

MARKET UPDATE

PASADENA, CA 91106

- **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 31, 2016**

- **Presented by .**

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This Week

- The median list price in PASADENA, CA this week is \$1,099,000. The 243 properties have been on the market for an average of 84 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

- The market has been cooling over time and prices have recently flattened. Despite the consistent decrease in Market Action Index (MAI), we're in a Seller's Market (where significant demand leaves little inventory available). If the MAI begins to climb, prices will likely follow suit. If the MAI drops consistently or falls into the Buyer's zone, watch for downward pressure

Real-Time Market Profile		Trend
Median List Price	\$ 1,099,000	↔↔
Average List Price	\$ 1,632,179	↑↑
Asking Price Per Square Foot	\$ 544	↓
Average Days on Market (DOM)	84	↑↑
Inventory of Properties Listed	243	
Most Expensive Listing	\$ 11,500,000	
Least Expensive Listing	\$ 319,900	
Average Age of Listing	74	
Percent of Properties with Price Decrease	35 %	
Percent Relisted (reset DOM)	14 %	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	2260	
Median Lot Size	8,001 - 10,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	3.0	

Altos Research Value Statistics

Market Action Index Seller's Advantage 37.8 ↓↓

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.

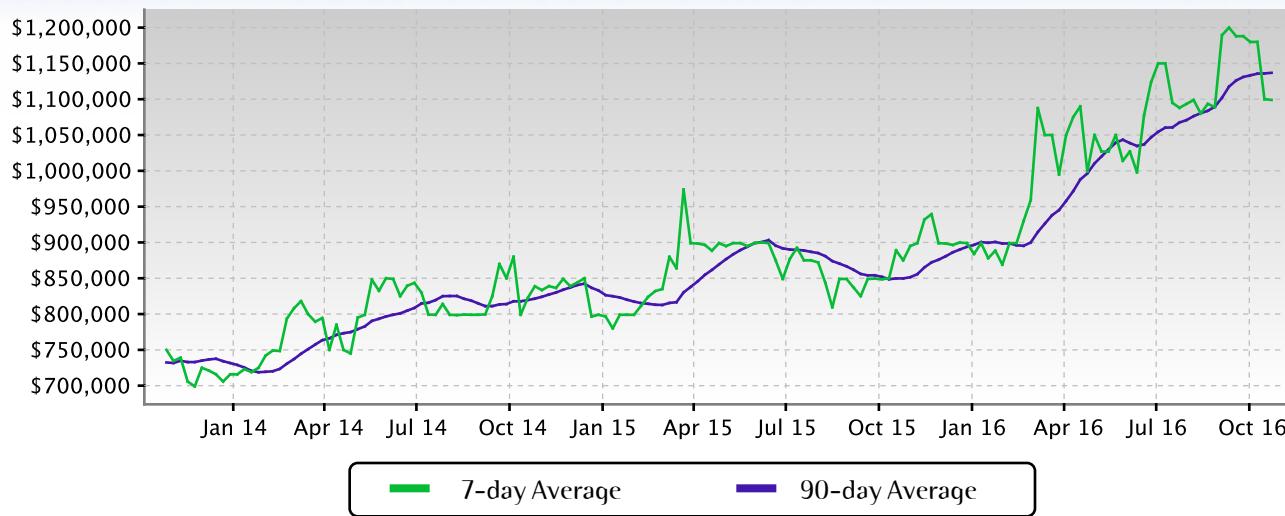
Trend Key:  **Strong upward trend**  **Strong downward trend**
 **No change**  **Slight upward trend**  **Slight downward trend**

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 2,987,500	4198	0.50 - 1.0 acre	4.5	4.0	68	60	5	2	111	Most expensive 25% of properties
Upper/Second	\$ 1,399,000	2595	0.25 - 0.50 acre	4.0	3.0	65	61	5	2	86	Upper-middle 25% of properties
Lower/Third	\$ 900,000	2045	6,501 - 8,000 sqft	3.0	2.5	85	61	8	8	66	Lower-middle 25% of properties
Bottom/Fourth	\$ 630,000	1176	6,501 - 8,000 sqft	3.0	2.0	90	61	13	8	73	Least expensive 25% of properties

