

MICHAEL SALAS

MARKET UPDATE

NEWPORT BEACH, CA
92660

- **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
September 14, 2009**

- **Presented by Michael Salas, Realtor CA DRE 01301134**
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CITY OVERVIEW

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NEWPORT
BEACH, CA

This Week

- The median list price in NEWPORT BEACH, CA this week is \$1,998,750. The 524 properties have been on the market for an average of 224 days.

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.

Supply and Demand

- Home sales have been exceeding new inventory for several weeks. While still a Buyer's market, prices seem to have responded by moving upward. If the demand trends continue, expect prices to keep marching upward, especially once we see a Seller's Market.

Real-Time Market Profile

		Trend
Median List Price	\$ 1,998,750	↔
Average List Price	\$ 2,946,049	
Asking Price Per Square Foot	\$ 674	↓↓
Average Days on Market (DoM)	224	↑↑
Inventory of Properties Listed	524	↓↓
Most Expensive Listing	\$ 32,600,000	
Least Expensive Listing	\$ 350,000	
Average Age of Listing	37	
Percent of Properties with Price Decrease	38 %	
Percent Relisted (reset DOM)	10 %	
Percent Flip (price increased)	3 %	
Median House Size (sq ft)	2788	
Median Lot Size	4,501 - 6,500 sqft	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	3.0	

Altos Research Value Statistics

Market Action	Strong Buyer's	11.0	↑↑
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 ↓↓ Strong downward
 ↔ No change ↑ Slight upward ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 4,995,000	4441	4,501 - 6,500 sqft	5.0	5.0	29	131	5	6	232
Upper/Second	\$ 2,595,000	3401	4,501 - 6,500 sqft	4.0	4.0	26	131	2	5	205
Lower/Third	\$ 1,645,000	2575	4,501 - 6,500 sqft	4.0	3.0	42	131	7	2	240
Bottom/Fourth	\$ 950,000	1975	4,501 - 6,500 sqft	3.0	3.0	46	131	9	8	221

Most expensive 25% of properties

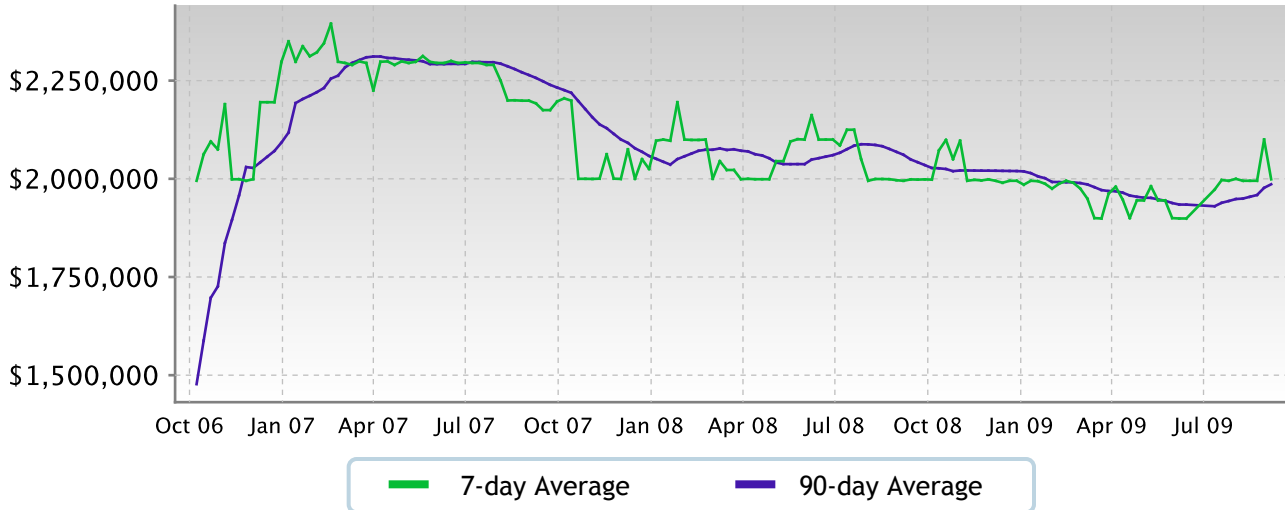
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

