

Jeffrey Douglass market update

LA JOLLA
92037

Current prices for homes on the market
Trends in pricing
Current levels of supply and demand
Value metrics

Report for the week of
2009-06-26

Presented by Jeffrey Douglass, CRS

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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 2,292,500	← →
Average List Price	\$ 3,641,137	
Least Expensive Listing	\$ 388,000	
Most Expensive Listing	\$ 33,000,000	
Asking Price per Square Foot	\$ 803	← →
Average Days on Market	154	↑ ↑
Total Inventory	294	↑ ↑
Absorbed This Week*	3	
Percent of Properties with Price Decrease	37 %	
Percent Relisted (reset DOM)	11 %	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	2,955	
Median Lot Size	8,001 - 10,000 sq ft	
Median Number of Bedrooms	3.9	
Median Number of Bathrooms	3.5	
Median Age	39	

Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	12 ↓ ↓

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
 No Clear Monthly/Quarterly

*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	\$ 6,795,000	5,272	0.25 - 0.50 acre	5.0	5.5	21	73	3	0	173
2	\$ 2,995,000	3,720	0.25 - 0.50 acre	4.0	4.0	40	73	3	0	123
3	\$ 1,862,500	2,500	6,501 - 8,000 sq ft	4.0	3.0	39	74	8	2	135
4	\$ 1,259,000	1,990	6,501 - 8,000 sq ft	3.0	2.5	42	74	0	1	185

LA JOLLA

THIS WEEK

The median single family home price in LA JOLLA this week is \$2,292,500. The 294 homes have been on the market for an average of 154 days.

The Market Action Index has been trending down lately, while inventory and days-on-market are climbing. The trends imply a weakening 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

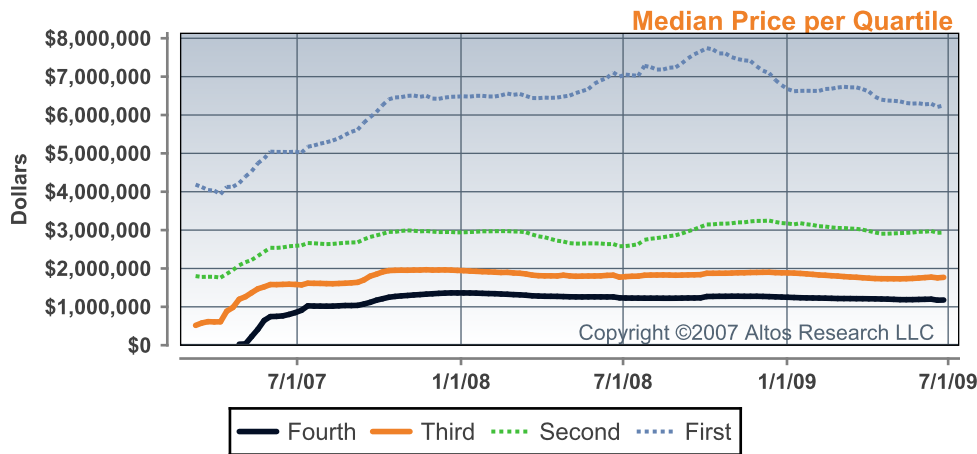
Least expensive 25% of homes

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



PRICE

Despite this week's up 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.