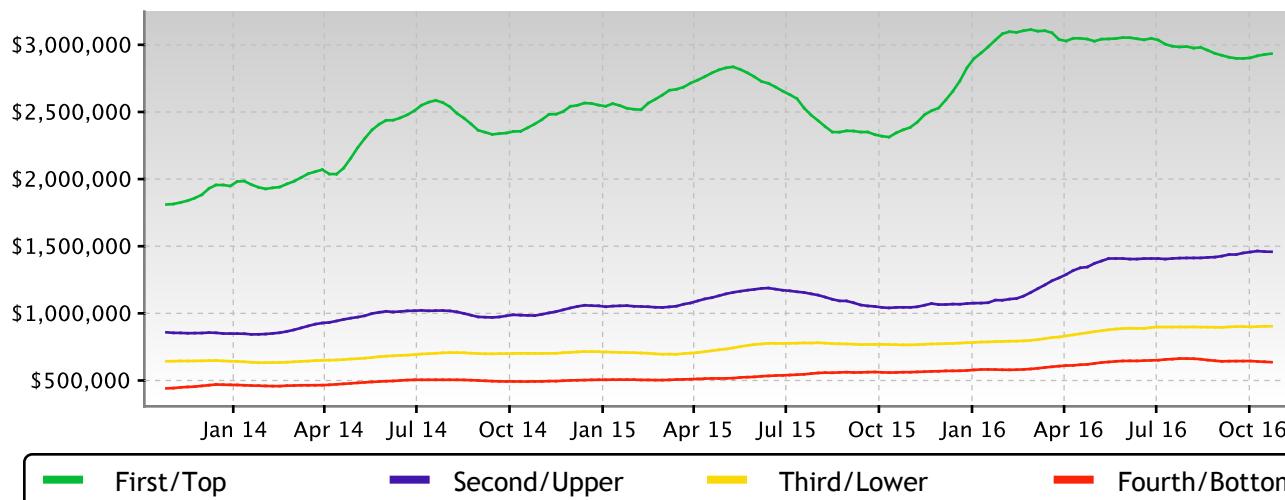
Median Price

- The market has been on a downward trend in the last few weeks and this week, while essentially flat, doesn't break us out of that cycle.



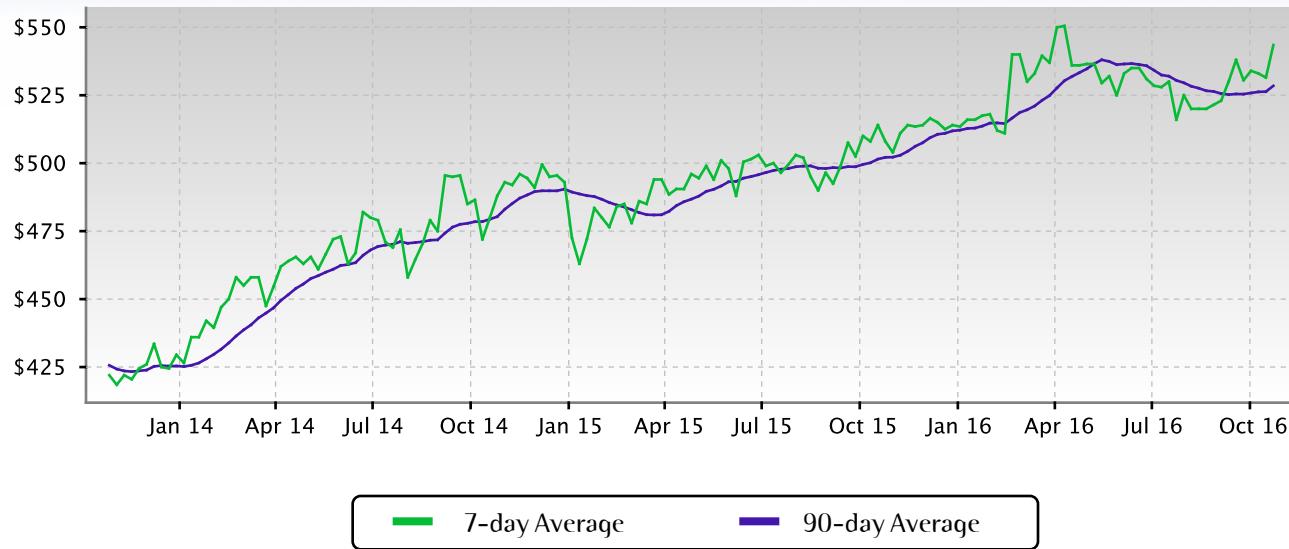
Quartile Prices

- Prices have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.



Price per Square Foot

- We're seeing fairly unusual market conditions as prices have been in a downward trend but price per square foot is actually increasing. (Buyers are paying less and getting less home for their money.) Anomalies like these can be attributed to micro-location variables.



