

# HomeIsPalosVerdes Real Estate market update

**PALOS VERDES ESTATES**  
**90274**

Current prices for homes on the market  
Trends in pricing  
Current levels of supply and demand  
Value metrics

Report for the week of  
Sunday June 12, 2011

Presented by George Fotion - At Your Service!

310-346-6467

Call Realty

[www.HomeIsPalosVerdes.com](http://www.HomeIsPalosVerdes.com)



# City Overview

| Real-Time Market Profile                  |                  | Trend |
|---|------------------|-------|
| Median List Price                         | \$ 1,749,000     | ↓ ↓   |
| Average List Price                        | \$ 2,157,969     |       |
| Least Expensive Listing                   | \$ 639,900       |       |
| Most Expensive Listing                    | \$ 9,999,999     |       |
| Asking Price per Square Foot              | \$ 564           | ↓ ↓   |
| Average Days on Market                    | 131              | ↓ ↓   |
| Total Inventory                           | 93               | ↑ ↑   |
| Absorbed This Week*                       | 7                |       |
| Percent of Properties with Price Decrease | 47 %             |       |
| Percent Relisted (reset DOM)              | 10 %             |       |
| Percent Flip (price increased)            | 1 %              |       |
| Median House Size (sq ft)                 | 3,256            |       |
| Median Lot Size                           | 0.25 - 0.50 acre |       |
| Median Number of Bedrooms                 | 4.0              |       |
| Median Number of Bathrooms                | 4.0              |       |
| Median Age                                | 43               |       |

| Altos Research Value Statistics |                             |        |
|---------------------------------|-----------------------------|--------|
| Market Action Index             | <b>Cold! Buyer's Market</b> | 14 ↓ ↓ |

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

Last Month's Trend  
 Last Quarter's Trend  
 No Clear Monthly/Quarterly Trend

\*Metric "Absorbed this Week" covers properties sold and those taken off the market for other reasons. Since sales sometimes take months to close, it is impossible to discern in real-time exactly which properties sold.

## Characteristics per Quartile

| Quart | Median Price | Med. Sqft. | Med. Lot Size        | Bed | Bath | Med. Age | Inven. | New | Ab-sorbed | Avg. DoM |
|-------|--------------|------------|----------------------|-----|------|----------|--------|-----|-----------|----------|
| 1     | \$ 3,399,000 | 5,880      | 0.25 - 0.50 acre     | 5.0 | 6.0  | 14       | 23     | 3   | 3         | 170      |
| 2     | \$ 2,099,000 | 3,801      | 0.25 - 0.50 acre     | 4.0 | 4.0  | 38       | 23     | 4   | 2         | 128      |
| 3     | \$ 1,495,000 | 2,889      | 8,001 - 10,000 sq ft | 4.0 | 3.0  | 52       | 23     | 1   | 1         | 118      |
| 4     | \$ 1,049,000 | 1,900      | 6,501 - 8,000 sq ft  | 3.0 | 2.0  | 56       | 24     | 1   | 1         | 113      |

## PALOS VERDES ESTATES

### THIS WEEK

The median single family home price in PALOS VERDES ESTATES this week is \$1,749,000. The 93 homes have been on the market for an average of 131 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.

### QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

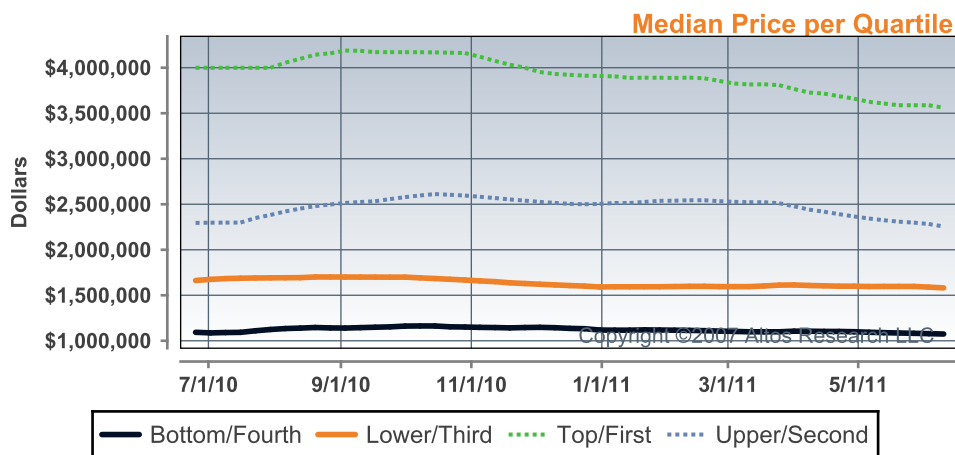
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



