

# YOUR LOCAL MARKET'S MARKET UPDATE

SOLANA BEACH, CA

- **Current Real Estate Market Conditions for Condos & Townhomes**
- **Trends in Pricing**
- **Current Levels of Supply and Demand**
- **Value Metrics**

- **Report for the week of  
July 24, 2017**

## This Week

- The median list price in SOLANA BEACH, CA this week is \$909,500. The 18 properties have been on the market for an average of 56 days.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for the market.

## Supply and Demand

- Home sales have been exceeding new inventory for several weeks. However prices have not yet stopped falling. Since the market is already in the Seller's zone, expect prices to level off very soon. Should the sales trend continue expect that prices could climb from there.

### Real-Time Market Profile

| Real-Time Market Profile                  |              | Trend |
|---|--------------|-------|
| Median List Price                         | \$ 909,500   | ↔     |
| Average List Price                        | \$ 1,284,217 |       |
| Asking Price Per Square Foot              | \$ 716       | ↓↓    |
| Average Days on Market (DoM)              | 56           | ↑     |
| Inventory of Properties Listed            | 18           | ↓↓    |
| Most Expensive Listing                    | \$ 3,988,000 |       |
| Least Expensive Listing                   | \$ 559,900   |       |
| Average Age of Listing                    | 42           |       |
| Percent of Properties with Price Decrease | 22 %         |       |
| Percent Relisted (reset DOM)              | 17 %         |       |
| Percent Flip (price increased)            | 17 %         |       |
| Median House Size (sq ft)                 | 1344         |       |
| Median Number of Bedrooms                 | 2.0          |       |
| Median Number of Bathrooms                | 2.2          |       |

### Altos Research Value Statistics

|   |                 |      |    |
|---|-----------------|------|----|
| Market Action Index   | Strong Seller's | 52.6 | ↑↑ |
| 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. | Beds | Baths | Age | Inventory | New | Absorbed | DOM |
|---------------|--------------|---------|------|-------|-----|-----------|-----|----------|-----|
| Top/First     | \$ 2,063,500 | 2177    | 3.5  | 2.8   | 35  | 4         | 0   | 0        | 145 |
| Upper/Second  | \$ 1,447,000 | 1526    | 2.5  | 2.2   | 35  | 4         | 1   | 0        | 40  |
| Lower/Third   | \$ 799,000   | 1184    | 2.0  | 2.0   | 40  | 5         | 0   | 1        | 35  |
| Bottom/Fourth | \$ 705,000   | 1218    | 2.0  | 2.0   | 31  | 5         | 1   | 0        | 20  |

Most expensive 25% of properties

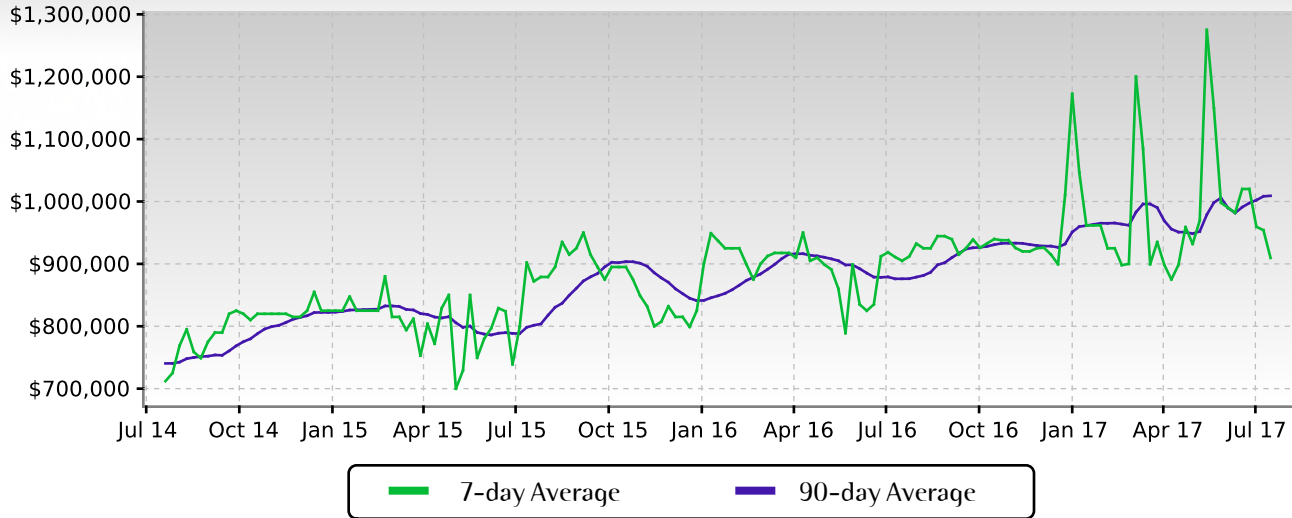
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

