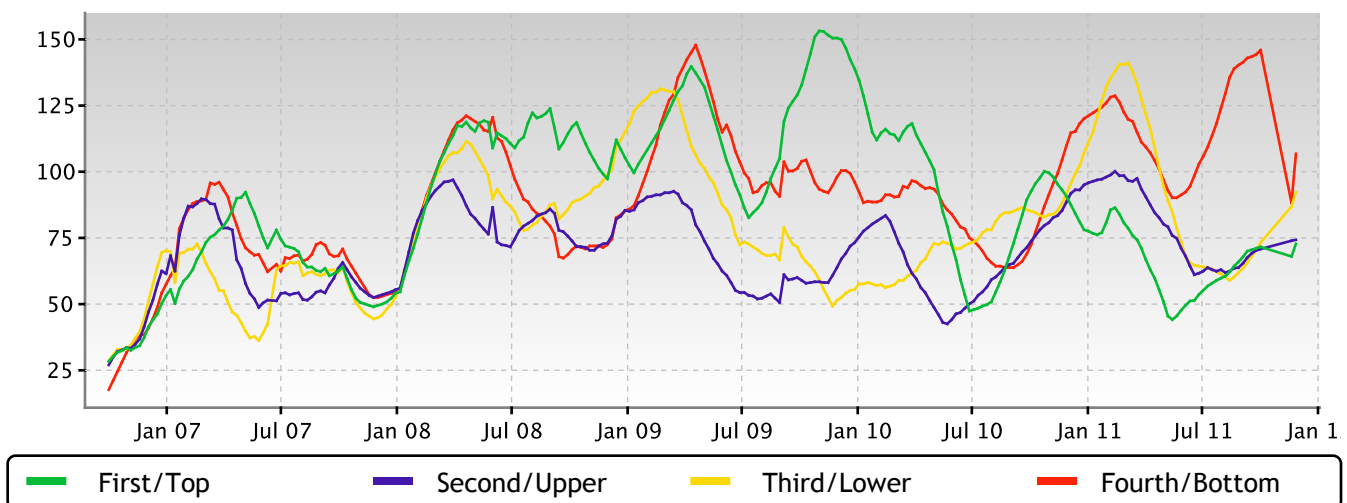
## Days on Market

The properties have been on the market for an average of 106 days. Half of the listings have come newly on the market in the past 60 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 \$533,750. The 16 properties have been on the market for an average of 150 days.

Inventory is up and Market Action is trending down recently. While days-on-market appears to be trending lower, the overall conditions are weakening a bit.

## 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	\$ 533,750	↓↓
Average List Price	\$ 511,019	↓↓
Asking Price Per Square Foot	\$ 235	↓↓
Average Days on Market (DoM)	150	↓↓
Inventory of Properties Listed	16	↑↑
Most Expensive Listing	\$ 810,000	
Least Expensive Listing	\$ 15,000	
Average Age of Listing	17	
Percent of Properties with Price Decrease	56 %	
Percent Relisted (reset DOM)	25 %	
Percent Flip (price increased)	12 %	
Median House Size (sq ft)	2500	
Median Lot Size	4,501 - 6,500 sqft	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	2.5	

### Trend

### Altos Research Value Statistics

Market Action Index Strong Buyer's 16.9 ↓↓

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	\$ 784,000	3835	0.25 - 0.50 acre	5.0	4.5	9	4	0	0	255
Upper/Second	\$ 619,450	2500	Less than 4,500 sqft	4.0	2.8	8	4	1	1	106
Lower/Third	\$ 462,000	2045	Less than 4,500 sqft	3.0	2.5	9	4	0	1	124
Bottom/Fourth	\$ 212,000	1088	4,501 - 6,500 sqft	2.5	2.0	22	4	0	0	118

Most expensive 25% of properties

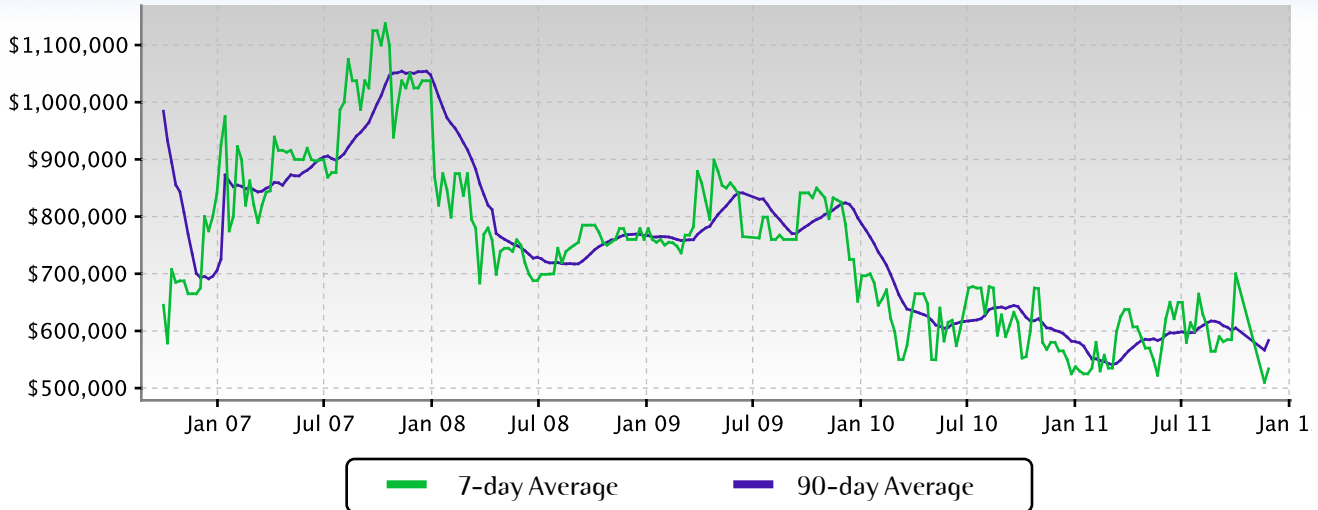
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