### PRICE

This week prices bumped up a bit but the trend of recent weeks is generally downward. A pickup in demand will be reflected in the Market Action Index, so watch that chart to try to identify a change in the market.

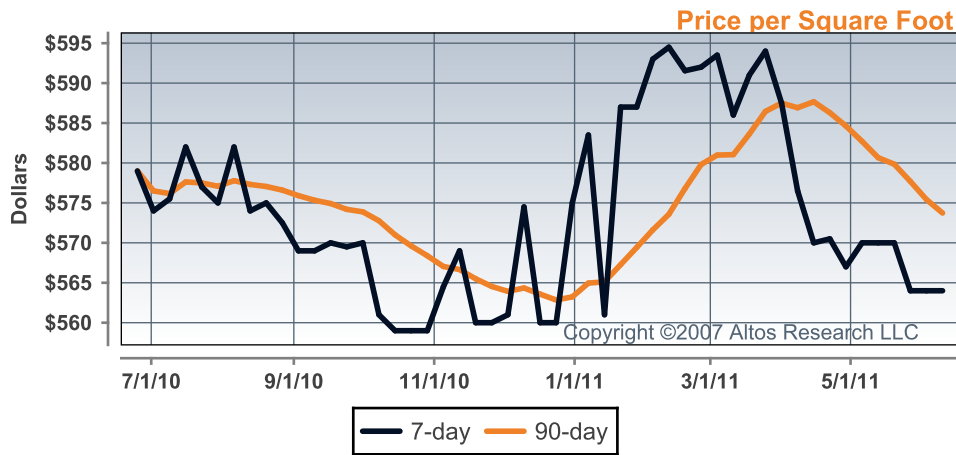


### QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Price weakness is evident across the board. All four quartiles have been in price decline in recent weeks. Look to the Market Action Index as a leading indicator of the bottom of the market.

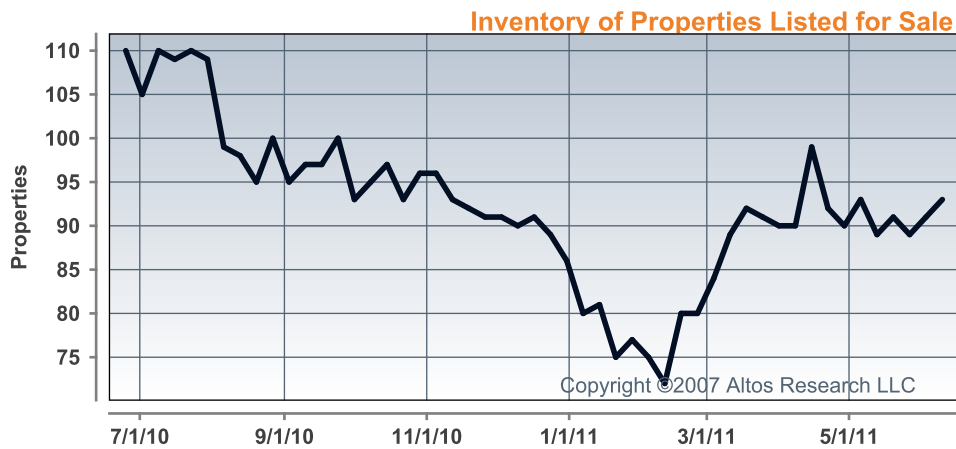
## PRICE AND VALUE

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

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.



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 Market zone for a long period, prices are likely in for a downward correction.