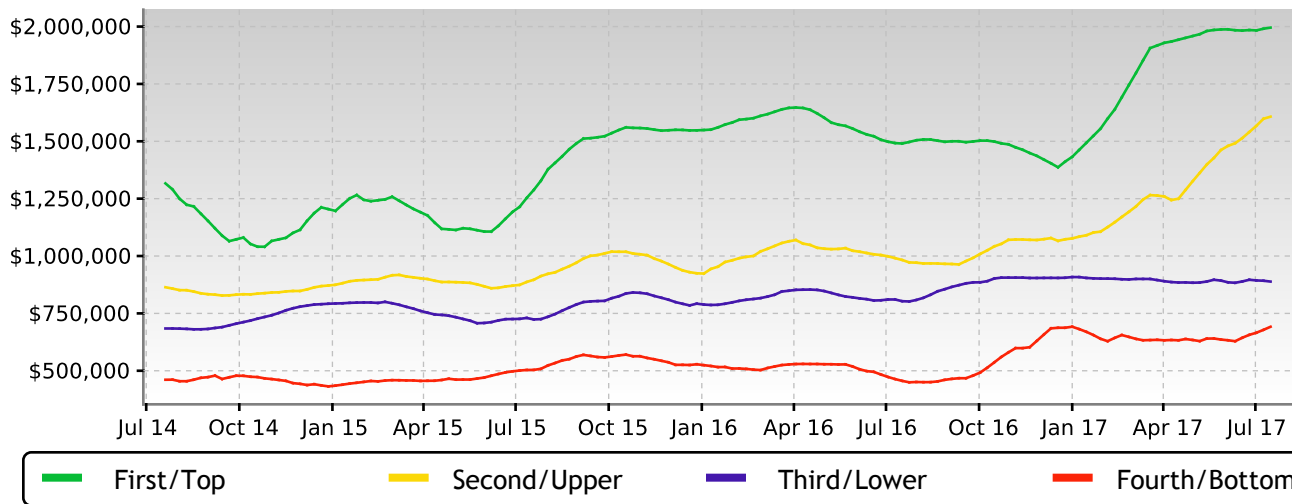
## Median Price

Again this week we see a downward notch for prices. Pricing has been weak in recent weeks and versus their absolute-high levels. The Market Action Index is a good leading indicator for the durability of this trend.



