

REAL ESTATE REPORT

SAN GABRIEL VALLEY | AUGUST 2012



It's a great time to buy or sell a home...

The rest of the nation is finding out what Californians already know – it's a great time to buy a home.

The S&P/Case-Shiller index of home values reported the first increase in national home values in over half a year. All California cities included in the 20-city index reported higher prices.

Recently, home prices rose 2.0% over the previous year, and 1.8% over the previous month, marking the third consecutive year-over-year and month-over-month increase in home prices nationwide, according to CoreLogic.

More people signed contracts to buy homes in May than any time during the previous two years, says the National Association of REALTORS®. A whopping 14.5% increase in pending sales was cited for the West.

And, a weekly Freddie Mac survey of mortgage interest rates found that by July 2012, rates were the lowest on record.

While there are still large numbers of home owners who are upside-down on their mortgages, fewer are losing their homes to foreclosure. Government reforms are supporting more short sales and regulating the foreclosure process.

With distressed homes pulling down home values for over five years, many sellers of non-distressed homes decided to wait to sell their homes until market conditions improved. The strategy is finally paying off – California home prices are higher, inventories are lower, and, buyers are

competing for homes.

In fact, confidence in the housing market is building so rapidly that buyers and sellers may be surprised at how much market conditions have changed. Shortages of inventory for sale are becoming widespread. Sellers are holding firmly on prices and terms. An unknown number are still withholding their properties in hopes that prices will rise further.

The bottom-line effect for buyers is that homes in their area and price range are more difficult to find. When buyers find the home they want, they find themselves in fierce competition with multiple offers from other buyers. If they aren't prepared with a complete offer, including a prequalification letter from a reputable lender, they may find themselves out of the running.

To illustrate how the market has changed, recently Southland median home prices reached \$295,000, up 1.7% from the previous month and 5.4% from \$280,000, according to DataQuick. Transaction volume recently rose 21% compared to last year.

Dataquick attributes the gains to fewer foreclosures, more transactions in the coastal regions, and a better proportion of sales across all price ranges. For example, sales of homes priced \$300K to \$800K rose 23.1% while homes priced \$800K and above rose 11.8% in May 2012 over the previous year.

A greater percentage of homes priced \$500K or more are selling, the highest since July

2010. At 19.1% of loans, “jumbo” loans (those at or above the conforming limit of \$417K) were the highest they've been since December 2007.

In other words, move-up buyers have joined the marketplace that has been dominated in the past few months by investors and first-time home buyers seeking entry-level homes.

With California home prices posting gains for three consecutive months and sales volume well above last year, the California Association of REALTORS® says that the most critical issue facing the housing market going forward is lack of inventory.

Explains C.A.R. Vice President and Chief Economist Leslie Appleton-Young, “Inventory levels have not been this low since December 2005, when the supply matched the current level.”

It takes a typical home 46.6 days to sell, down from 52 days a year ago. That means opportunity for both buyers and sellers if they are ready to move quickly.

Advice for buyers: Be prepared to make an offer with confidence by getting prequalified by your HomeServices Mortgage lender so you can show sellers that you are ready to move forward.

Advice for sellers: It's a good time to downsize, upsize or get out from under an underwater mortgage by selling your home. Homes are selling so quickly that you will be able to sell your home without much effort if it is pristine and priced to sell.

With over 3,000 sales associates in 59 offices across Southern California and the Central Coast, Prudential California Realty is the name to trust when buying or selling a home. Our agents closed more than \$9 billion in sales volume and well over 13,500 transactions last year. We also provide every aspect of domestic and international relocation to corporations around the world. As one of the top five brokerages in the nation and the largest affiliate in the Prudential Real Estate international network, we have the resources and connections to protect your interests and make sure your experience is a successful one.

For more information, visit www.prudentialcal.com.

SAN GABRIEL VALLEY

San Gabriel Valley traditional homes have momentum in sale prices. Year-over-year, sale prices are higher than the previous year. Between April and June 2012, sale prices and transaction volume rose for both detached and attached homes, with pending sales creating shortages of inventory.

