

Inside This Issue

- > LOCAL MARKET TRENDS.....1
- > MORTGAGE RATE OUTLOOK.....2
- > HOME STATISTICS.....2
- > FORECLOSURE STATS.....3
- > CONDO STATISTICS.....3
- > CHARTS: SP/LP & SALES YTD.....4

**Neal Hribar**

**Prudential California Realty**  
 7030 Avenida Encinas, Suite 100  
 Carlsbad, CA 92011  
 Office: 760-476-0700  
 Cell: 760-822-8690  
 home@hribar.com  
<http://hribar.com/san-diego-real-estate-statistics.html>  
 CA DRE #00871930

# The Real Estate Report

## local market trends

NORTH INLAND SAN DIEGO COUNTY

### San Diego Market Bottoms Out

Low inventory and high demand are pushing the real estate market in San Diego County off the bottom, slowly.

Multiple offers on the best properties in the entry-level market are being fueled by investors. Interestingly, the investors are not flipping these properties, rather, they are renting them out.

Low inventory is here to stay for the next year or two. We don't see that changing much in the near future for several reasons.

First, there is no new home building going on, which is necessary to relieve the pressure.

Second, many existing homeowners aren't going anywhere. If they have good jobs here, where would they go? Plus, too many are still underwater and can't sell.

Lastly, forget about phantom inventory. As of March, the banks owned about 5,000 properties in the county. That number includes homes AND condos. In April, there were about 3,100 properties sold. Even if the banks put all their inventory on the market at once, it's only one seven weeks worth!

So, there it is. The market has reached bottom, but there probably won't be a major move to the upside until employment starts rising.

### MARKET STATISTICS

Sales of single-family, re-sale homes were up 7.9% year-over-year in April. This is the tenth month in a row home sales have been higher than the year before.

The median price for homes was flat year-over-year, which is a nice change from the previous fourteen months of prices being lower year-over-year. Much of this weakness in price is coming from the move-up and high-end markets. In the entry-level market, prices are firming.

The move-up market is moribund and we expect it to stay that way until prices start rising and homeowners get back above water.

Pending home sales, another good indicator of market movement, were up 41.4% year-over-year. That's seventeen months in a row pending sales have been higher than the year before.

The market right now is all about momentum.

Trends at a Glance			
(Single-family Homes)			
	Mar 12	Feb 12	Mar 11
Median Price:	\$ 359,900	\$ 340,000	\$ 370,243
Average Price:	\$ 468,170	\$ 427,344	\$ 485,693
Home Sales:	1,973	1,444	1,930
Pending Sales:	4,118	3,592	2,959
Inventory:	7,833	7,589	11,531
(Condos/Town Homes)			
Median Price:	\$ 220,000	\$ 199,000	\$ 197,500
Average Price:	\$ 280,186	\$ 238,988	\$ 273,866
Condo Sales:	888	701	973
Pending Sales:	1,714	1,522	1,482
Inventory:	3,287	3,262	5,555

### SALES MOMENTUM...

for homes jumped 0.5 of a point to +3. Sales momentum, which is a leading indicator, has been rising since July 2011. The effect on prices is now starting to be felt, albeit weakly

### PRICING MOMENTUM...

Which had been on the down-swing the past sixteen months, moved upward in April, gaining 0.2 of a point to 5.4.

### WE CALCULATE...

momentum by using a 12-month moving average to eliminate seasonality. By comparing this year's 12-month moving average to last year's, we get a percentage showing market momentum.