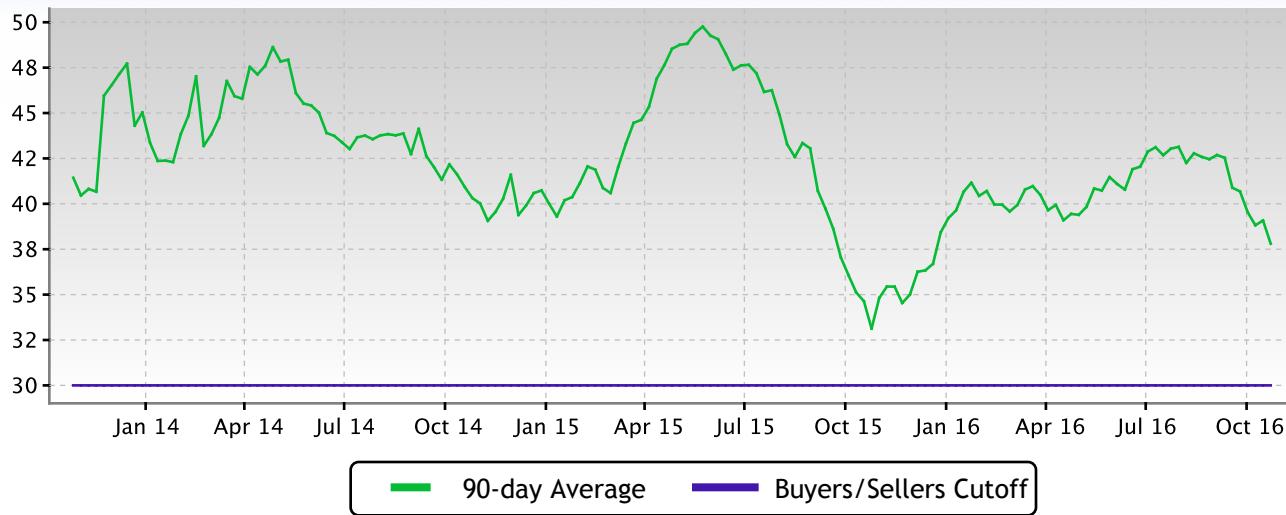
Inventory of Properties Listed for Sale

- 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.



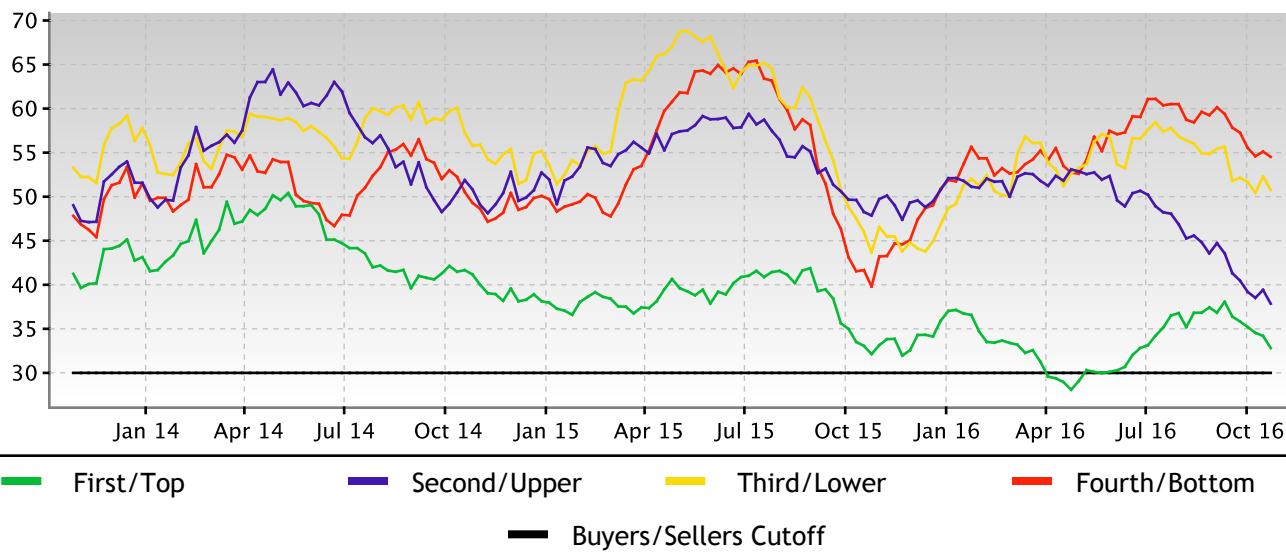
Market Action Index

- The PASADENA market is currently in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 37.80 which indicates that demand is strong and available supply of homes gets snapped up relatively quickly.



