

# ARLENE BAXTER'S MARKET UPDATE

BERKELEY, CA 94707

- 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  
April 09, 2012

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### This Week

- The median list price in BERKELEY, CA this week is \$570,000. The 65 properties have been on the market for an average of 70 days.

Inventory has been lightening lately and the Market Action Index has been trending up. These are mildly positive indications for the market.

### Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

#### Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 570,000	↓↓
Average List Price	\$ 696,006	
Asking Price Per Square Foot	\$ 357	↑↑
Average Days on Market (DoM)	70	↔
Inventory of Properties Listed	65	↓↓
Most Expensive Listing	\$ 1,890,000	
Least Expensive Listing	\$ 199,888	
Average Age of Listing	72	
Percent of Properties with Price Decrease	29 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	1481	
Median Lot Size	4,501 - 6,500 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

#### Altos Research Value Statistics

Market Action Index      Buyer's Advantage      29.8      ↑↑

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.

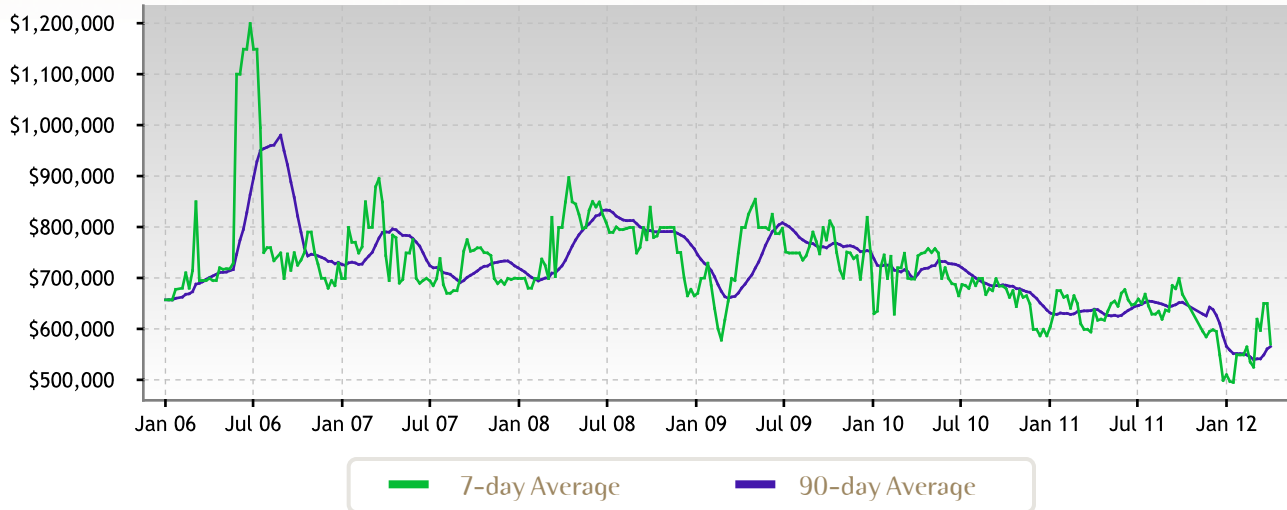
Trend Key:      ↑↑ Strong upward trend      ↓↓ Strong downward trend  
 ↔ No change      ↑ Slight upward trend      ↓ Slight downward trend

### Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 1,125,000	2940	6,501 - 8,000 sqft	4.0	4.0	24	16	1	4	73	Most expensive 25% of properties
Upper/Second	\$ 785,000	2174	4,501 - 6,500 sqft	4.0	2.0	84	16	1	7	72	Upper-middle 25% of properties
Lower/Third	\$ 499,000	1206	Less than 4,500 sqft	2.0	1.0	89	16	4	6	45	Lower-middle 25% of properties
Bottom/Fourth	\$ 329,900	1038	Less than 4,500 sqft	2.0	1.0	92	17	4	7	91	Least expensive 25% of properties