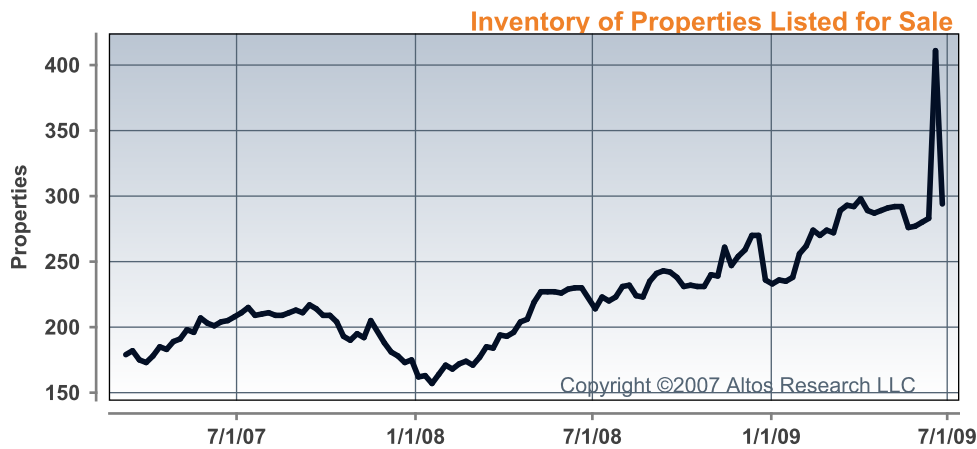
QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Pricing trends have been lacking strong directional indication lately. Only Quartile 3 is trending higher. Look to the Market Action Index for persistent changes (up or down) as a leading indicator for the significant price changes.



PRICE AND VALUE

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.



INVENTORY

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.

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.



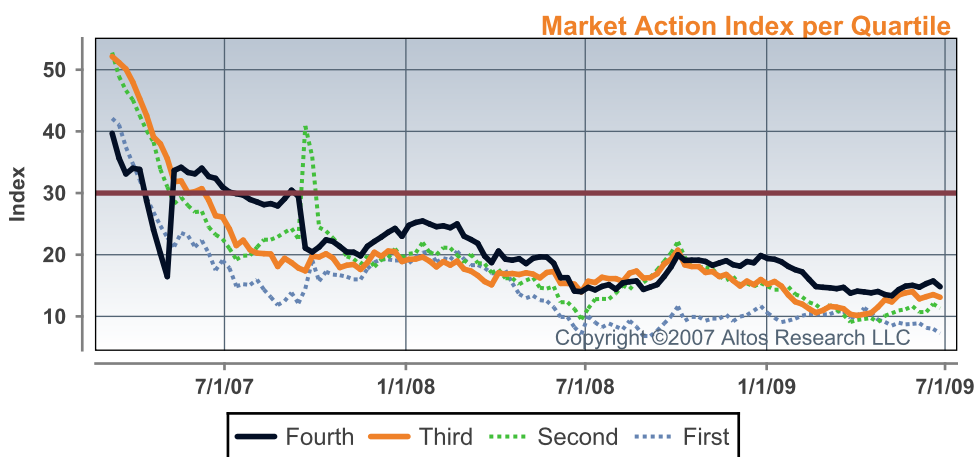
The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

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 LA JOLLA market is currently quite strongly in the Buyer's Market zone (below 30). 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.

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

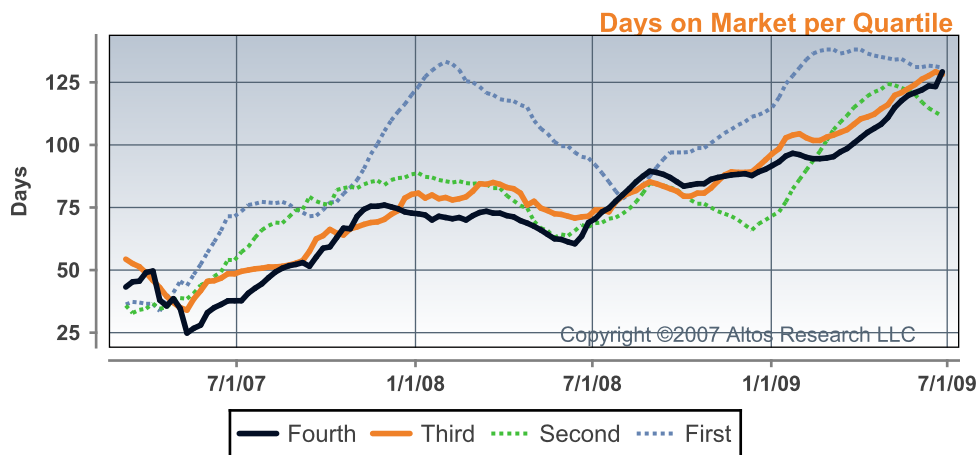
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low 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 154 days. Half of the listings have come newly on the market in the past 133 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

