

Jeffrey Douglass market update

SAN DIEGO
92106

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	\$ 659,000	↑ ↑
Average List Price	\$ 893,659	
Least Expensive Listing	\$ 38,000	
Most Expensive Listing	\$ 12,500,000	
Asking Price per Square Foot	\$ 299	← →
Average Days on Market	136	↑ ↑
Total Inventory	1735	↓ ↓
Absorbed This Week*	126	
Percent of Properties with Price Decrease	31 %	
Percent Relisted (reset DOM)	9 %	
Percent Flip (price increased)	5 %	
Median House Size (sq ft)	1,877	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.9	
Median Number of Bathrooms	2.5	
Median Age	34	

Altos Research Value Statistics		
Market Action Index	Cool. Buyer's	22 ← →

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	\$ 1,565,000	3,709	0.25 - 0.50 acre	5.0	4.0	10	433	14	15	152
2	\$ 799,000	2,475	6,501 - 8,000 sq ft	4.0	3.0	20	434	30	27	125
3	\$ 495,000	1,700	6,501 - 8,000 sq ft	4.0	2.0	36	434	40	45	129
4	\$ 235,000	1,320	4,501 - 6500 sq ft	3.0	2.0	41	434	35	39	143

SAN DIEGO

THIS WEEK

The median single family home price in SAN DIEGO this week is \$659,000. The 1735 homes have been on the market for an average of 136 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.

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

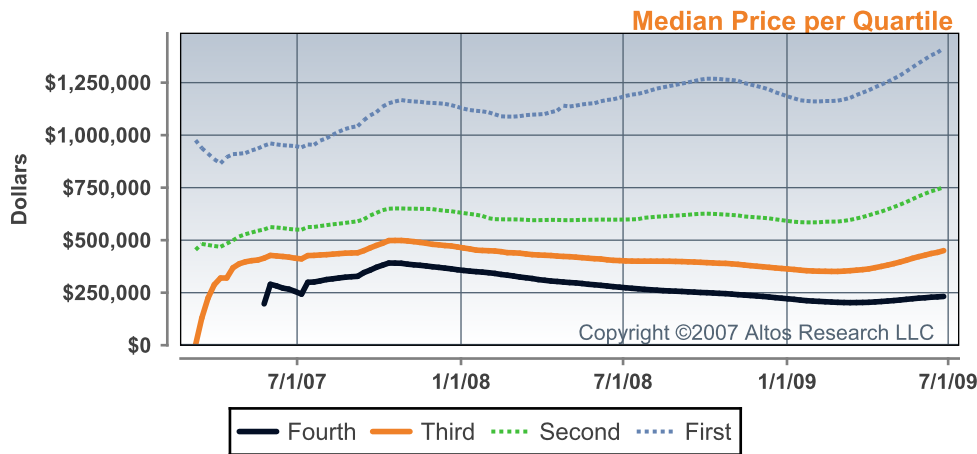
Least expensive 25% of homes

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



PRICE

Prices hit another all time high this week. Given current conditions, prices continue to march higher. A persistent drop of the Market Action Index into the Buyer's zone will be a leading indicator of the price strength subsiding.

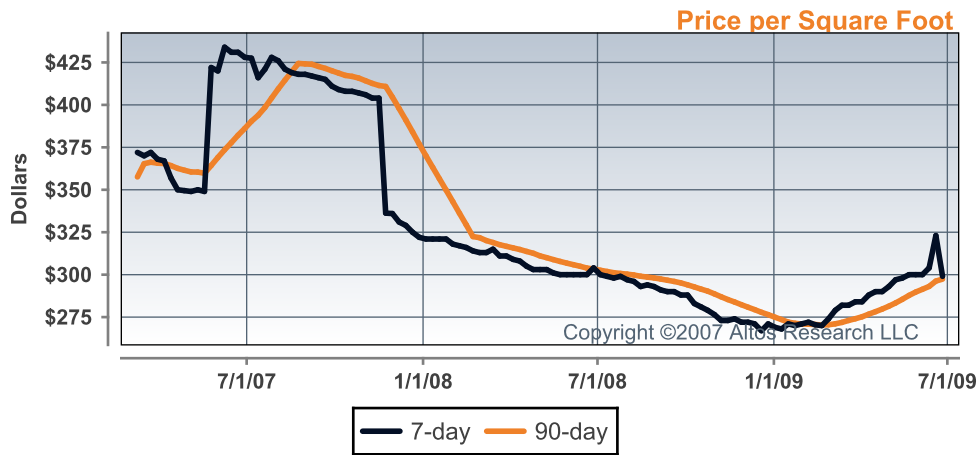


QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Not surprisingly, given the condition of the overall market, all quartiles have shown price strength in recent weeks. All have been increasing in price lately.