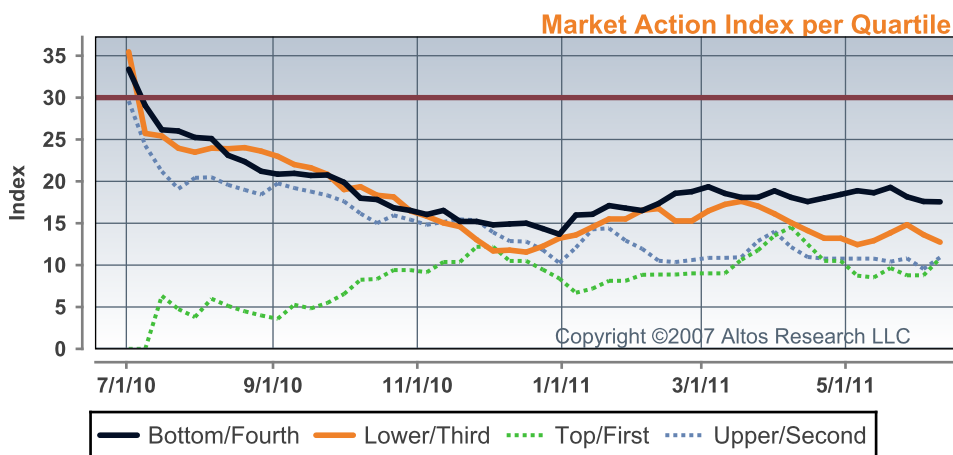
The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

### MARKET ACTION INDEX

The PALOS VERDES ESTATES market is currently quite strongly in the Buyer's Market zone (below 30). The 90-day Market Action Index stands at 14. With several months of inventory available at the current sales rate, buyers should find ample choice.

The market has been consistently cool for several weeks. Demand level are low relative to the available inventory. It's a Buyer's market and prices continue to fall. Look for a persistent shift in Market Action before prices plateau or begin to rise again.



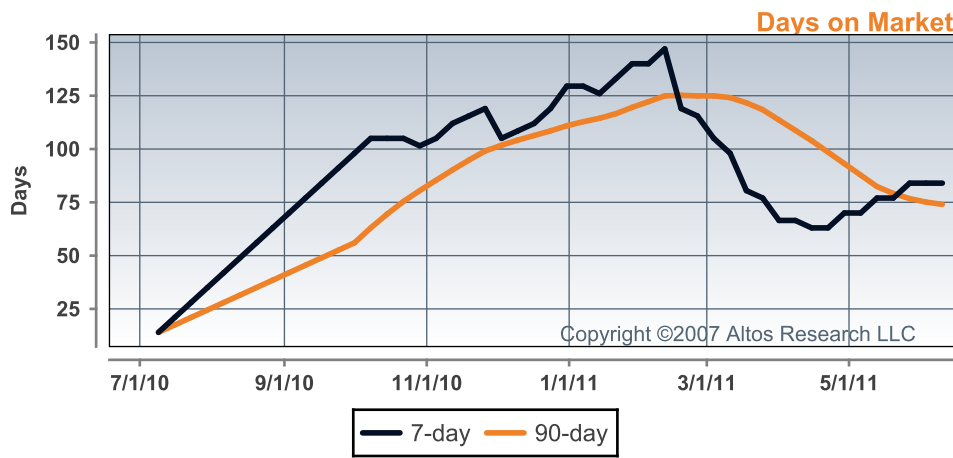
The quartiles can help you answer the question, "How hot is the market for homes in my price range?"

### MARKET ACTION QUARTILES

Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.

