

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
January 30, 2017**

This Week

- The median list price in SOLANA BEACH, CA this week is \$1,795,000. The 23 properties have been on the market for an average of 126 days.

Inventory is up and Market Action is trending down recently. While days-on-market appears to be trending lower, the overall conditions are weakening a bit.

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

		Trend
Median List Price	\$ 1,795,000	↑↑
Average List Price	\$ 4,458,126	
Asking Price Per Square Foot	\$ 630	↓↓
Average Days on Market (DoM)	126	↓↓
Inventory of Properties Listed	23	↑
Most Expensive Listing	\$ 49,000,000	
Least Expensive Listing	\$ 749,000	
Average Age of Listing	40	
Percent of Properties with Price Decrease	17 %	
Percent Relisted (reset DOM)	13 %	
Percent Flip (price increased)	4 %	
Median House Size (sq ft)	2774	
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 33.3 ↓

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	\$ 5,495,000	3840	0.50 - 1.0 acre	4.0	4.5	26	5	0	0	314
Upper/Second	\$ 2,145,000	3424	0.25 - 0.50 acre	4.5	4.8	19	6	0	0	127
Lower/Third	\$ 1,636,000	2694	6,501 - 8,000 sqft	4.0	3.0	39	6	3	0	50
Bottom/Fourth	\$ 875,000	1422	8,001 - 10,000 sqft	3.0	2.0	65	6	2	0	43

Most expensive 25% of properties

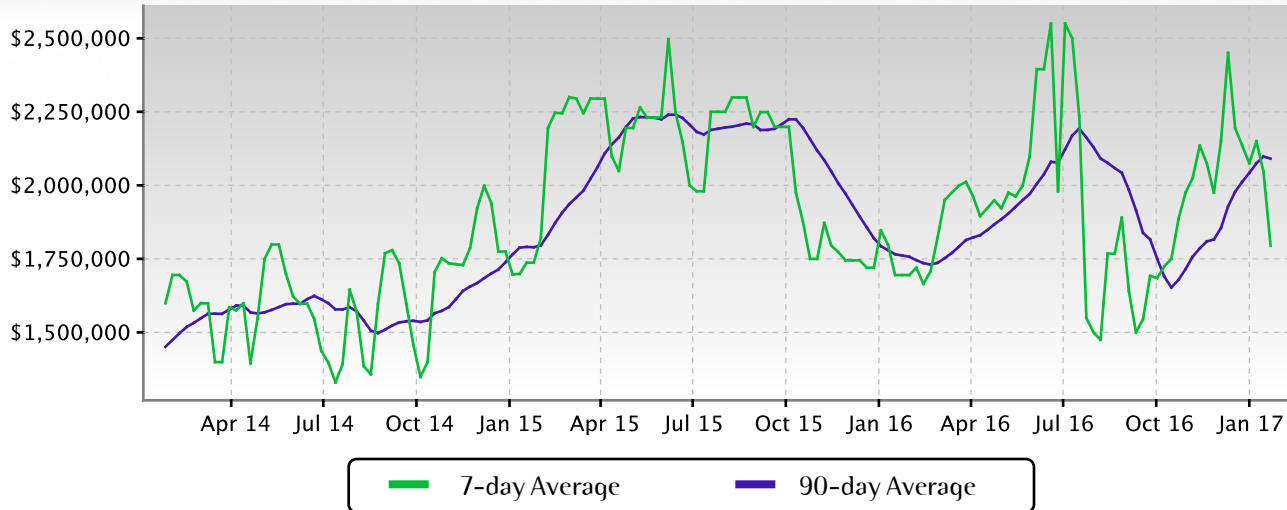
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

