



Local Housing Market as Hot as the Weather

June brought the first half of 2017 to a close by posting **another record month of sales** in our local housing markets while **continuing to drive prices higher**. May set a new five year high and June extended that roll back to at least 2004 when I started compiling these reports. In all probability, June set **a new high water mark for the region with 1,357 single family resales** for the month and 5,986 for the first half.

That mark will likely stand for awhile as pending home sales were down 13% from the prior month and the rest of the year is historically slower than the first half. If we can maintain the run rate, we appear to be on our way to another year-over-year increase extending the run to five consecutive years of boosting sales. **IF** we can keep enough inventory available to meet buyer demand.

Canyon Lake lead the increase parade with sales up 28% YOY (106 / 147), Lake Elsinore posted an 18% increase (526 / 647) and Temecula and Wildomar added 10% to 1st half sales (948 / 1,056 and 180 / 200), **leading our local region to a 13% YOY increase, the largest in the state**. Our numbers helped drive the IE region to a 10.4% YOY increase, also the largest increase for regions in the state. The Los Angeles metro region came in 2nd increasing sales by 8.3% and the Bay Area, in spite of being plagued by very low inventory and skyrocketing prices, still came in 3rd with a 6.1% increase.

The **median price for existing homes in the region reached \$355,155** in June, a 1.5% month-over-month increase and up 7% over 1st half 2016. That's slightly higher than the rest of the IE region where the median rose to \$346,380, an 8% increase over the prior year. Across our 9 city region, **Temecula (\$450,000), Murrieta (\$415,000), Wildomar (\$404,000) and Canyon Lake (\$422,500) all exceeded the Riverside County median of \$385,000** but remained well off the statewide median of \$555,150.

Median prices in Los Angeles County (\$492,000), San Diego County (\$605,000) and Orange County (\$795,000) continue to push prospective coastal residents into our community as both quality of life and affordable housing provide a powerful draw. Now if we could only add enough local jobs so 60% of them didn't have to drive hours every day...

Unsold inventory remained at a low 1.4 months with just 1,743 units for sale, **down 24% from last June** when buyers had 2,285 homes to choose from. Those homes are also flying off the market in an average 17 days, down 70% from last June when they stuck around for 56 days.

I'll end on a happy note, at least for me. I just returned from vacation (why this newsletter is late) from my home in Telluride, Colorado. Their association just released 1st quarter data as well with the following: sales are up with 37 single family homes sold so far this year at an **average price of \$2,464,022**. They also sold 63 condos at an average price of \$1,323,000. Up the hill in Mountain Village they sold 31 single family homes at an average \$3,794,484. The most expensive home in Telluride so far this year sold for \$6,200,000 and 9 homes sold in Mountain Village for over \$6,000,000. One condo sold for \$4,150,000 and the **most expensive property sold in the region was a ranch for \$24,000,000**.

The most expensive home currently on the market at 851 Wilson Way, is listed for \$29,500,000. That will likely pale next to what is referred to as **'Oprah's Project'**. Oprah already has a \$10,000,000 pied-a-terre where she will suffer until her new place is built. So far they've completed the driveway to the new place which cost \$14,000,000! For the driveway!

If you'd like to buy a place there, I can sure help you. Happily. Eagerly.

Gene

SW Market @ A Glance

Southwest California

	Reporting Period	Current Period	Last Period	Year Ago	Change from Last Period	Change from Year Ago
Existing Home Sales <i>(SFR Detached)</i>	June 2017	1,357	1,229	1,181	9% ↑	13% ↑
Median Home Price		\$355,155	\$350,624	\$333,486	1.5% ↑	6% ↑
Unsold Inventory Index <i>(SFR Units)</i>		1,743	1,646	2,285	6% ↑	24% ↓
Unsold Inventory Index <i>(Months)</i>		1.4	1.4	2.5	--%	44% ↓
Median Time on Market <i>(Days)</i>		17	16	56	6% ↑	70% ↓

Source: CRMLS

Market At A Glance

- May 2017 -

430,060

Existing Home Sales*

▲ 2.6% YTY



\$550,200

Median Price*

▲ 5.8% YTY



2.9 Months

Unsold Inventory*

▼ 15.3% YTY



22.4 Days

Median Time on Market*

▼ 18.4% YTY



\$267

Price Per SQ Feet*

▲ 6.5% YTY



100.0%

Sales to List Ratio*

▲ 0.3% YTY



32%

Affordability Index*

▼ 2.0% YTY



4.01%

30 Year Fixed Rate **

▲ 0.41% YTY



C.A.R. closely monitors and analyzes trends in the residential real estate industry. The above information contains the latest reported existing home sales series, median home prices, unsold inventory index, median time on market, price per square feet, sales to list ratio, quarterly housing affordability index, and the latest mortgage rates.