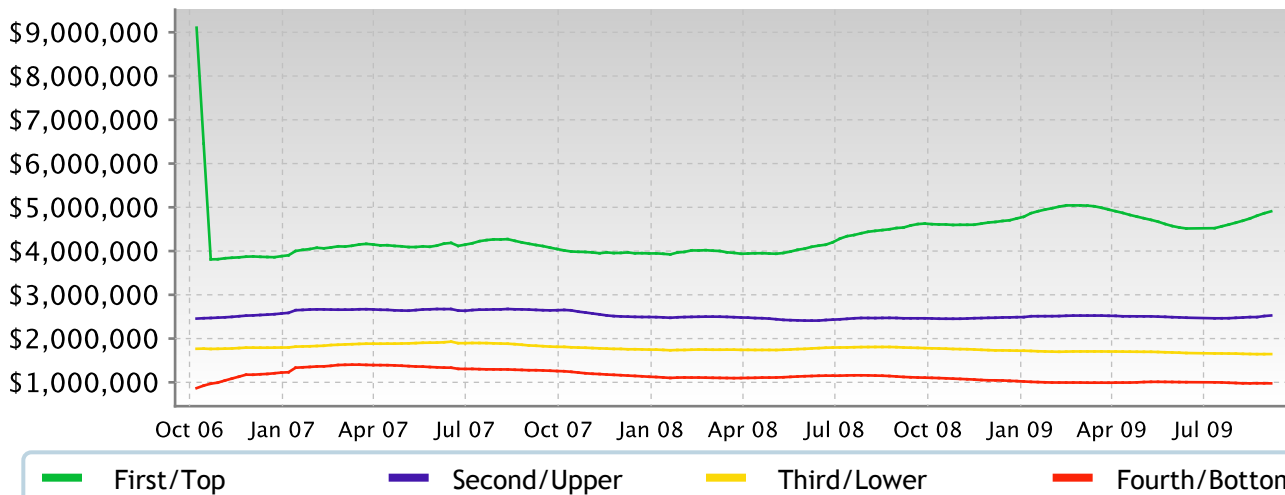
Median Price

Recently prices in this zip have settled at a plateau even though they dipped this week. Look for a persistent up-shift in the Market Action Index before we see prices significantly move from these levels.



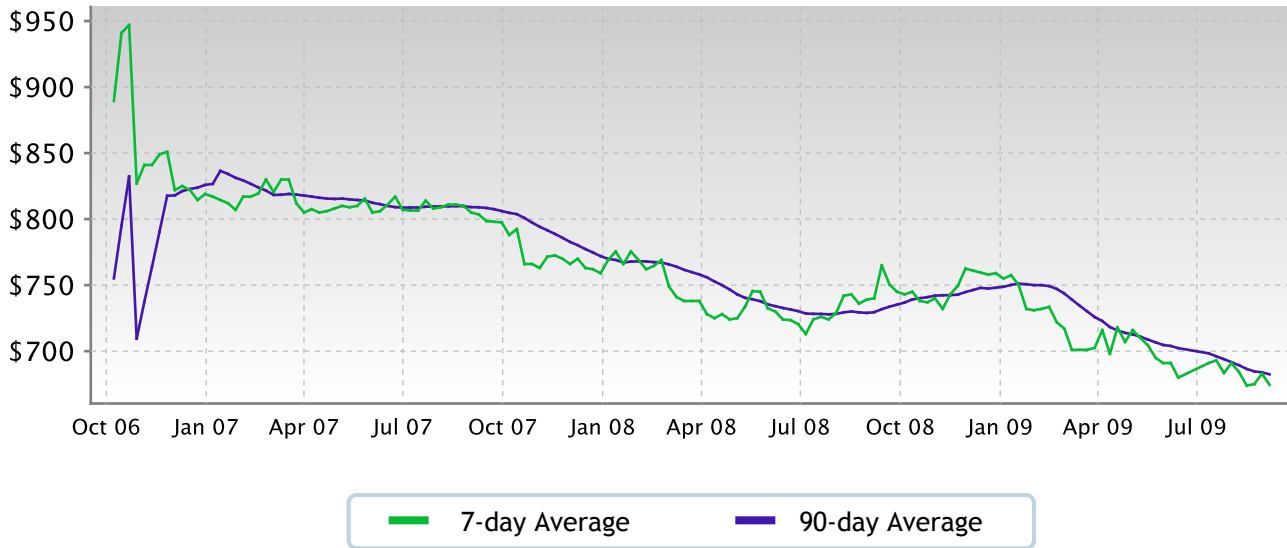
Quartile Prices

In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 3 is on a bit of an up trend in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.