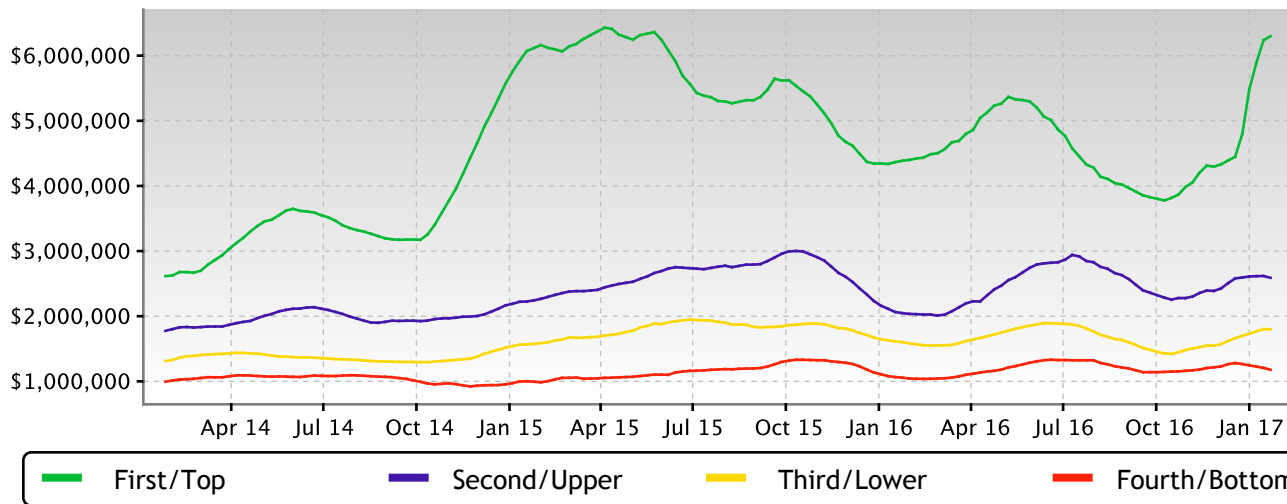
Median Price

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.



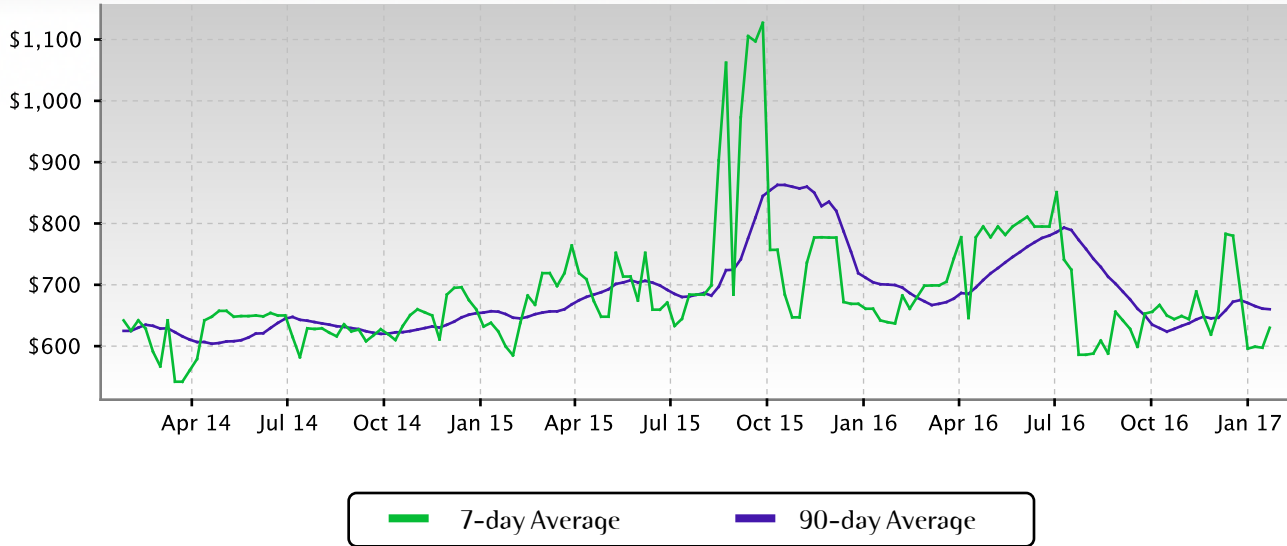
Quartile Prices

Pricing trends have been lacking strong directional indication lately. Quartile 4 is down, Quartile 2 is at a plateau, while Quartiles 3 and 1 are up in the last few weeks. We'll need to see strong, persistent shifts (up or down) in the Market Action Index before being able to determine where this market is heading.