Market Action Index per Quartile

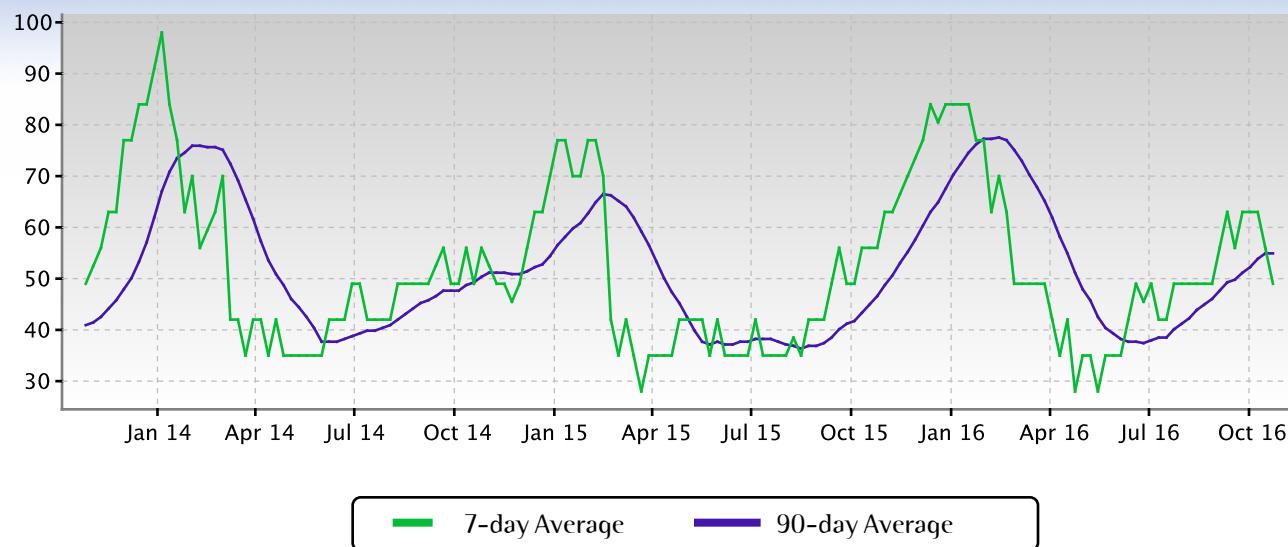
- Not surprisingly, all segments in the market are showing high levels of demand. Watch the quartiles for changes before the whole market changes. Often one end of the market (e.g. the high-end) will weaken before the rest of the market and signal a slowdown for the whole group.



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.

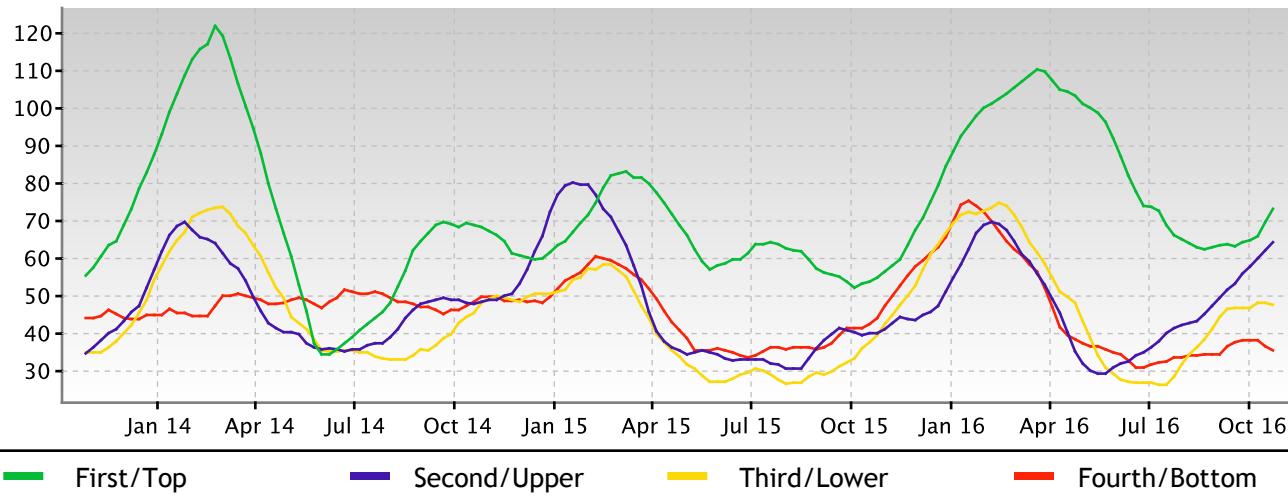
Days on Market

- The properties have been on the market for an average of 84 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.