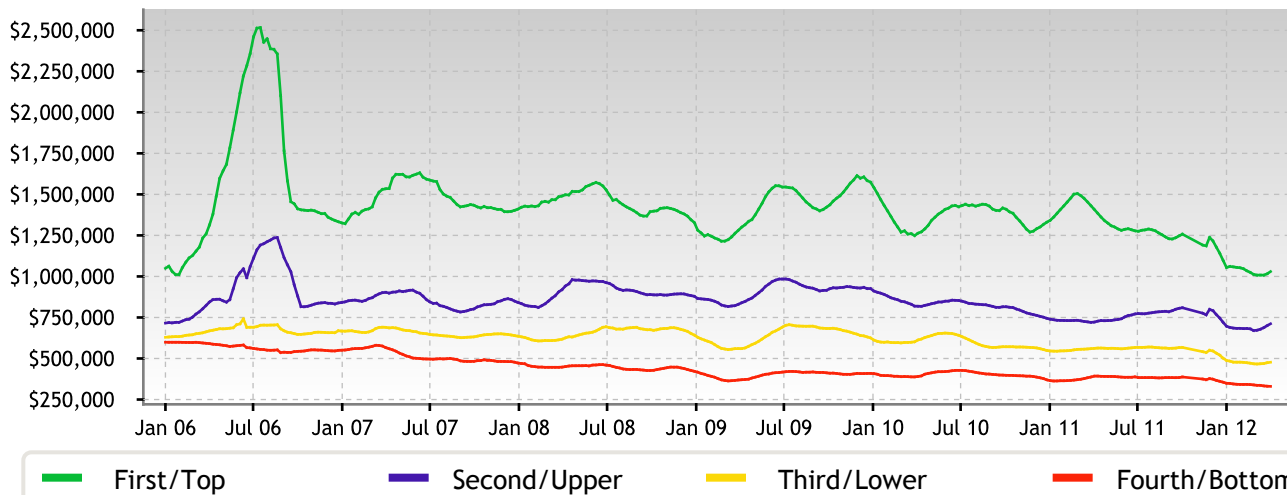
## Median Price

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.



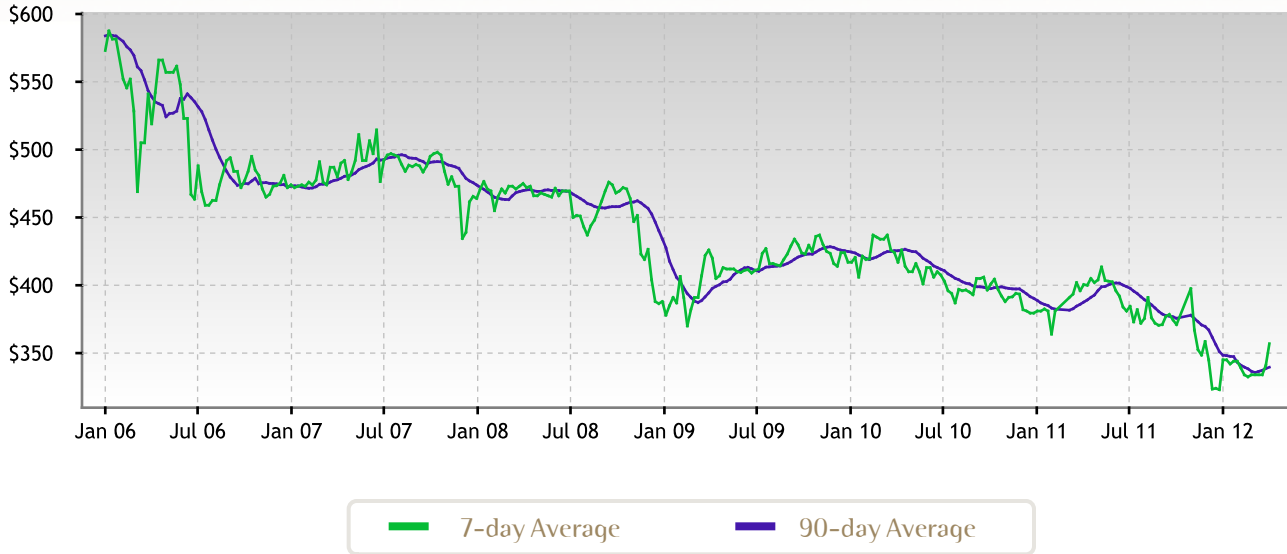
## Quartile Prices

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.