LA JOLLA
92037

Real-Time Market Profile		Trend
Median List Price	\$ 2,250,000	↓ ↓
Average List Price	\$ 3,592,976	
Least Expensive Listing	\$ 388,000	
Most Expensive Listing	\$ 33,000,000	
Asking Price per Square Foot	\$ 801	
Average Days on Market	159	↑ ↑
Total Inventory	279	
Absorbed This Week	13	
Median House Size (sq ft)	2,954	
Median Lot Size	8,001 - 10,000 sq ft	
Median Number of Bedrooms	3.9	
Median Number of Bathrooms	3.5	
Median Age	39	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	13 ↔

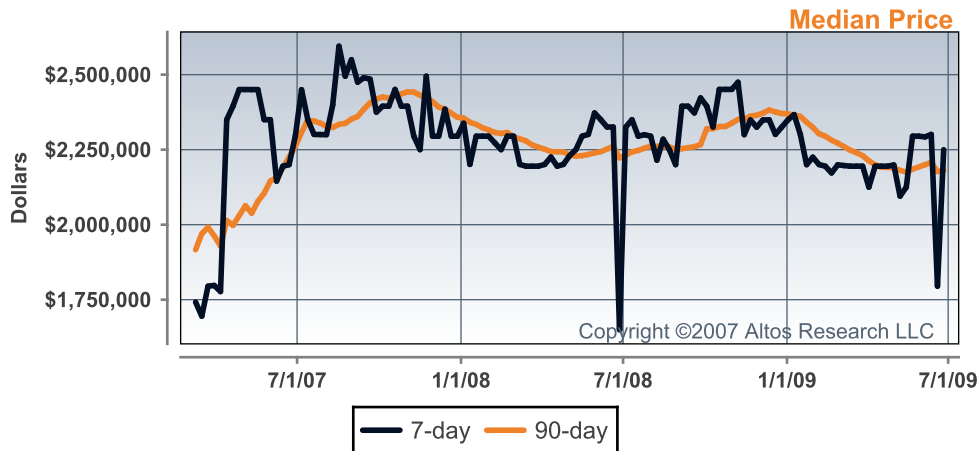
THIS WEEK

The median single family home price in LA JOLLA 92037 this week is \$2,250,000.

Inventory and days-on-market are climbing, while the Market Action Index has been flat recently. The trends point to a weakening market.

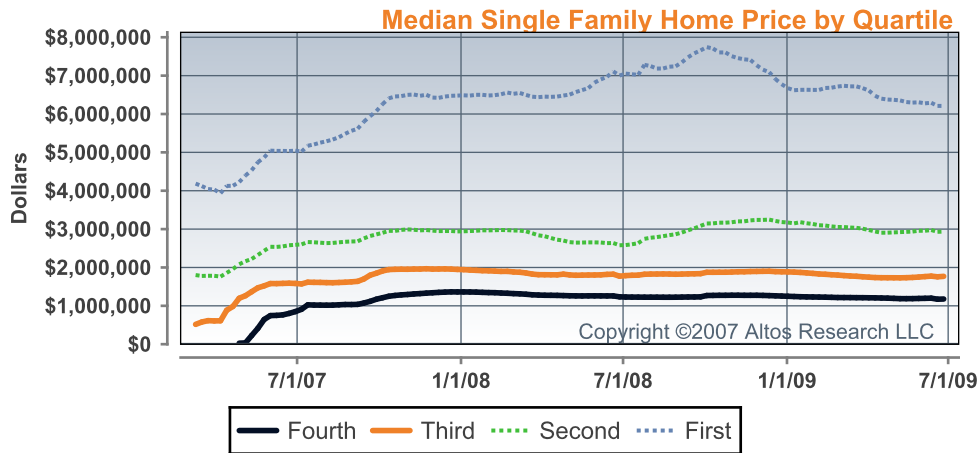
PRICE

This week prices in this zip code bumped up a bit but the trend of recent weeks is generally downward. Keep an eye on the Market Action Index for a leading indicator of the duration of this downtrend.



PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code not showing any strong directional trend. Quartiles 1 and 4 are down, Quartile 2 is at a plateau, while Quartile 3 is up in the last few weeks. We'll need to see strong, persistent shifts (up or down) in the Market Action Index before being able to determine where this market is heading.



Characteristics per Quartile

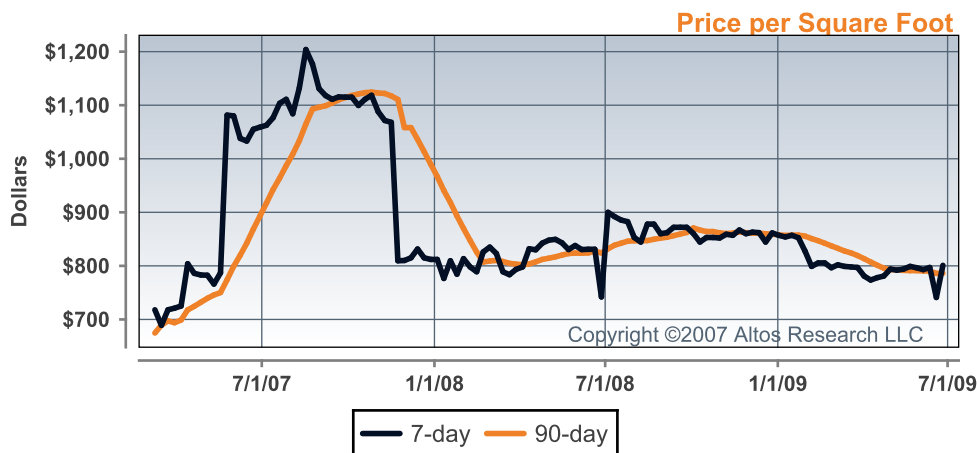
Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 6,295,000	4,882	0.25 - 0.50 acre	5.0	5.0	19	69	2	6	183
2	\$ 2,962,500	3,701	0.25 - 0.50 acre	4.0	4.0	40	70	3	3	123
3	\$ 1,847,000	2,478	8,001 - 10,000 sq ft	4.0	3.0	40	70	5	4	144
4	\$ 1,259,000	1,990	6,501 - 8,000 sq ft	3.0	2.5	41	70	0	0	186

QUARTILES

- Most expensive 25% of homes
- Upper-middle 25% of homes
- Lower-middle 25% of homes
- Least expensive 25% of homes

PRICE AND VALUE

Despite recently falling prices, the price per square foot has stayed reasonably flat. This implies that there's a portion of the market being priced at a premium. You can investigate this condition in the quartile details.



