



REAL ESTATE REPORT

SAN DIEGO COUNTY | JUNE 2012

California Housing Turns a Corner

Figures signal a solid positive change in the California housing market.

The California Association of REALTORS® announced that the median price of homes in March 2012 posted the first year-over-year gain in 16 months and the largest gain since March 2004. The statewide median price was up 1.6% from the year before, and up 9.2% from the previous month. Housing inventories were at 4.1 months' supply, down from 5.4 months a year ago.

In Southern California, the rebound was less dramatic because sales volume and sale prices were already on the mend in many areas. The median, according to Dataquick, was flat compared to the year before, and sales volume was up 2.8%, which is more typical of March-over-February sales gains. The counties with the most improvement were Orange, Ventura and San Diego counties.

Another sign of stabilization is improvement in the distressed home market. Corelogic reported that California had the third-biggest decrease in defaults and foreclosures among U.S. states and has declined to the lowest level in almost five years.

Foreclosure resales and short sales continue to dominate over equity transactions, but the percentages are declining as the majority of loans in default originated between 2005

and 2007, and are concentrated in the most affordable California communities, says Dataquick. Zip codes with homes priced \$800K and above experienced less than one-fourth the number of defaults as those with homes priced \$200K to \$800K.

In other news, jumbo mortgages increased in March to 16.4% of purchase loans, up from 14.4% in February, and 16.2% a year ago. Over 19% of homes sold in Southland were for homes priced \$500K or higher – the highest percentage in over six months.

In the Southland, housing sales have increased for seven out of the last eight months, with affordable home prices rising fastest, due to the near-record influx of first-time home buyers and investors and all-cash buyers at double the historical level.

As buyers piled into affordable bargains, prices softened at the higher price points. Now buyers are turning their attention to more expensive properties.

While these improvements appear small, consider the following. Nationwide, March housing sales were down 2.6% from February, says Dataquick, while in California sales celebrated an early and enormous leap into the spring selling period as well as the largest March gain since 2007.

Advice for buyers: When housing inventories drop, multiple offers from other buyers and competition from cash buyers increase. You may find homes in certain price ranges or neighborhoods selling as quickly as they go on the market. The best preparation is to get preapproved by a knowledgeable HomeServices mortgage advisor (www.hslca.com) and to develop a buying strategy with your Prudential California Realty sales professional so you can act quickly and decisively when the home you want becomes available for purchase.

Advice for sellers: As a seller, a changing market can be confusing. Not only is your home in competition with both distressed homes and those that can be sold with equity, but you may see wide price variances in very similar-appearing properties. Let your Prudential California Realty sales professional give you a thorough market analysis so that you can price your home with confidence and to sell quickly and for the highest amount possible within current market conditions.

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.

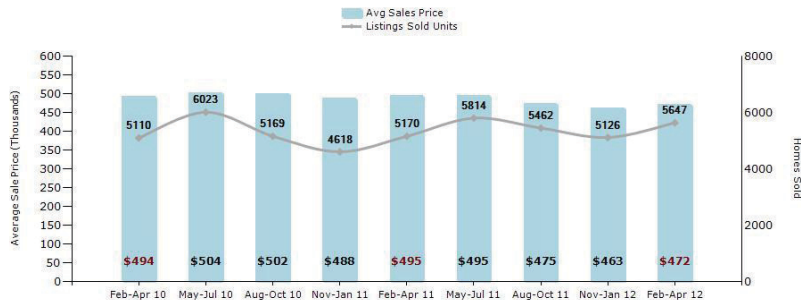
For more information, visit www.prudentialcal.com.

SAN DIEGO COUNTY

Orange County traditional home prices and sales volume rose higher in the three months between February and April 2012 over the previous three-month period.

*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.