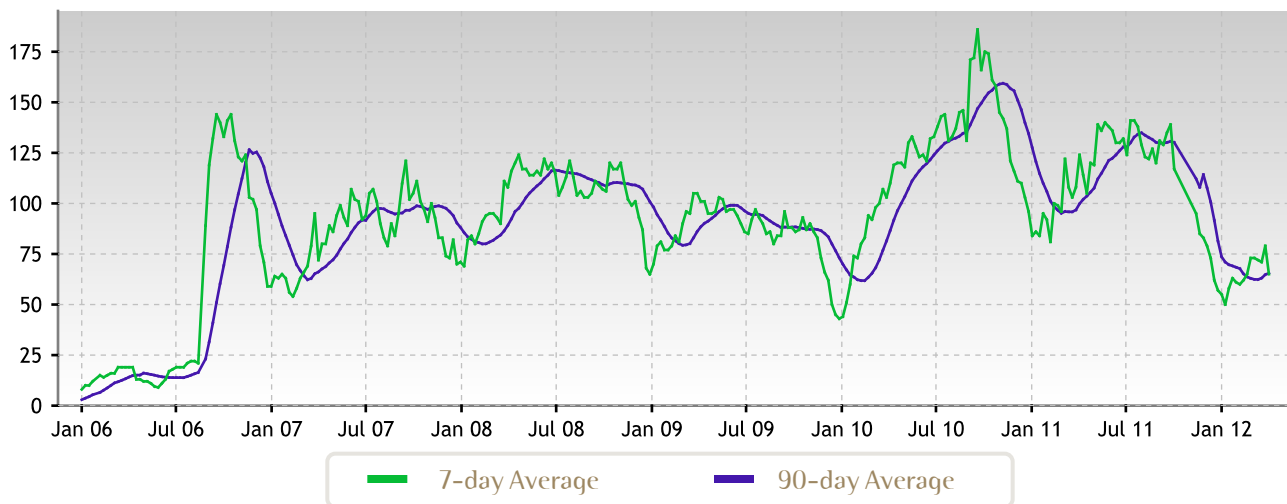
## Price per Square Foot

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.



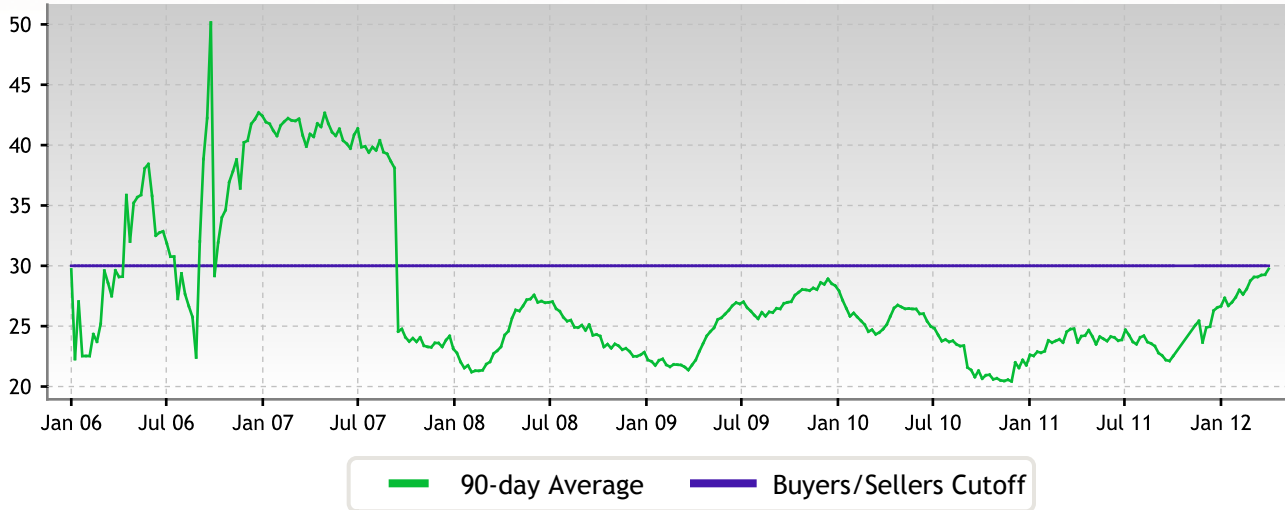
## Inventory of Properties Listed for Sale

Inventory has been 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.