This Week

- The median list price in PASADENA, CA 91106 this week is \$2,449,000. The 22 properties have been on the market for an average of 98 days.

Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

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

	Trend
Median List Price	\$ 2,449,000
Average List Price	\$ 3,239,414
Asking Price Per Square Foot	\$ 816
Average Days on Market (DOM)	98
Inventory of Properties Listed	22
Most Expensive Listing	\$ 11,500,000
Least Expensive Listing	\$ 530,000
Average Age of Listing	84
Percent of Properties with Price Decrease	32 %
Percent Relisted (reset DOM)	23 %
Percent Flip (price increased)	0 %
Median House Size (sq ft)	3358
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	36.4	↔↔
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Trend Key:

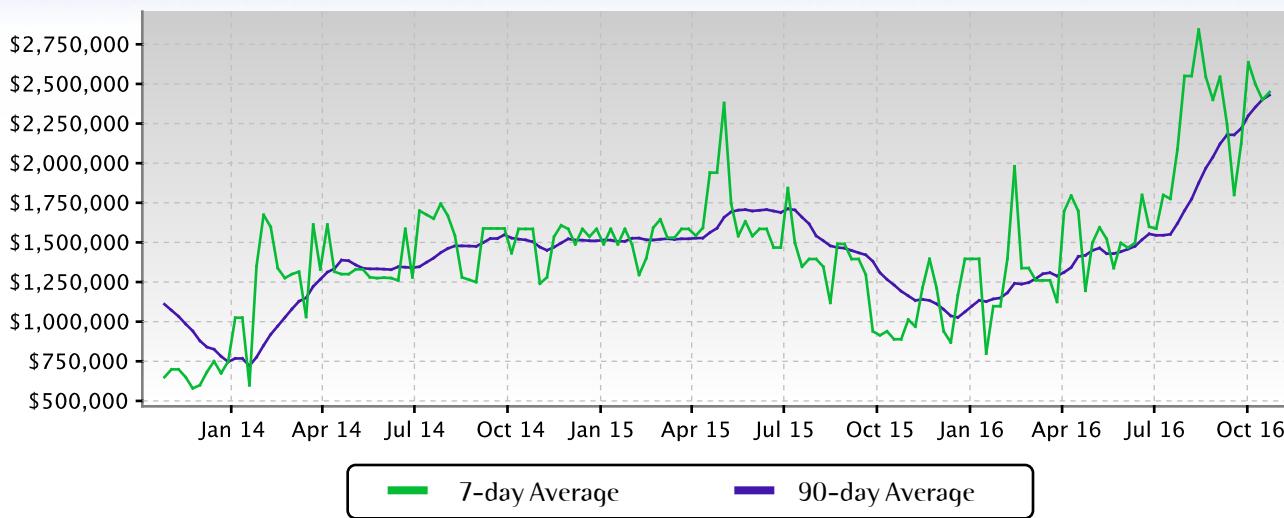
↔↔	Strong upward trend	↔↔	Strong downward trend
↔↔	No change	↑	Slight upward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 6,588,000	7023	0.50 - 1.0 acre	6.0	6.0	103	5	1	1	112	Most expensive 25% of properties
Upper/Second	\$ 3,500,000	4452	0.25 - 0.50 acre	5.0	4.0	90	5	0	1	146	Upper-middle 25% of properties
Lower/Third	\$ 1,724,000	2810	0.25 - 0.50 acre	3.0	3.0	102	6	0	0	88	Lower-middle 25% of properties
Bottom/Fourth	\$ 949,000	1406	8,001 - 10,000 sqft	3.0	2.8	93	6	0	2	57	Least expensive 25% of properties