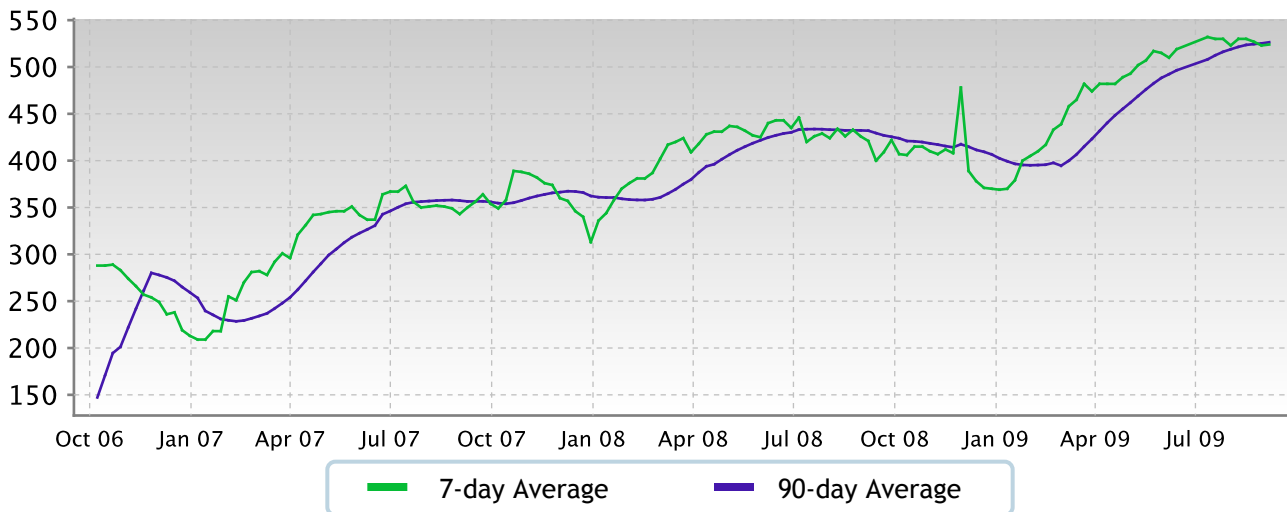
Price per Square Foot

While prices have been basically flat, the price per square foot has been heading downward. While not a sign of broad strength in a market, larger homes are coming more available and buyers are tending to get more home for their money.



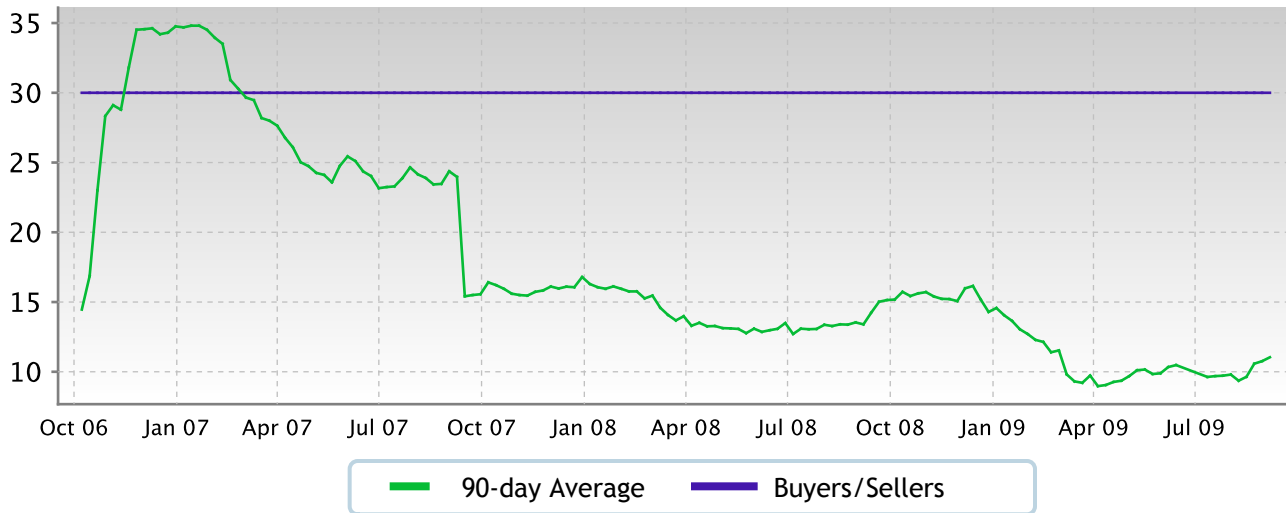
Inventory of Properties Listed for Sale

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.