### CONDO STATISTICS...

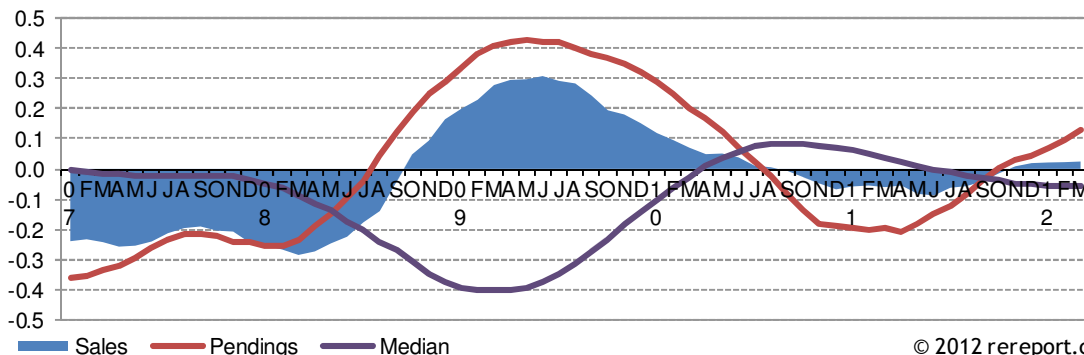
Condo sales were down 1.9% year-over-year.

The median price for condos dropped 0.1% year-over-year.

Pending condo sales were up 26.4% year-over-year.

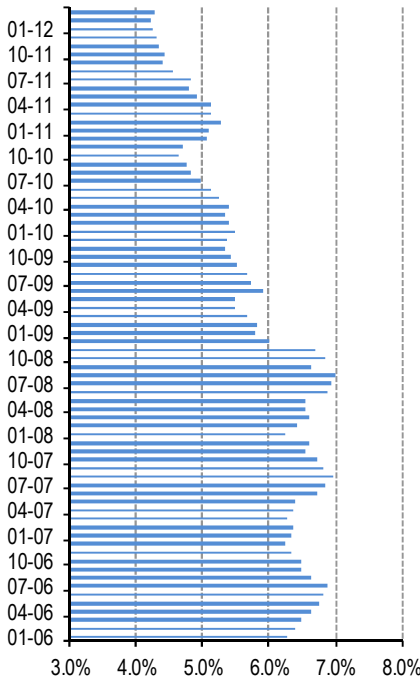
This is an extraordinarily tough market for buyers. It's important to be calm and realistic. If you don't know what to do or where to begin, give me a call and let's discuss your situation and your options.

San Diego County Homes: Sales Momentum



## Mortgage Rate Outlook

### 30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by [HSH.com](http://HSH.com). The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

May 4, 2012 -- Mortgage rates eased downward this week to again land at new record lows. After a hopeful late winter and early spring, the economic data began to point to a lower trajectory for growth, and that's where we find ourselves at the moment. Troubles in overseas economies continues to show, while inflation has leveled for the moment. These ingredients are the recipe for lower interest rates in general, as investors look for places to park cash away from uncertain stock markets. Once you mix in a Federal Reserve still accumulating long-term Treasuries and mortgages, you've got everything you need for rock-bottom mortgage rates.

It would be better if more borrowers could take advantage of them, though.

HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages eased by two basis points (0.02%) for the week, and at 4.15%, now stands at a new record low. The FRMI's 15-year companion also shed two basis points (.02%), slipping to a new record low of 3.39%. Important to homebuyers and low-equity-stake refinancers, already-low FHA-backed 30-year mortgages dropped by another single basis point to 3.79%, a fresh low-water mark, while the overall average for 5/1 Hybrid ARMs was unchanged, holding at an average 2.97% for the survey period, its lowest level ever.