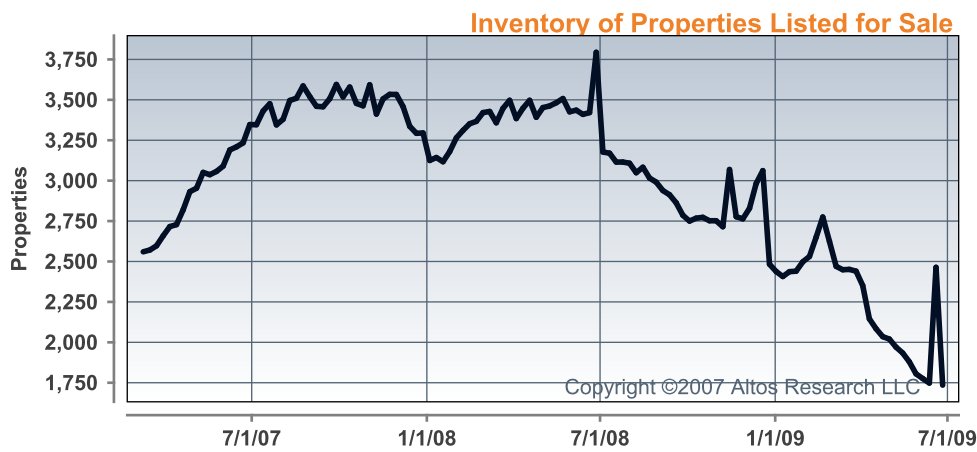
PRICE AND VALUE

The market appears to be placing an increasing premium on homes. When list prices and price per square foot consistently increase in tandem, as they're doing now, you can often find short-term investment opportunities. Watch the Market Action Index for persistent changes as a leading indicator for these trends to flatten or drop.

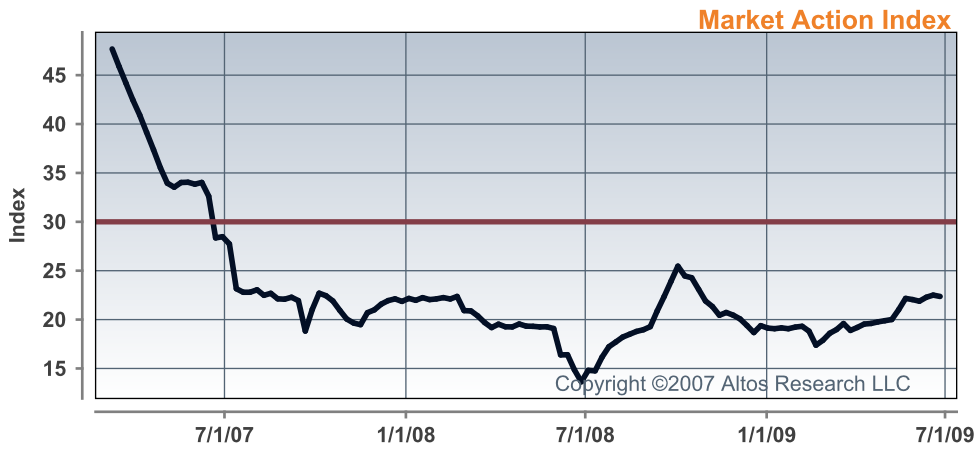


INVENTORY

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.



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.