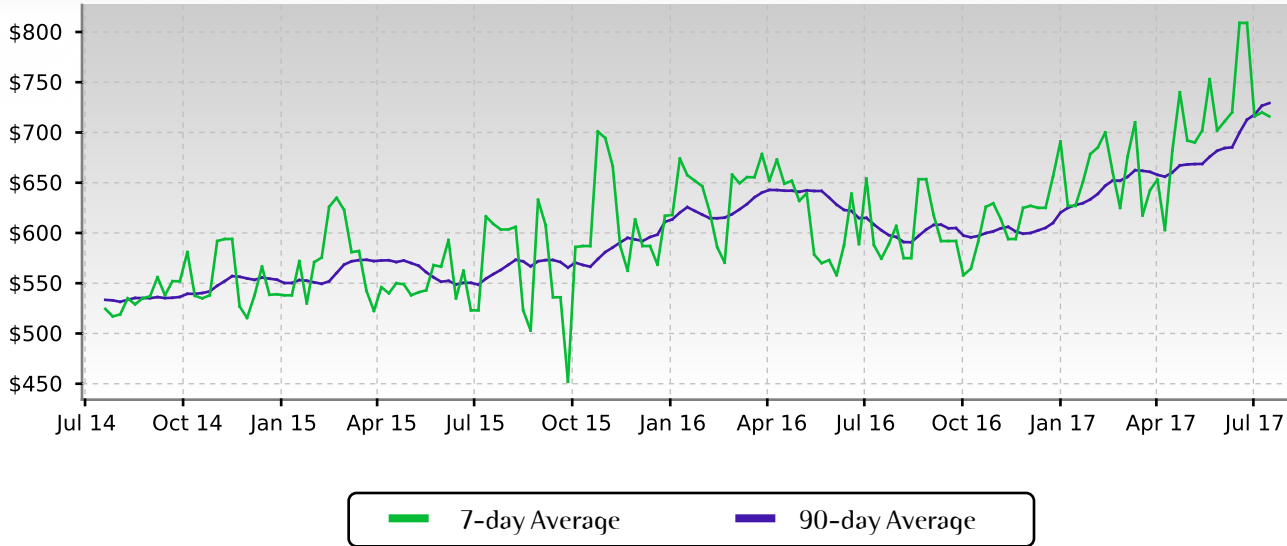
## Quartile Prices

Pricing trends have been lacking strong directional indication lately. Quartiles 4 and 2 are up while Quartiles 3 and 1 are basically flat in recent weeks. Watch for persistent shifts in the Market Action Index for a leading indicator of stronger price moves in the market as a whole.



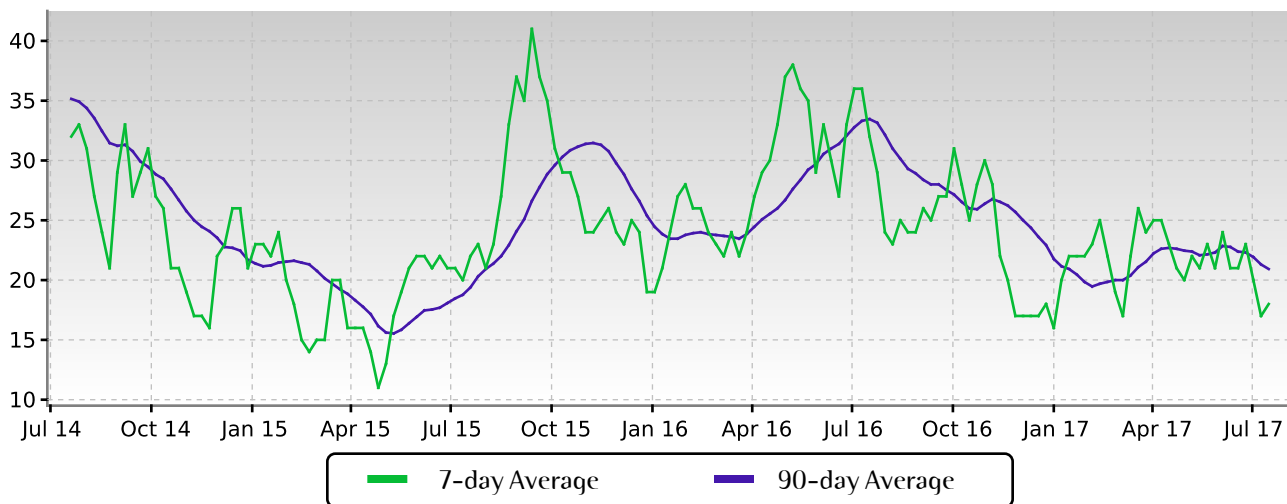
## Price per Square Foot

The market's downward trends are shared across both price and value. People are recently placing less value on homes (you can see the recent declines in price per square foot as evidence.) Look for significant changes in the Market Action Index as a precursor to price and value changes, possibly as inflection points for good investment opportunities.