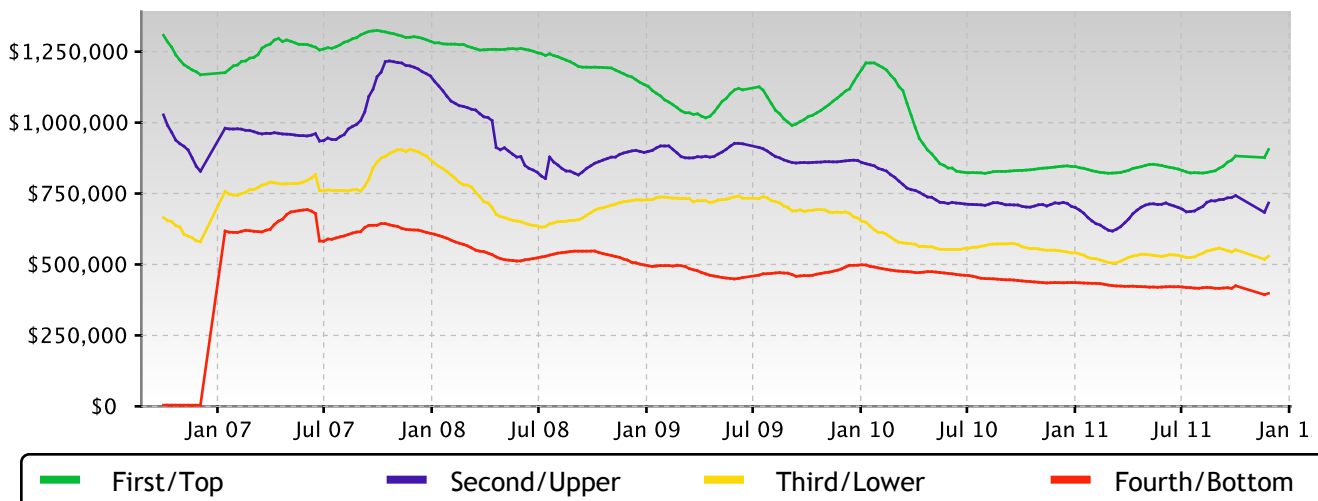
## Median Price

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.



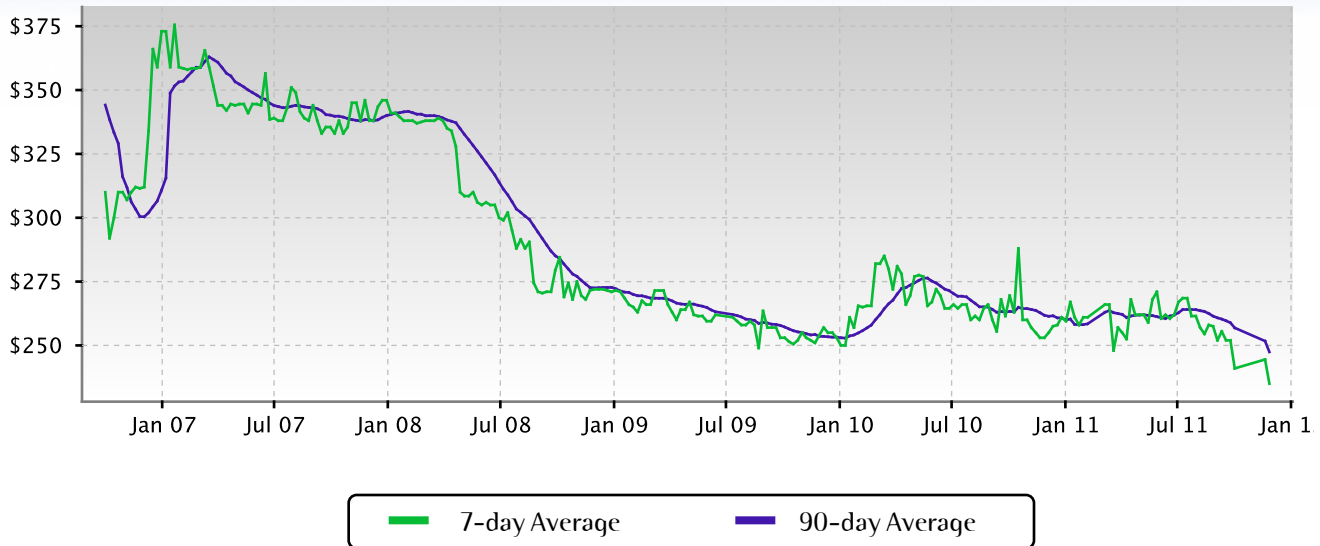
## Quartile Prices

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.