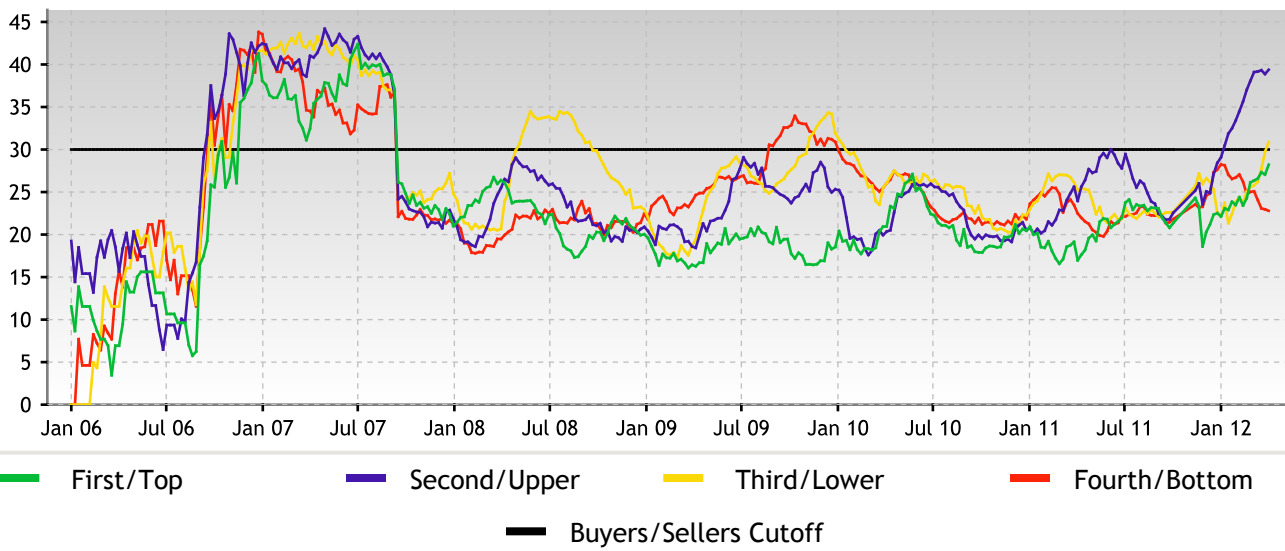
## Market Action Index

The BERKELEY market is currently in the Buyer's Advantage zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 29.75 so buyers should expect to find reasonable levels of selection.



## Market Action Index per Quartile

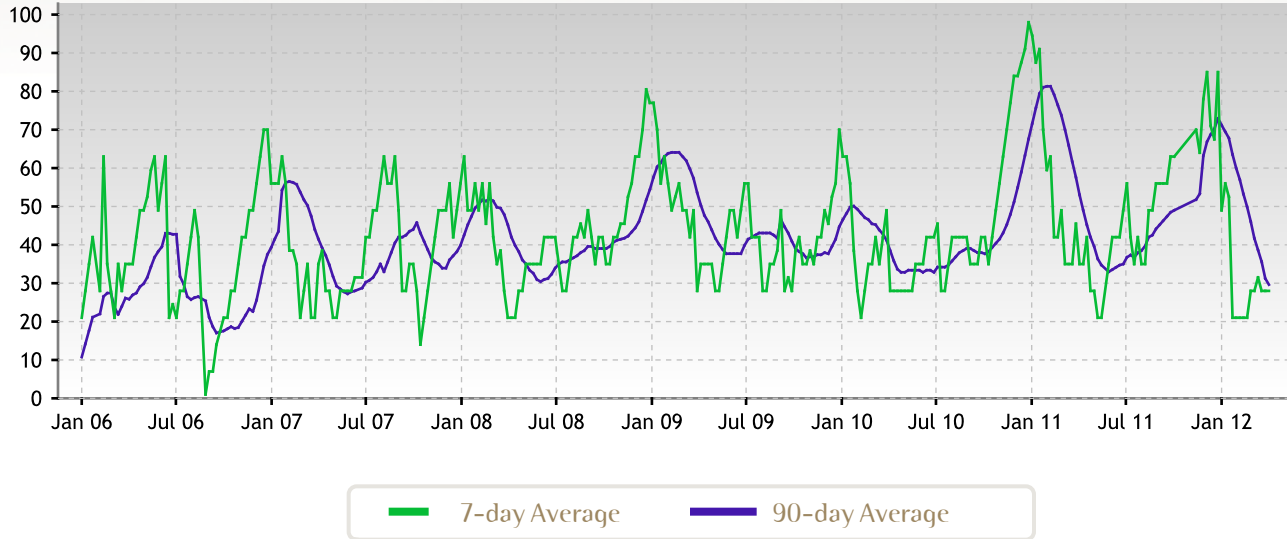
Two of the four quartiles of the market are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Notice that Quartiles 2 and 3 (the middle of the market) are showing stronger demand than either end. This shows that buyers are emphasizing the mid-market while the most expensive homes and the least expensive homes are less in demand.



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.