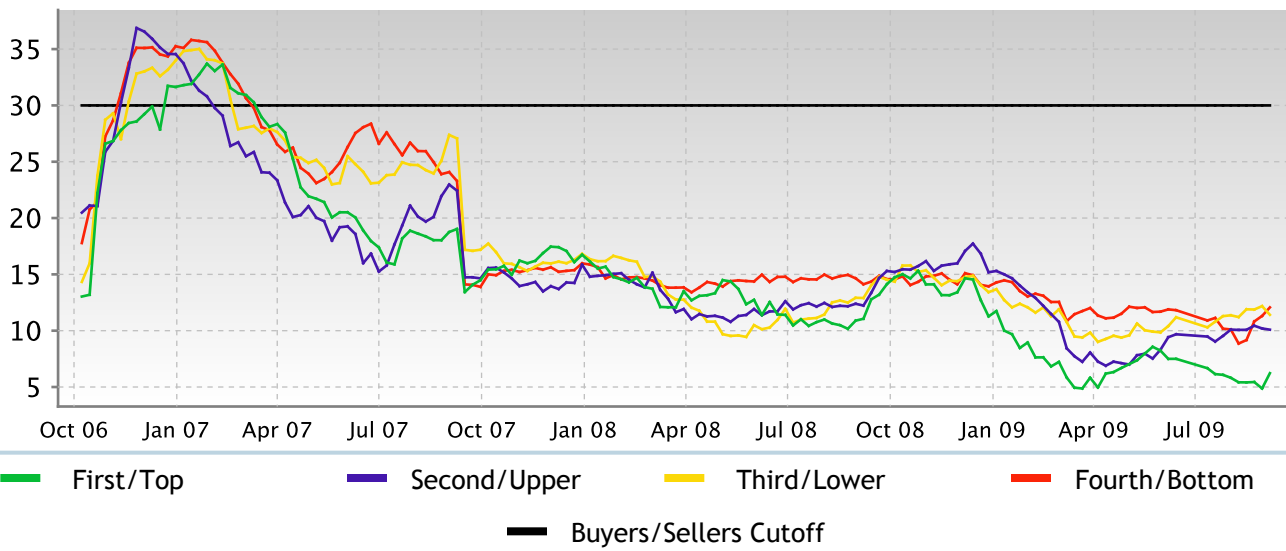
Market Action Index

The NEWPORT BEACH market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 11.04. 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.

