

# 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 26, 2011

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## This Week

- The median list price in BREA, CA this week is \$479,000. The 107 properties have been on the market for an average of 105 days.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

## 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	\$ 479,000	↔
Average List Price	\$ 454,829	
Asking Price Per Square Foot	\$ 242	↑↑
Average Days on Market (DoM)	105	↑↑
Inventory of Properties Listed	107	↓↓
Most Expensive Listing	\$ 2,000,000	
Least Expensive Listing	\$ 15,500	
Average Age of Listing	30	
Percent of Properties with Price Decrease	38 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	15 %	
Median House Size (sq ft)	1854	
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	19.1	↔
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:

↔	No change	↑↑	Strong upward trend	↓↓	Strong downward trend
		↑	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	2861	8,001 - 10,000 sqft	4.0	3.0	7	26	0	1	126
Upper/Second	\$ 530,000	2180	4,501 - 6,500 sqft	4.0	2.5	33	27	0	0	99
Lower/Third	\$ 429,000	1628	6,501 - 8,000 sqft	3.0	2.0	30	27	0	2	124
Bottom/Fourth	\$ 95,000	1440	4,501 - 6,500 sqft	2.0	2.0	34	27	0	2	73

Most expensive 25% of properties

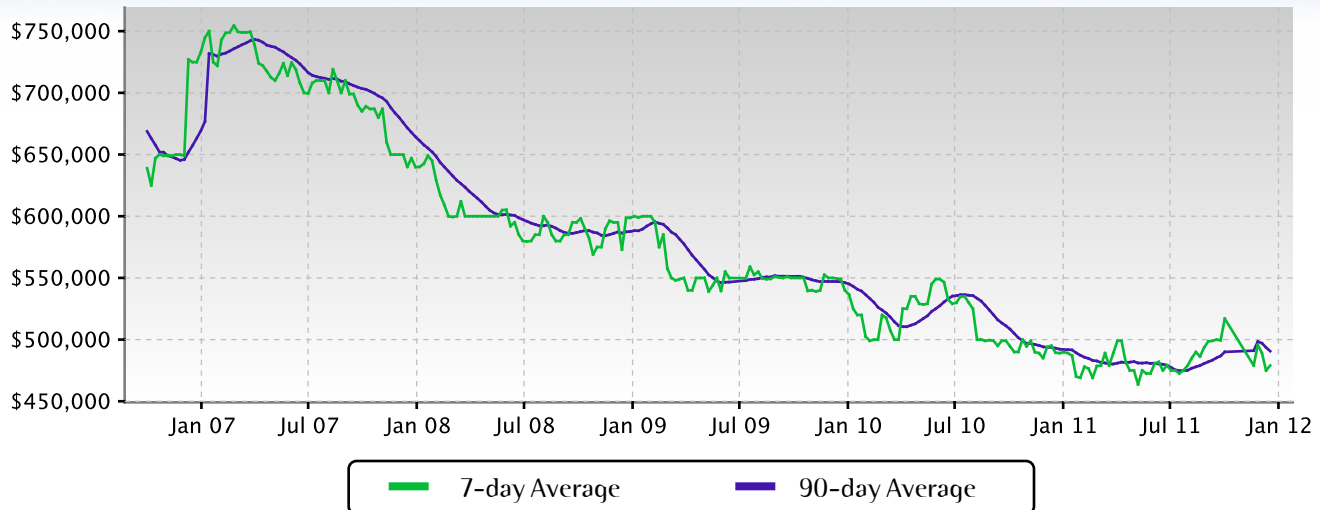
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

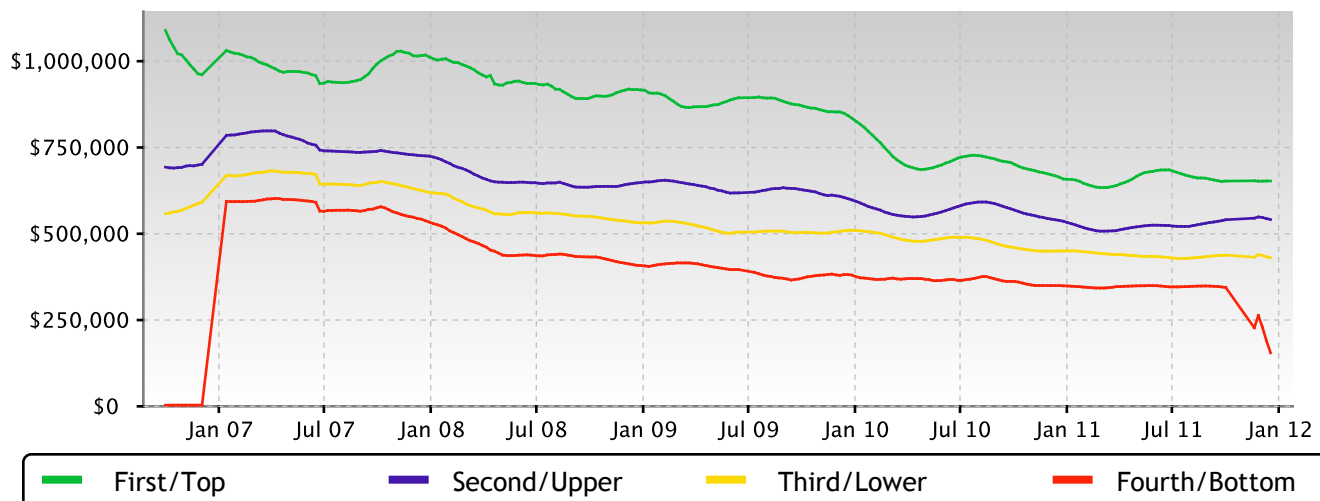
## Median Price

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



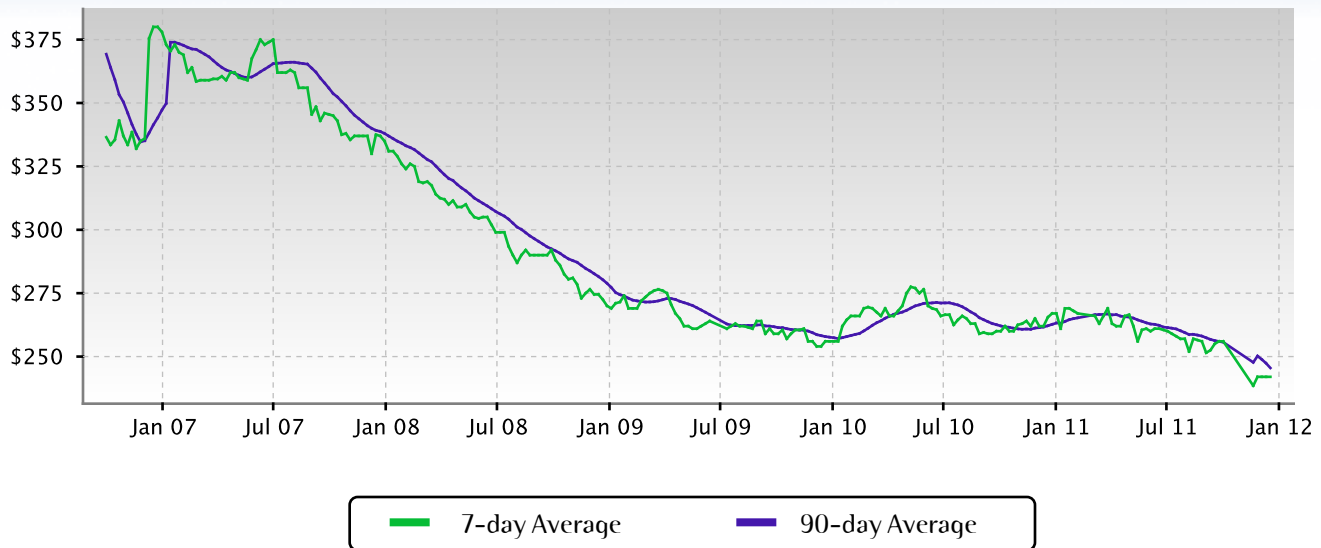
## Quartile Prices

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.