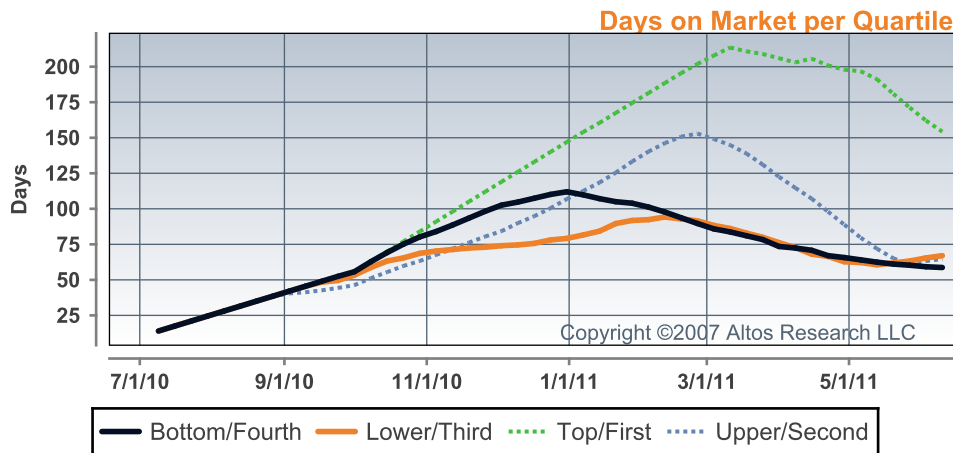
### DAYS ON MARKET (DOM)

The properties have been on the market for an average of 131 days. Half of the listings have come newly on the market in the past 84 or so days.



### DOM 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.



# Neighborhood Detail

## PALOS VERDES ESTATES 90274

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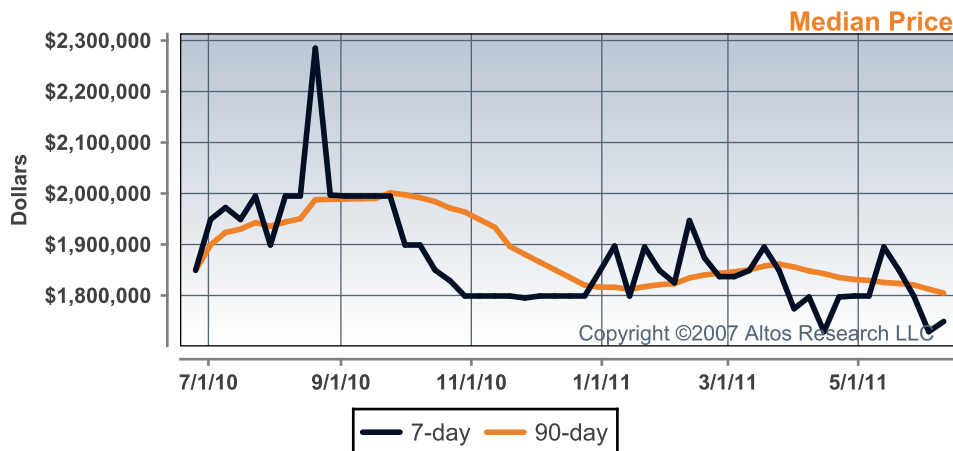
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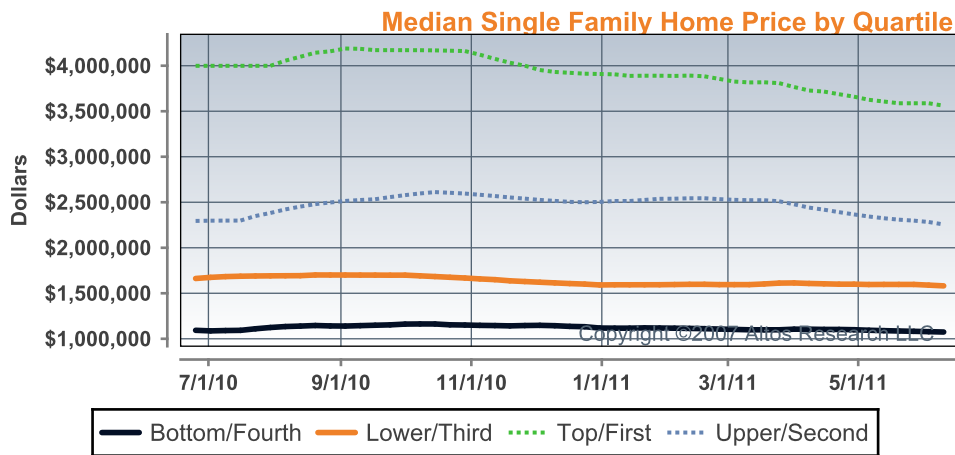
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### PRICE

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## PRICE PER QUARTILE

In the quartile market segments, we see the market's price weakness evident across the board. All four quartiles have been in price decline in recent weeks. Look to the Market Action Index as a leading indicator of the bottom of the market.