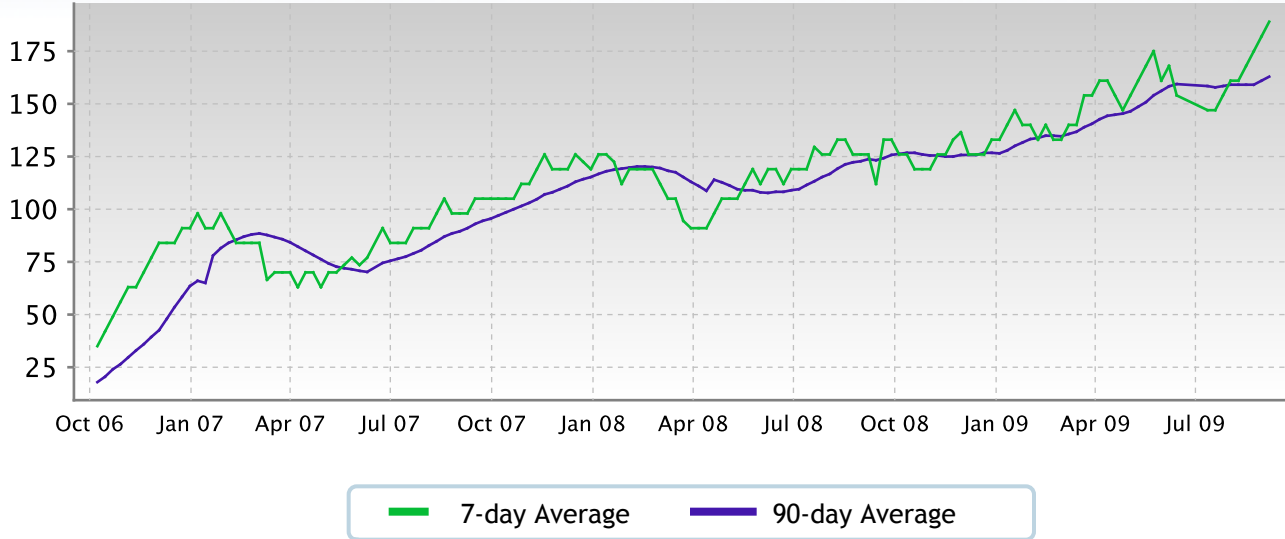


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

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

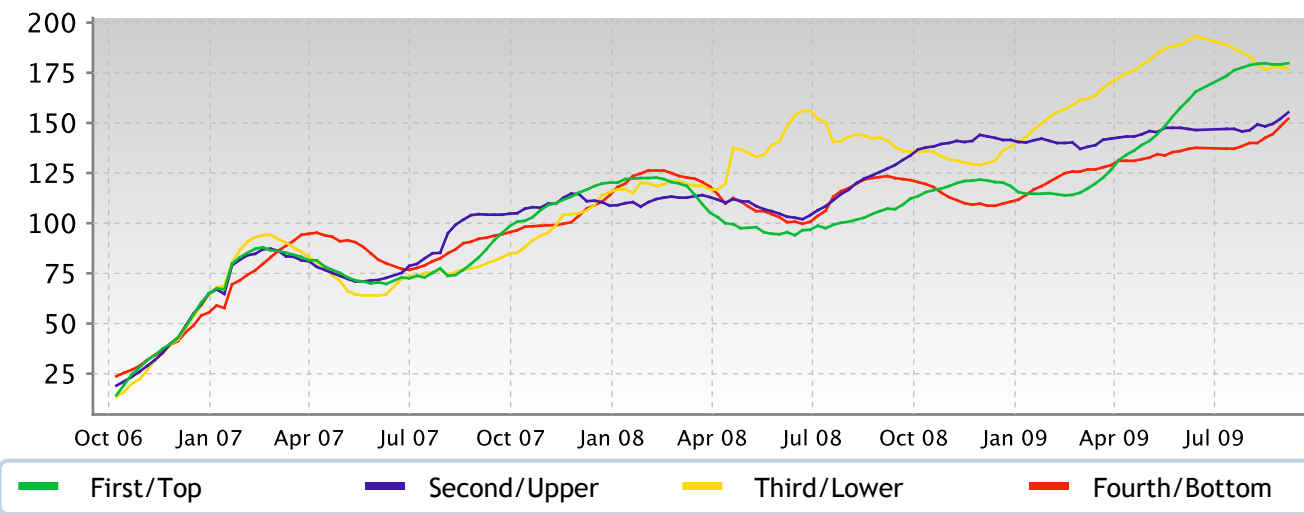
Days on Market

The properties have been on the market for an average of 224 days. Half of the listings have come newly on the market in the past 189 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.



NEIGHBORHOOD DETAIL

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NEWPORT
BEACH, CA

This Week

- The median list price in NEWPORT BEACH, CA 92660 this week is \$1,697,000. The 238 properties have been on the market for an average of 218 days.

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.

Supply and Demand

- Home sales have been exceeding new inventory for several weeks. Since this is a Buyer's market prices are not yet moving higher as excess inventory is consumed. However, the as supply and demand trends continue, the market moves into the Seller's zone, and we are likely to see upward pressure on pricing.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 1,697,000	↔
Average List Price	\$ 2,742,196	
Asking Price Per Square Foot	\$ 567	↔
Average Days on Market (DoM)	218	↑↑
Inventory of Properties Listed	238	↓↓
Most Expensive Listing	\$ 32,600,000	
Least Expensive Listing	\$ 519,000	
Average Age of Listing	31	
Percent of Properties with Price Decrease	39 %	
Percent Relisted (reset DOM)	9 %	
Percent Flip (price increased)	3 %	
Median House Size (sq ft)	3100	
Median Lot Size	8,001 - 10,000 sqft	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	4.0	

Altos Research Value Statistics

Market Action	Strong Buyer's	12.3	↑↑
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Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 4,750,000	5400	0.25 - 0.50 acre	5.0	5.0	30	59	0	2	234
Upper/Second	\$ 2,250,000	3802	8,001 - 10,000 sqft	4.0	4.0	10	59	2	3	208
Lower/Third	\$ 1,399,000	2700	6,501 - 8,000 sqft	4.0	3.0	36	60	2	3	235
Bottom/Fourth	\$ 887,000	2000	6,501 - 8,000 sqft	3.0	3.0	44	60	4	3	195