A balanced market is widely accepted as having three to no more than six months of inventory on hand, with market conditions favorable to both buyers and sellers. A buyer's market is characterized by conditions such as high inventories, falling prices, concessions by sellers, and incentives among other indicators. A seller's market has low inventories of homes for sale, escalating prices, and keen competition between buyers, including multiple offers. **Small sample sizes and large or low sales volume in metrics such as Hot and Cold Zip Codes can skew statistics. Contact your Prudential California Realty sales professional for more information. *Detached homes stand alone and share no common walls with any other neighboring home. Attached homes share at least one common wall with another home. The type of home ownership is determined by whether it is a condominium, townhome, duplex, co-operative or other.*

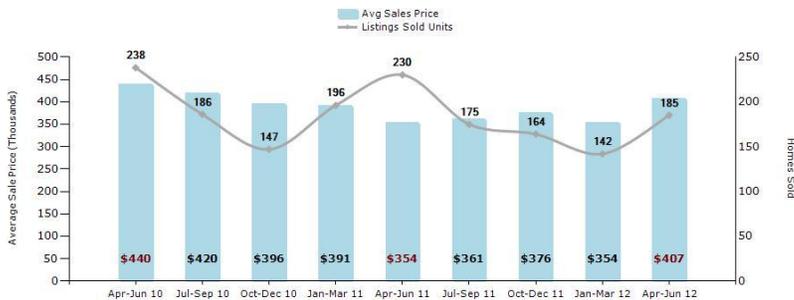
Detached Properties - Listings Sold 3 Months Ending June 30, 2012



	1-year			2-year		
	Apr - Jun 11	Apr - Jun 12	% Change	Apr - Jun 10	Apr - Jun 12	% Change
Average Sales Price	789	834	5.7% ▲	806	834	3.5% ▲
Homes Sold	693	682	-1.6% ▼	698	682	-2.3% ▼

For detached homes, both average prices and units sold were above the previous three-month period.

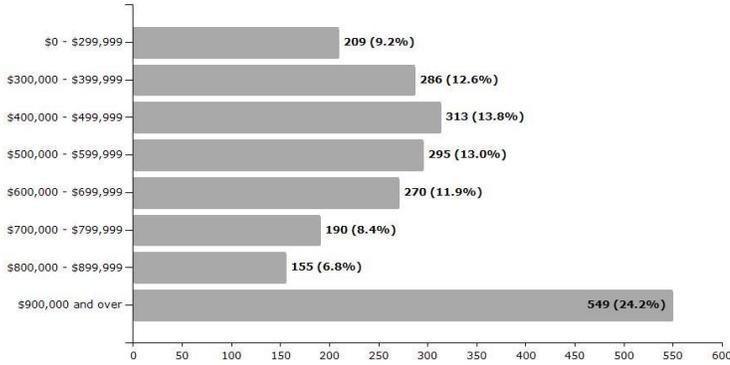
Attached Properties - Listings Sold 3 Months Ending June 30, 2012



	1-year			2-year		
	Apr - Jun 11	Apr - Jun 12	% Change	Apr - Jun 10	Apr - Jun 12	% Change
Average Sales Price	354	407	15% ▲	440	407	-7.5% ▼
Homes Sold	230	185	-19.6% ▼	238	185	-22.3% ▼

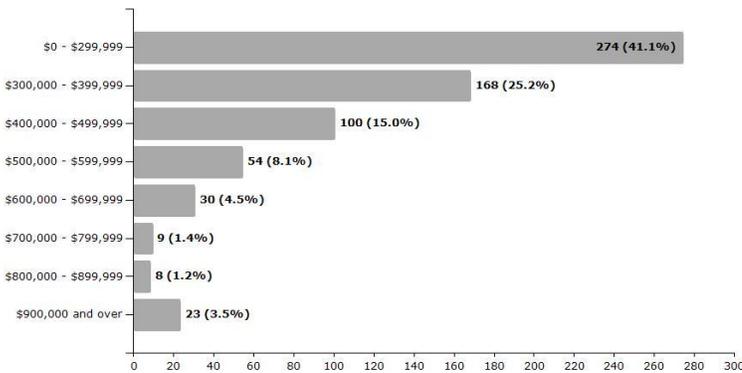
For attached homes, both average prices and units sold were above the previous three-month period.

