

YOUR LOCAL MARKET'S MARKET UPDATE

SOLANA 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
November 27, 2017**

This Week

- The median list price in SOLANA BEACH, CA this week is \$2,197,000. The 20 properties have been on the market for an average of 79 days.

Inventory and days-on-market are both trending higher recently. However, the improving Market Action Index implies some increased demand will temper the negative trends.

Supply and Demand

- Market conditions have been consistently cooling in the past several weeks. Because we're still in the Seller's zone, prices have not yet begun to drop. It may take a few more weeks of slack demand for prices to reflect and begin to fall. Expect prices to fall if the index persistently falls to the Buyer's zone.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 2,197,000	↑↑
Average List Price	\$ 2,522,239	
Asking Price Per Square Foot	\$ 826	↓↓
Average Days on Market (DoM)	79	↑
Inventory of Properties Listed	20	↑
Most Expensive Listing	\$ 6,695,000	
Least Expensive Listing	\$ 1,200,000	
Average Age of Listing	37	
Percent of Properties with Price Decrease	55 %	
Percent Relisted (reset DOM)	10 %	
Percent Flip (price increased)	0 %	
Median House Size (sq ft)	2710	
Median Lot Size	0.25 - 0.50 acre	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	3.0	

Altos Research Value Statistics

Market Action Index	Seller's Advantage	35.8	↓↓
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.			

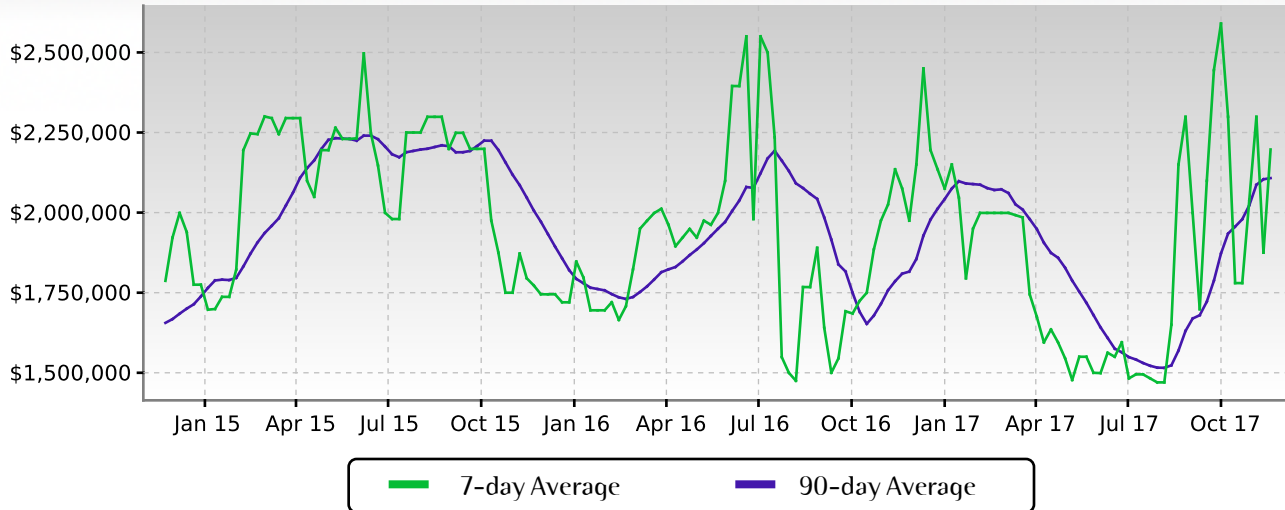
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 3,699,000	4008	0.25 - 0.50 acre	4.0	4.5	12	5	0	0	85	Most expensive 25% of properties
Upper/Second	\$ 2,490,000	2984	0.25 - 0.50 acre	4.0	3.5	33	5	0	0	125	Upper-middle 25% of properties
Lower/Third	\$ 1,850,000	2622	0.25 - 0.50 acre	4.0	3.0	37	5	2	1	17	Lower-middle 25% of properties
Bottom/Fourth	\$ 1,299,000	2150	0.25 - 0.50 acre	4.0	2.5	46	5	0	2	91	Least expensive 25% of properties