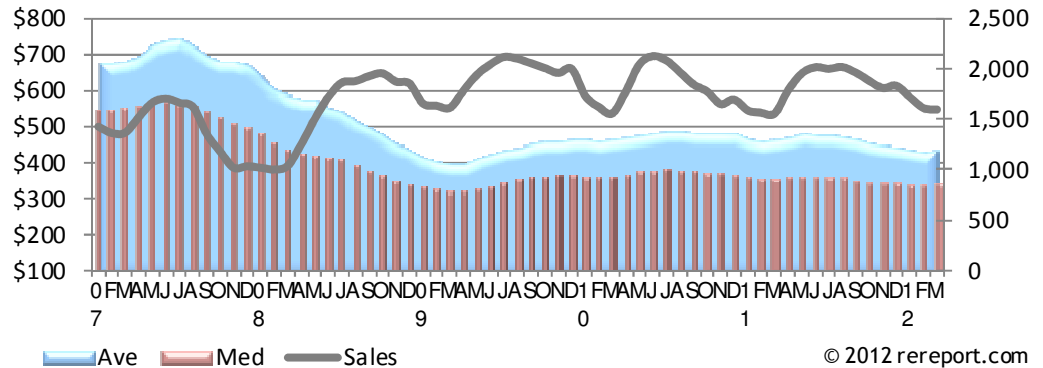
In a special question, the Fed asked lenders to compare their willingness to make a mortgage to borrowers in 2006 and 2012 using similar FICO and LTV standards. It what has been painfully obvious to even a casual observer of the mortgage market, lenders are much less willing to lend now compared to then. The reasons are widespread, but include trouble getting mortgage insurance for borrowers, the GSEs requiring buybacks on failed loans, unclear regulations, weak home prices and more. To a degree, all of these issues rely on the other to be solved, and given the thorny issues involved, it may be some time before that happens.

That's a shame, since making it somewhat easier to get a mortgage loan would tend to foster demand, firming home prices. If prices start to rise, losses on failed loans would slow, which might allow some leeway on buybacks. Fewer failing loans would see mortgage insurers in better fiscal straits, allowing them to ease rigid rules. If the market starts to function better all around, regulators might be less tempted to make drastic changes, and new regulations might come sooner rather than later, easing the anxiety of over-regulation which has hung over the market for several years now.

It goes without saying that a functioning housing market would revive the economy in a number of ways. Presently, it's not the only facet of the economy which isn't firing on all cylinders, but it is a sizable one.

### San Diego County — Homes: Sold Prices & Unit Sales

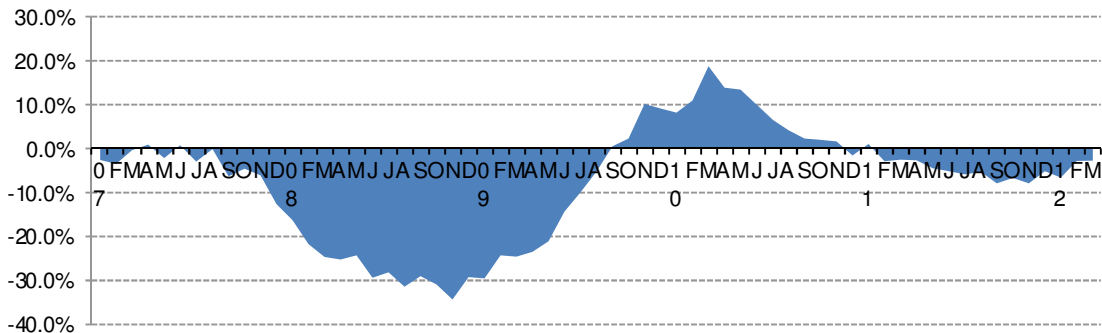
(3-month moving average — price in \$000's)



