

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
October 30, 2017**

This Week

- The median list price in SOLANA BEACH, CA this week is \$1,780,000. The 19 properties have been on the market for an average of 67 days.

Inventory is tightening and days-on-market is falling. But demand as measured by the Market Action Index is also trending down. The market is not giving strong up or down signals from these data.

Supply and Demand

- Market appears to have begun to cool. As we're still notably in the Seller's zone, prices have not yet adjusted. If the market continues to cool, then expect prices to follow lower. It may take a few more weeks of slack demand for prices to reflect and begin to fall. Expect this condition if the index falls to the Buyer's zone.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 1,780,000	↑↑
Average List Price	\$ 2,564,510	
Asking Price Per Square Foot	\$ 901	↓
Average Days on Market (DoM)	67	↓
Inventory of Properties Listed	19	↓↓
Most Expensive Listing	\$ 7,450,000	
Least Expensive Listing	\$ 1,200,000	
Average Age of Listing	37	
Percent of Properties with Price Decrease	53 %	
Percent Relisted (reset DOM)	11 %	
Percent Flip (price increased)	0 %	
Median House Size (sq ft)	2576	
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	41.3	↓
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.			

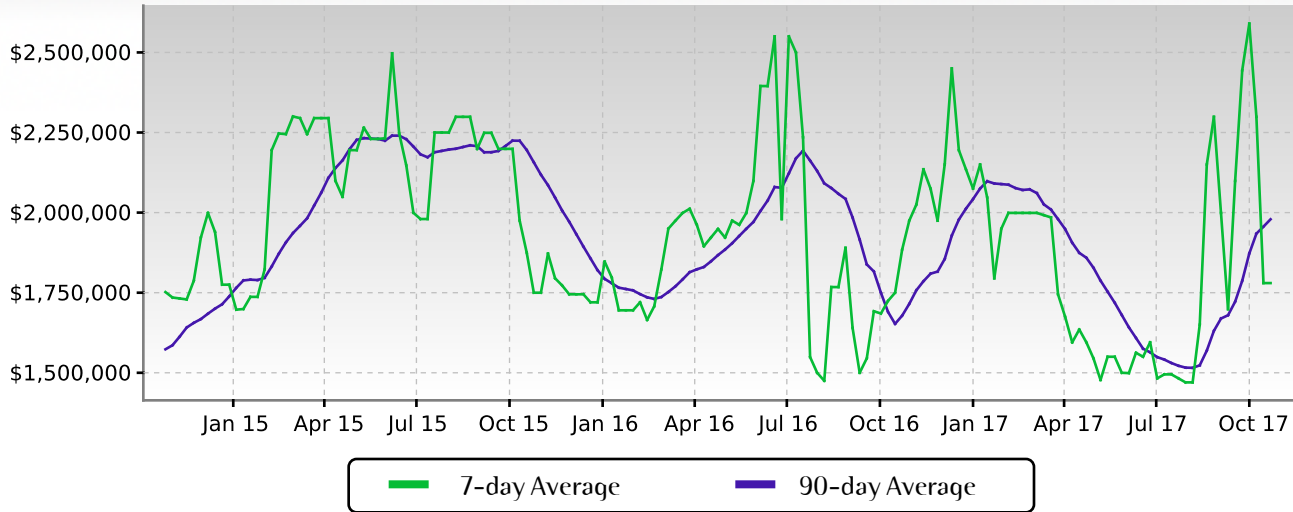
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 4,849,000	4054	0.25 - 0.50 acre	4.5	4.5	12	4	0	0	65	Most expensive 25% of properties
Upper/Second	\$ 2,595,000	2998	0.25 - 0.50 acre	4.0	3.5	27	5	0	0	105	Upper-middle 25% of properties
Lower/Third	\$ 1,599,900	2290	8,001 - 10,000 sqft	4.0	3.0	44	5	0	0	27	Lower-middle 25% of properties
Bottom/Fourth	\$ 1,299,000	2117	0.25 - 0.50 acre	4.0	2.5	46	5	0	0	70	Least expensive 25% of properties

