

MICHAEL C. ROSSI'S MARKET UPDATE

HERMOSA BEACH, CA

- **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**
April 11, 2011

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This Week

- The median list price in HERMOSA BEACH, CA this week is \$1,412,450. The 58 properties have been on the market for an average of 131 days.

Demand measured by the Market Action Index is increasing and days-on-market is trending downward. Even as more properties come available, these are positive trends for the market.

Supply and Demand

- The market has been consistently cool for several weeks. Demand level are low relative to the available inventory. It's a Buyer's market and prices continue to fall. Look for a persistent shift in Market Action before prices plateau or begin to rise again.

Real-Time Market Profile		Trend
Median List Price	\$ 1,412,450	↔
Average List Price	\$ 2,689,830	
Asking Price Per Square Foot	\$ 672	↔
Average Days on Market (DoM)	131	↓↓
Inventory of Properties Listed	58	↑↑
Most Expensive Listing	\$ 18,899,000	
Least Expensive Listing	\$ 109,500	
Average Age of Listing	36	
Percent of Properties with Price Decrease	43 %	
Percent Relisted (reset DOM)	12 %	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	2610	
Median Lot Size	Less than 4,500 sqft	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	4.0	

Altos Research Value Statistics			
Market Action Index	Strong Buyer's	14.9	↑↑
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.			

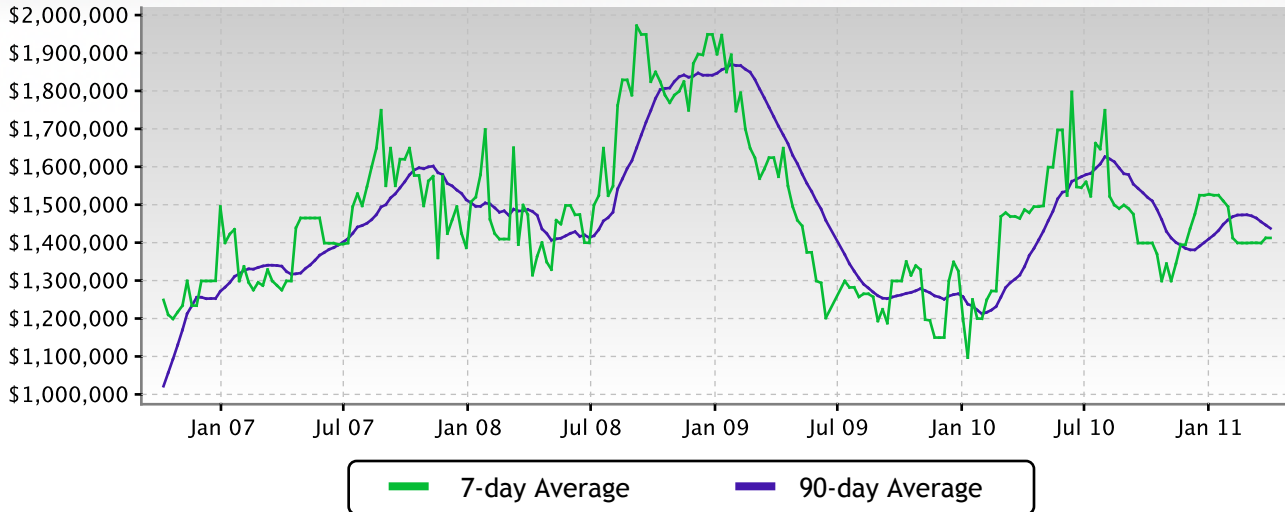
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 6,649,000	3755	Less than 4,500 sqft	4.0	5.0	8	14	0	0	164	Most expensive 25% of properties
Upper/Second	\$ 1,700,000	3030	Less than 4,500 sqft	4.0	4.0	10	14	2	2	129	Upper-middle 25% of properties
Lower/Third	\$ 1,250,000	2333	Less than 4,500 sqft	3.0	4.0	33	15	0	1	79	Lower-middle 25% of properties
Bottom/Fourth	\$ 745,000	1125	Less than 4,500 sqft	3.0	2.0	59	15	2	1	156	Least expensive 25% of properties