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May 2017 SFR Transaction Value*:

Temecula	\$110,394,080	Lake Elsinore	\$44,206,174
Murrieta	\$98,645,105	Wildomar	\$19,659,397
Menifee	\$71,138,752	Canyon Lake	\$17,703,650
Hemet	\$50,611,897	<u>San Jacinto</u>	<u>\$20,474,999</u>
Perris	\$24,5693,67	Total	\$457,403,321

* Revenue generated by single family residential transactions for the year.

June 2017 SFR Transaction Value*:

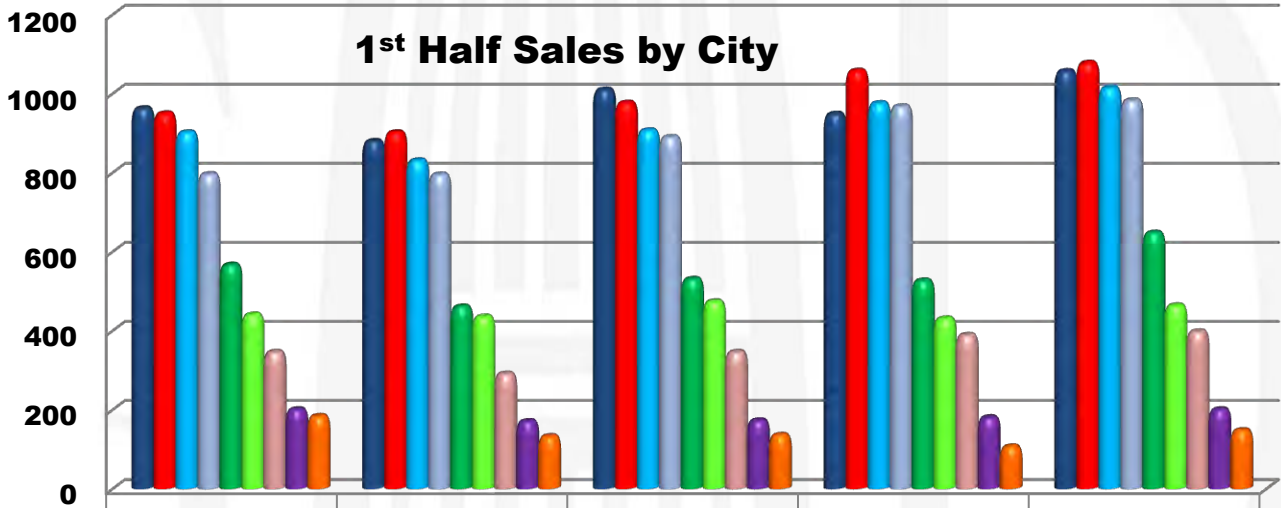
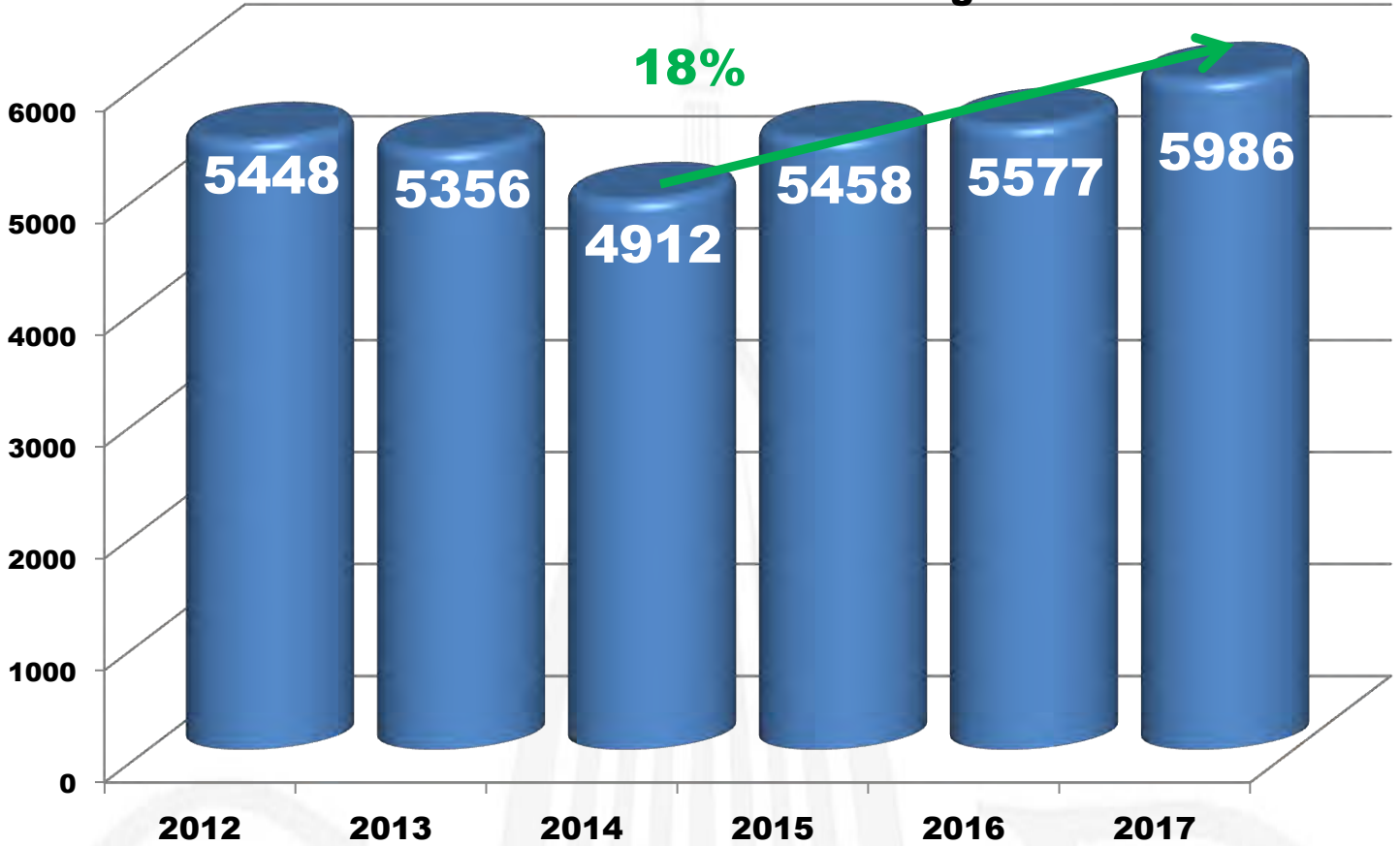
Temecula	\$139,323,374	Lake Elsinore	\$49,779,440
Murrieta	\$119,531,249	Wildomar	\$17,157,184
Menifee	\$70,785,914	Canyon Lake	\$16,340,106
Hemet	\$52,138,945	<u>San Jacinto</u>	<u>\$22,718,539</u>
Perris	\$28,248,324	Total	\$516,022,669