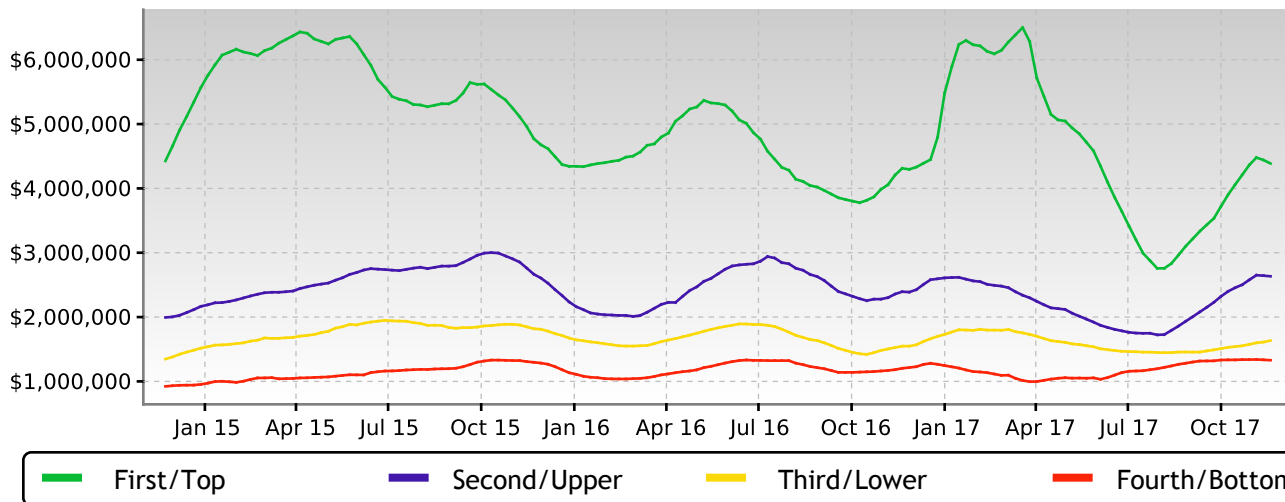
Median Price

The market continues its bounce again this week. We're a long way from the market's high point so watch the Market Action Index as a leading indicator for how long this trend will last.



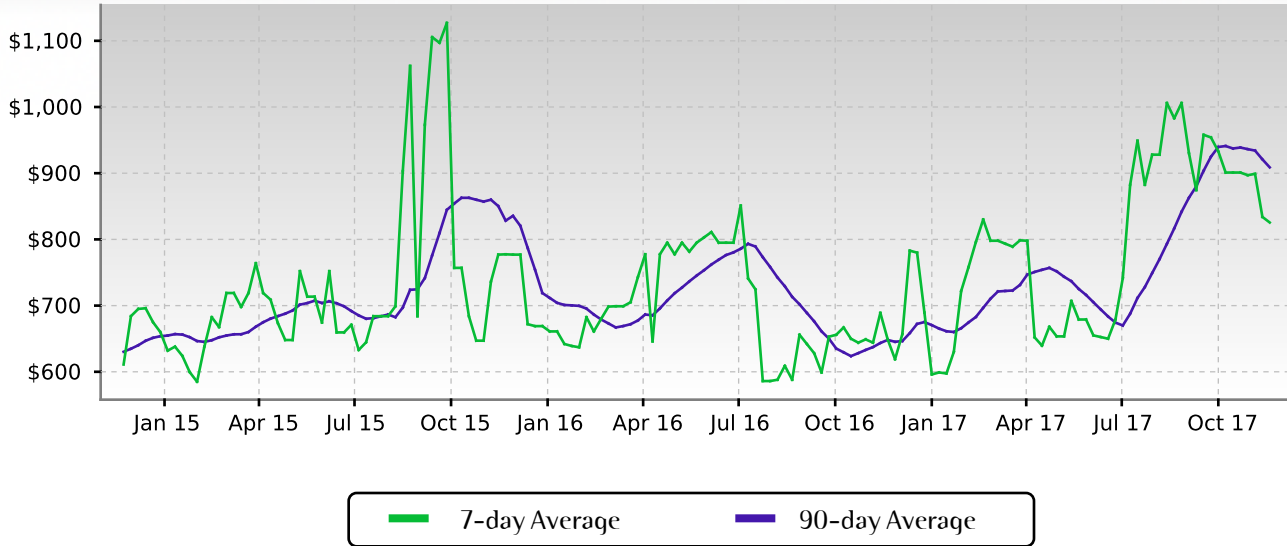
Quartile Prices

Pricing across most of the market has been relatively strong recently. While Quartile 4 is basically flat, all other segments are in an up trend period. Unless the Market Action Index has a persistent downward shift, expect that Quartile 4 will assume a similar trend with the other groups.