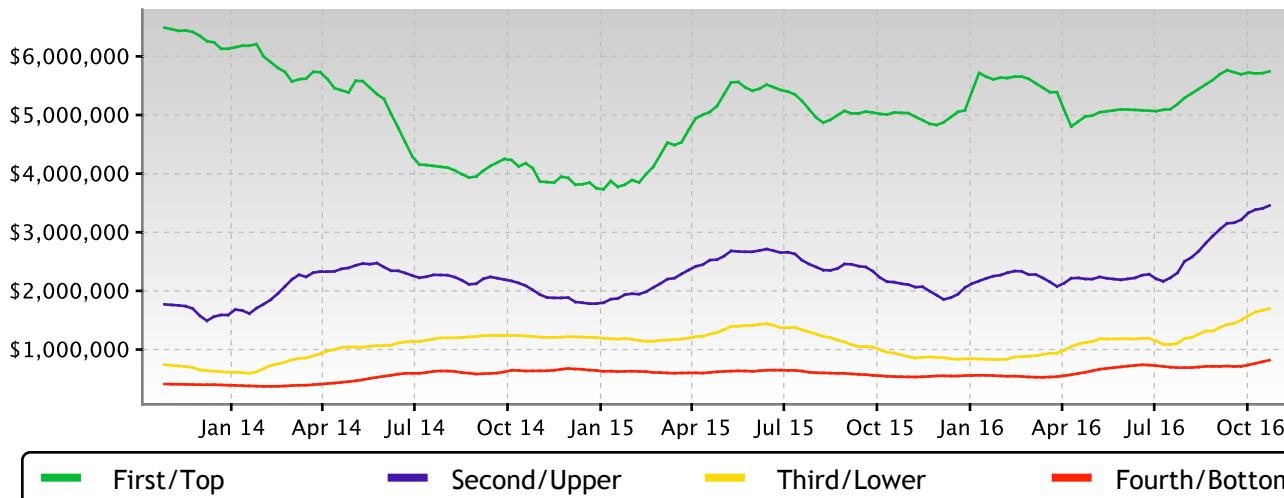
Median Price

- Price trends in this zip code continued their recent uptrend this week. While still below the market's high point, we may be seeing the start of a good price stretch here. We'll look at the Market Action Index later in the report to gauge the leading indicators.



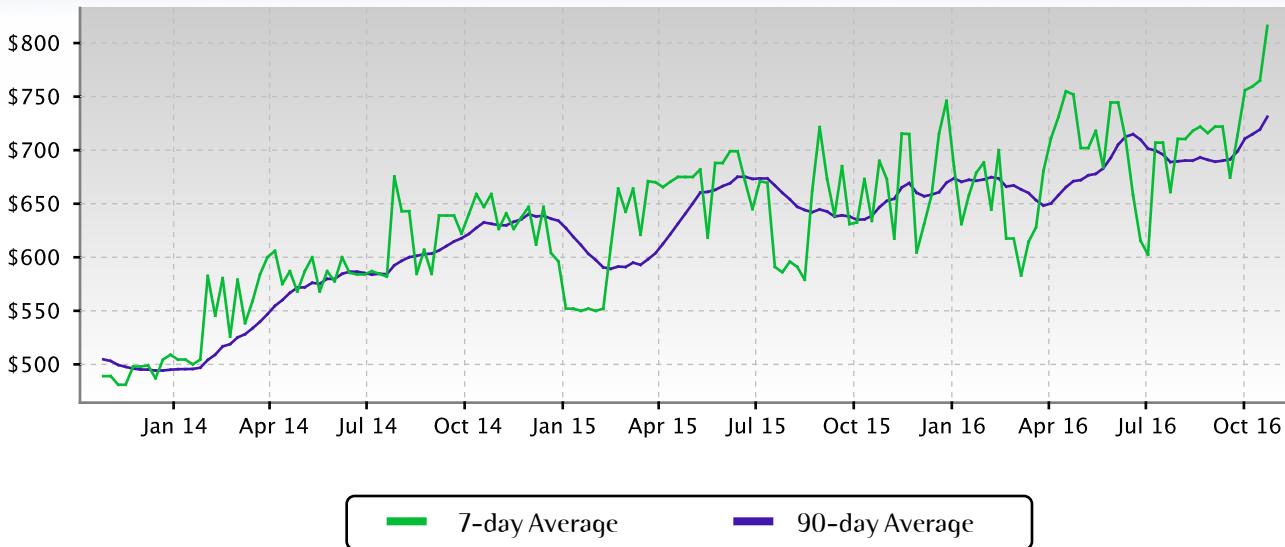
Quartile Prices

- In the quartile market segments, we see prices in most of this zip code trending higher in recent weeks but the high-end of the market (Quartile 1) is essentially flat. Look to the Market Action Index Quartile breakdown to see a leading indicator for each quartile.