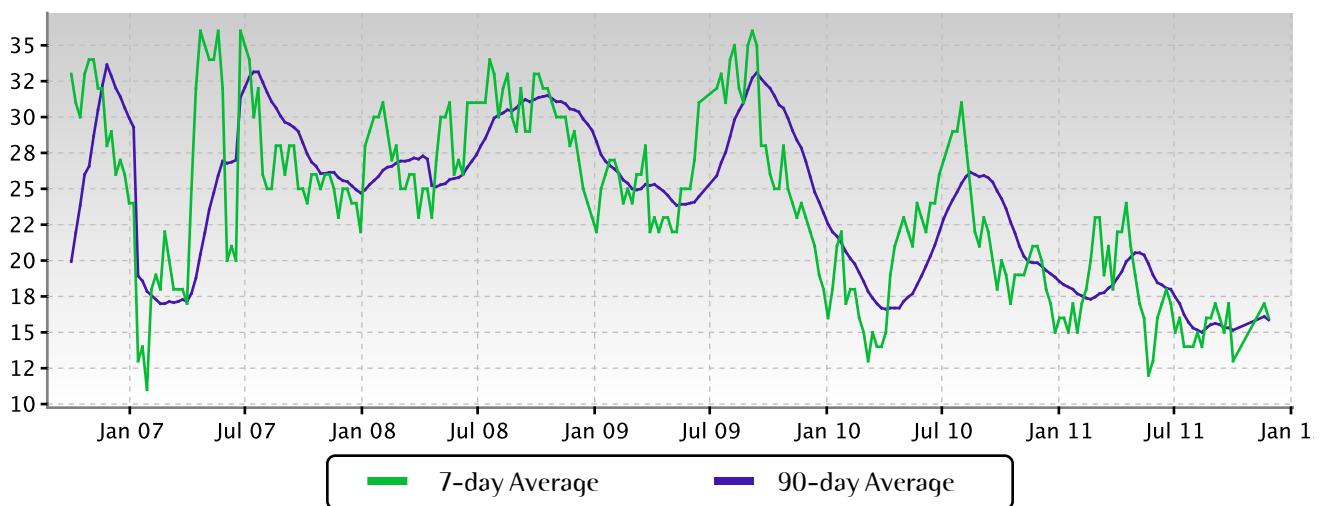
## Price per Square Foot

The market's 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.



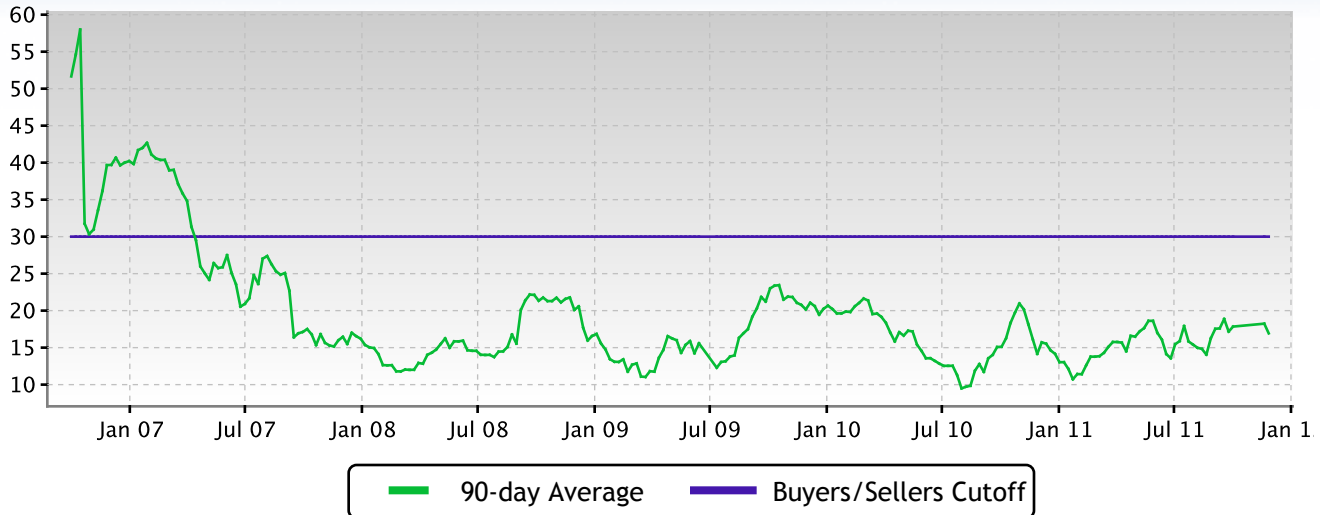
## Inventory of Properties Listed for Sale

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.