Most expensive 25% of properties

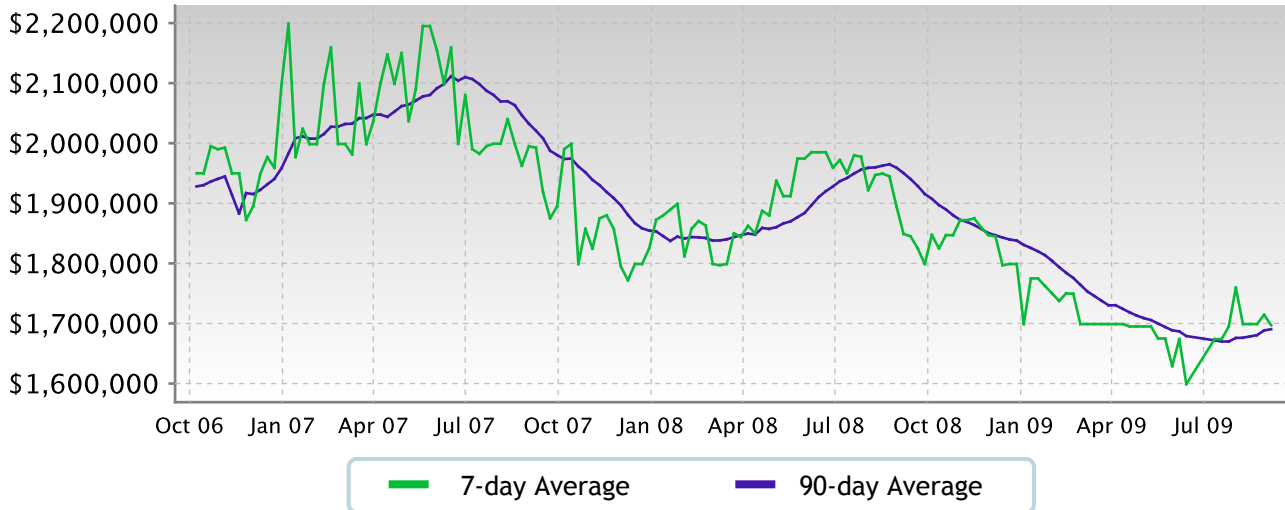
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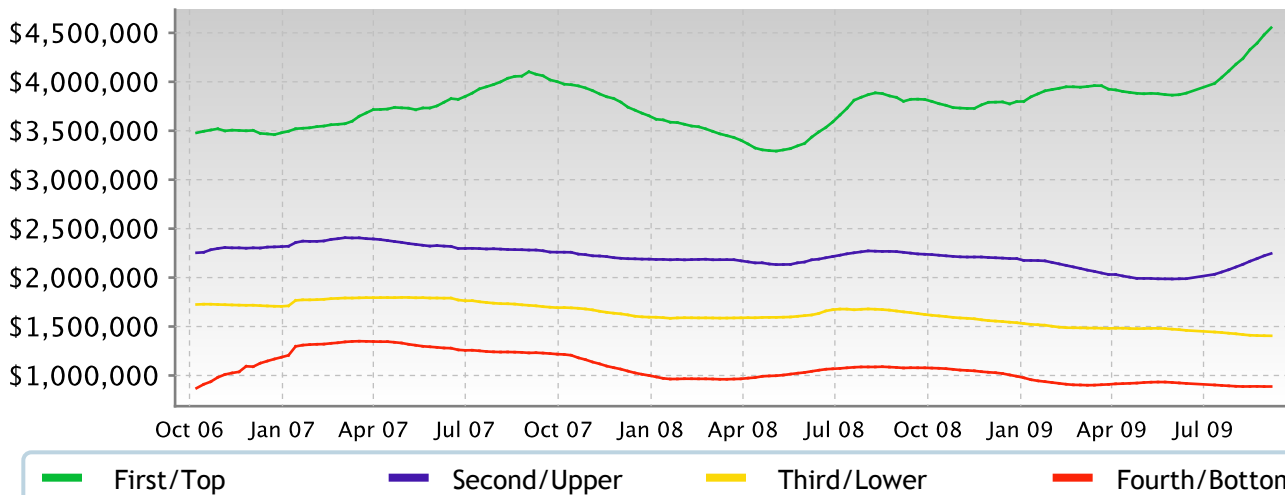
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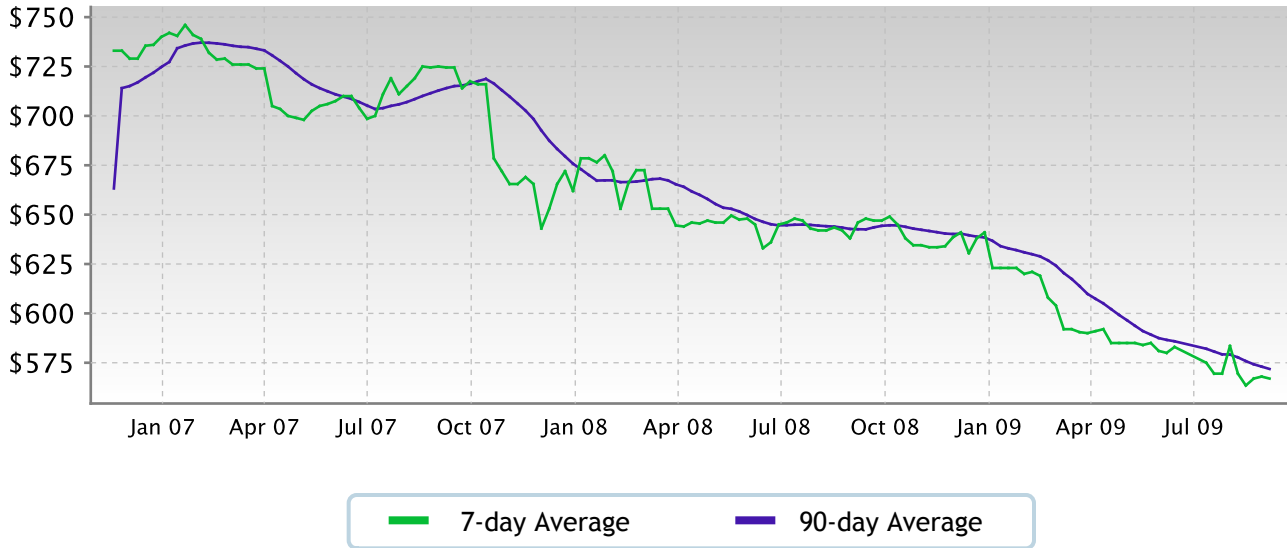
Quartile Prices

In the quartile market segments, we see the upper-half of the market (Quartiles 1 and 2) in this zip code relatively flat recently while the lower-half prices have remained strong. Quartiles 3 and 4 have been increasing in the last few weeks. Look to the Market Action Index Quartile breakdown for a leading indicator on which group will lead the market in the near future.