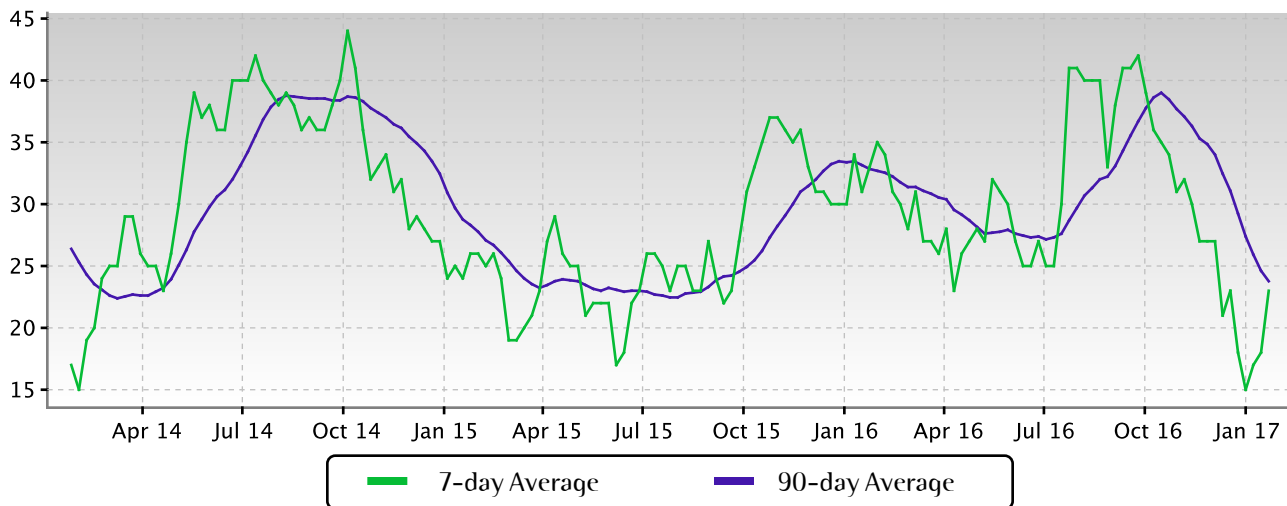
Price per Square Foot

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.



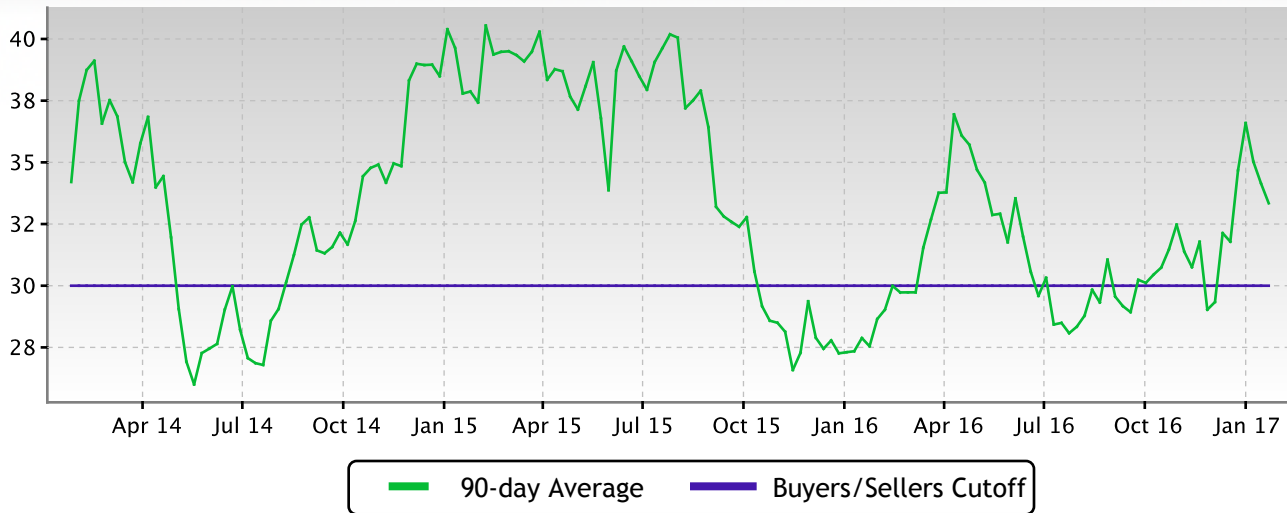
Inventory of Properties Listed for Sale

Inventory has been 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.