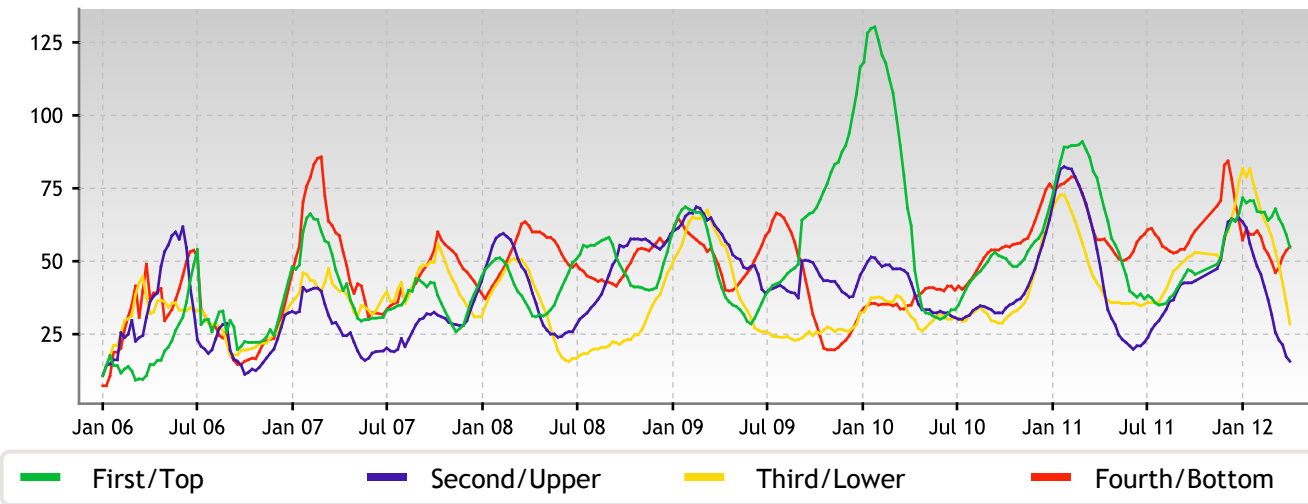
## Days on Market

The properties have been on the market for an average of 70 days. Half of the listings have come newly on the market in the past 28 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 BERKELEY, CA 94707 this week is \$1,042,500. The 8 properties have been on the market for an average of 42 days.

Inventory has been lightening lately and the Market Action Index has been trending up. These are mildly positive indications for the market.

## Supply and Demand

- In the last few weeks the market has achieved a relative stasis point in terms of sales to inventory. However, inventory is sufficiently low to keep us in the Seller's Market zone so watch changes in the MAI. If the market heats up, prices are likely to resume an upward climb.

### Real-Time Market Profile

		Trend
Median List Price	\$ 1,042,500	↑↑
Average List Price	\$ 1,050,875	
Asking Price Per Square Foot	\$ 355	↑↑
Average Days on Market (DoM)	42	↔↔
Inventory of Properties Listed	8	↓↓
Most Expensive Listing	\$ 1,575,000	
Least Expensive Listing	\$ 568,000	
Average Age of Listing	78	
Percent of Properties with Price Decrease	0 %	
Percent Relisted (reset DOM)	n/a	
Percent Flip (price increased)	0 %	
Median House Size (sq ft)	2898	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.5	
Median Number of Bathrooms	3.0	

### Altos Research Value Statistics

Market Action Index      Seller's Advantage      37.1      ↑↑

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	\$ 1,560,000	4822	0.25 - 0.50 acre	4.5	3.5	72	2	0	0	141
Upper/Second	\$ 1,125,000	3066	8,001 - 10,000 sqft	3.5	3.5	68	2	1	2	4
Lower/Third	\$ 892,000	2418	4,501 - 6,500 sqft	4.0	2.5	78	2	0	2	12
Bottom/Fourth	\$ 626,500	1285	Less than 4,500 sqft	2.0	1.0	92	2	0	1	12

Most expensive 25% of properties

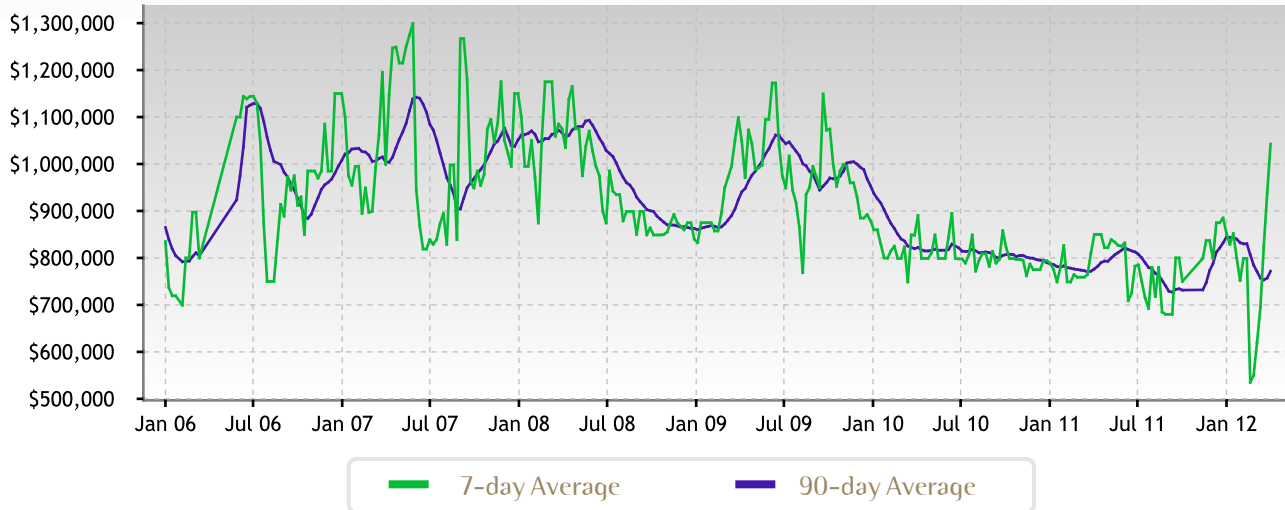
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