© 2012 rereport.com

North San Diego County Inland - March 2012												
SINGLE-FAMILY HOMES								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven
County	\$ 359,900	\$ 468,170	1,973	4,118	7,833	119	97.2%	-2.8%	-3.6%	2.2%	39.2%	-32.1%
North County Inland	\$ 365,000	\$ 423,573	647	1,341	2,486	115	97.1%	-7.6%	-4.8%	3.5%	37.1%	-33.7%
Bonsall	\$ 415,000	\$ 448,960	5	8	43	210	95.6%	176.7%	199.3%	400.0%	-27.3%	4.9%
Borrego Springs	\$ 130,000	\$ 147,528	9	12	82	233	89.1%	-33.3%	-45.4%	0.0%	-14.3%	-3.5%
Escondido	\$ 284,900	\$ 326,342	123	302	792	119	97.6%	-16.0%	-11.5%	7.0%	45.2%	5.0%
Julian	\$ 202,500	\$ 182,000	4	17	83	494	86.8%	-3.6%	-8.2%	33.3%	30.8%	22.1%
Mira Mesa	\$ 372,000	\$ 360,897	42	73	172	71	97.9%	-2.4%	-5.9%	10.5%	14.1%	5.5%
Poway	\$ 401,000	\$ 620,554	46	79	230	98	96.0%	-9.9%	6.1%	-6.1%	-2.5%	12.2%
Ramona	\$ 318,000	\$ 336,810	48	88	251	102	97.4%	21.8%	19.1%	37.1%	27.5%	10.6%
Rancho Bernardo	\$ 520,000	\$ 684,428	83	154	399	88	96.6%	-10.3%	-6.4%	6.4%	8.5%	15.3%
Rancho Penasquitos	\$ 525,500	\$ 522,946	32	70	165	89	97.7%	0.6%	-7.1%	0.0%	29.6%	55.7%
San Marcos	\$ 379,000	\$ 387,326	89	178	492	106	97.6%	5.3%	13.0%	25.4%	17.9%	24.2%
Scripps Miramar	\$ 610,000	\$ 690,263	19	54	121	106	97.4%	-1.9%	5.4%	-26.9%	17.4%	16.3%
Valley Center	\$ 329,303	\$ 368,043	14	26	143	250	98.1%	-23.9%	-10.3%	-22.2%	-38.1%	15.3%
Vista	\$ 294,000	\$ 301,310	71	167	460	124	97.4%	-0.2%	-10.9%	-2.7%	12.8%	20.7%

**San Diego County Homes: Year-Over-Year Median Price Change**



© 2012 rereport.com

**FORECLOSURE STATISTICS**

Notices of default, the first step in the foreclosure process, in San Diego County dropped 16.8% in March from the year before, but were up 18.1% from February.

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, dropped 15.3% from February, and were down 20.9% year-over-year.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements.

Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank and become part of that bank's REO inventory.

In February, cancellations were up 23% from February, but were off 26.3% year-over-year.

Properties going back to the bank dropped 17.2% from February, and were down 64.1% compared to March 2011.

The total number of properties that have had a notice of default filed declined by 10.1% in March compared to March 2011.

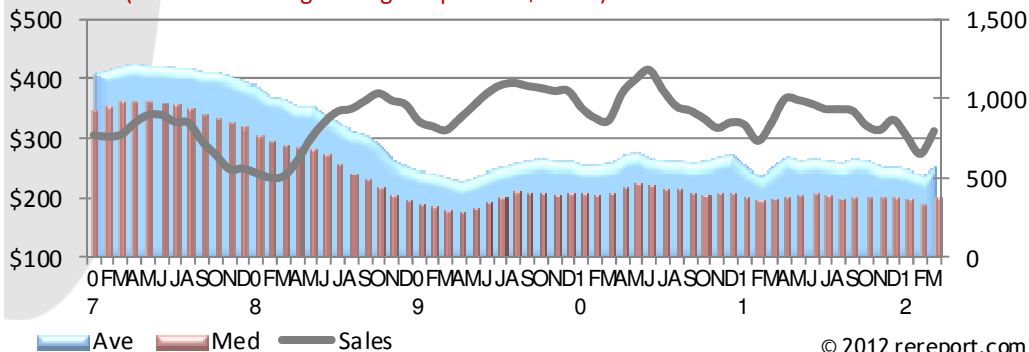
The total number of properties scheduled for sale declined by 23.9%, year-over-year. Both of these are very positive signs.

The total number of properties owned by banks dropped by 25.3% year-over-year. That still leaves about 5,000 bank-owned properties in the county, which is approximately seven weeks of supply.

Foreclosure statistics provided by:  
<http://foreclosureradar.com>.