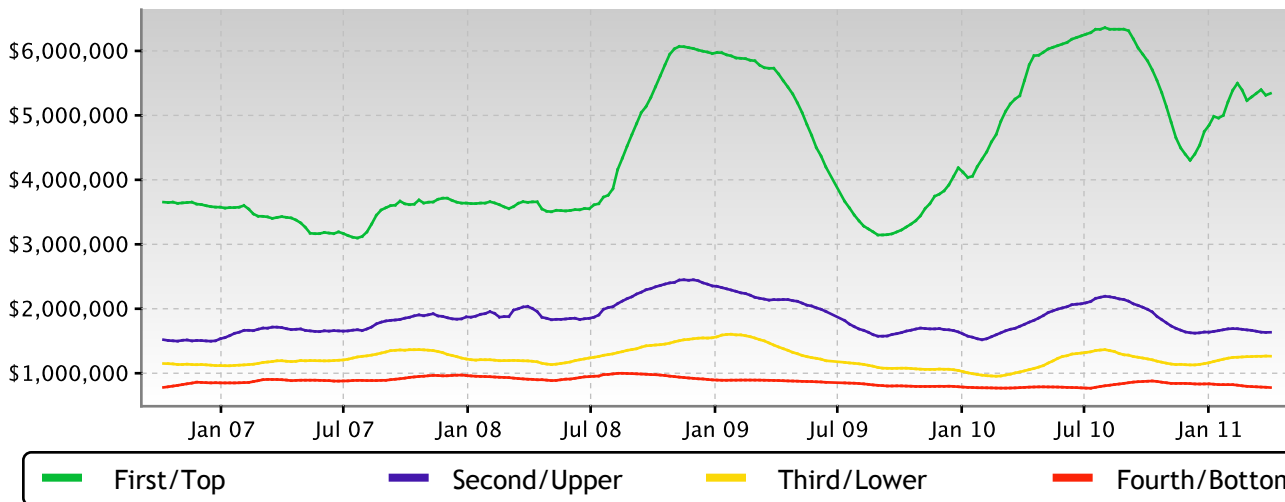
Median Price

The market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this trend.



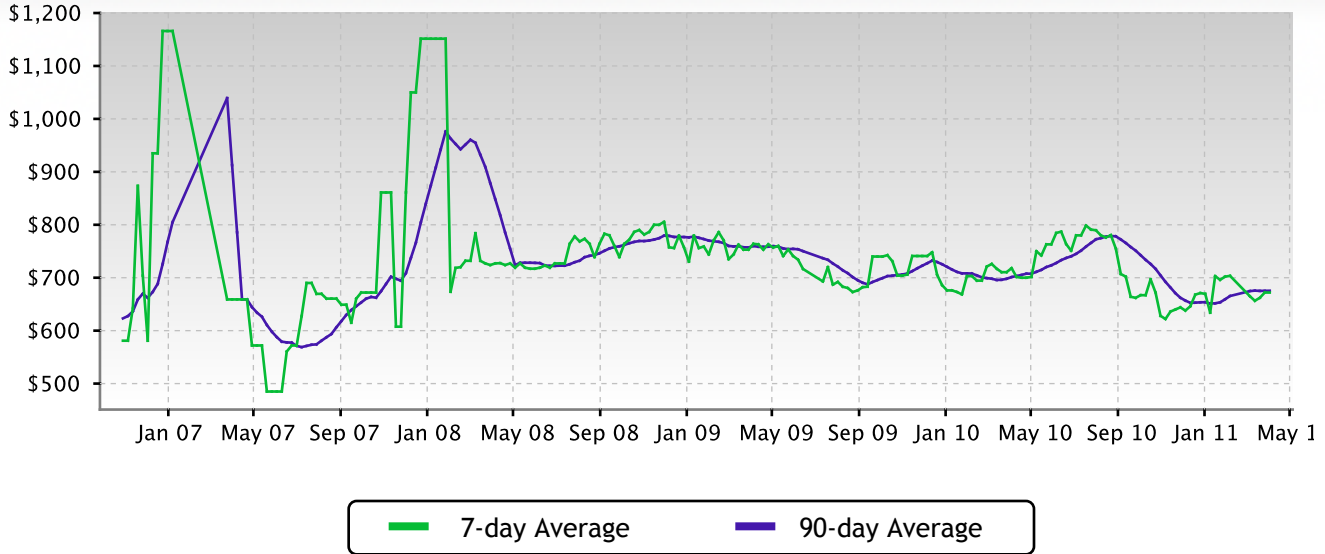
Quartile Prices

Prices have generally settled at a plateau, although Quartile 1 has been trending a bit downward 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.