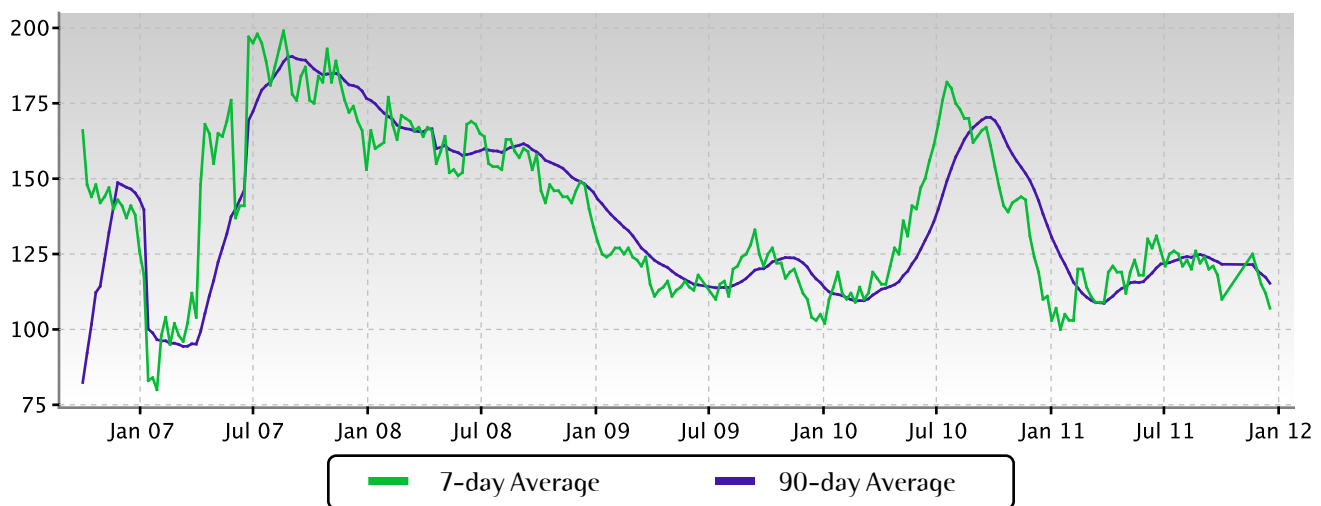
## Price per Square Foot

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.



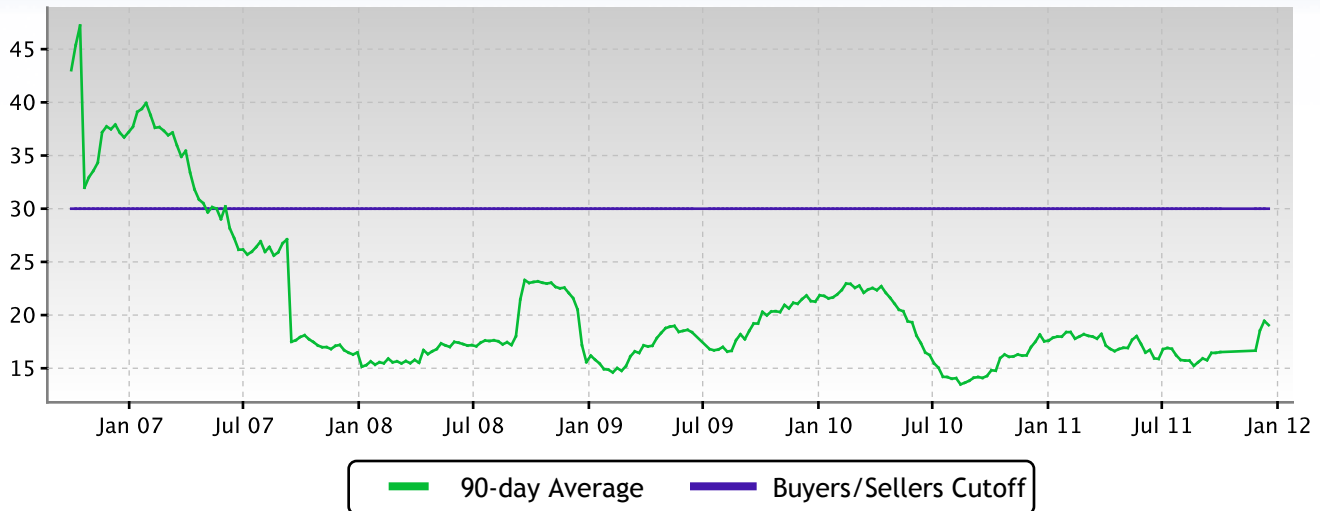
## Inventory of Properties Listed for Sale

Inventory 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.



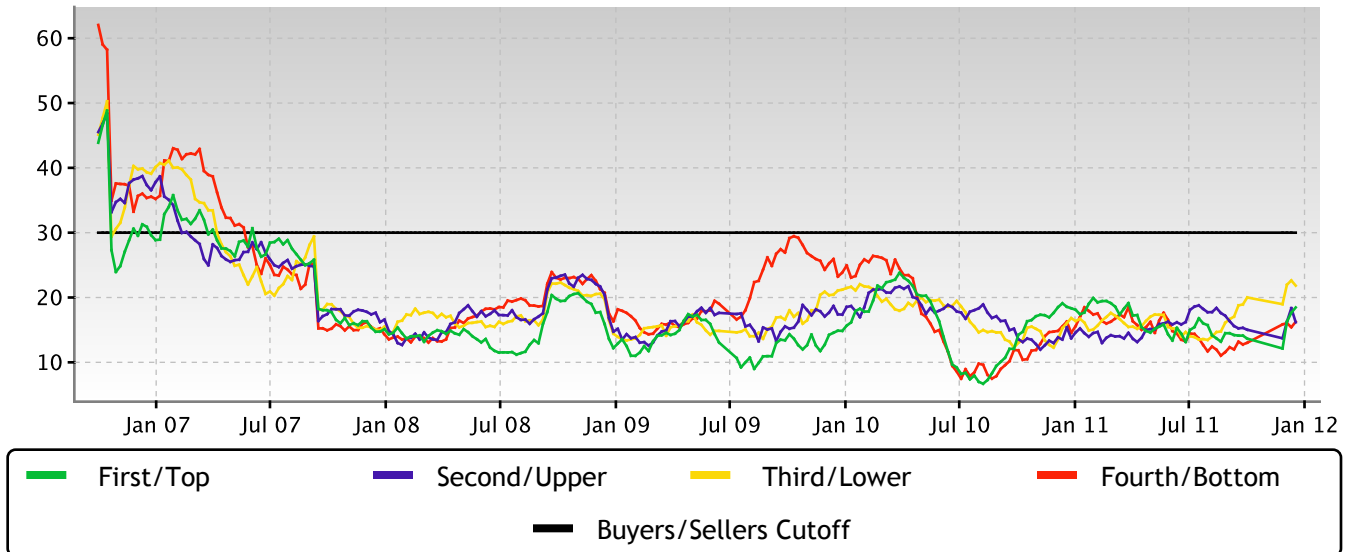
## Market Action Index

The BREA market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 19.05. With several months of inventory available at the current sales rate, buyers should find ample choice.