* Revenue generated by single family residential transactions for the year.

June Median Price:

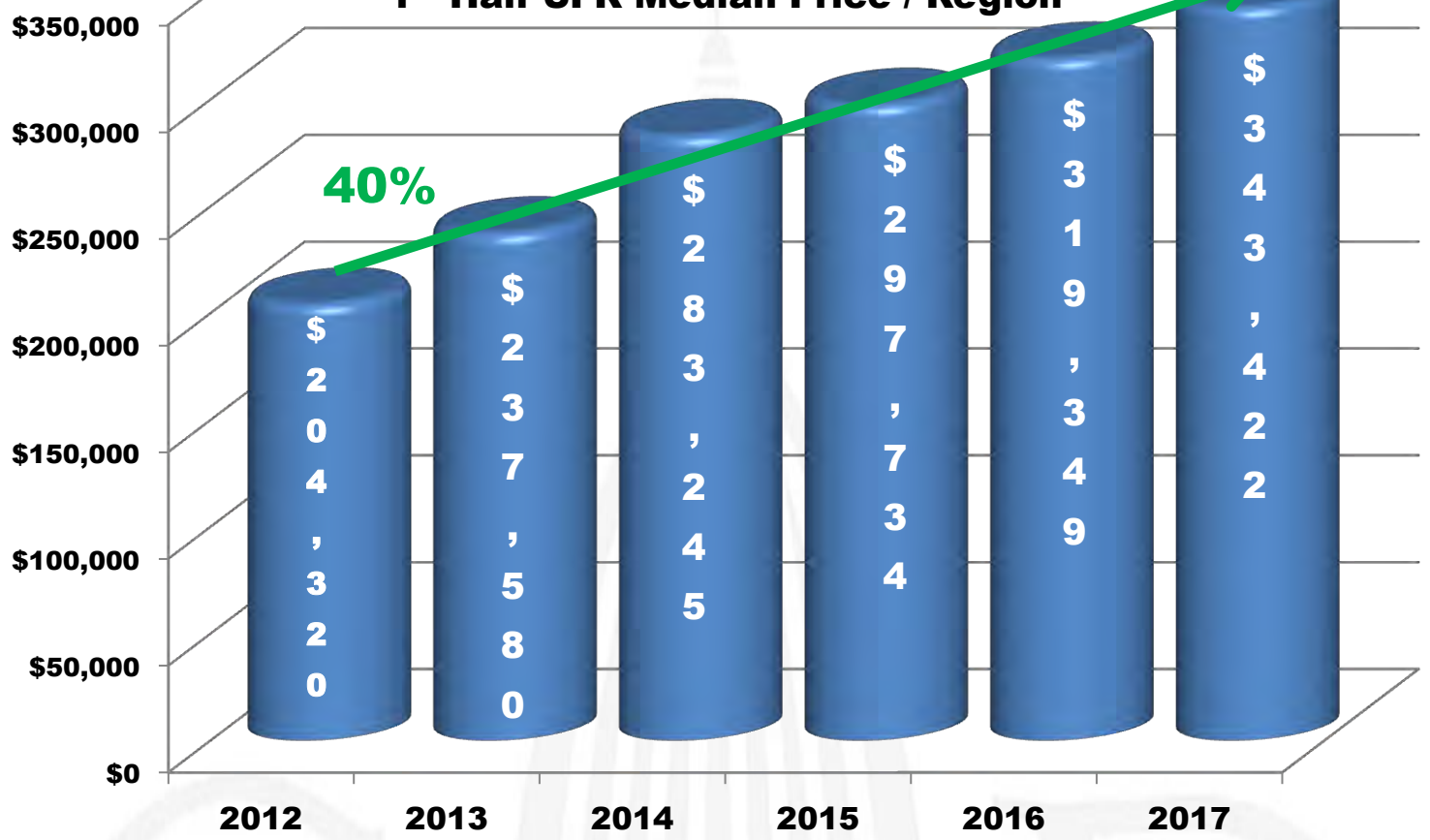
	<u>2016</u>	<u>2017</u>	%
<u>Temecula</u>	\$438,527	\$450,000	3%
<u>Murrieta</u>	\$390,000	\$415,000	6%
<u>Menifee</u>	\$314,900	\$341,000	8%
<u>Lake Elsinore</u>	\$330,000	\$358,500	8%
<u>Wildomar</u>	\$365,995	\$404,500	10%
<u>Canyon Lake</u>	\$429,000	\$422,500	2%
<u>Hemet</u>	\$223,000	\$243,400	8%
<u>San Jacinto</u>	\$236,900	\$265,000	11%
<u>Perris</u>	\$273,000	\$296,500	8%