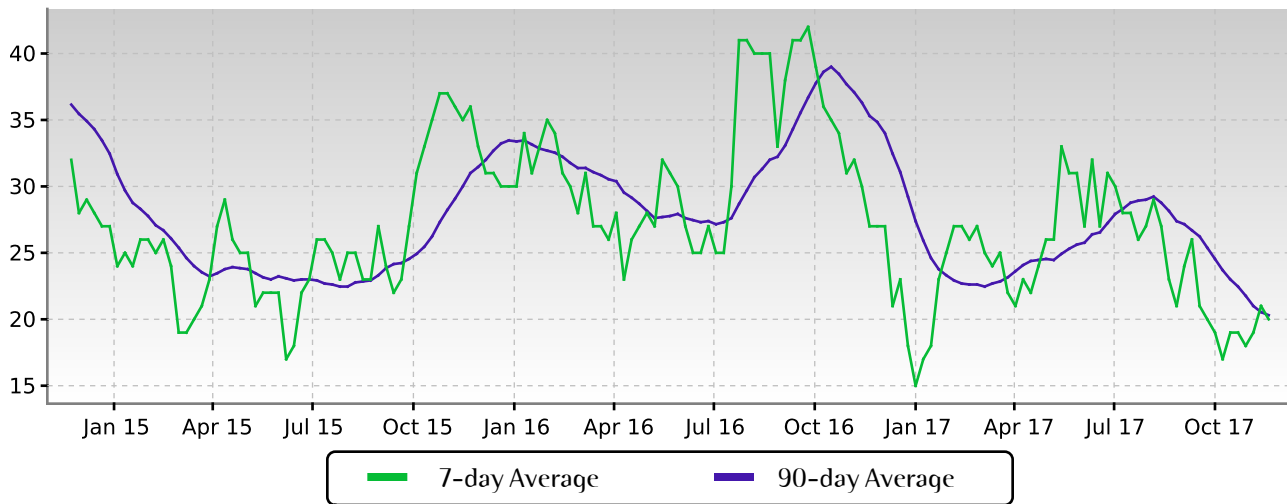
Price per Square Foot

This is a market where watching the value metrics (like price per square foot) can provide insight that you don't get at first glance. We can see that home prices are rising somewhat, the price per square foot of homes listed has been declining. Often this can be attributed to new and remodeled homes on the market. Prices in the area are trending higher but buyers are getting more for their money.



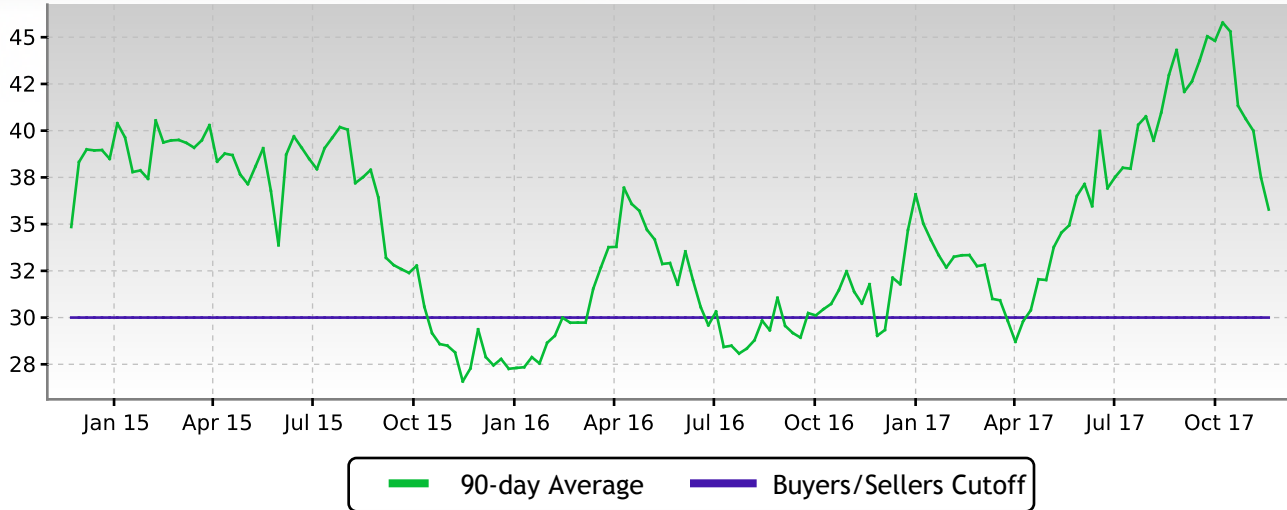
Inventory of Properties Listed for Sale

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.