## Characteristics per Quartile

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## QUARTILES

Most expensive 25% of homes

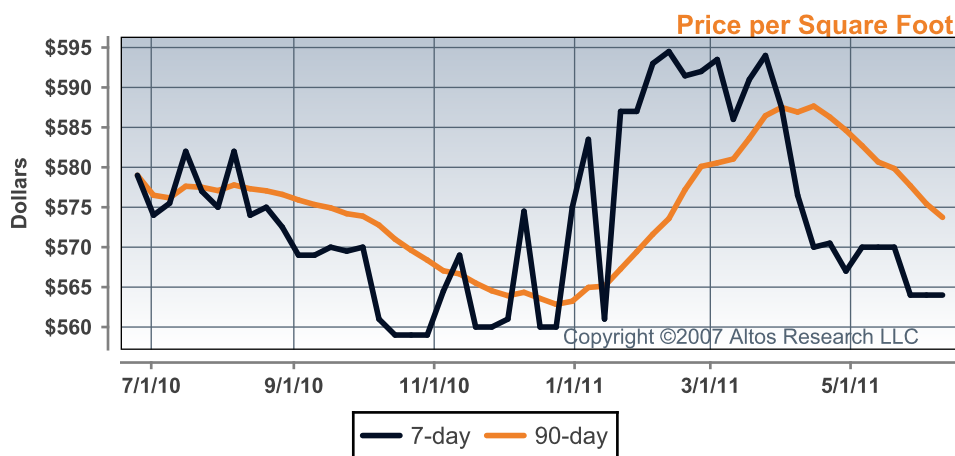
Upper-middle 25% of homes

Lower-middle 25% of homes

Least expensive 25% of homes

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## INVENTORY

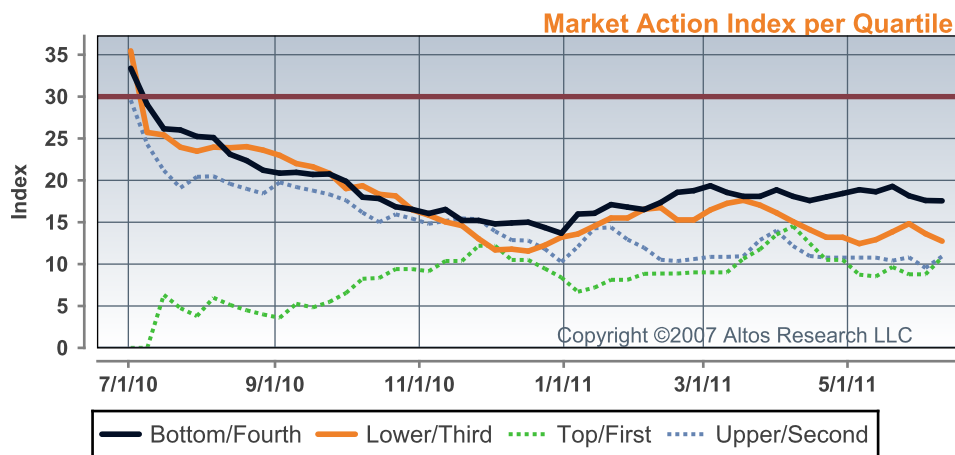
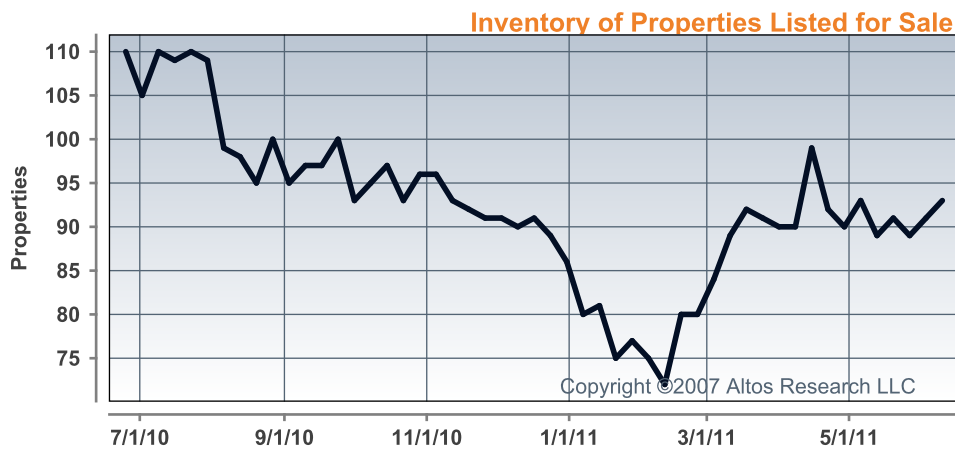