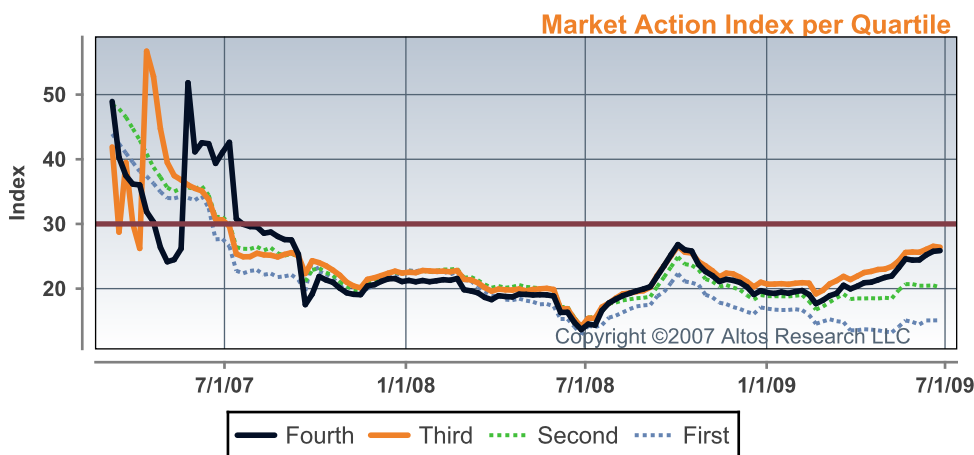
MARKET ACTION INDEX

The SAN DIEGO market is currently in the Buyer's Market zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 22 so buyers should expect find reasonable levels of selection.

Inventory levels have been relatively consistent relative to sales. Despite the fact that there is a relatively high amount of available inventory, this Buyer's market is still seeing prices move higher. Given inventory levels, these price conditions are relatively fragile. If the market cools off further, the price trend is likely to reverse.

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.



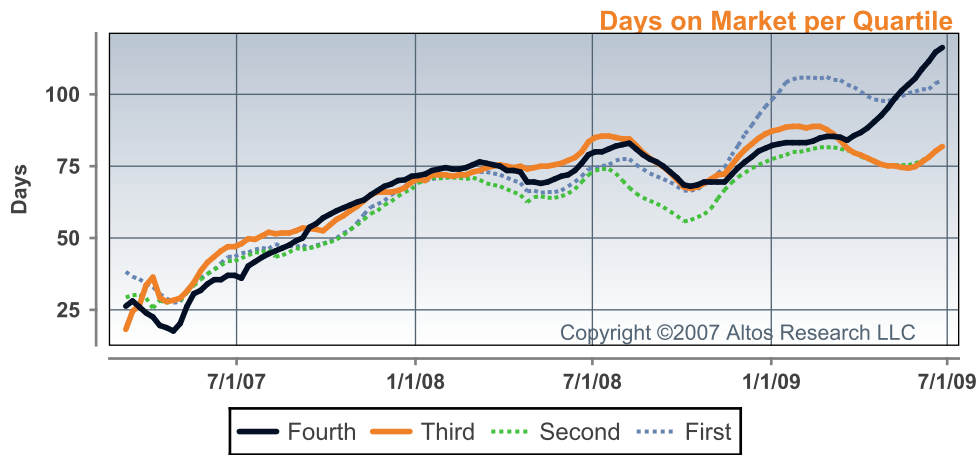
The quartiles can help you answer the question, "How hot is the market for homes in my price range?"

DAYS ON MARKET (DOM)

The properties have been on the market for an average of 136 days. Half of the listings have come newly on the market in the past 98 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

SAN DIEGO
92106

Real-Time Market Profile		Trend
Median List Price	\$ 1,099,500	↑ ↑
Average List Price	\$ 1,611,081	
Least Expensive Listing	\$ 525,000	
Most Expensive Listing	\$ 12,500,000	
Asking Price per Square Foot	\$ 474	
Average Days on Market	148	↑ ↑
Total Inventory	70	
Absorbed This Week	10	
Median House Size (sq ft)	2,414	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	3.8	
Median Number of Bathrooms	2.6	
Median Age	55	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	17 ↑ ↑

THIS WEEK

The median single family home price in SAN DIEGO 92106 this week is \$1,099,499.

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.