## Market Action Index per Quartile

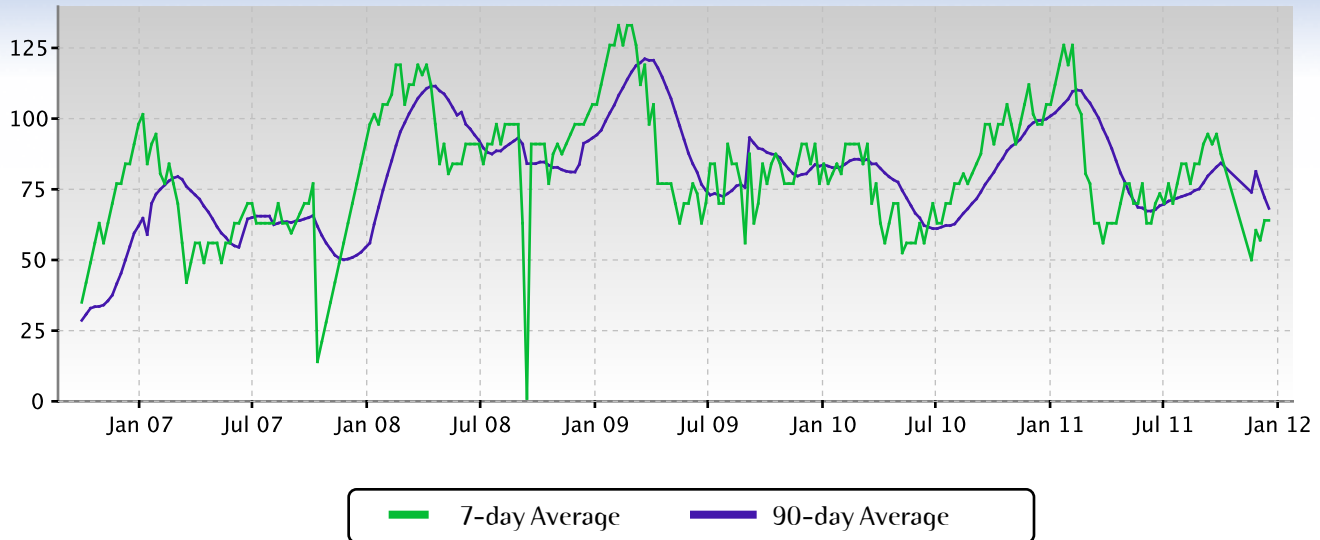
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low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

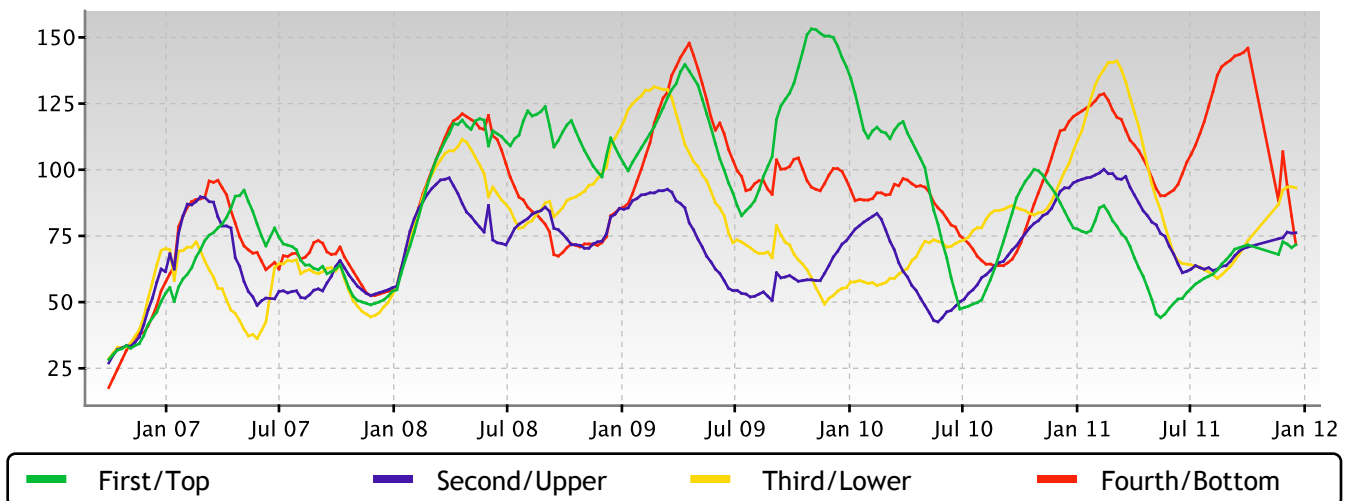
## Days on Market

The properties have been on the market for an average of 105 days. Half of the listings have come newly on the market in the past 64 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 \$465,000. The 19 properties have been on the market for an average of 133 days.

With inventory trending up but days-on-market trending down and the Market Action Index essentially flat recently, conditions do not seem to have strong up or down pull.

## 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	\$ 465,000	↓↓
Average List Price	\$ 522,926	↓↓
Asking Price Per Square Foot	\$ 227	↓↓
Average Days on Market (DoM)	133	↓↓
Inventory of Properties Listed	19	↑↑
Most Expensive Listing	\$ 2,000,000	
Least Expensive Listing	\$ 15,500	
Average Age of Listing	20	
Percent of Properties with Price Decrease	42 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	26 %	
Median House Size (sq ft)	2261	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.5	

### Trend

### Altos Research Value Statistics

Market Action Index Strong Buyer's 12.8 ↔

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	\$ 805,000	3264	0.25 - 0.50 acre	4.5	3.0	26	4	0	0	220
Upper/Second	\$ 575,000	2604	6,501 - 8,000 sqft	4.0	3.0	8	5	0	0	152
Lower/Third	\$ 450,000	1933	Less than 4,500 sqft	3.0	2.5	8	5	0	0	69
Bottom/Fourth	\$ 23,000	1077	4,501 - 6,500 sqft	2.0	2.0	35	5	0	1	110