Southwest California Homes 1st Half SFR Unit Sales / Region

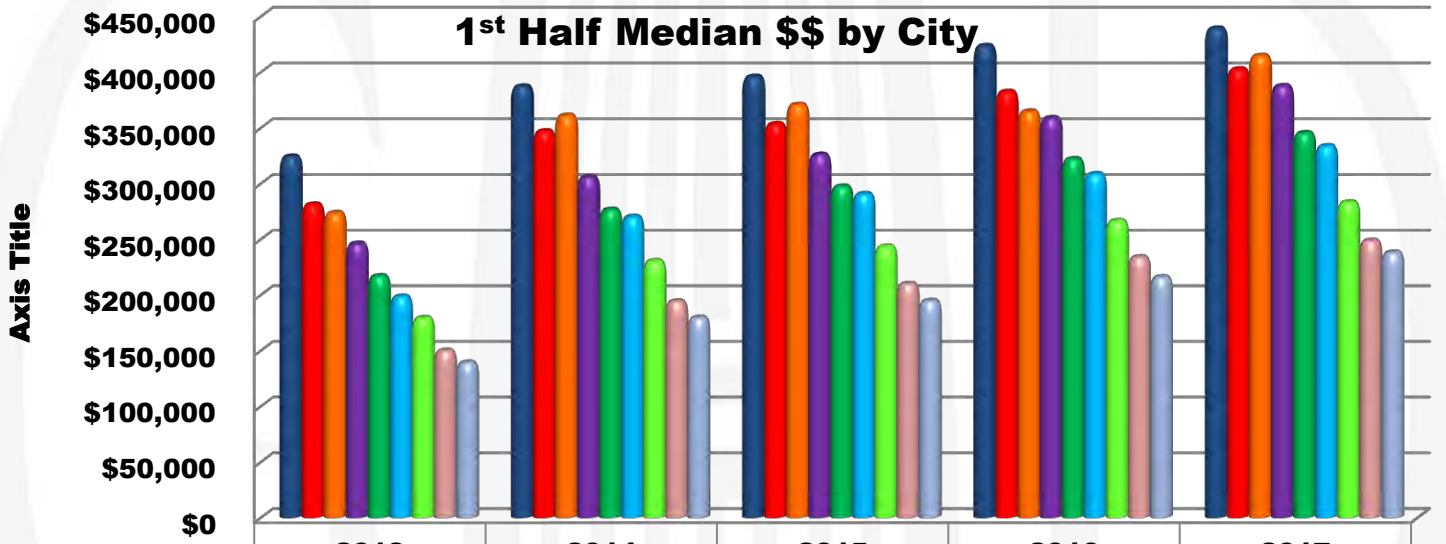


	2013	2014	2015	2016	2017
■ Temecula	962	879	1009	948	1056
■ Murrieta	949	901	976	1057	1077
■ Menifee	901	830	906	975	1014
■ Hemet	795	794	889	967	982
■ Lake Elsinore	566	460	530	526	647
■ Perris	440	435	473	430	463
■ San Jacinto	345	290	345	388	397
■ Wildomar	200	170	172	180	200
■ Canyon Lake	183	132	135	106	147