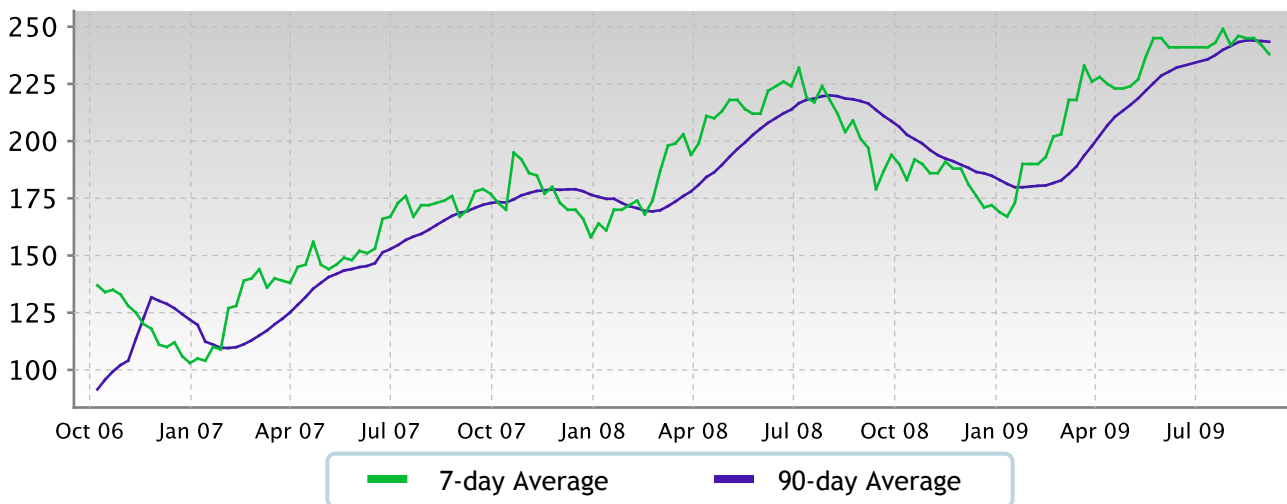
Price per Square Foot

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.