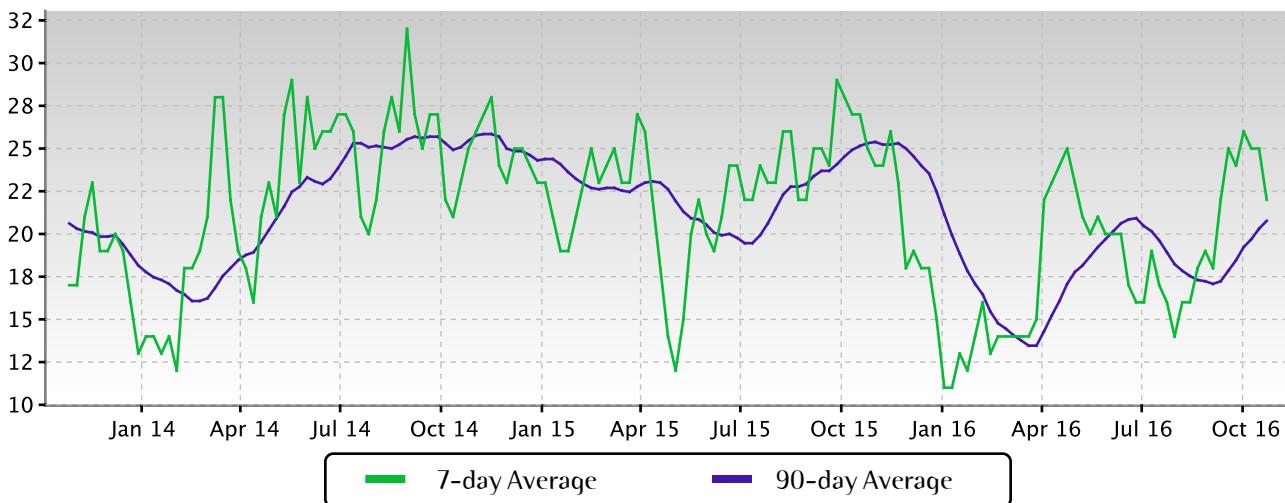
Price per Square Foot

- The price per square foot is increasing fairly consistently recently despite the fact that overall price trends haven't shown a consistent upwardly push. This can imply that investment conditions are opportunistic. Watch the Remodel Index for a more detailed analysis of the investment opportunity in the area.



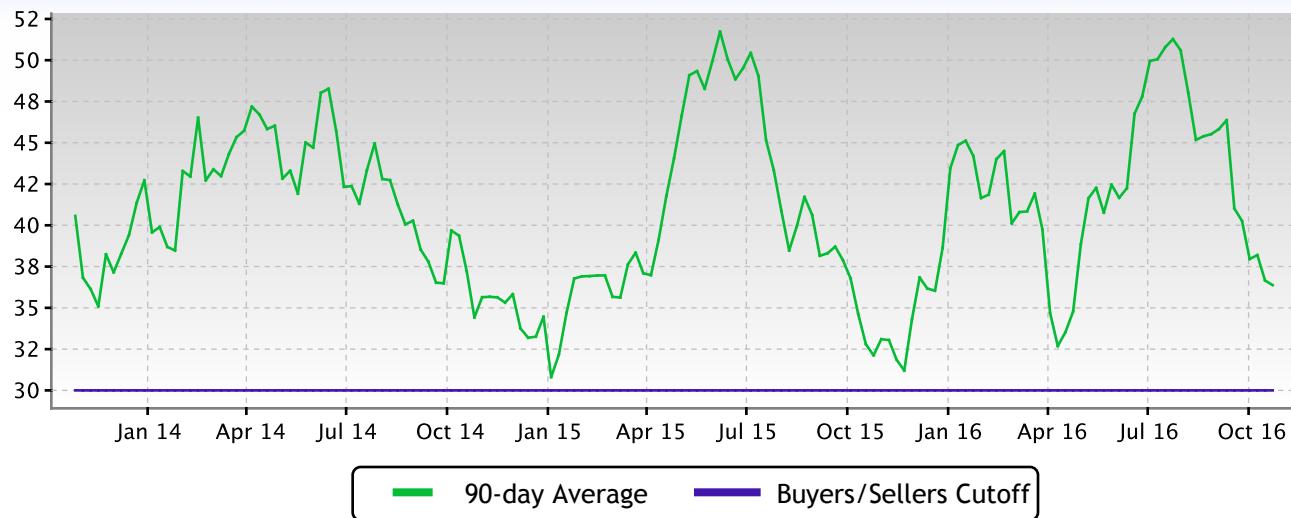
Inventory of Properties Listed for Sale

- 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.