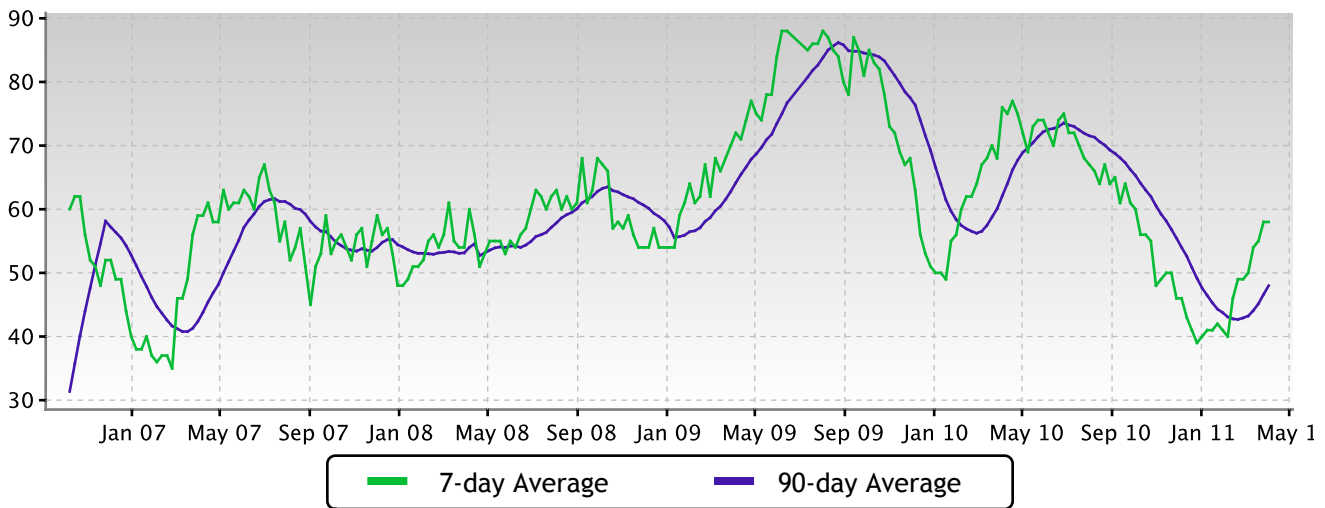
Price per Square Foot

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.



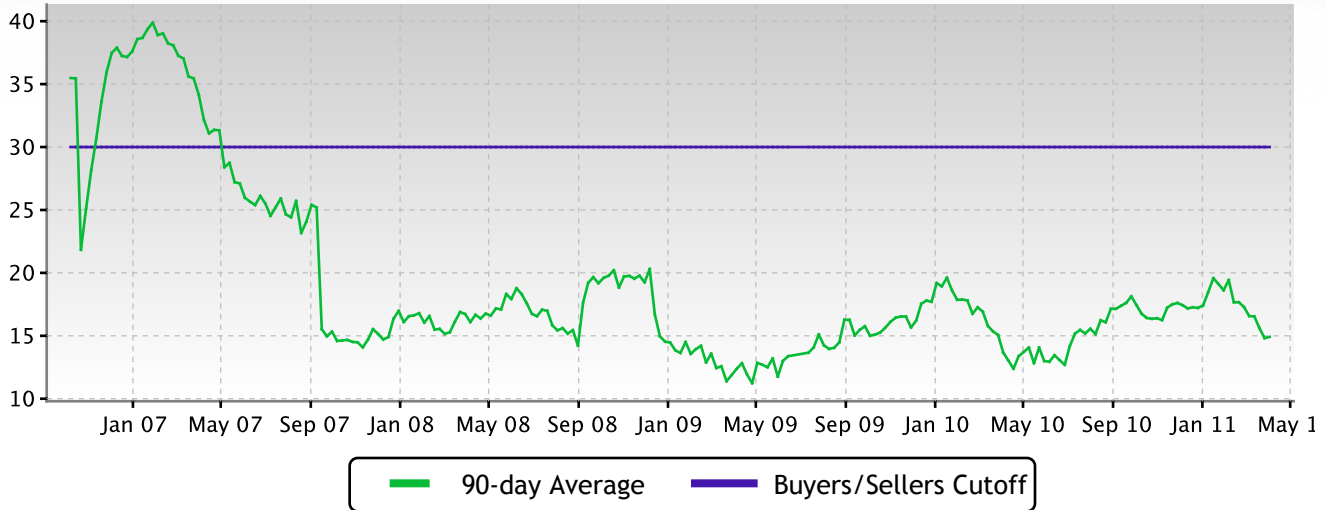
Inventory of Properties Listed for Sale

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.