Most expensive 25% of properties

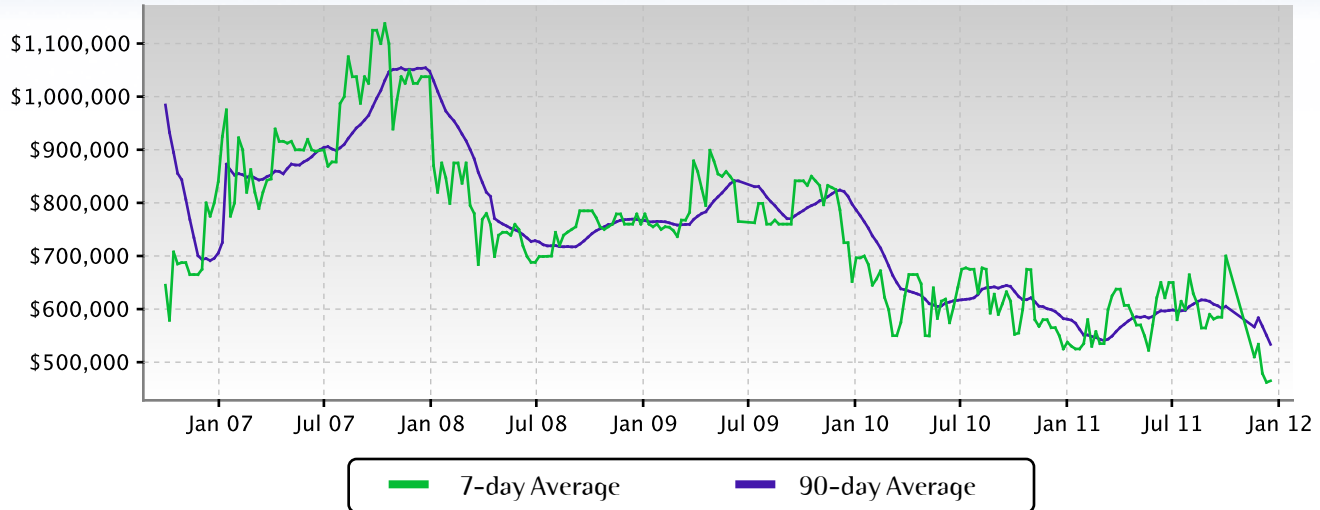
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

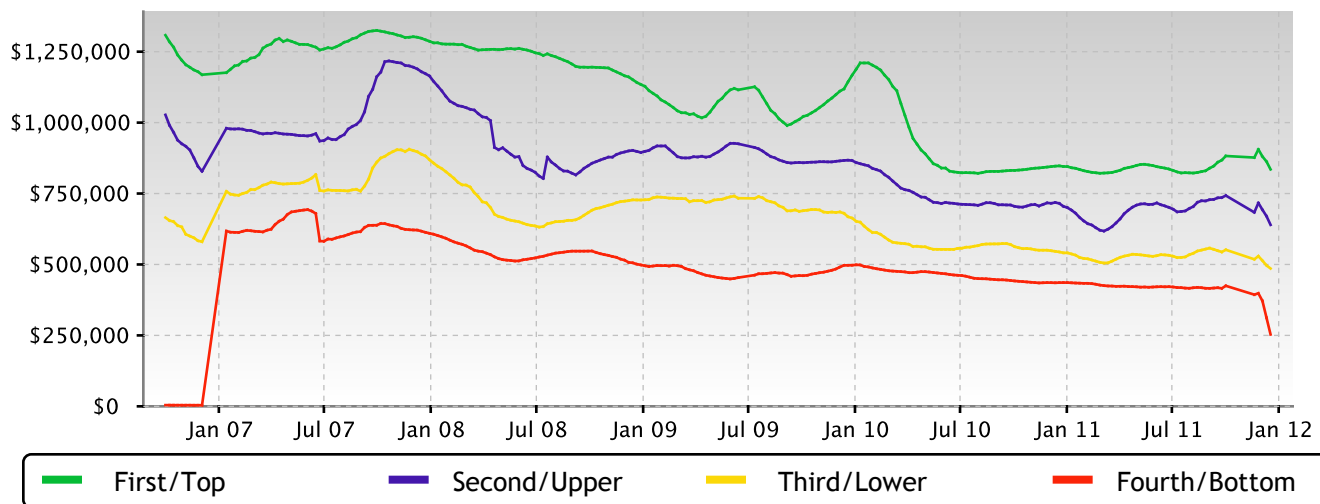
## Median Price

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



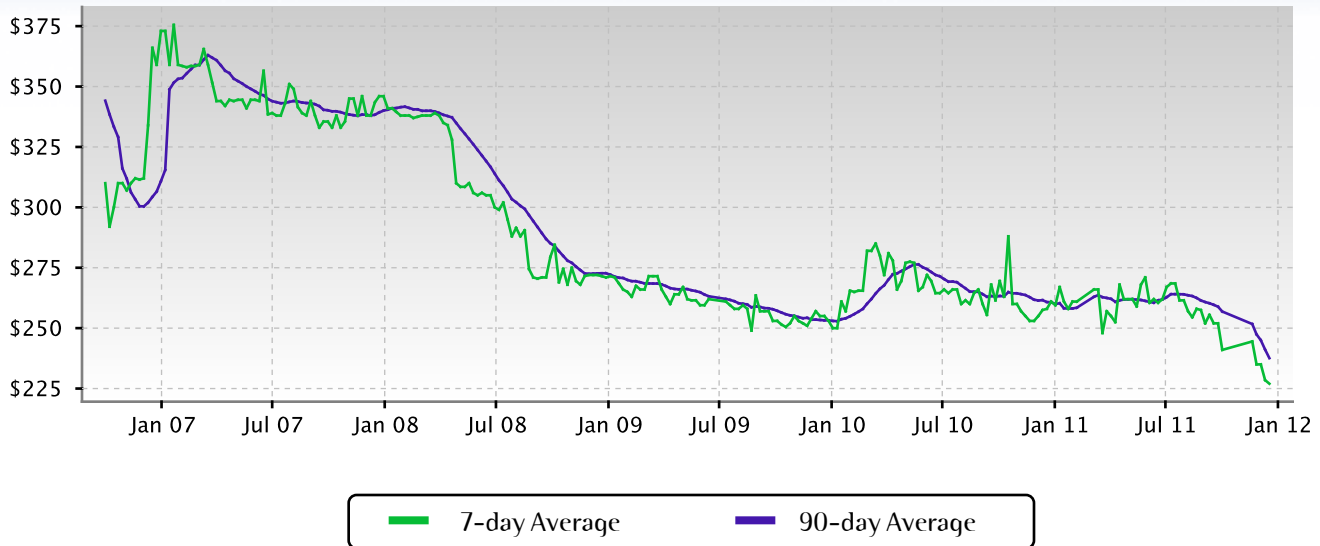
## Quartile Prices

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.