INVENTORY

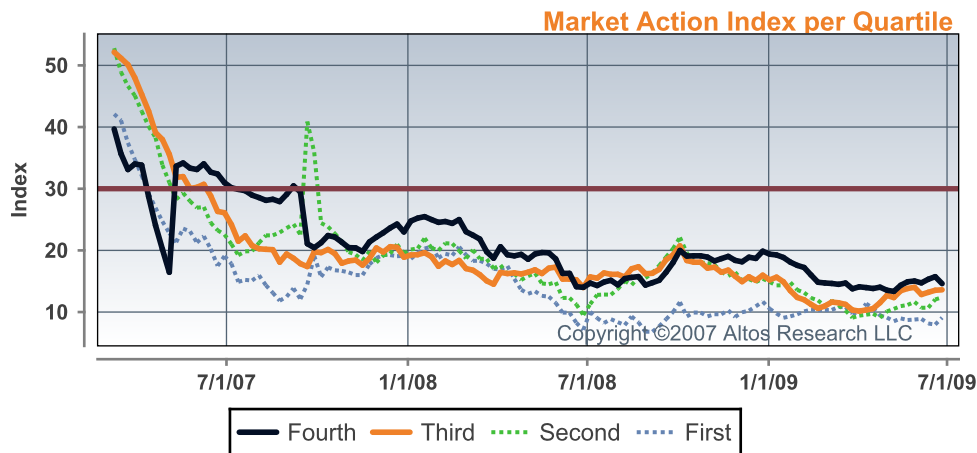
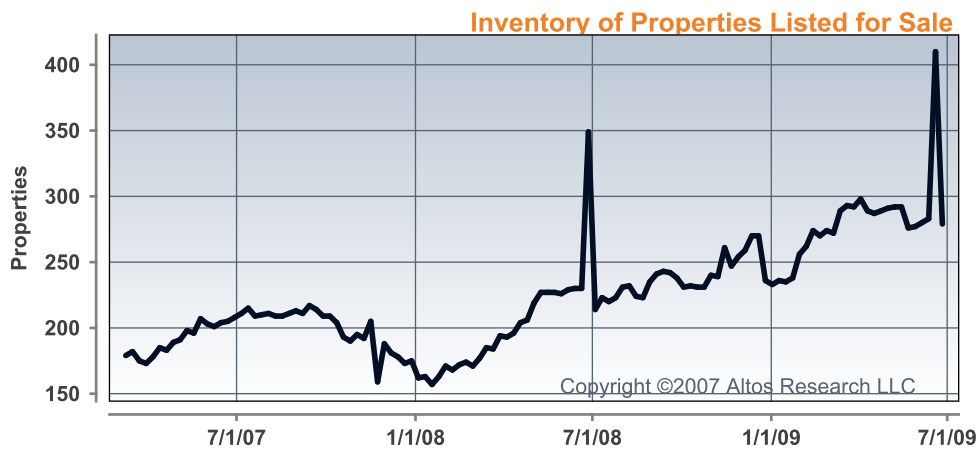
Inventory has been steady around these levels in recent weeks with 279 properties currently available.

MARKET ACTION INDEX

The LA JOLLA 92037 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 13. With several months of inventory available at the current sales rate, buyers should find ample choice.

MARKET ACTION

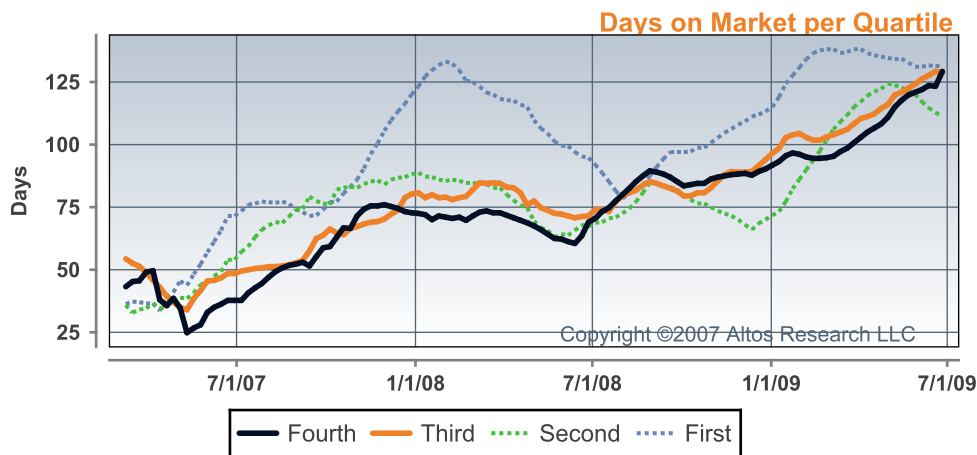
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 158 days. Half of the listings have come newly on the market in the past 133 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.

About Altos Research Corporation

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