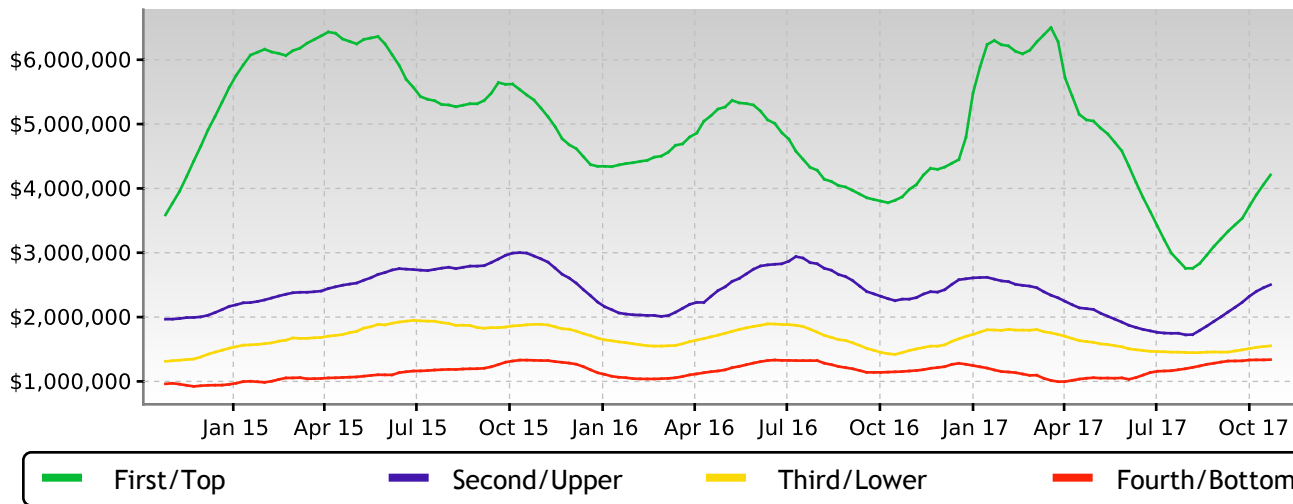
Median Price

The market has been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle. The Market Action Index is a good leading indicator for the durability of this trend.



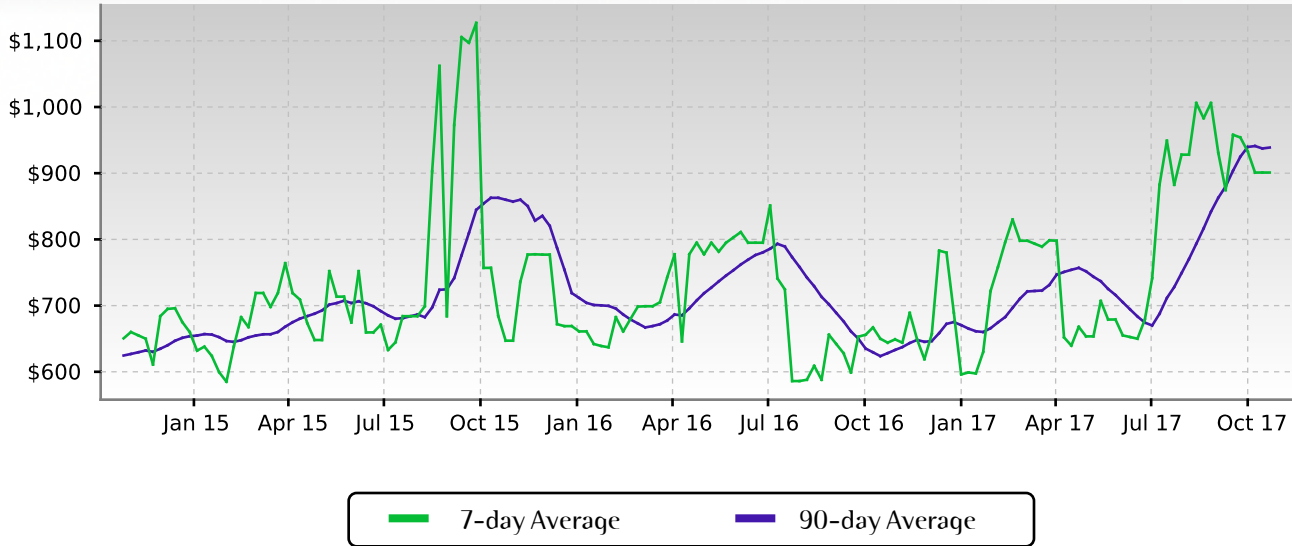
Quartile Prices

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.