Southwest California Homes 1st Half SFR Median Price / Region

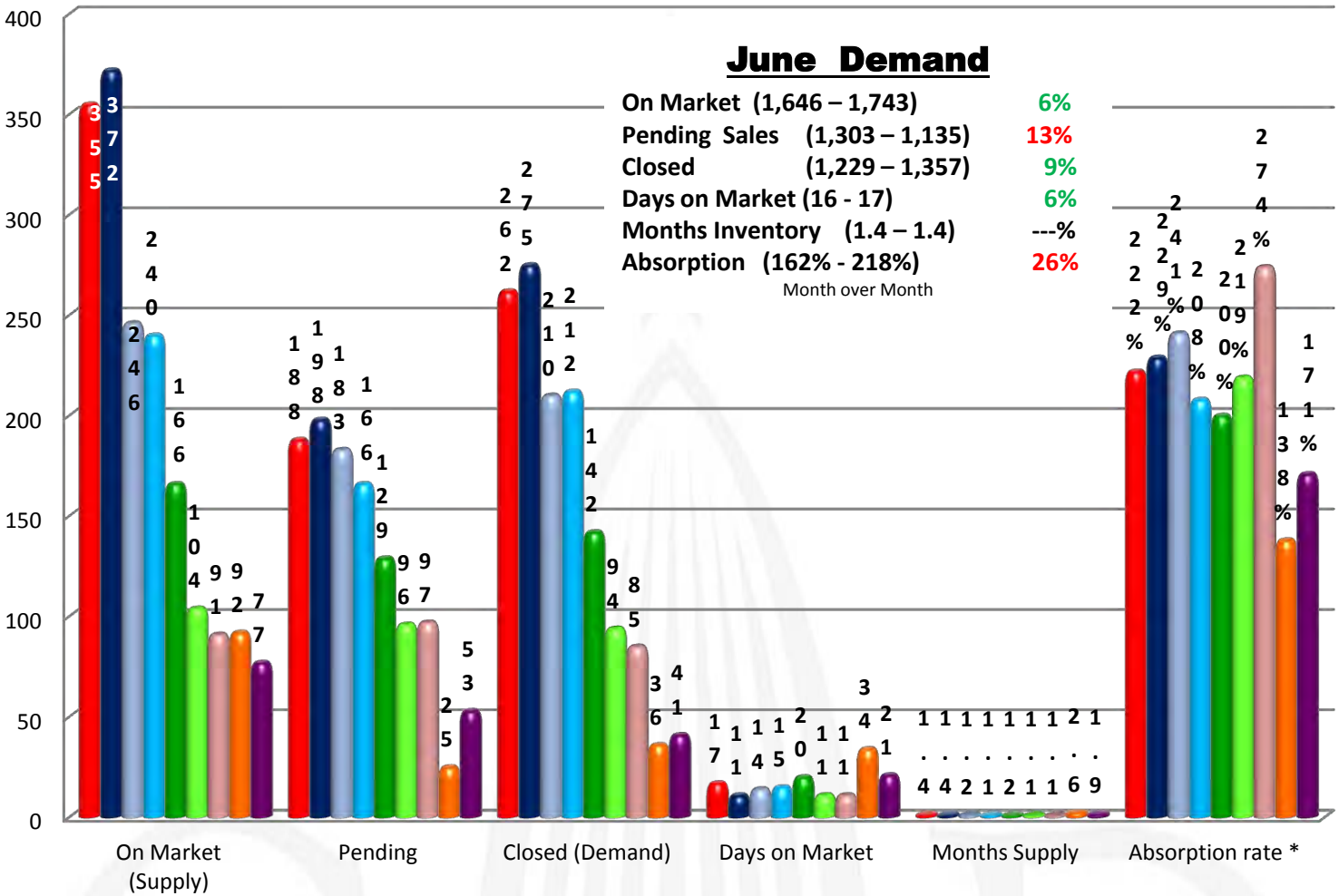


1st Half Median \$\$ by City



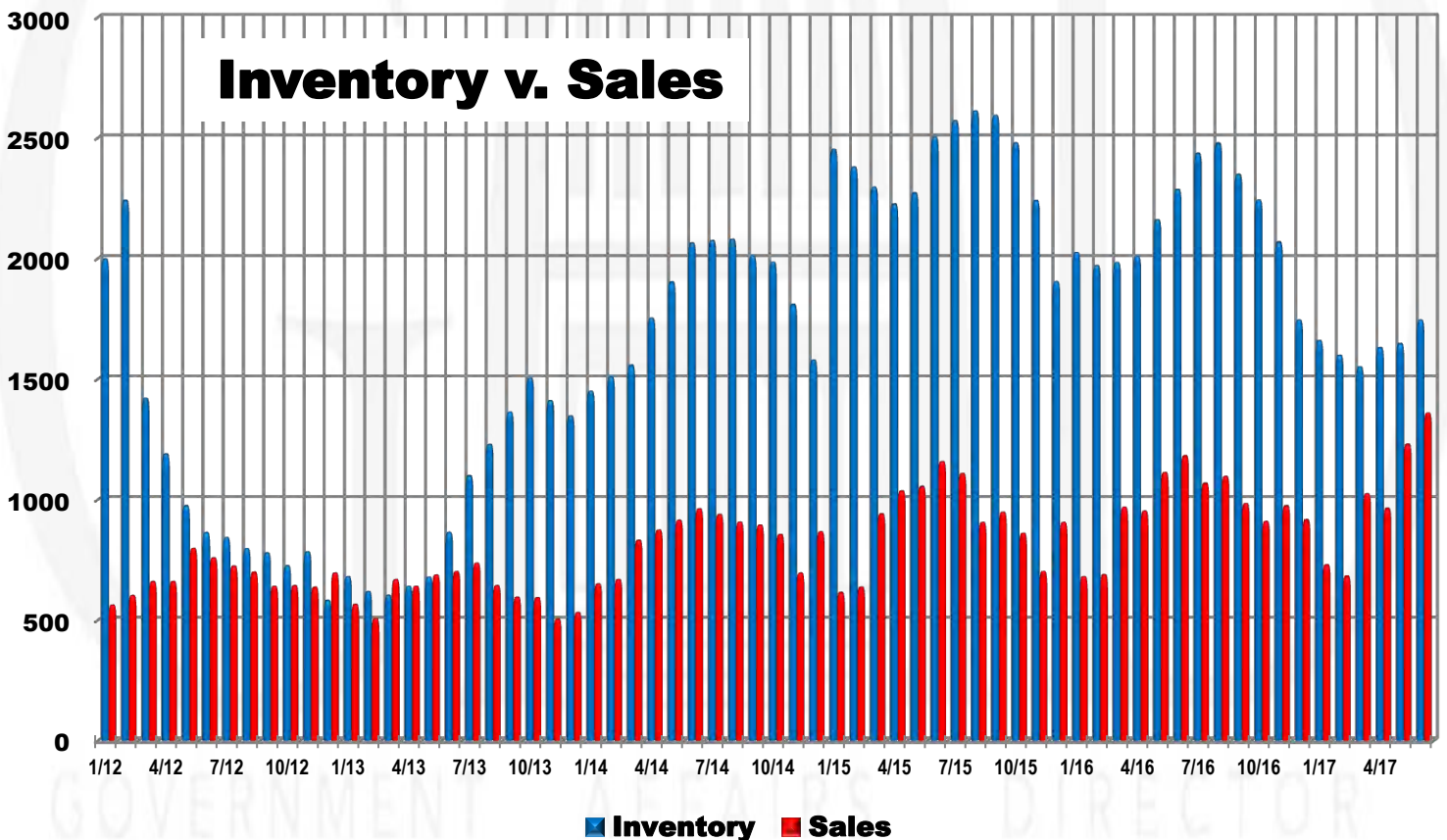
	2013	2014	2015	2016	2017
■ Temecula	\$323,971	\$386,950	\$395,700	\$423,389	\$438,974
■ Murrieta	\$281,003	\$346,742	\$353,125	\$382,167	\$402,353
■ Canyon Lake	\$273,315	\$360,667	\$370,442	\$364,492	\$414,458