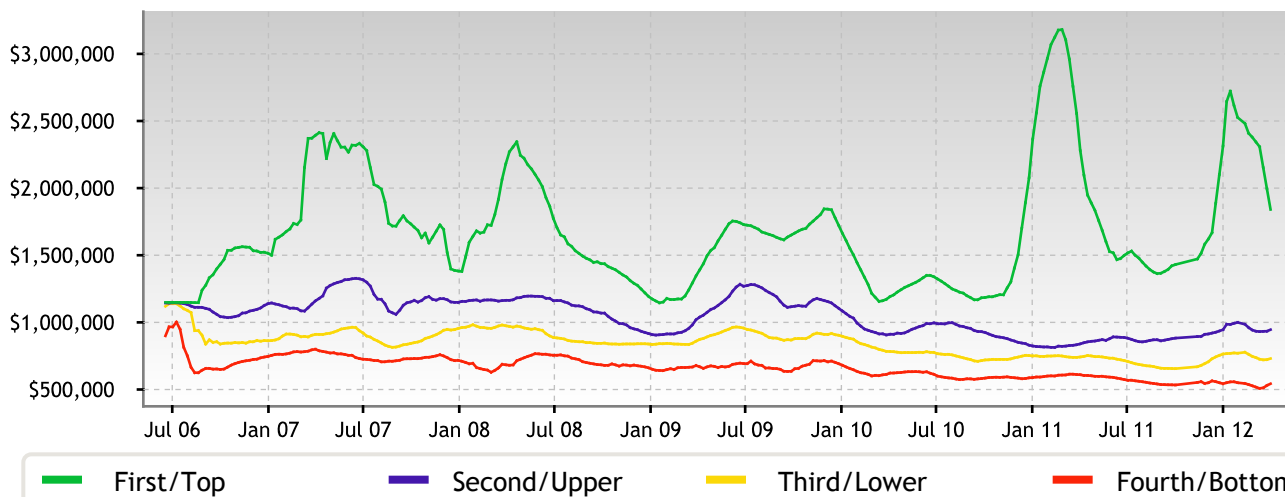
## Median Price

The market for this zip code continues its bounce again this week. We're a long way from the market's high point so watch the Market Action Index to predict how long this trend will last.



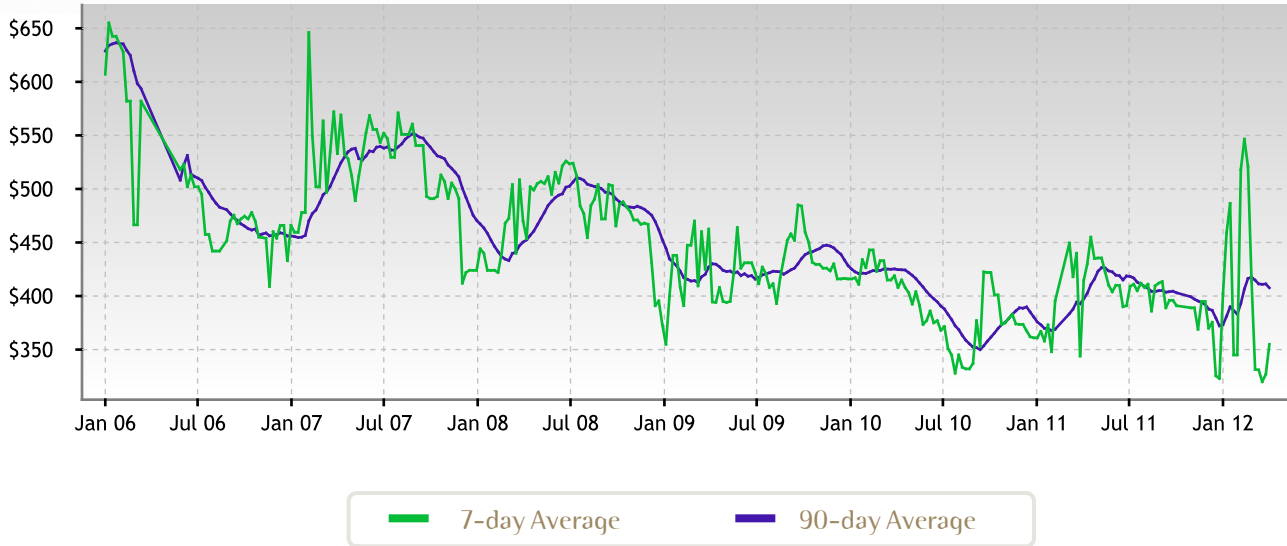
## Quartile Prices

In the quartile market segments, we see prices in this zip code 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.