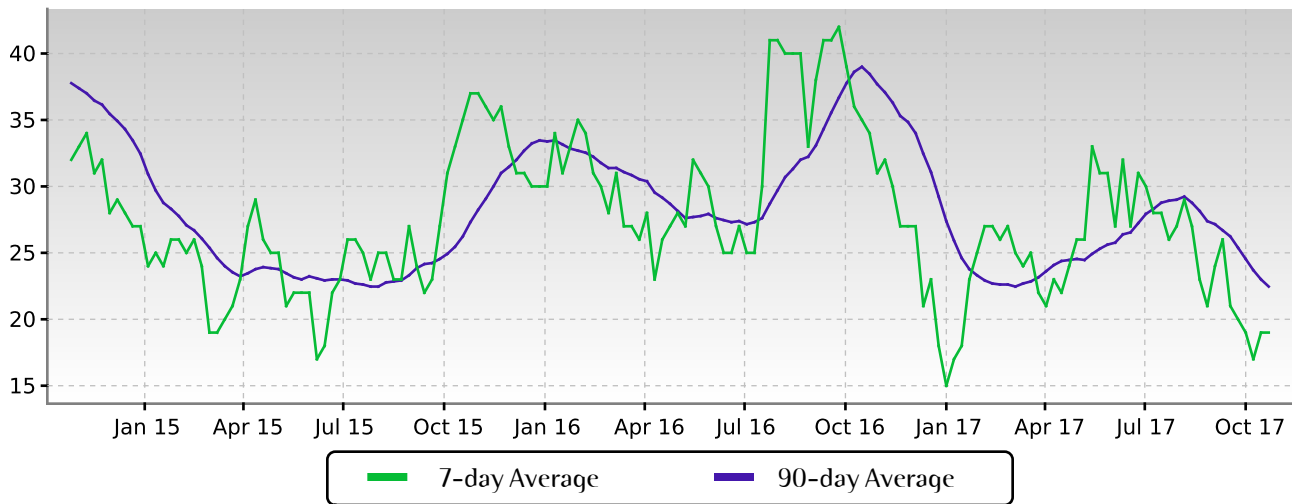
Price per Square Foot

The market's light 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.



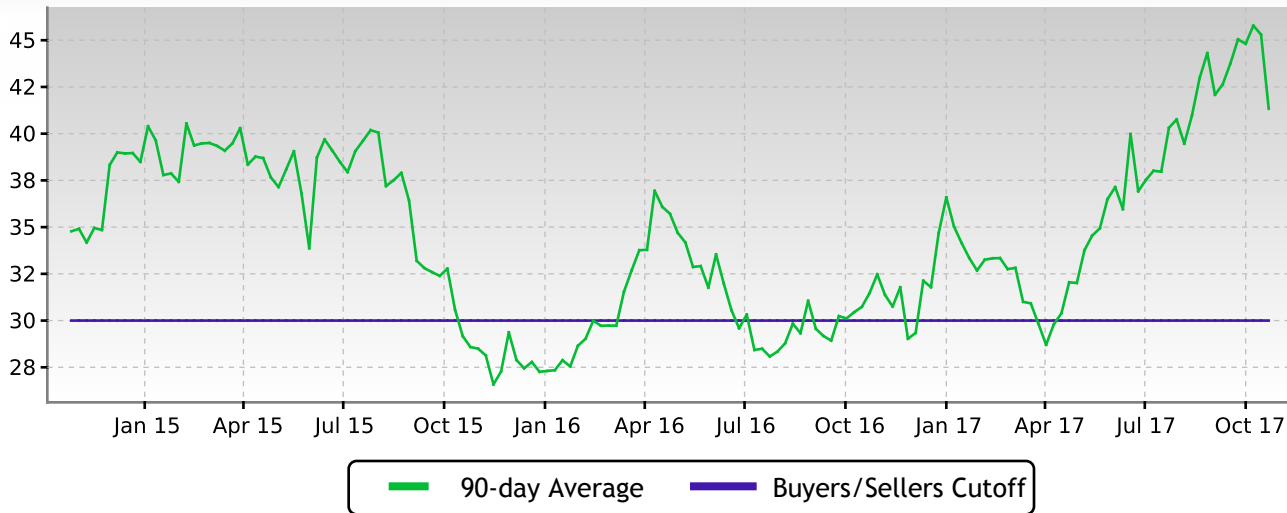
Inventory of Properties Listed for Sale

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.