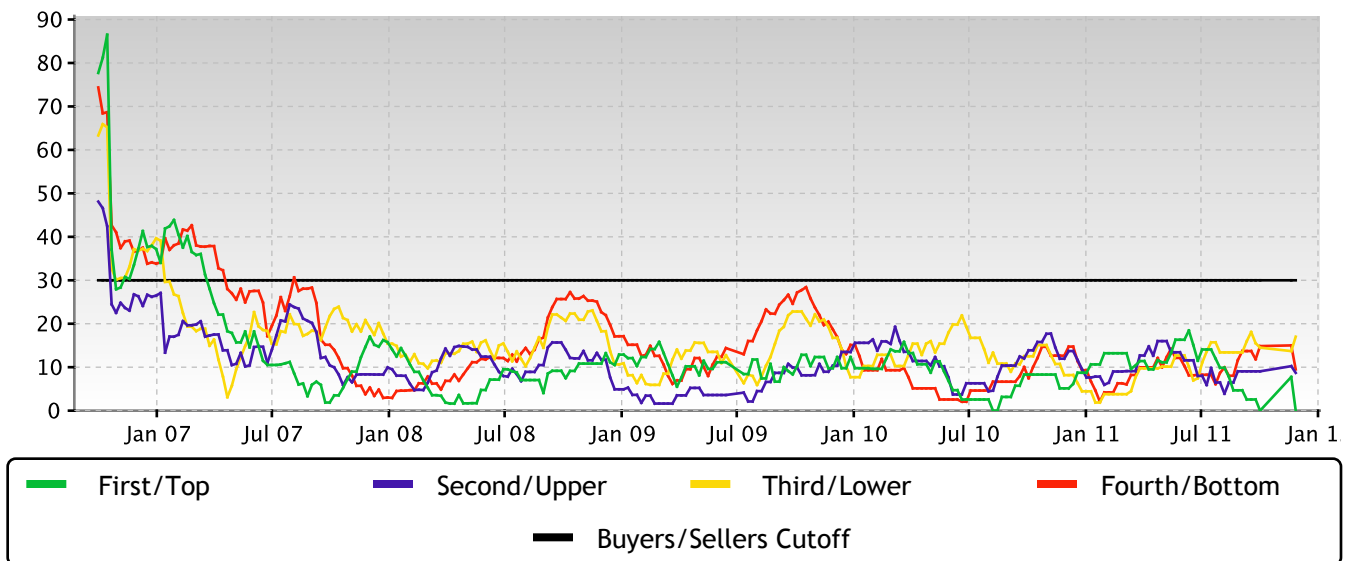
## Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 16.93. 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.