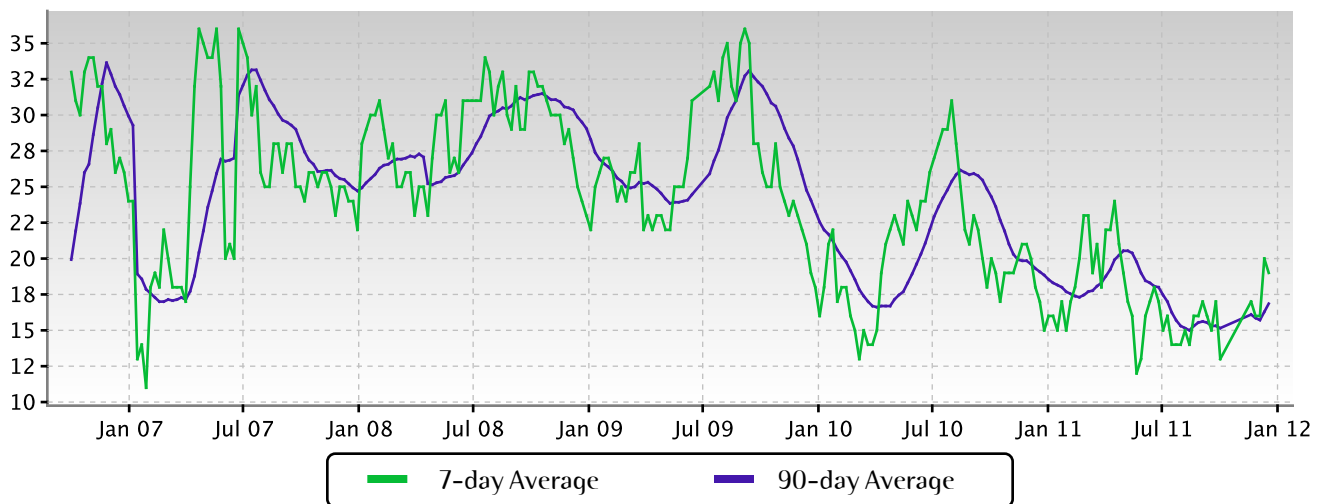
## Price per Square Foot

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.



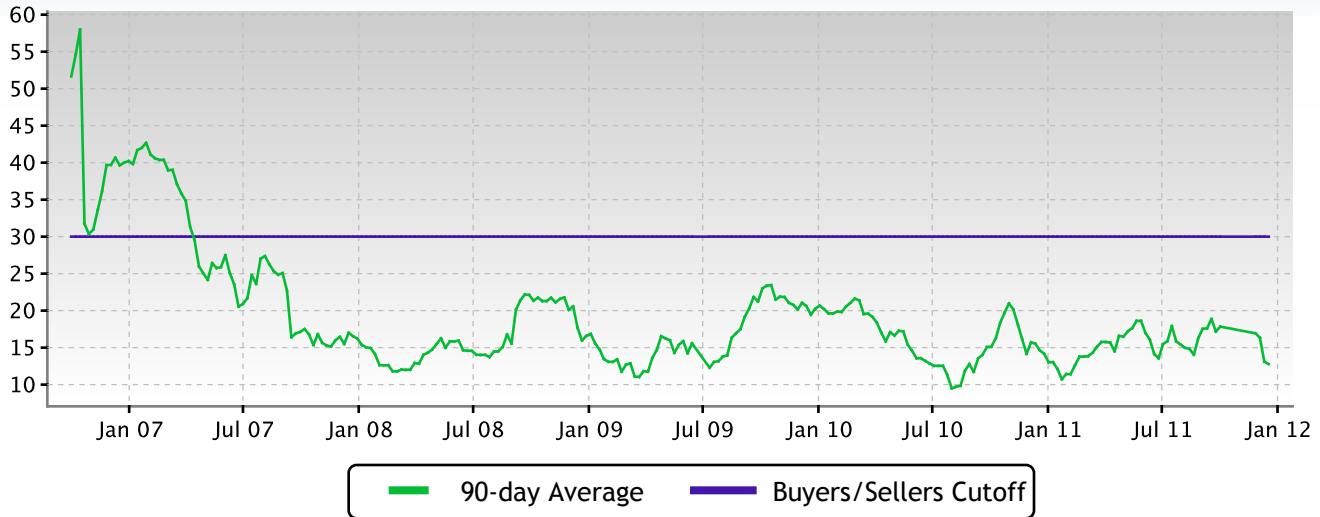
## Inventory of Properties Listed for Sale

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.



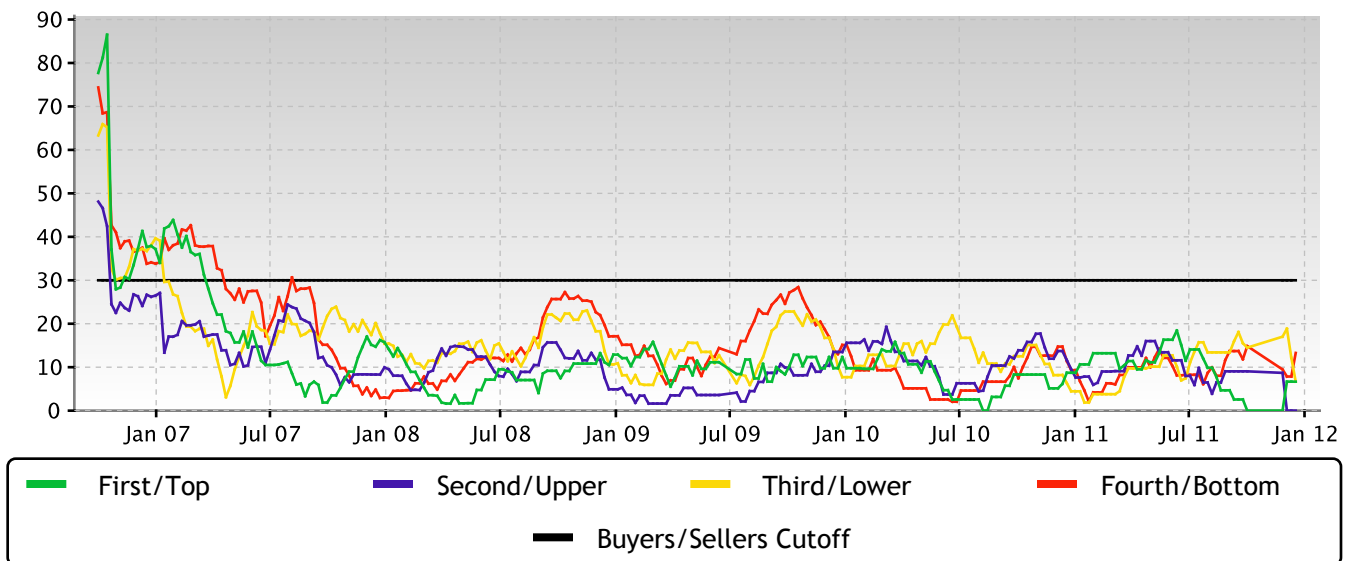
## Market Action Index

The BREA, 92823 market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 12.77. With several months of inventory available at the current sales rate, buyers should find ample choice.