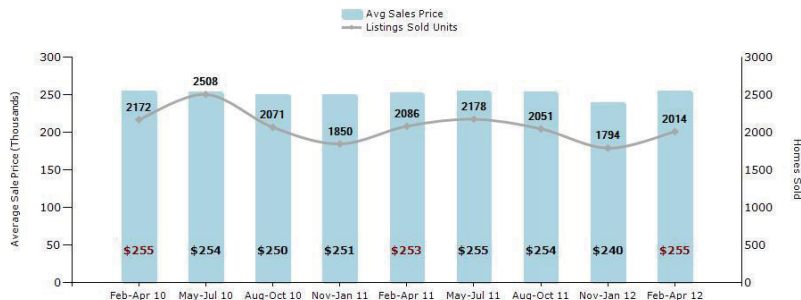
Detached Properties - Listings Sold 3 Months Ending April 30, 2012



	1-year			2-year		
	Feb - Apr 11	Feb - Apr 12	% Change	Feb - Apr 10	Feb - Apr 12	% Change
Average Sales Price	495	472	-4.6% ▼	494	472	-4.5% ▼
Homes Sold	5170	5647	9.2% ▲	5110	5647	10.5% ▲

For detached homes, average sale prices and sales volume rose higher between February and April 2012 over the previous three-month period.

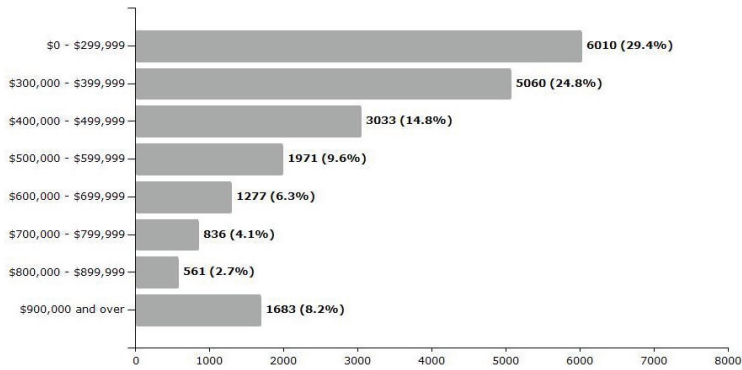
Attached Properties - Listings Sold 3 Months Ending April 30, 2012



	1-year			2-year		
	Feb - Apr 11	Feb - Apr 12	% Change	Feb - Apr 10	Feb - Apr 12	% Change
Average Sales Price	253	255	0.8% ▲	255	255	0% ▲
Homes Sold	2086	2014	-3.5% ▼	2172	2014	-7.3% ▼

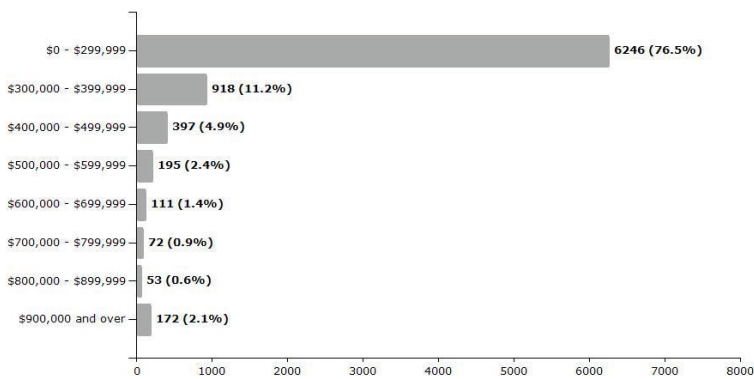
For attached homes, average sale prices and sales volume rose higher between February and April 2012 over the previous three-month period.

Detached Properties - Listings Sold Units By Price Range



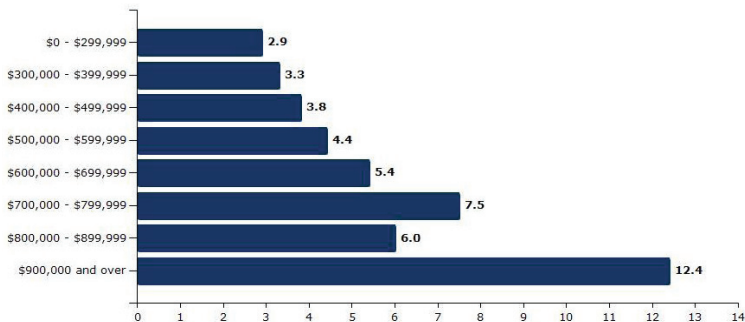
Over half the detached homes sold (54.2%) in the year ending June 30, 2011 were under \$400K.