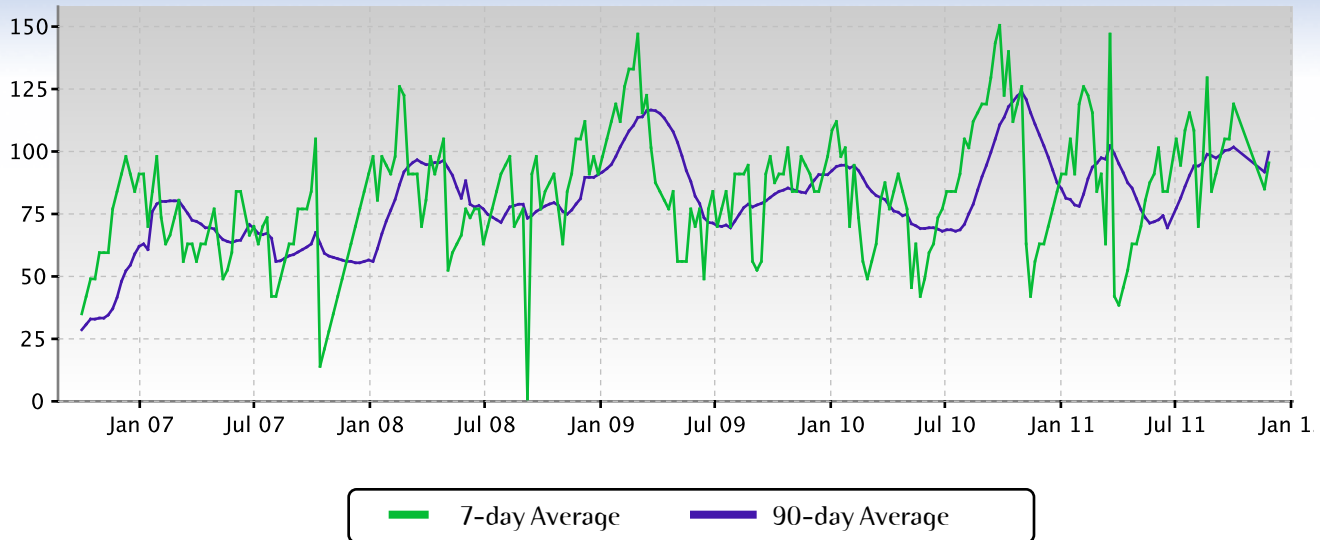


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

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

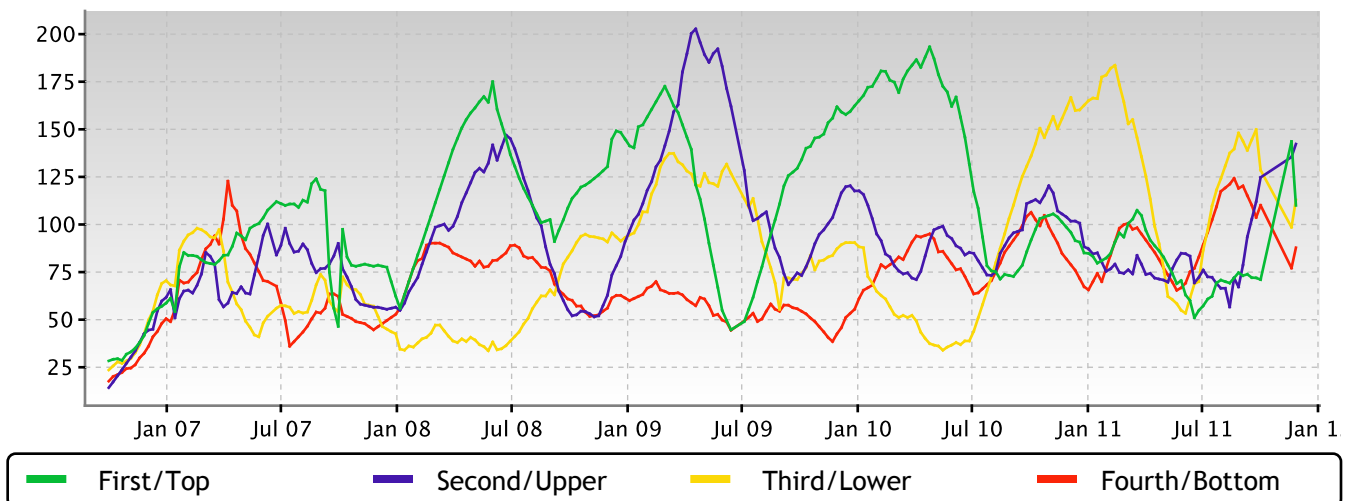
## Days on Market

The properties have been on the market for an average of 150 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 \$494,000. The 104 properties have been on the market for an average of 99 days.

Demand measured by the Market Action Index is increasing and days-on-market is trending downward. Even as more properties come available, these are positive trends 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	\$ 494,000	↑↑
Average List Price	\$ 449,563	
Asking Price Per Square Foot	\$ 242	↓↓
Average Days on Market (DoM)	99	↓↓
Inventory of Properties Listed	104	↑↑
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 19,000	
Average Age of Listing	30	
Percent of Properties with Price Decrease	44 %	
Percent Relisted (reset DOM)	10 %	
Percent Flip (price increased)	14 %	
Median House Size (sq ft)	1883	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

### Trend

### Altos Research Value Statistics

Market Action Index Strong Buyer's 16.2 ↑↑

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### Trend Key:

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## Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 650,000	2828	6,501 - 8,000 sqft	4.0	2.8	7	26	2	1	95
Upper/Second	\$ 546,000	2058	4,501 - 6,500 sqft	4.0	2.5	31	26	2	3	87
Lower/Third	\$ 429,950	1662	6,501 - 8,000 sqft	3.0	2.0	48	26	1	1	154
Bottom/Fourth	\$ 100,000	1426	4,501 - 6,500 sqft	2.0	2.0	31	26	0	4	62