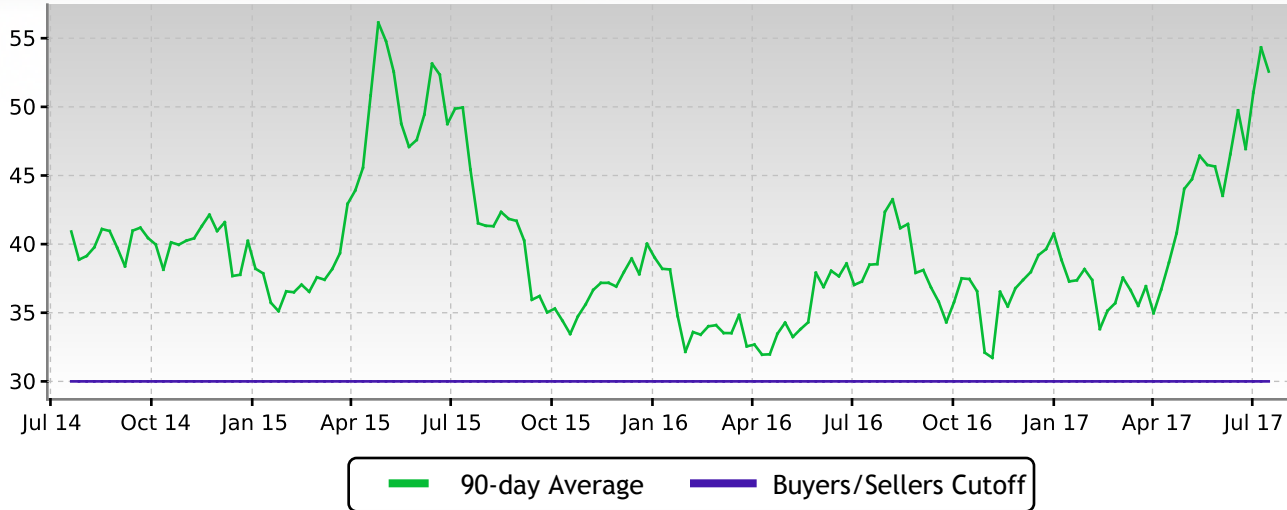
## Inventory of Properties Listed for Sale

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.