## Market Action Index per Quartile

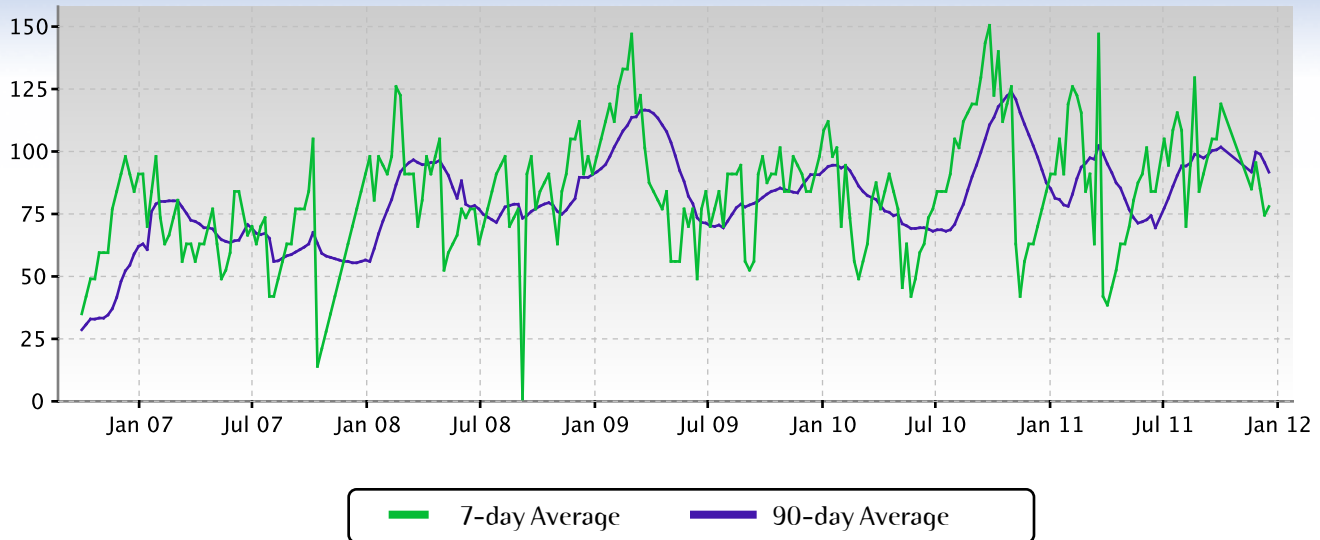
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.



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.

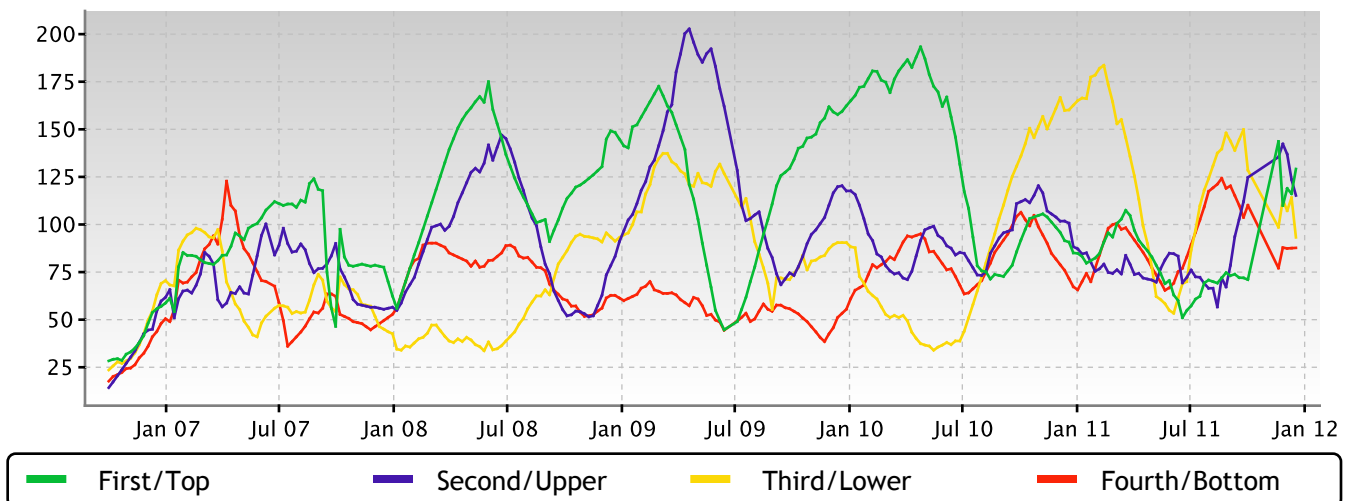
## Days on Market

The properties have been on the market for an average of 133 days. Half of the listings have come newly on the market in the past 78 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 \$479,000. The 88 properties have been on the market for an average of 99 days.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

## 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	\$ 479,000	↔
Average List Price	\$ 440,126	
Asking Price Per Square Foot	\$ 242	↑↑
Average Days on Market (DoM)	99	↑↑
Inventory of Properties Listed	88	↓↓
Most Expensive Listing	\$ 949,000	
Least Expensive Listing	\$ 23,000	
Average Age of Listing	32	
Percent of Properties with Price Decrease	38 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	12 %	
Median House Size (sq ft)	1792	
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

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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	\$ 639,995	2727	6,501 - 8,000 sqft	4.0	2.5	7	22	0	1	100
Upper/Second	\$ 525,000	2058	4,501 - 6,500 sqft	3.0	2.5	32	22	0	0	96
Lower/Third	\$ 422,950	1600	6,501 - 8,000 sqft	3.0	2.0	48	22	0	1	123
Bottom/Fourth	\$ 122,000	1440	4,501 - 6,500 sqft	2.5	2.0	30	22	0	2	78