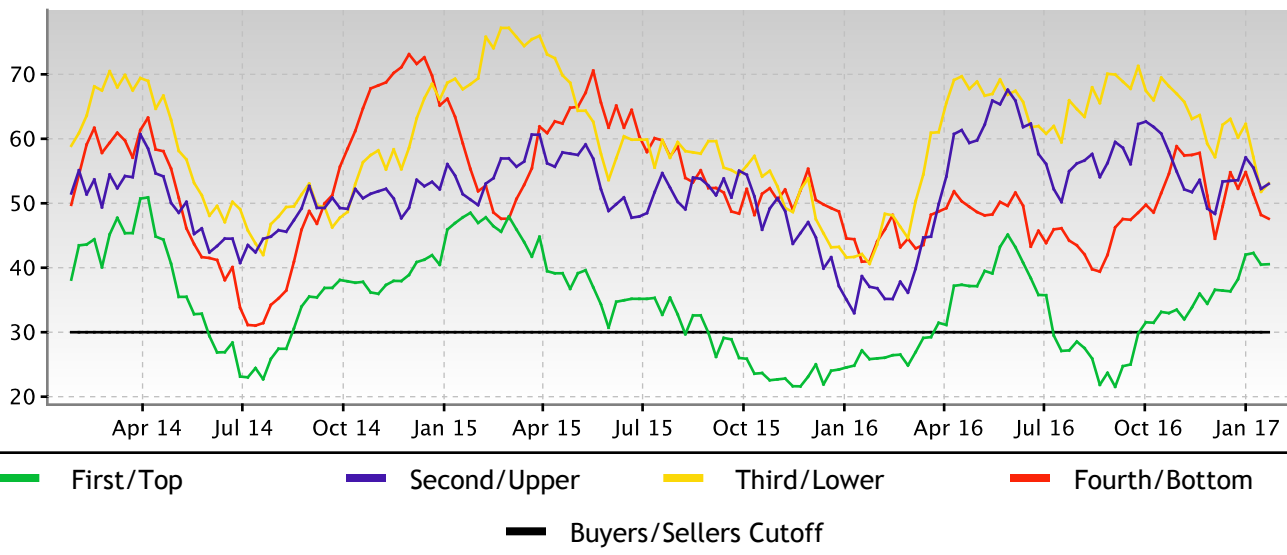
Market Action Index

The SOLANA BEACH market is currently in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 33.34 which indicates that demand is strong and available supply of homes gets snapped up relatively quickly.



Market Action Index per Quartile

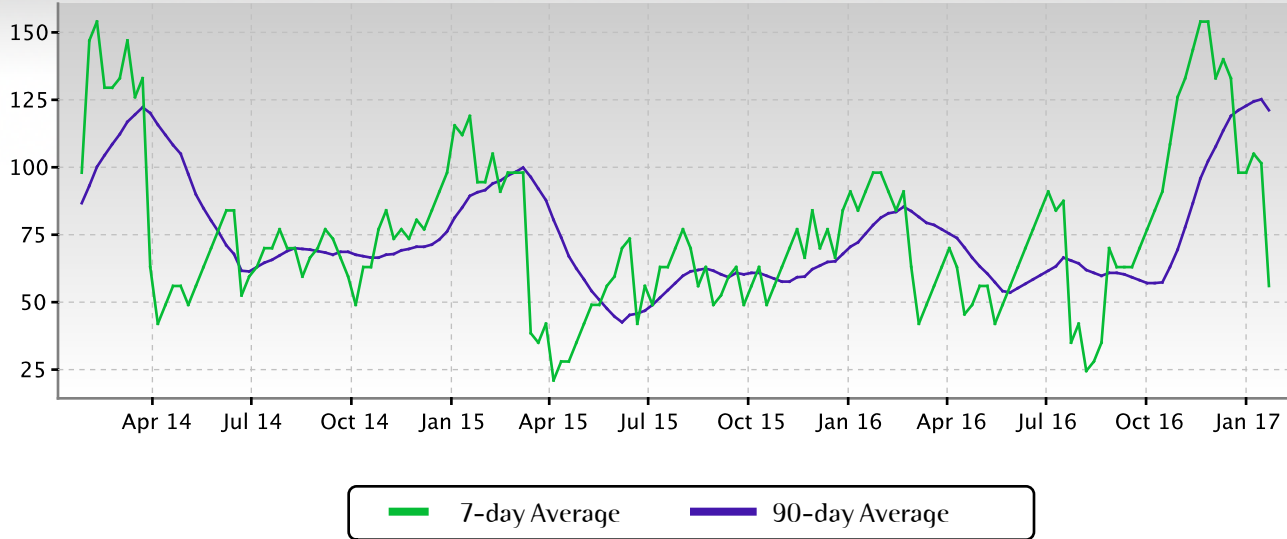
Not surprisingly, all segments in the market are showing high levels of demand. Watch the quartiles for changes before the whole market changes. Often one end of the market (e.g. the high-end) will weaken before the rest of the market and signal a slowdown for the whole group.



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 126 days. Half of the listings have come newly on the market in the past 56 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.