Attached Properties - Listings Sold Units By Price Range



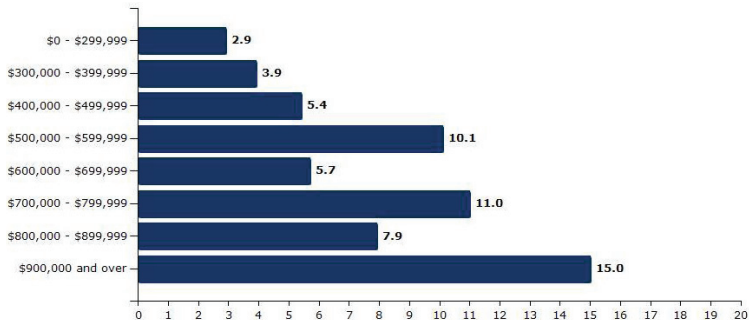
Over one-third (76.5%) of the attached homes sold between 7-1-2010 and 6-30-2011 were under \$300K.

Detached Properties - Inventory in Months' Supply



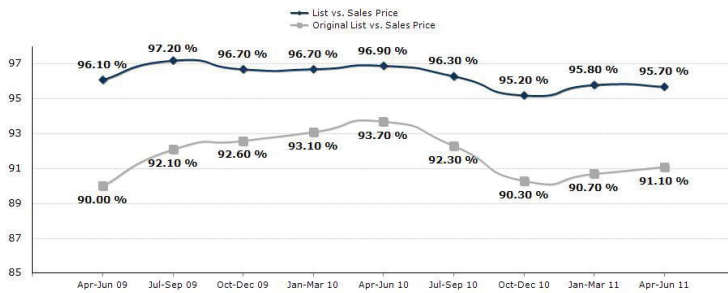
In June 2011, detached home inventories ranged from 2.9 to 12.4 months of supply. A balanced market is considered to have about six months of inventory on hand.

Attached Properties - Inventory in Months' Supply



Attached home supplies in June 2011 were between 2.9 and 15 months on hand. A balanced market has about six months of inventory on hand.

Detached Properties - Sales Price Ratio



Sellers of single family homes are overpricing their homes when they first put them on the market. On average, sellers are receiving nearly 92% of the original list price and 96% of the most recently 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 nearly 92% of the original list price and 96% of the most recently published price.

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

Property Zip	Current Quarters Apr. 2011 - Jun. 2011 Average Sale Price	Previous Quarters Jan. 2011 - Mar. 2011 Average Sale Price	% Average Sale Price Gain/Loss
Zip 92086 (Warner Springs)	\$233,983	\$76,000	207.9%
Zip 92003 (Bonsall)	\$619,117	\$461,098	34.3%
Zip 92054 (Oceanside)	\$510,464	\$391,975	30.2%
Zip 92091 (Rancho Santa Fe)	\$1,654,444	\$1,283,000	29%
Zip 92109 (Pacific Beach)	\$955,830	\$741,177	29%
Zip 92059 (Pala)	\$165,076	\$209,976	-21.4%
Zip 92060 (Palomar Mountain)	\$430,466	\$560,000	-23.1%
Zip 92008 (Carlsbad)	\$595,074	\$847,814	-29.8%
Zip 92101 (Downtown San Diego)	\$0	\$482,500	-100%
Zip 92036 (Julian)	\$0	\$305,000	-100%

For detached homes, Q2 2011 showed gains in five San Diego zip codes.

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

Property Zip	Current Quarters Apr. 2011 - Jun. 2011 Average Sale Price	Previous Quarters Jan. 2011 - Mar. 2011 Average Sale Price	% Average Sale Price Gain/Loss
Zip 92113 (Logan Heights)	\$209,550	\$104,750	100%
Zip 92008 (Carlsbad)	\$513,147	\$281,142	82.5%
Zip 92106 (Point Loma)	\$380,200	\$225,333	68.7%
Zip 92054 (Oceanside)	\$500,950	\$347,942	44%
Zip 92007 (Cardiff)	\$431,500	\$302,275	42.8%
Zip 92061 (Pauma Valley)	\$395,000	\$545,000	-27.5%
Zip 92004 (Borrego Springs)	\$145,100	\$206,800	-29.8%
Zip 92065 (Ramona)	\$150,400	\$225,000	-33.2%
Zip 92114 (Encanto)	\$65,000	\$144,983	-55.2%
Zip 92091 (Rancho Santa Fe)	\$0	\$181,750	-100%

For attached homes, Q2 2011 showed gains in five San Diego zip codes.



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