**San Diego County — Condos: Sold Prices & Unit Sales**

(3-month moving average — price in \$000's)



© 2012 rereport.com

**Table Definitions**

**Median Price**

The price at which 50% of prices were higher and 50% were lower.

**Average Price**

Add all prices and divide by the number of sales.

**SP/LP**

Sales price to list price ratio or the price paid for the property divided by the asking price.

**DOI**

Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.

**Pend**

Property under contract to sell that hasn't closed escrow.

**Inven**

Number of properties actively for sale as of the last day of the month.

North San Diego County Inland - March 2012													
CONDOS								% Change from Year Before					
Prices								Prices					
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven	
County	\$ 220,000	\$ 280,186	888	1,714	3,287	111	97.8%	5.0%	4.2%	-13.3%	22.3%	-40.0%	
North County Inland	\$ 207,000	\$ 218,375	194	329	582	90	97.6%	5.9%	1.7%	-9.3%	16.3%	-38.7%	
Escondido	\$ 152,000	\$ 147,888	25	37	112	90	96.8%	-7.0%	-8.5%	-16.7%	-35.1%	14.3%	
Mira Mesa	\$ 175,050	\$ 172,509	22	32	93	83	96.6%	-5.4%	-12.9%	29.4%	-8.6%	8.1%	
Poway	\$ 264,950	\$ 243,725	4	6	22	120	99.4%	17.5%	7.4%	0.0%	-25.0%	-4.3%	
Ramona	\$ 105,900	\$ 105,900	1	6	19	389	100.0%	n/a	n/a	n/a	n/a	n/a	
Rancho Bernardo	\$ 229,450	\$ 241,714	66	91	256	75	97.5%	-0.2%	-4.3%	15.8%	-6.2%	4.9%	
Rancho Penasquitos	\$ 206,000	\$ 234,364	11	30	62	87	97.5%	14.4%	4.3%	22.2%	-11.8%	-16.2%	
San Marcos	\$ 241,500	\$ 224,069	30	56	156	100	99.1%	20.6%	13.3%	50.0%	7.7%	0.6%	
Scripps Miramar	\$ 330,000	\$ 314,205	21	28	76	68	98.1%	9.1%	0.5%	16.7%	-17.6%	5.6%	
Vista	\$ 170,000	\$ 163,755	10	28	69	123	96.6%	-5.5%	-5.6%	-23.1%	21.7%	1.5%	

# The Real Estate Report

## N. Inland San Diego County

Neal Hribar

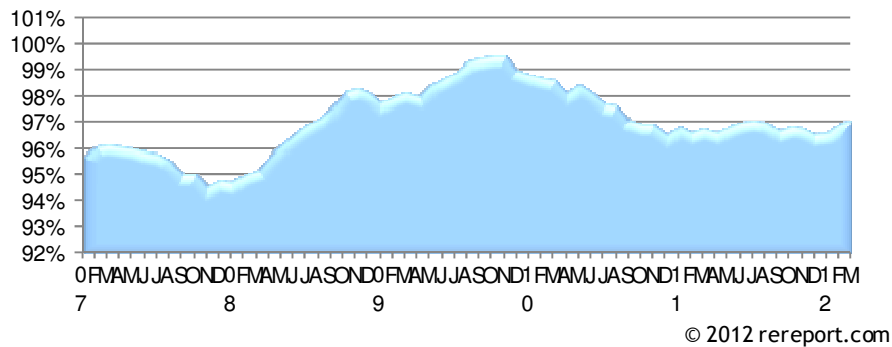
Prudential California Realty  
7030 Avenida Encinas, Suite 100  
Carlsbad, CA 92011

For a **FREE** subscription and the city by city breakdown,  
go to our web-site at:

<http://hribar.com/san-diego-real-estate-statistics.html>

### San Diego County: Single-family Homes

Sales Price/Listing Price Ratio



### San Diego County Homes - Sales, Pending & Days of Inventory

(3-month moving average)