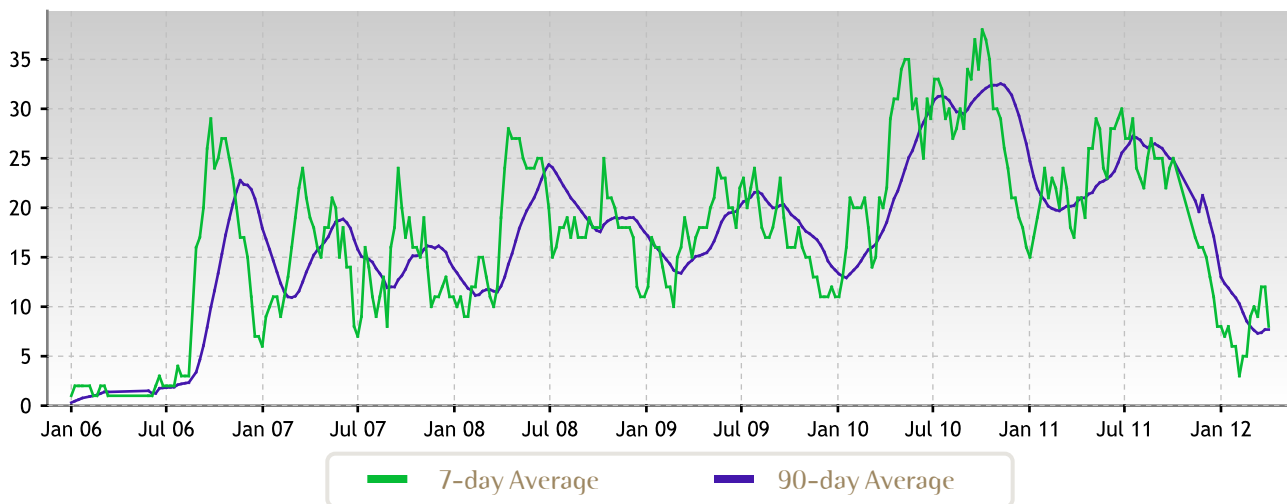
### Price per Square Foot

The market appears to be placing an increasing premium on homes. When list prices and price per square foot consistently increase in tandem, as they're doing now, you can often find short-term investment opportunities. Watch the Market Action Index for persistent changes as a leading indicator for these trends to flatten or drop.



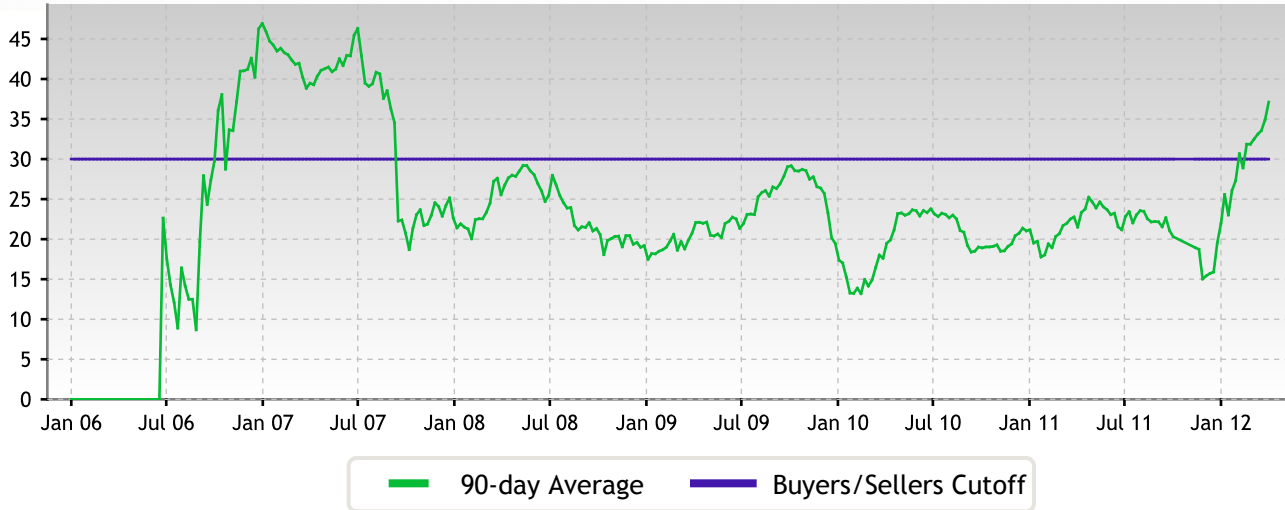
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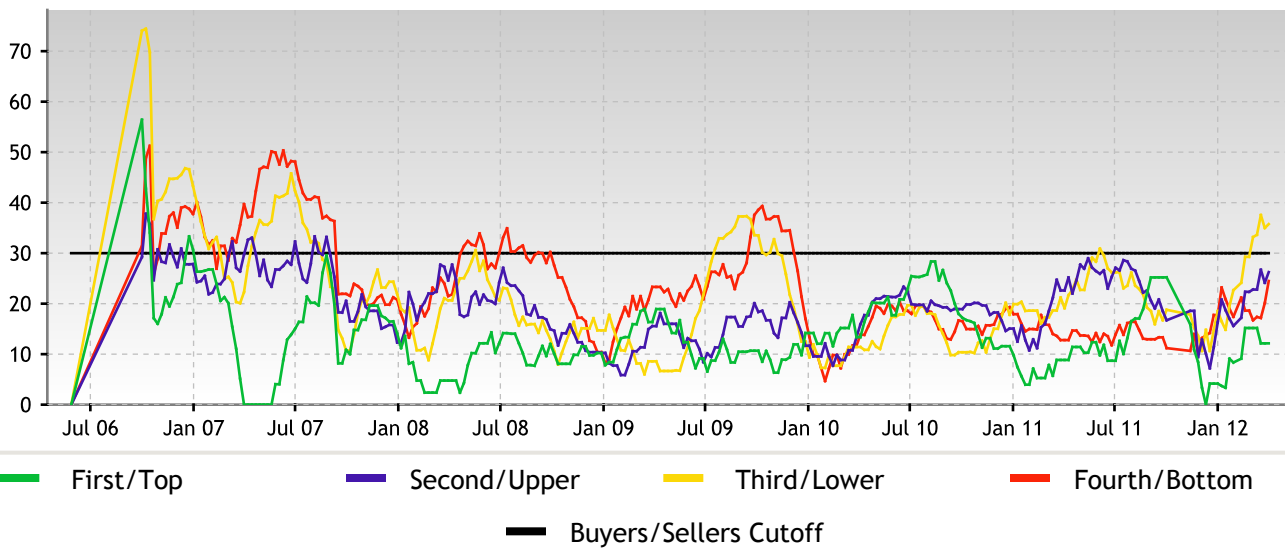
## Market Action Index