■ Wildomar	\$245,854	\$305,517	\$325,667	\$358,575	\$387,333
■ Lake Elsinore	\$216,658	\$276,225	\$297,081	\$321,725	\$345,117
■ Menifee	\$198,185	\$269,917	\$290,317	\$308,300	\$333,350
■ Perris	\$178,958	\$230,083	\$243,133	\$266,075	\$282,908
■ San Jacinto	\$149,669	\$193,917	\$209,667	\$233,667	\$248,408
■ Hemet	\$138,951	\$179,192	\$194,475	\$215,750	\$237,900

June Demand



■ Murrieta
 ■ Temecula
 ■ Hemet
 ■ Menifee
 ■ Lake Elsinore
 ■ Perris
 ■ San Jacinto
 ■ Canyon Lake
 ■ Wildomar

* Absorption rate - # of new listings for the month/# of sold listings for the month





CALIFORNIA ASSOCIATION OF REALTORS® Research & Economics Riverside County Market Update

Trends At A Glance For: May 2017

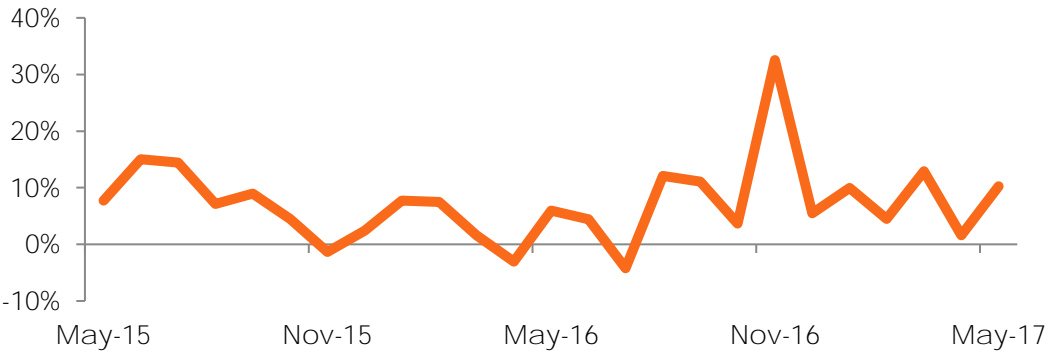
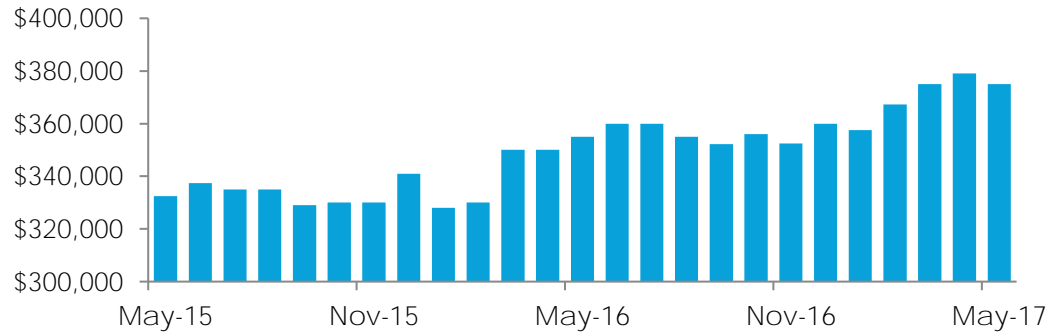
Median Price