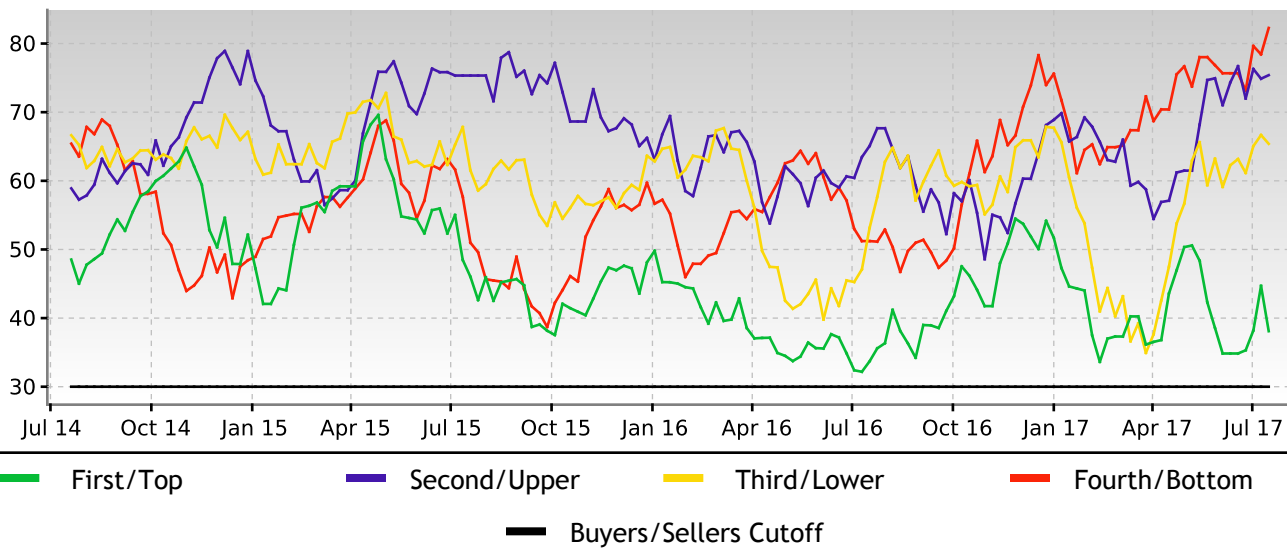
## Market Action Index

The SOLANA BEACH market is currently quite strongly in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 52.57; indicating very little supply relative to the demand.



## Market Action Index per Quartile

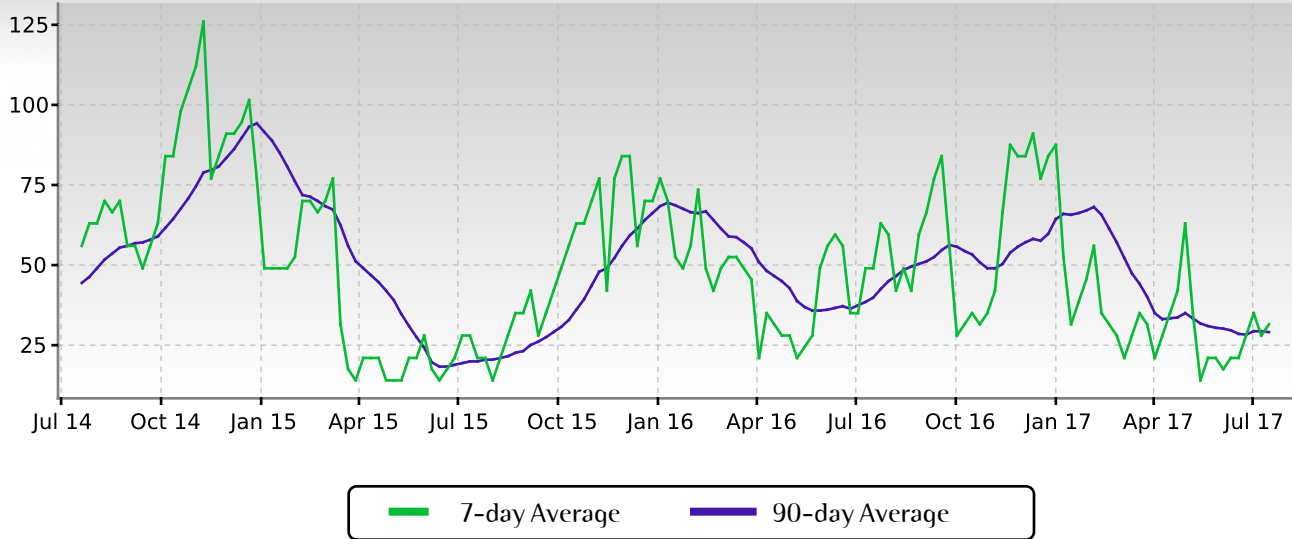
Not surprisingly, all segments in the market are showing high levels of demand. Watch the quartiles for changes before the whole market changes. Often one end of the market (e.g. the high-end) will weaken before the rest of the market and signal a slowdown for the whole group.



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.

### Days on Market

The properties have been on the market for an average of 56 days. Half of the listings have come newly on the market in the past 32 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.

