



# David Keller's Market Summary

## California Market Report

<i>June, 2008</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	366,720	318,830	427,110	15.0%	-14.1%
Median Home Price	\$403,870	\$413,980	\$580,090	-2.4%	-30.3%
Unsold Inventory Index	9.2 months	11.6 months	8.7 months	-20.6%	5.7%
Median Days On Market	52.1	68.6	56.2	-24.1%	-7.3%
30-Year Fixed Mortgage	5.92%	5.97%	6.16%	-0.05%	-0.24%

Source for statistics: California Association of Realtors

## California Market Analysis



It is becoming apparent that the difference between the first quarter of the 2008 real estate market and the fourth quarter will be in sharp contrast. The subprime crisis, which hit the news the first week of August 2007, had a large impact on the market. For the next three to four months, real estate pending sales were the lowest they had been in almost twenty years, which translated into dismal closings for the 4th quarter 2007 and the first quarter 2008. Buyers started to come off the sidelines in early 2008, and the number of sales started to increase. The National Association of Realtors just announced that pending sales jumped 6.3% in April. Pending sales are an indicator of the direction closed sales are headed. This early data suggests that our prior forecast will prove accurate. We predicted late last year that sales would hit their low in the fourth quarter 2007 and the first quarter 2008. Last month, we explained about real estate cycles. Based on past cycles, we can confidently predict that as the number of sales continues to slowly increase, prices will begin to level off. Our national economy is currently experiencing pressure from higher unemployment figures, fear of inflation, and record-high gas prices. The national economy is not nearly as predictable as the real estate market; however, we stand by our forecast that an improving real estate market will lead us out of our economic woes.

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Valued friends and clients--feel free to take advantage of my free market evaluation service. If you would like detailed information on your home, your investment potential, or, a little help strategizing for the future, I am here to serve you at all times. (310) 937-3813. Ask for David!