Most expensive 25% of properties

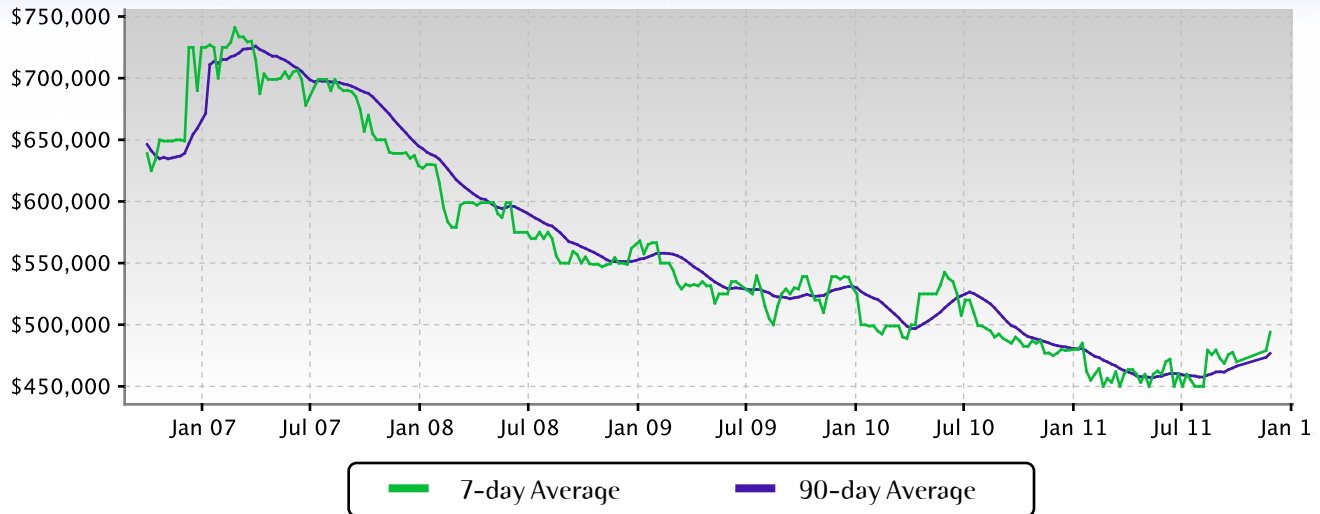
Upper-middle 25% of properties

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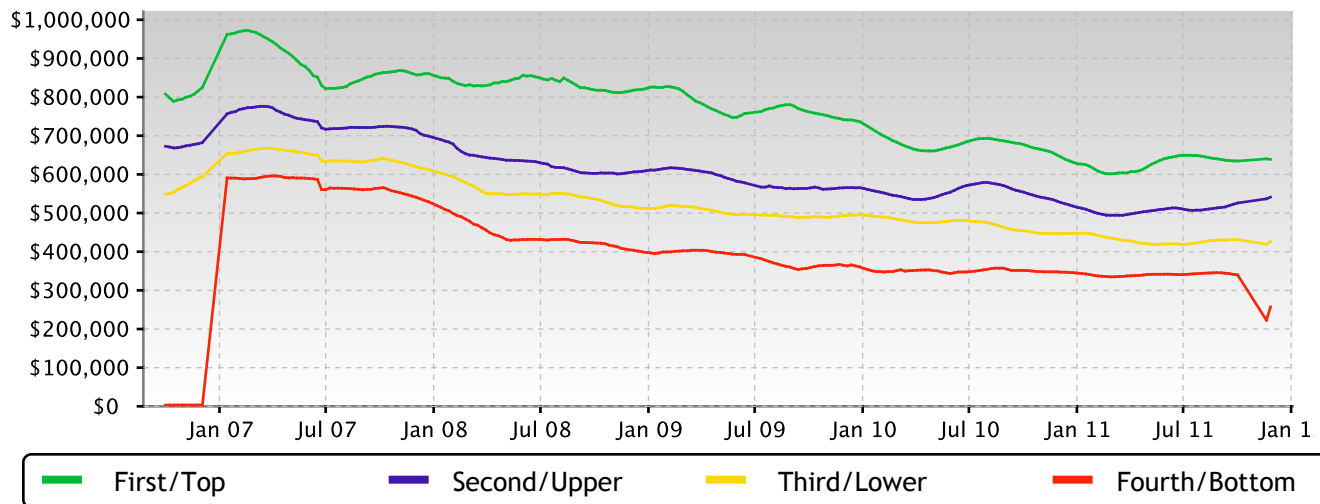
## Median Price

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.