The BERKELEY, 94707 market is currently in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 37.12 which indicates that demand is strong and available supply of homes gets snapped up relatively quickly.



## Market Action Index per Quartile

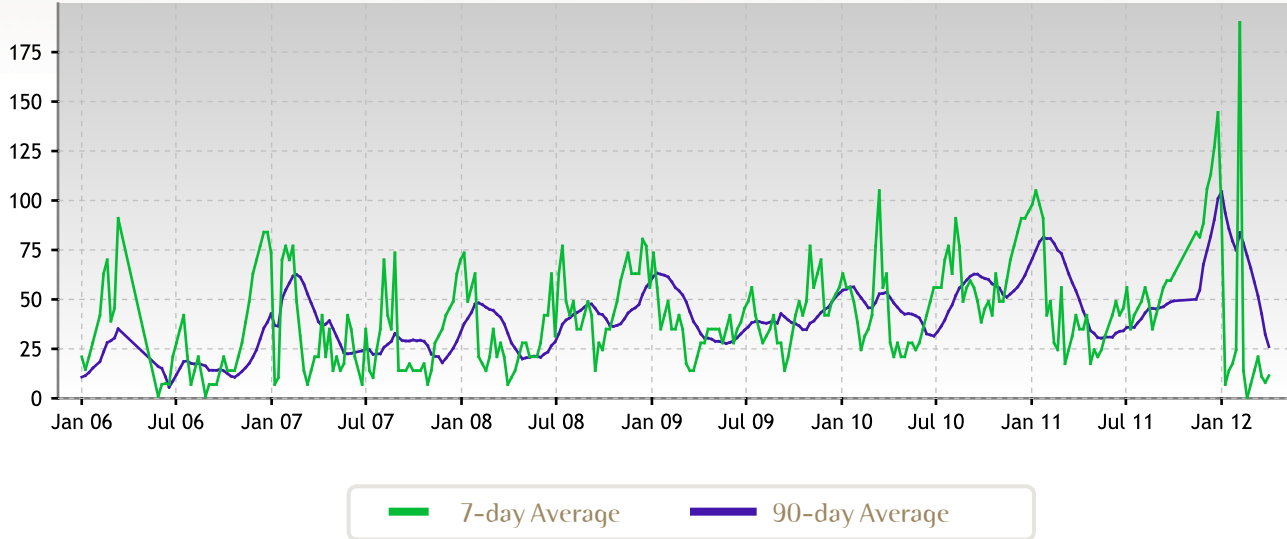
Three of the four quartiles of this zip code are in the Buyer's Market zone with several months of inventory given the current levels of demand. Quartile 2 (the upper-middle price group) is showing stronger demand than the others, as a Seller's market.



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 42 days. Half of the listings have come newly on the market in the past 12 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.