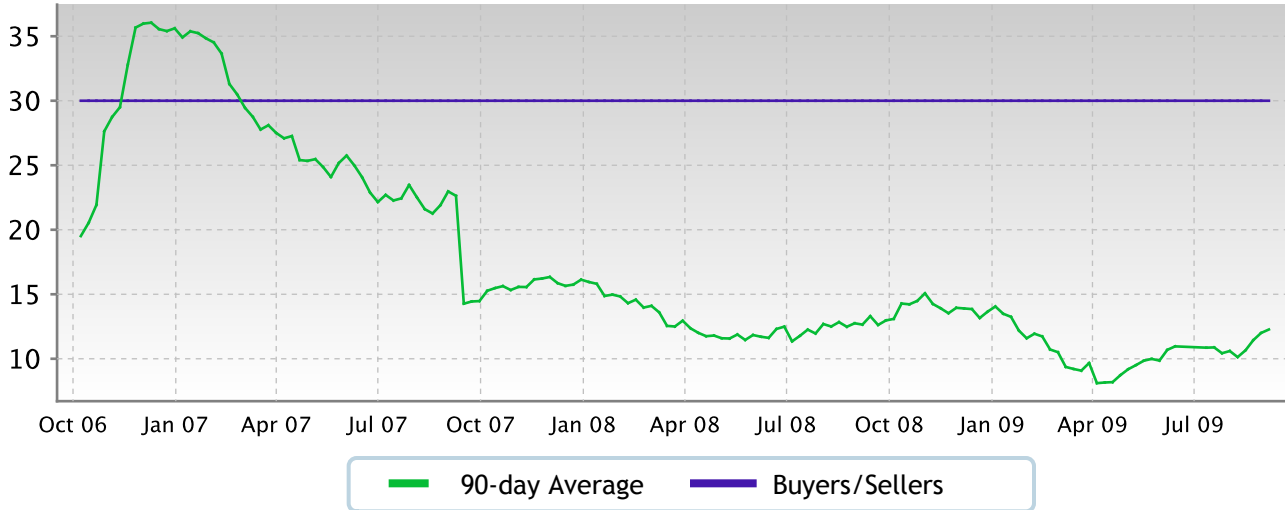
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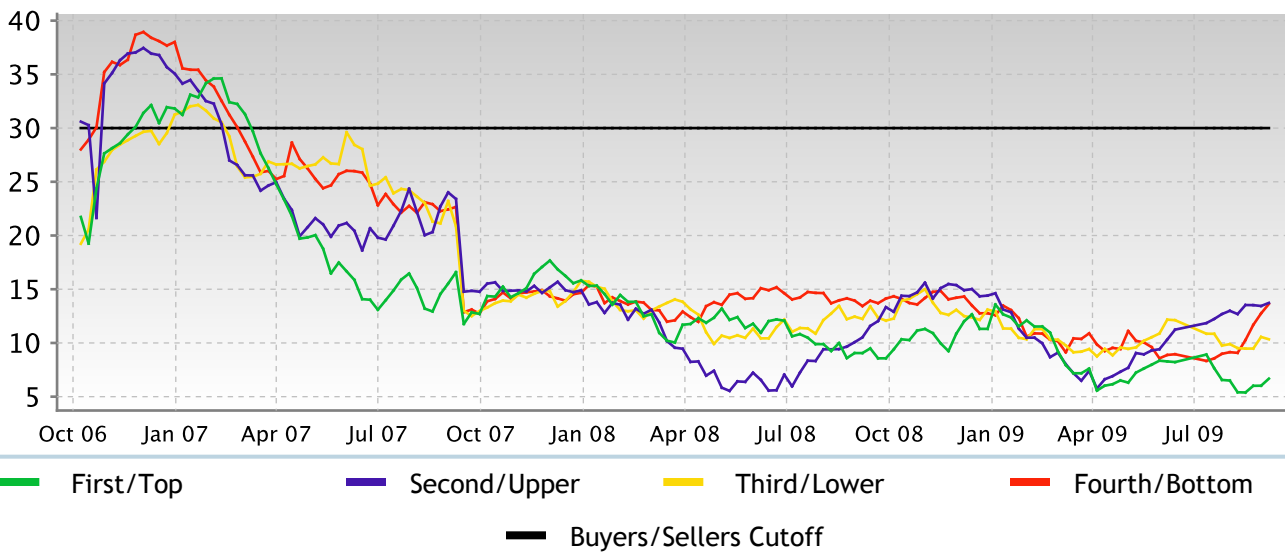
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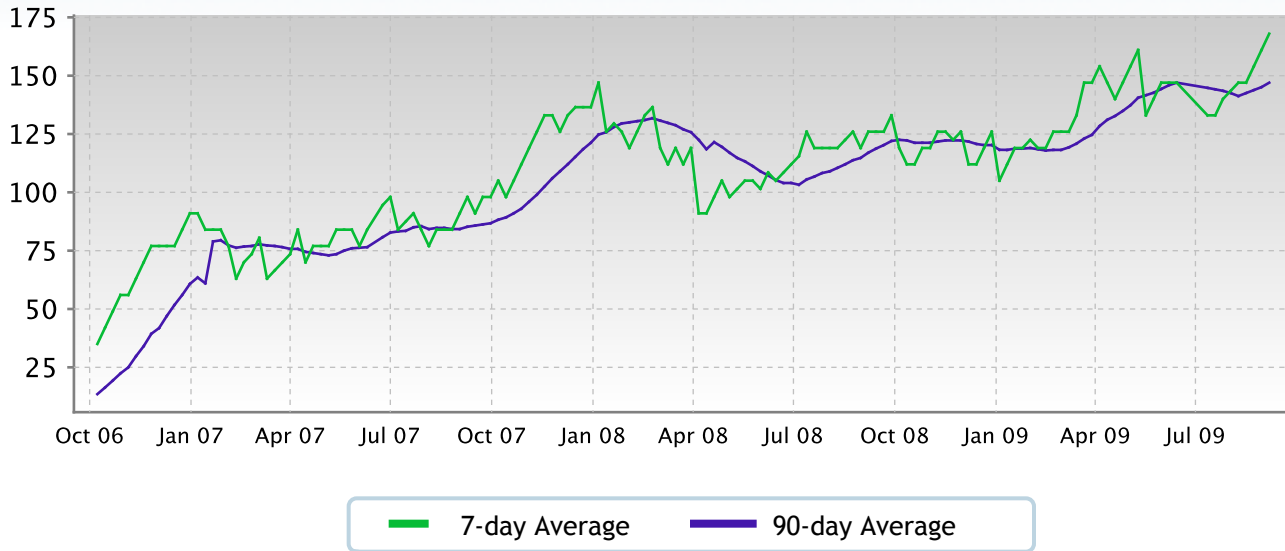


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