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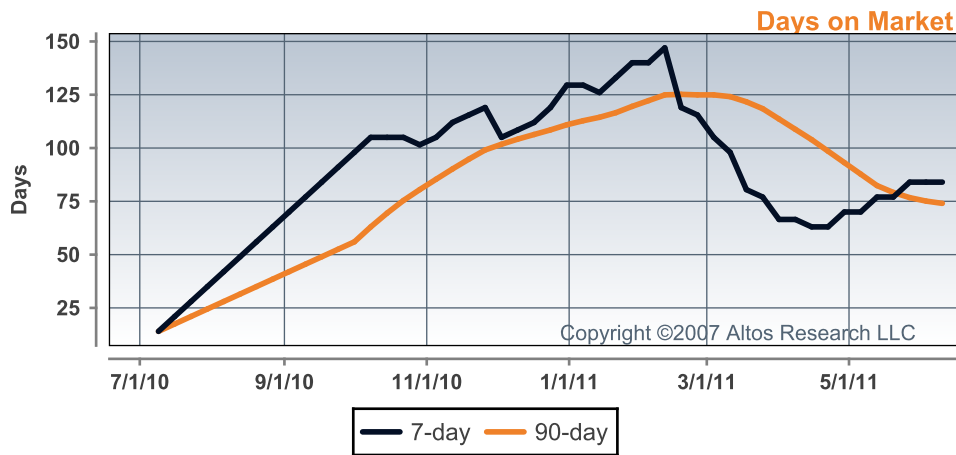
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## MARKET ACTION QUARTILES

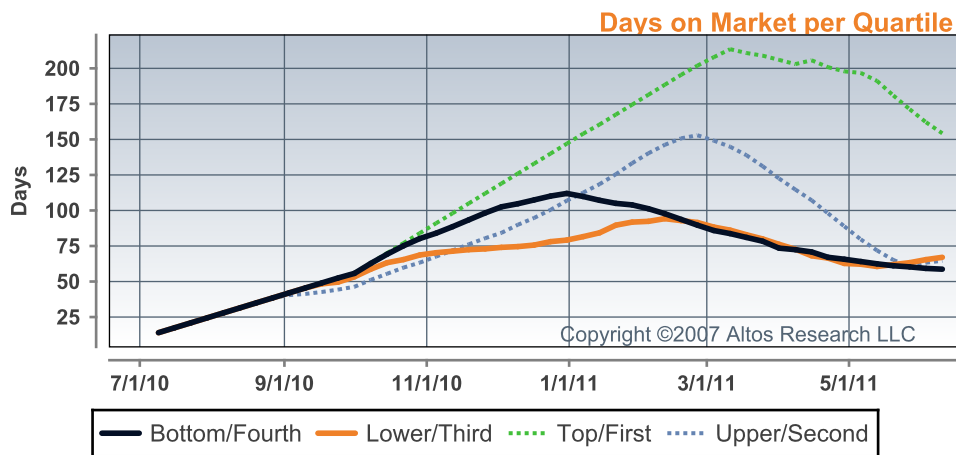
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**DAYS ON MARKET**

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

**About Altos Research Corporation**

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