Most expensive 25% of properties

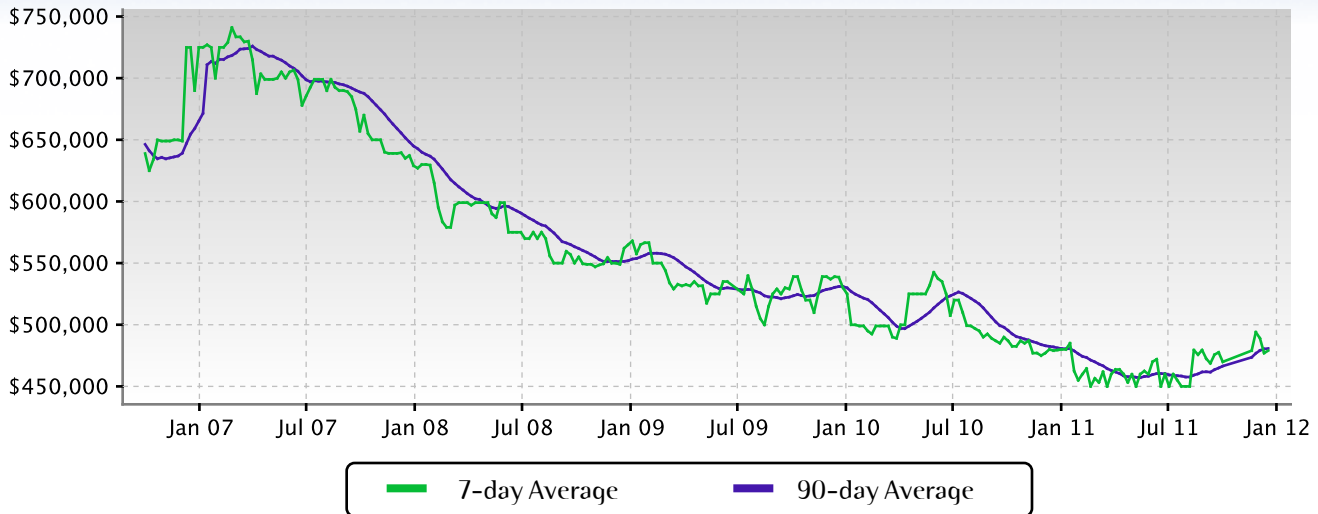
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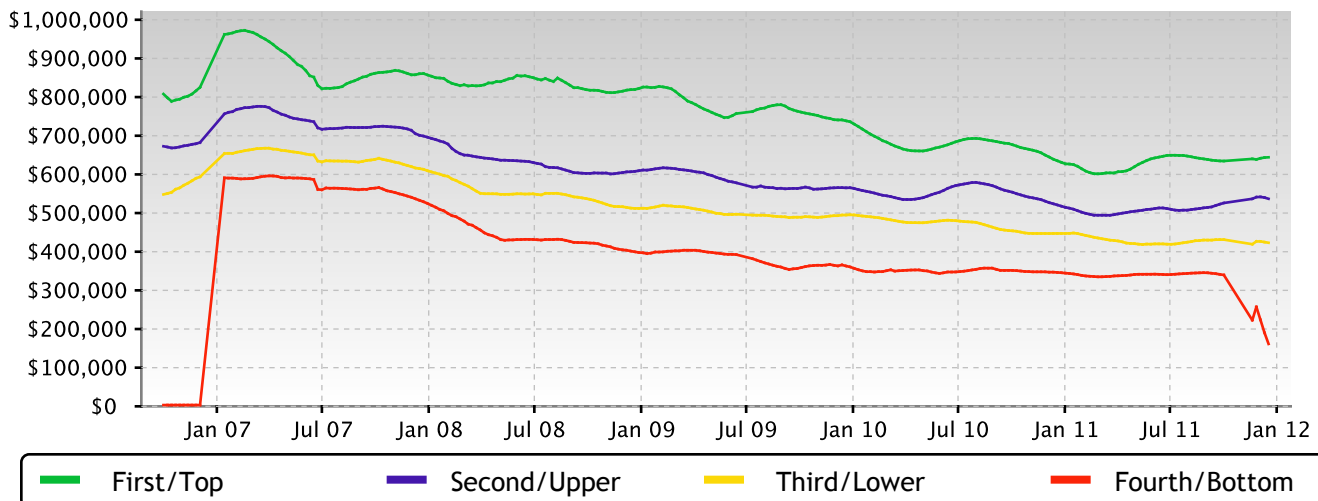
## Median Price

We continue to see prices in this zip code bouncing around this plateau. Look for a persistent up-shift in the Market Action Index before we see prices move from these levels.