For SFH Homes

\$375,000

-1.1% MTM

5.6% YTY



Home Sales
For SFH Homes
+10.3% YTY

18.7% MTM

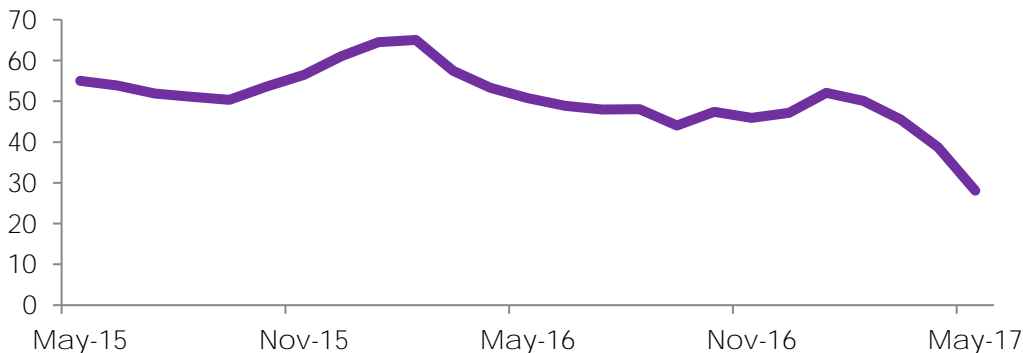
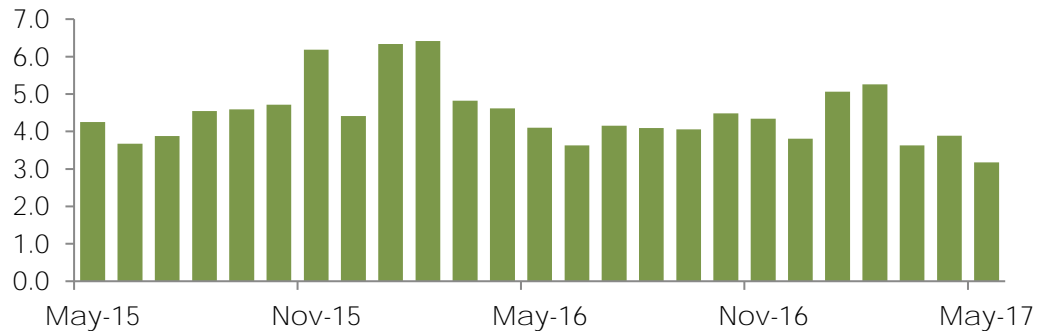
7.9% YTD



Unsold Inventory
For SFH Homes
3.2 Months

-18.4% MTM

-22.7% YTY



Median Time on Market

For SFH Homes

28 Days

-27.4% MTM

-44.6% YTY





SELLERS' MARKET CHALLENGES

It may be a sellers' market, but for most people who list their home, getting it sold only marks the halfway point to the finish line.

GREATEST CHALLENGES FOR SELLERS*

LOW INVENTORY

65.6%

Sellers are worried they won't find another home to buy.

UNREALISTIC EXPECTATIONS

47.5%

Sellers have a higher perception of the value of their home than the market reality.

APPRAISALS

37.4%

Home is unable to appraise for the contract purchase amount.

*Percentages do not add up to 100 since responders could choose three options.