

REAL ESTATE REPORT

SAN GABRIEL VALLEY | JULY 2012



Back to a Seller's Market

What a difference a few months can make. The direction of the housing market has changed, and Southern California – in many price ranges – is back to a seller's market.

Seller's markets are characterized by high demand and low inventories, which results in altered behaviors from buyers and sellers. Sellers who are priced correctly hold firm or raise prices, offer fewer incentives and hold the line on concessions. Buyers, sensing the market's momentum, make quicker, firmer buying decisions, often paying asking price or above, or participate in multiple offers.

The reasons may have changed, but the market conditions for buyers remain the same. While past seller's markets were built on speculation and the instant equity of rising prices, today's market is based on affordability. People are buying homes because salaries have advanced while home prices retreated to where they were a few years to a decade ago. The typical mortgage payment in April 2012, according to Dataquick, is 62% below the market's peak in July 2007.

The window of opportunity for buying can't be predicted, but it's clear that the trend line is currently very favorable.

According to the California Association of REALTORS®, recent home prices and sales

volume shot to the highest levels in more than two years. At \$308,050, the statewide median price is above \$300,000 for the first time in 16 months. Closed sales were 10% higher than in March, and 11% higher than the year before.

Among the reasons for higher median prices was stronger volume in the higher price ranges. Homes priced above \$500,000 increased nearly 11%, said C.A.R. Vice President and Chief Economist Leslie Appleton-Young. "Additionally, the strong sales increase of higher-priced homes resulted in a considerable decline of inventory of homes in the higher price ranges when compared with last year. This signifies the tight supply conditions we've been experiencing in the lower price ranges over the past several months are now extending into the upper price ranges."

In April, overall there were 4.2 months' supply of homes for sale, down from 5.6 months' supply a year ago. However, in many markets and price ranges there is 4 weeks or less of inventory. A six-to-seven-month supply is considered normal and balanced, depending on the market.

In Southern California, C.A.R. recently reported that month-to-month home prices were higher in every county. Year-over-year, sales volume is up substantially in Orange County (19.2%), Santa Barbara

(14.4%), San Diego (9.7%) and Ventura (4.8%).

DataQuick reported that the percentage of distressed homes, which have depressed prices, made up a smaller portion of sales – the lowest percentage since April 2008. Investors are buying homes at twice the historical rate and cash buyers are paying \$15,000 more per home than they did last year.

When a market picks up speed, that's the time to hire a professional and take advantage of the most current market data available. Regardless of your experience as a buyer or seller, your Prudential California Realty sales professional will help you negotiate today's market, because it's like no other before it.

Advice for Buyers: Be prepared to act quickly, but not hastily. Don't forgo precautions and safeguards because competition has increased from other buyers. Hire a Prudential California Realty sales professional to help you form your buying strategy, supply you with accurate and updated market sales data, and navigate the transaction, especially if it is a short sale or foreclosure buying opportunity. Don't let market pressures keep you from confirming sellers' disclosures and getting a home inspection to ascertain the property's condition. Confer with your

HomeServices mortgage professional so you can make your purchase offer with confidence.

Advice for Sellers: While it may be tempting to price your home higher, carefully consider the competition from other homes similar to yours in your area

as well as “good buys” in neighboring areas. Buyers will look as closely at value in a buyer’s market as they do in a seller’s market. If prices are rising in your area, be prepared for the buyer’s lender to demand more comparables to support your price.

SAN GABRIEL VALLEY

San Gabriel Valley traditional homes have momentum in sale prices. Year-over-year, sale prices are higher. Between March and May 2012, sale prices rose for detached homes, while sales volume for both detached and attached homes was greater than the previous three-month period, 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.

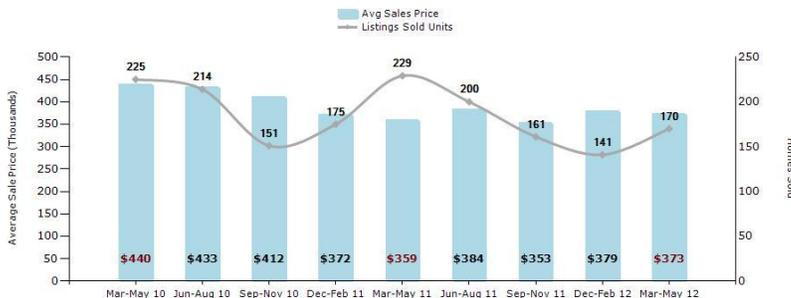
Detached Properties - Listings Sold 3 Months Ending May 31, 2012



	1-year			2-year		
	Mar - May 11	Mar - May 12	% Change	Mar - May 10	Mar - May 12	% Change
Average Sales Price	770	829	7.7% ▲	792	829	4.7% ▲
Homes Sold	646	653	1.1% ▲	619	653	5.5% ▲

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

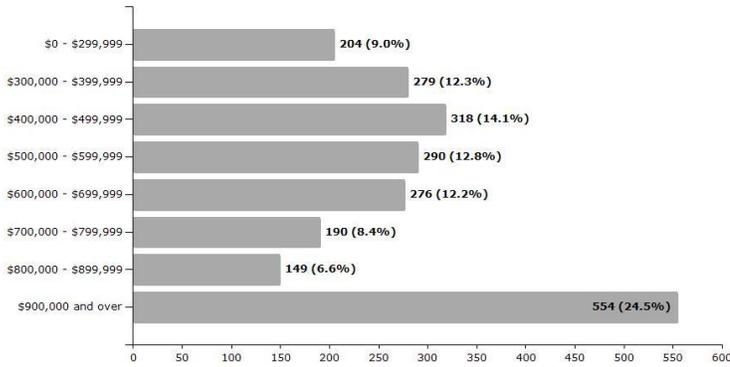
Attached Properties - Listings Sold 3 Months Ending May 31, 2012