Detached Properties - Listings Sold Units By Price Range



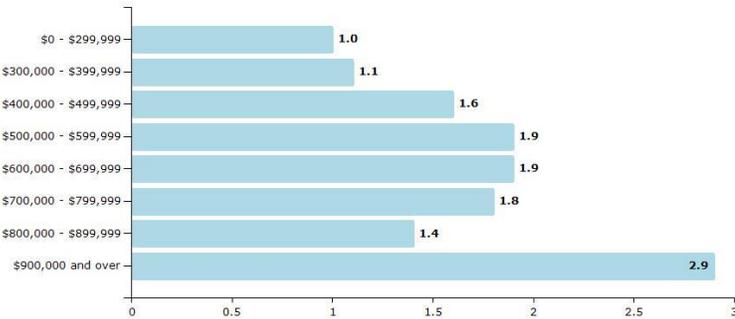
In the year ending June 30, 2012, nearly 48% of sales volume for detached homes was in homes priced \$500K and below.

Attached Properties - Listings Sold Units By Price Range



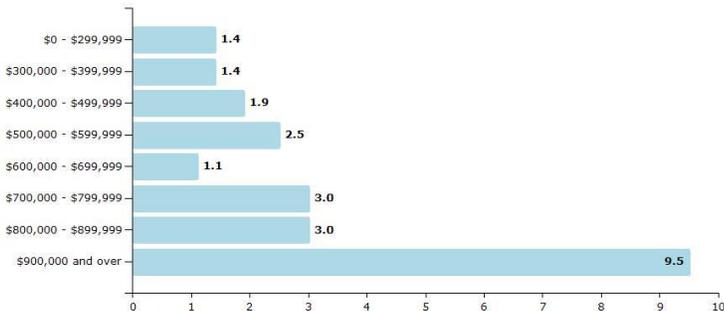
In the year ending June 30, 2012, over 81% of sales volume for attached homes was in homes priced under \$500K.

Detached Properties - Inventory in Months' Supply



Buyer demand is exceeding the supply of homes for sale. A balanced market has approximately three to six months of supply on hand, depending on the normal sales cycle for the area.

Attached Properties - Inventory in Months' Supply



Buyer demand is exceeding the supply of homes for sale. A balanced market has approximately three to six months of supply on hand, depending on the normal sales cycle for the area.

Detached Properties - Sales Price Ratio



Sellers of detached homes are overpricing their homes when they first put them on the market. On average, sellers are receiving 95.7% of the original list price and 97.9% of the most recent published price.

Attached Properties - Sales Price Ratio



Sellers of attached homes are overpricing their homes when they first put them on the market. On average, sellers are receiving 94.4% of the original list price and 96.5% of the most recent published price.

Detached Properties - Hot & Cold Zip Codes By Average Sale Price

Property Zip	Apr. 2012 - Jun. 2012 Average Sale Price	Jan. 2012 - Mar. 2012 Average Sale Price	% Average Sale Price Gain/Loss
Zip 91776 (San Gabriel)	\$400,000	\$151,200	164.6%
Zip 91016 (Monrovia)	\$539,850	\$302,666	78.4%
Zip 90063 (Los Angeles)	\$194,000	\$115,000	68.7%
Zip 91006 (Arcadia)	\$1,089,142	\$649,500	67.7%
Zip 91205 (Glendale)	\$472,571	\$304,166	55.4%
Zip 91008 (Duarte)	\$430,000	\$1,700,000	-74.7%

Between April and June 2012, the average sale price for detached homes rose in five zip codes over the previous period.

Attached Properties - Hot & Cold Zip Codes By Average Sale Price

Property Zip	Apr. 2012 - Jun. 2012 Average Sale Price	Jan. 2012 - Mar. 2012 Average Sale Price	% Average Sale Price Gain/Loss
Zip 91732 (El Monte)	\$246,300	\$101,000	143.9%
Zip 91207 (Glendale)	\$298,500	\$162,000	84.3%
Zip 91011 (La Canada Flintridge)	\$831,666	\$545,000	52.6%
Zip 91208 (Glendale)	\$540,333	\$393,400	37.3%
Zip 91107 (Pasadena)	\$390,041	\$295,250	32.1%
Zip 91205 (Glendale)	\$162,676	\$254,750	-36.1%
Zip 91024 (Sierra Madre)	\$490,000	\$605,500	-19.1%

Between April and June 2012, unit sales for attached homes rose in five zip codes over the previous period.