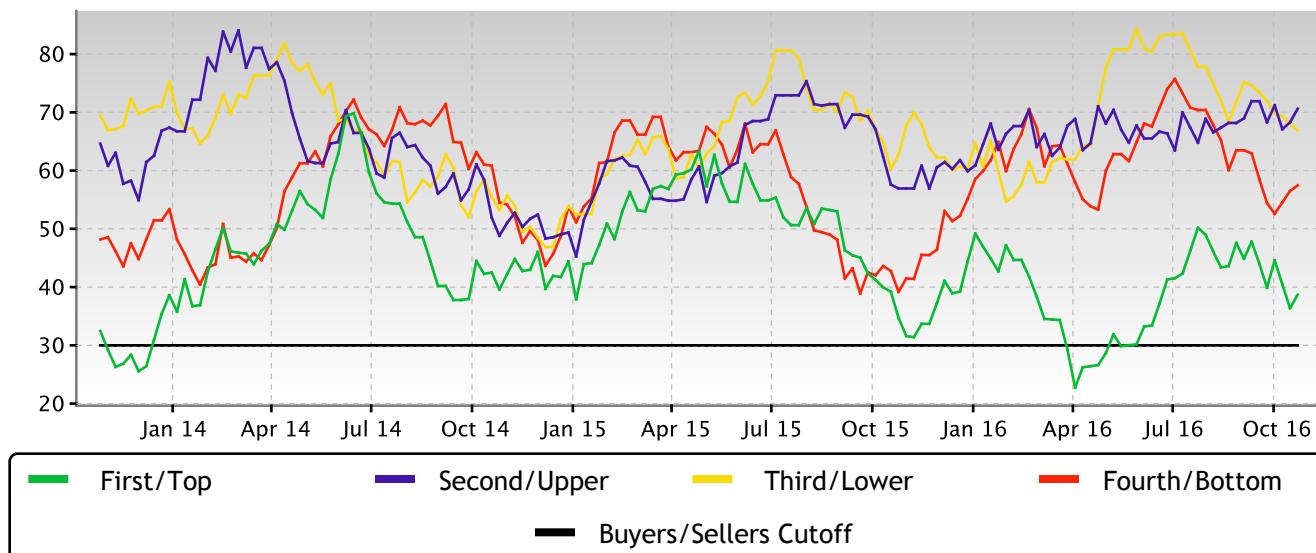
Market Action Index

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Market Action Index per Quartile

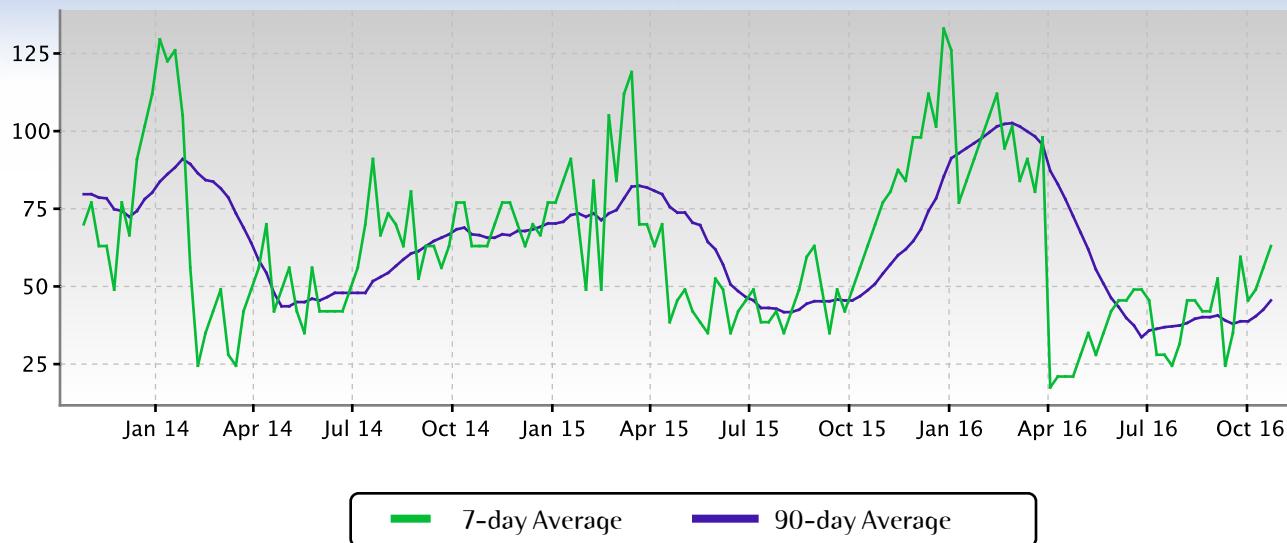
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