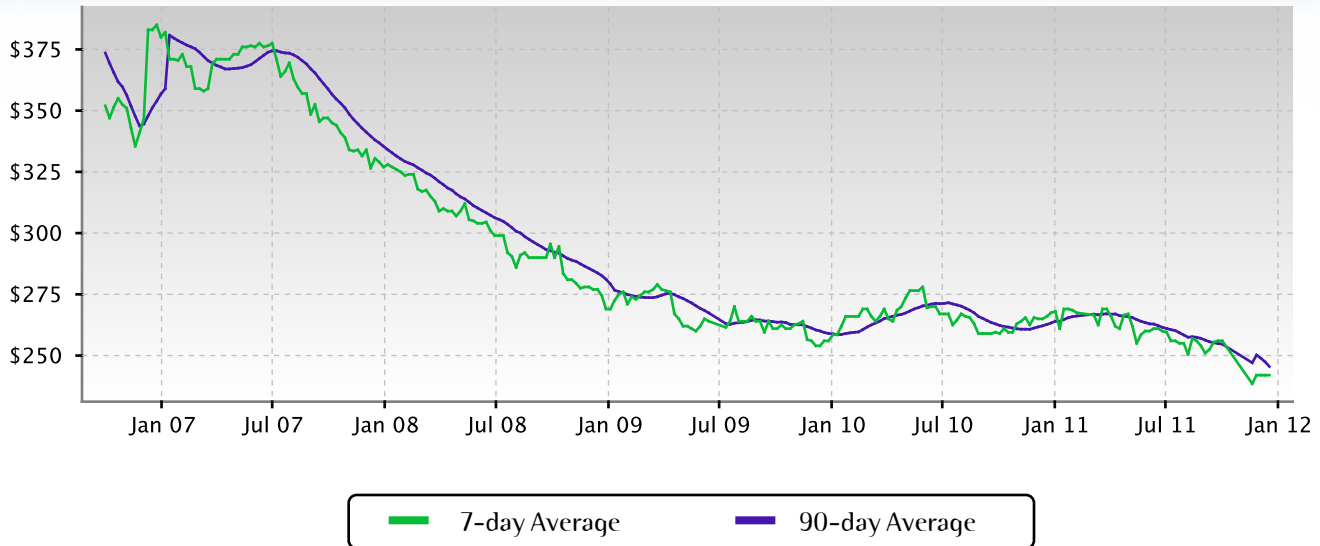
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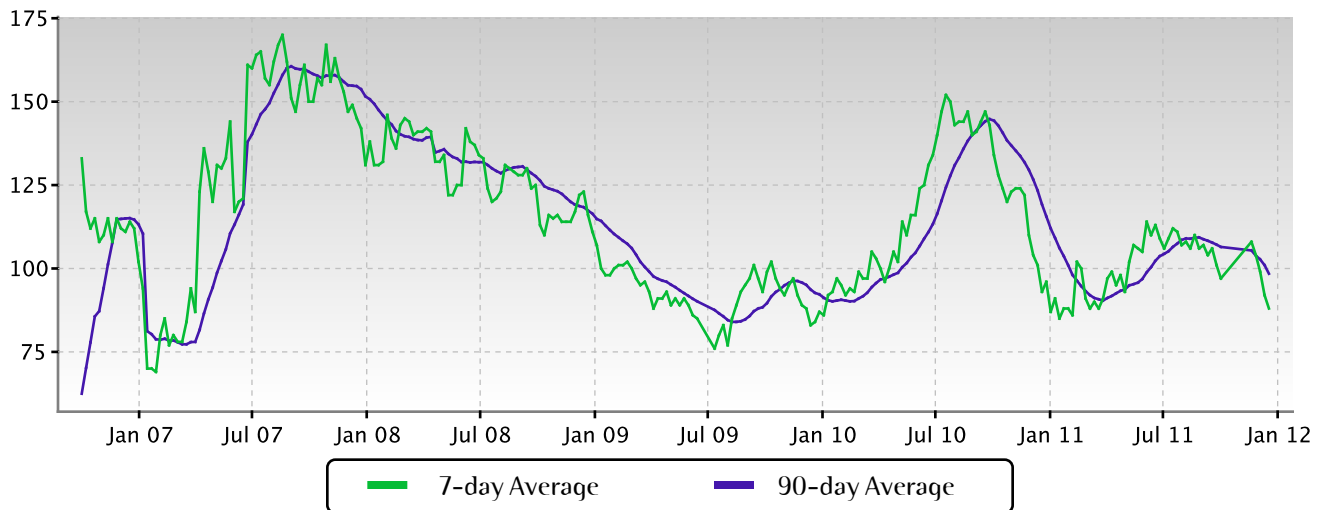
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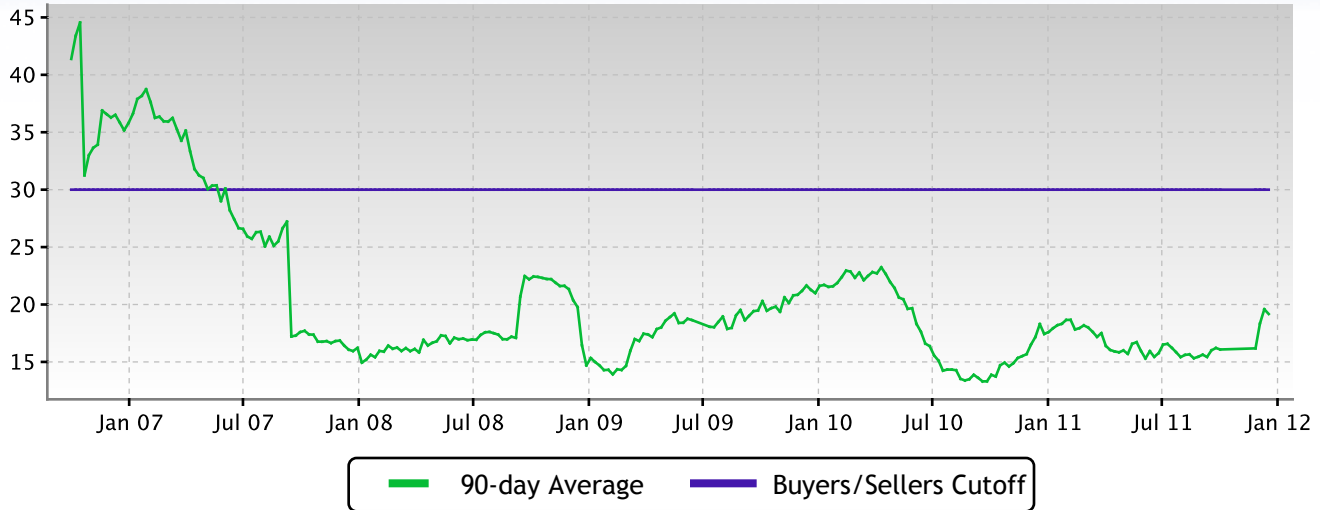
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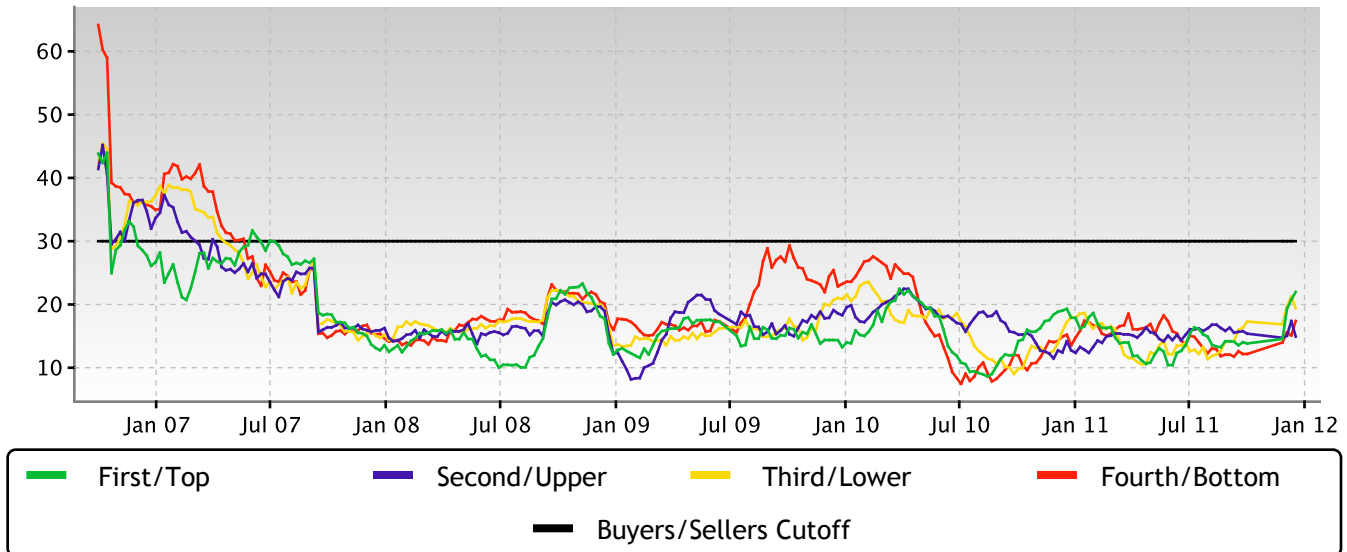
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## Market Action Index per Quartile

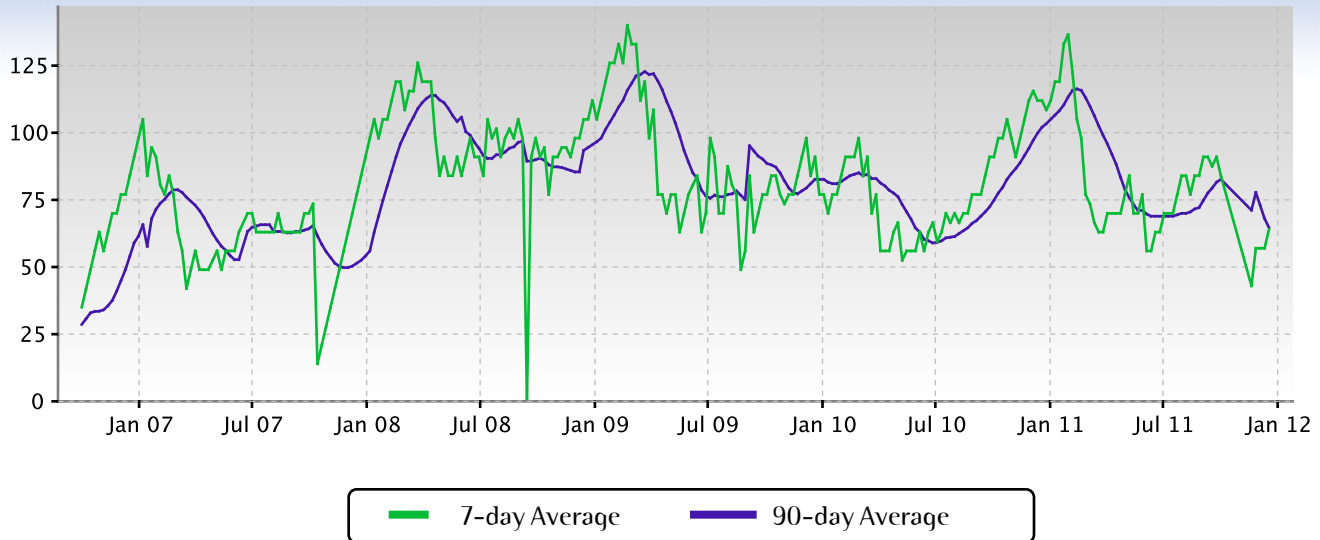
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