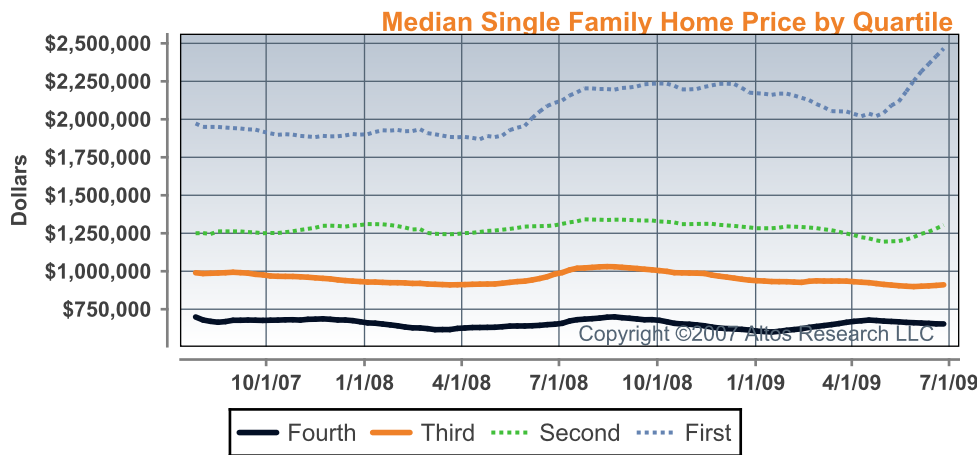
PRICE

In this zip code this week saw relatively little price change from last week. However, we continue to demonstrate a nice up trend over the last several weeks.



PRICE PER QUARTILE

In most of the quartile market segments, we see prices in this zip code showing strength. Only Quartile 4 is in a price decline. Typically this condition is temporary because price increases at the upper end of the market force buyers to consider the segments still in their price range. Watch the Market Action Index to determine whether demand in Quartile 4 will begin to reverse the trend and push prices higher here too.



Characteristics per Quartile

QUARTILES

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 2,595,000	4,779	0.25 - 0.50 acre	5.0	4.5	54	17	1	1	171
2	\$ 1,399,000	2,755	6,501 - 8,000 sq ft	4.0	3.5	53	17	0	3	203
3	\$ 939,495	2,344	4,501 - 6500 sq ft	4.0	2.5	57	18	1	4	133
4	\$ 659,000	1,577	4,501 - 6500 sq ft	3.0	2.0	58	18	2	2	88

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

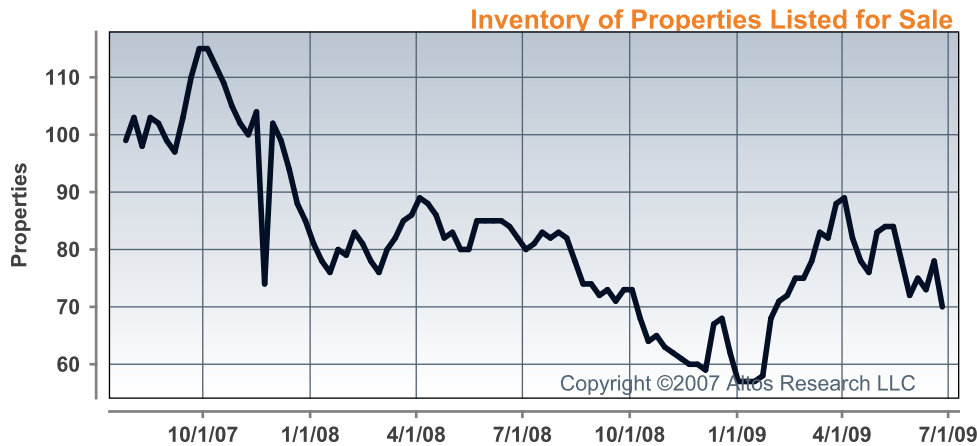
PRICE AND VALUE

In a market where prices are rising fairly consistently, price per square foot is essentially flat. This often implies that new homes coming on the market are pricier, and also larger than older homes. As a result the value one can buy stays the same.



INVENTORY

Inventory has been falling in recent weeks with 70 properties available this week. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index to gauge whether buyer interest is falling with the available supply.