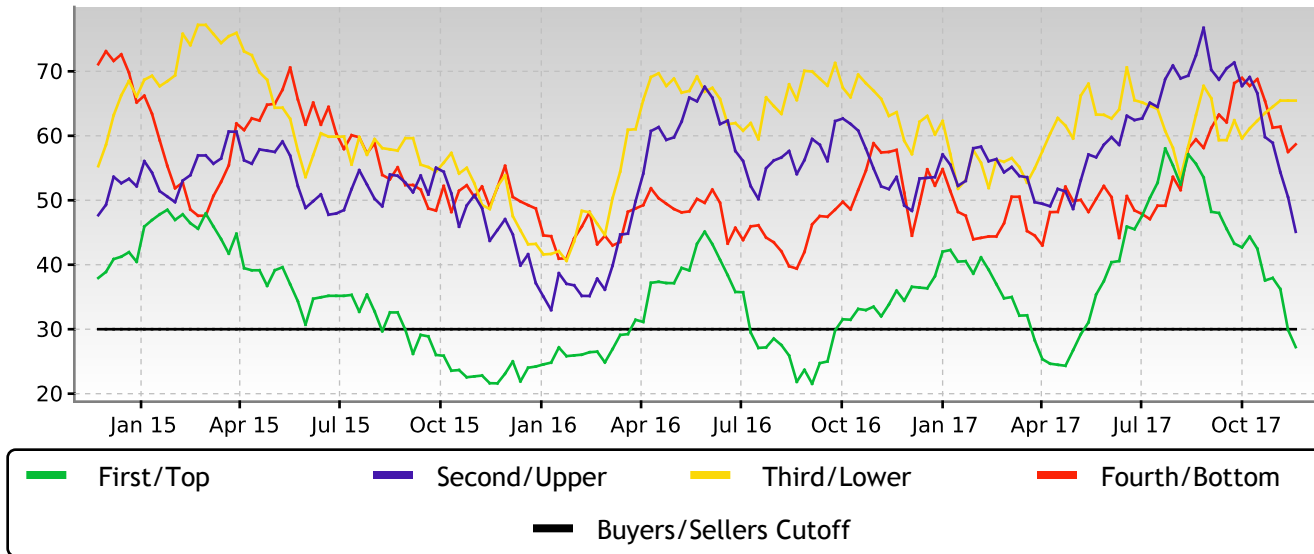
Market Action Index

The SOLANA BEACH market is currently in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 35.78 which indicates that demand is strong and available supply of homes gets snapped up relatively quickly.



Market Action Index per Quartile

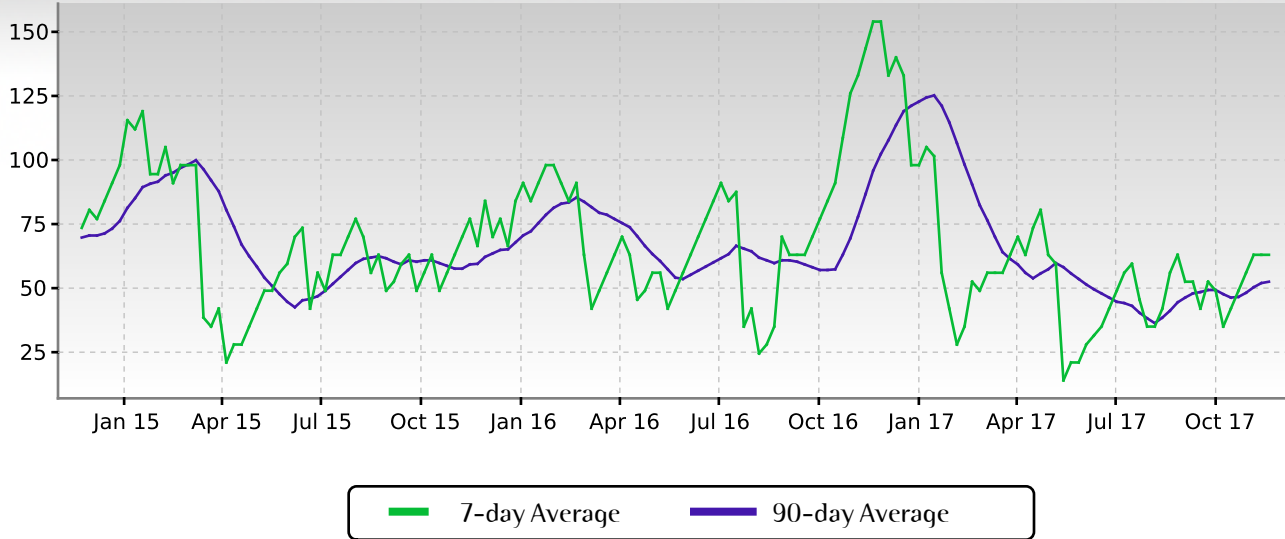
Three of the four quartiles of the market are in the Seller's Market zone with relatively low amounts of inventory given the current rate of demand for homes in the quartile. Notice that Quartile 1 (the highest-end price group) is showing weaker demand than the others. It's not uncommon that the premium segment of the market takes longer to sell than the rest of the 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 79 days. Half of the listings have come newly on the market in the past 63 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.