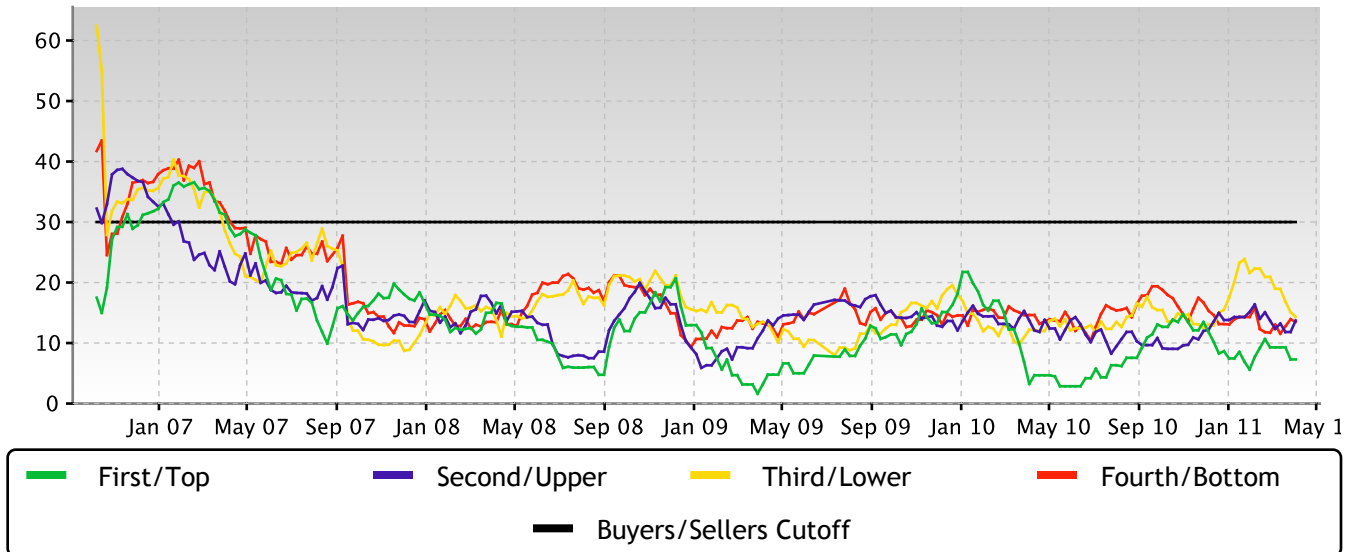
Market Action Index

The HERMOSA BEACH market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 14.92. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

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.

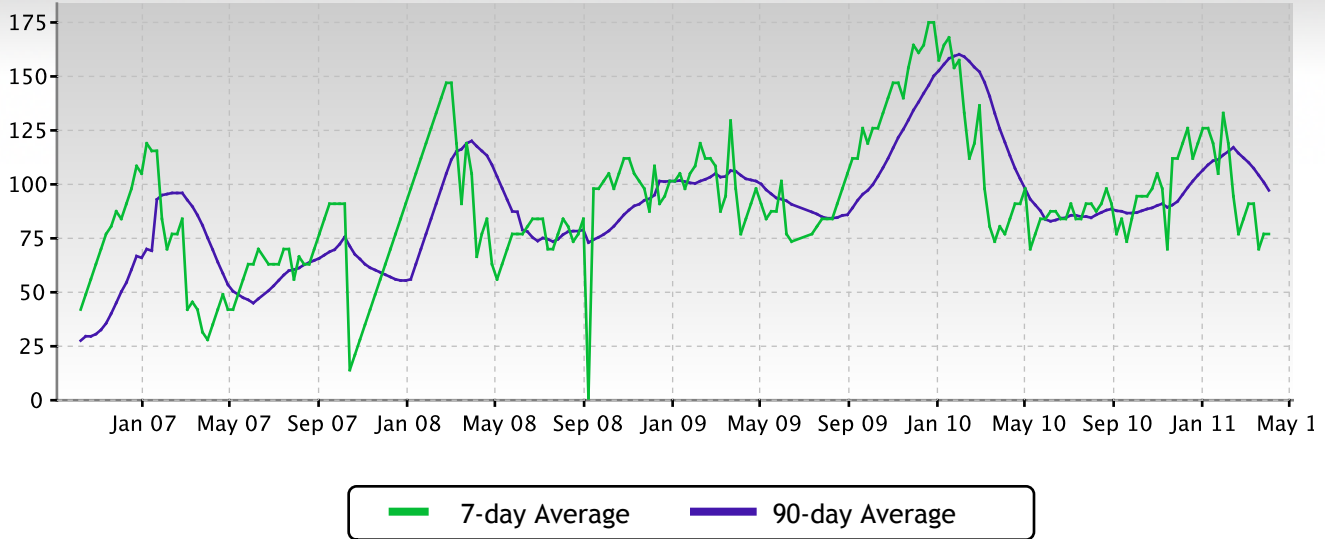


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

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 131 days. Half of the listings have come newly on the market in the past 77 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.