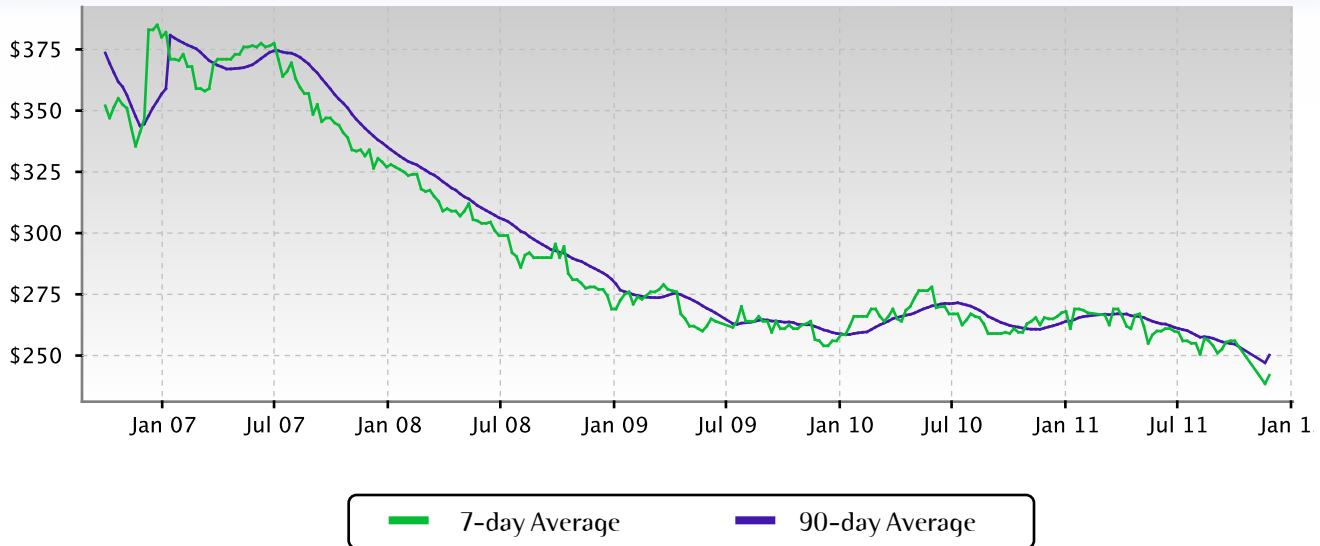
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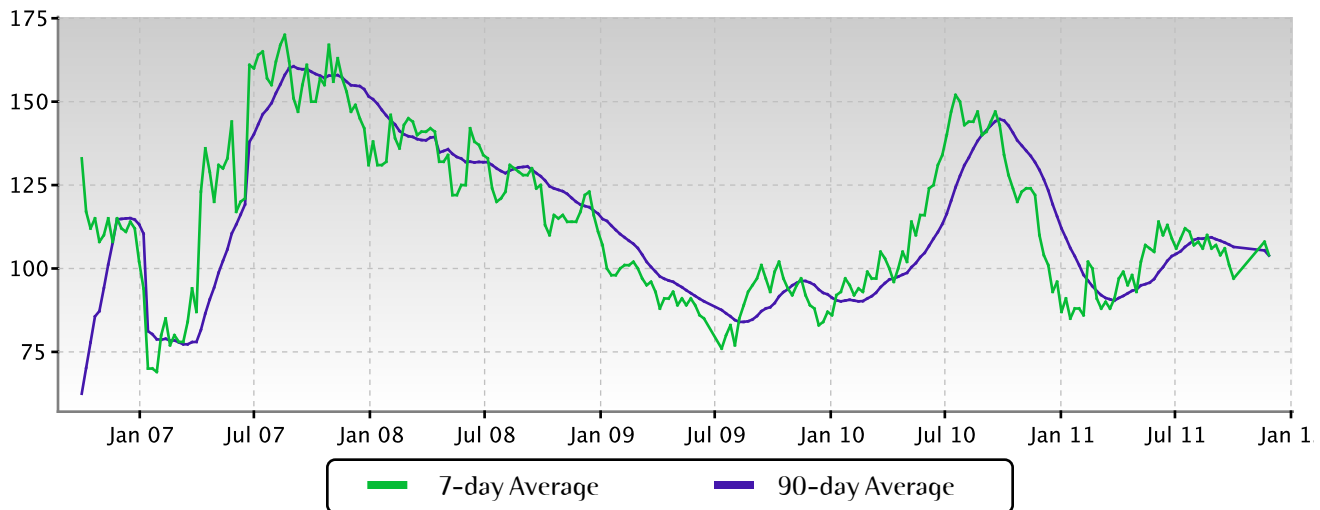
## Price per Square Foot

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. 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.