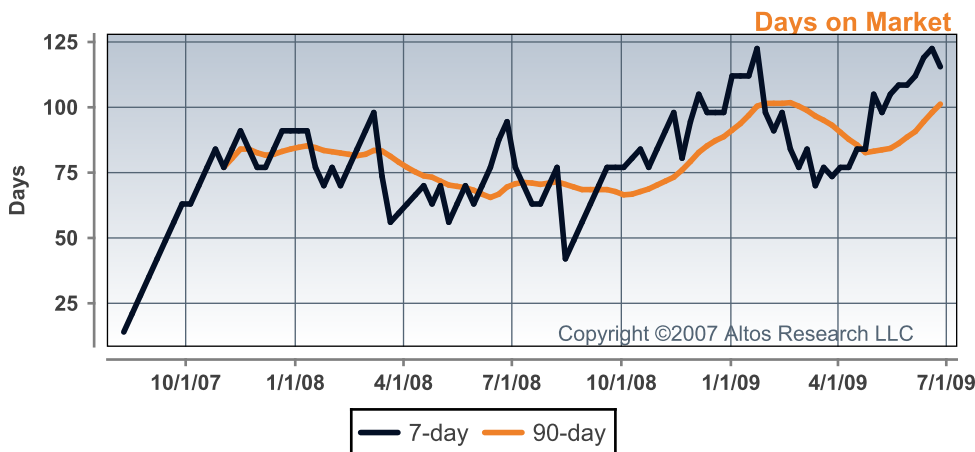
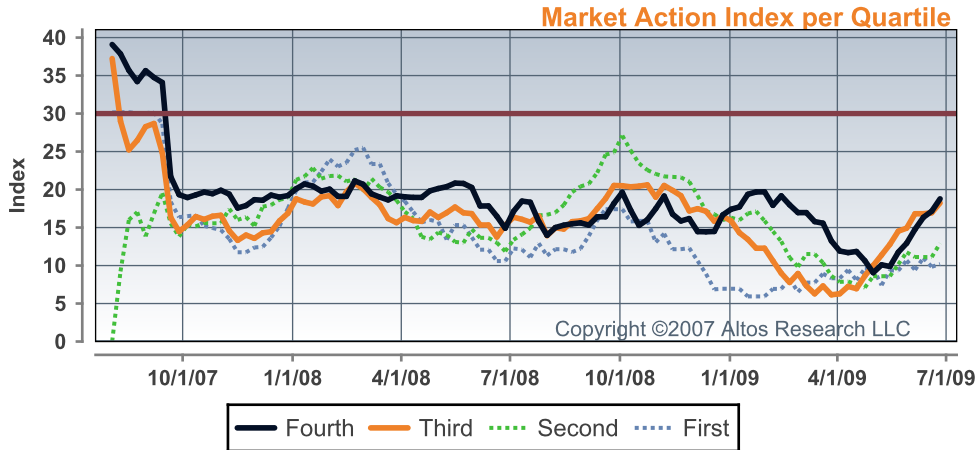
MARKET ACTION INDEX

The SAN DIEGO 92106 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 17. With several months of inventory available at the current sales rate, buyers should find ample choice.



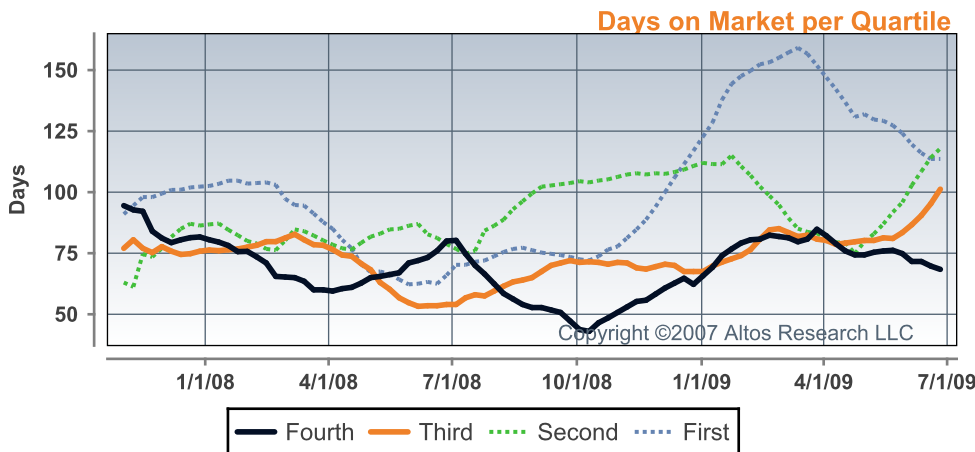
MARKET ACTION

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 147 days. Half of the listings have come newly on the market in the past 115 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

Altos Research Corp. reports real-time analysis of the residential real estate market in local markets across the country. All information contained herein is based on properties currently listed for sale and available publicly. When evaluating a particular property, make sure you use comparable sales data in addition to the market trend information available in this report. The data presented in this report is accurate to the best of our knowledge, but cannot be guaranteed as such. Use this report as one input in the real estate decision making process, but do not rely on it for accuracy. Nothing in this report or any other Altos Research publication is a recommendation to buy or to sell real estate. We recommend you work with a licensed real estate agent or broker.

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