	1-year			2-year		
	Mar - May 11	Mar - May 12	% Change	Mar - May 10	Mar - May 12	% Change
Average Sales Price	359	373	3.9% ▲	440	373	-15.2% ▼
Homes Sold	229	170	-25.8% ▼	225	170	-24.4% ▼

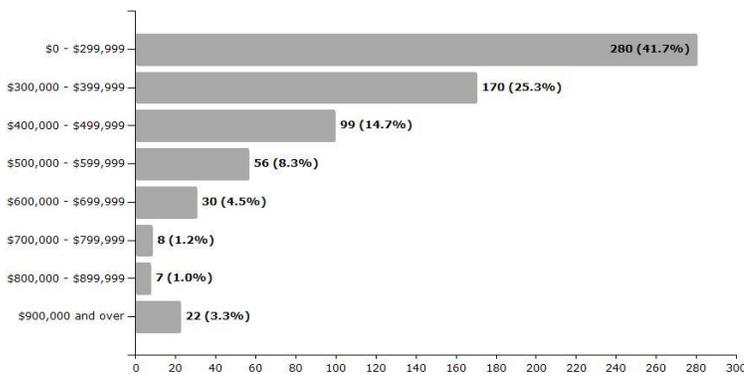
For attached homes, sale prices dipped between March and May 2012, while the number of units sold climbed above previous levels.

Detached Properties - Listings Sold Units By Price Range



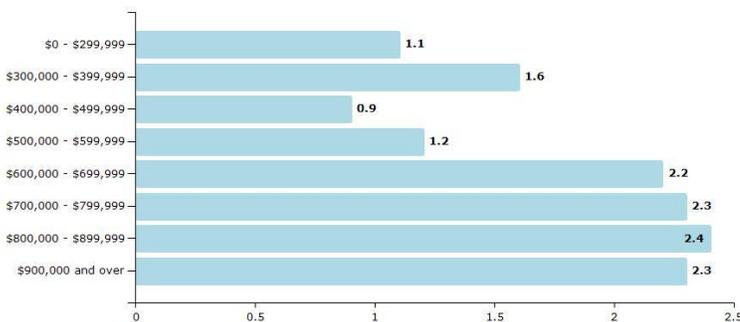
In the year ending May 31, 2012, nearly 76% of sales volume for detached homes was in homes priced below \$900K.

Attached Properties - Listings Sold Units By Price Range



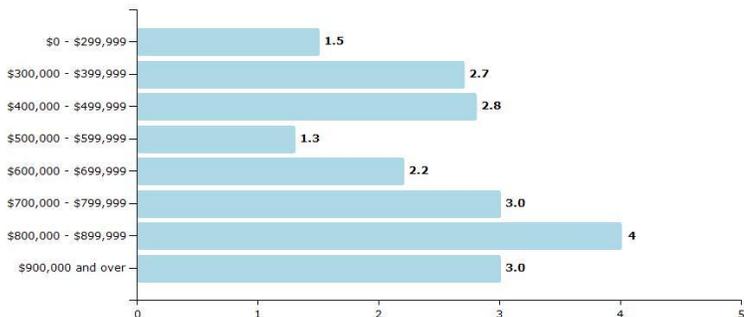
In the year ending May 31, 2012, nearly 82% of sales volume for attached homes was in homes priced under \$500K.

Detached Properties - Inventory in Months' Supply



Buyer demand is exceeding the number 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.

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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 95.9% of the original list price and 98.1% 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 94.3% of the original list price and 97% of the most recent published price.

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

Property Zip	Mar. 2012 - May, 2012 Average Sale Price	Dec. 2011 - Feb. 2012 Average Sale Price	% Average Sale Price Gain/Loss
Zip 91030 (South Pasadena)	\$1,362,377	\$877,250	55.3%
Zip 91106 (Pasadena)	\$2,048,614	\$1,418,937	44.4%
Zip 91203 (Glendale)	\$325,500	\$235,750	38.1%
Zip 91008 (Duarte)	\$1,065,000	\$777,500	37%
Zip 91006 (Arcadia)	\$1,015,666	\$766,142	32.6%
Zip 90063 (Los Angeles)	\$135,500	\$230,000	-41.1%
Zip 90041 (Los Angeles)	\$455,825	\$560,580	-18.7%
Zip 91202 (Glendale)	\$644,666	\$776,747	-17%

Between March and May 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	Mar. 2012 - May, 2012 Average Sale Price	Dec. 2011 - Feb. 2012 Average Sale Price	% Average Sale Price Gain/Loss
Zip 91732 (El Monte)	\$347,600	\$130,500	166.4%
Zip 91208 (Glendale)	\$446,500	\$272,800	63.7%
Zip 91207 (Glendale)	\$298,500	\$201,333	48.3%
Zip 91107 (Pasadena)	\$441,928	\$329,750	34%
Zip 91801 (Alhambra)	\$350,000	\$275,000	27.3%

Between March and May 2012, the average sale price for attached homes rose in five zip codes over the previous period.