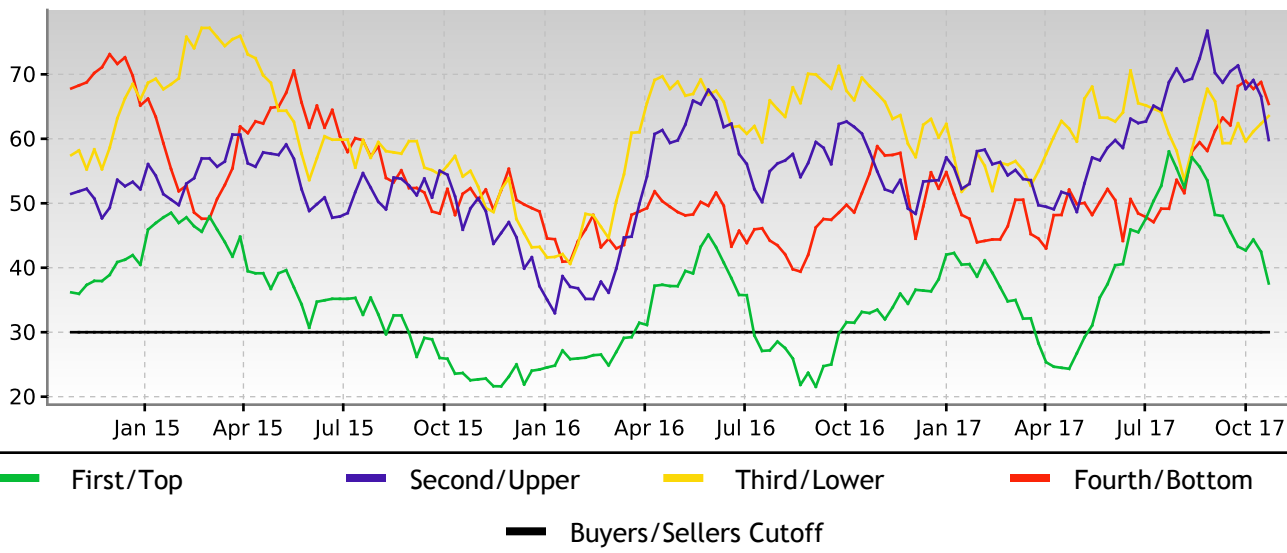
Market Action Index

The SOLANA BEACH market is currently in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 41.33 which indicates that demand is strong and available supply of homes gets snapped up relatively quickly.



Market Action Index per Quartile

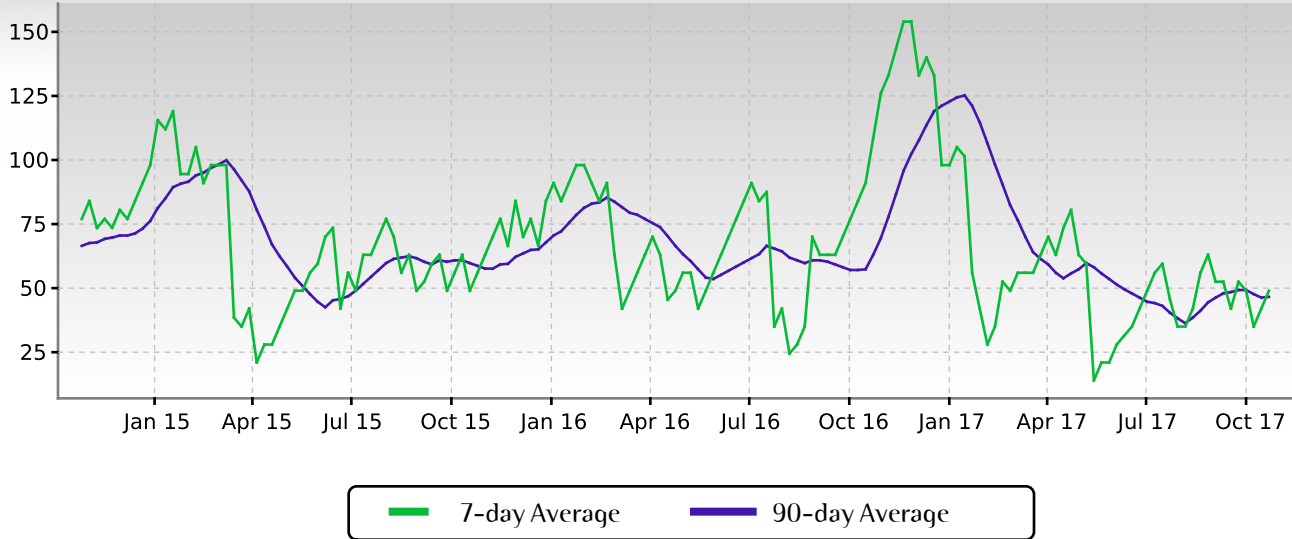
Not surprisingly, all segments in the market are showing high levels of demand. Watch the quartiles for changes before the whole market changes. Often one end of the market (e.g. the high-end) will weaken before the rest of the market and signal a slowdown for the whole group.



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 67 days. Half of the listings have come newly on the market in the past 49 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.