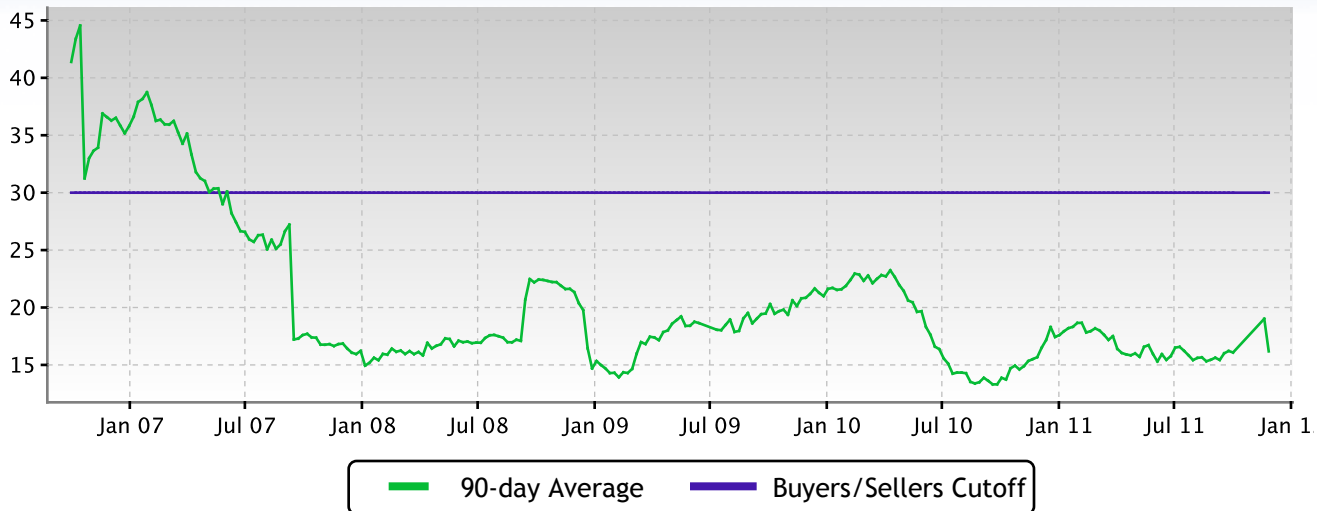
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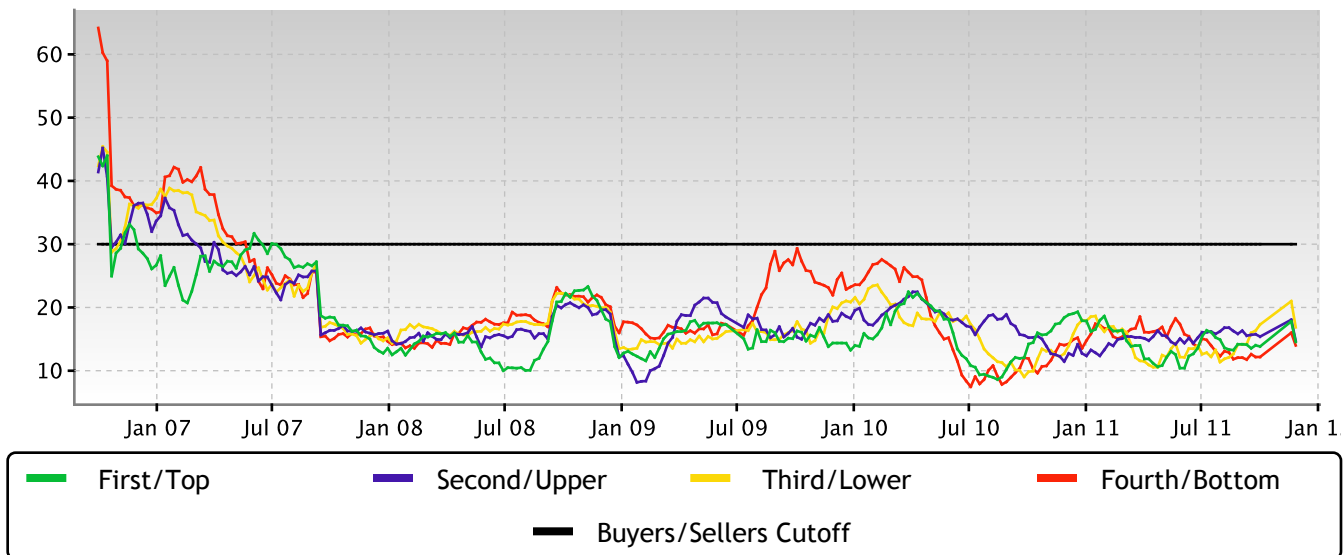
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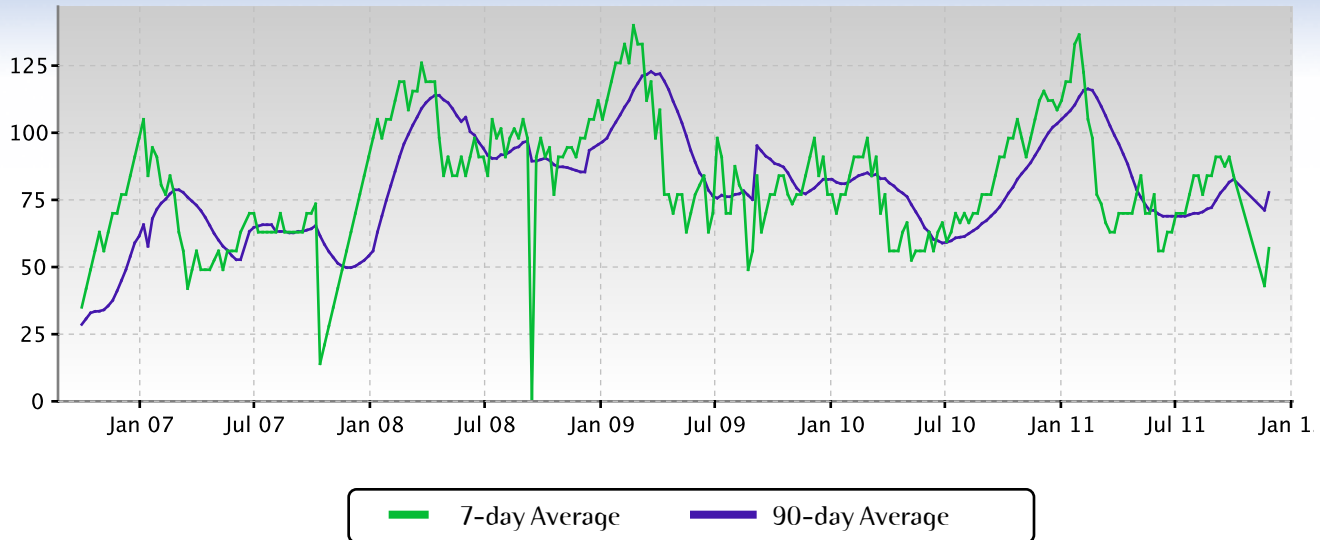


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## Days on Market per Quartile

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