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The Real Estate Report

local market trends

NORTH COASTAL SAN DIEGO COUNTY

Where are all the foreclosures?

With all the pundits talking about phantom inventory and the huge surplus of foreclosures, one would expect a massive number of bank-owned properties to be on the market.

They are not. Enquiring minds want to know why not.

First, let's look at some numbers. According to <http://foreclosureradar.com>, the number of bank-owned properties, called REOs, in San Diego County has averaged about 6,500 a month for the past thirteen months.

Yet, in the MLS, only 957 properties for sale are listed as REO out of a total of 14,558 active listings. There are an additional 965 REO properties in escrow. Now, remember, banks are not in the real estate business so they won't be selling these properties themselves. They will be listing them with real estate brokers.

Which begs the question, why aren't the rest of the REOs on the market?

Well, it's pretty simple. The banks don't like to lose money. If they put all these properties on the market at once, prices would plummet.

The banks are being very judicious about selling their REO property.

For a more complete report on San Diego County foreclosures, see the article on page three.

MARKET STATISTICS

Home sales were steady in August. The sale of single-family, re-sale homes rose 1.2% from July and were up 1.1% year-over-year. Year-to-date, home sales are down 5.2%.

Condo sales were up 8.3% from July and up 12.8% year-over-year. Year-to-date, condo sales are down 11.6%.

The median price for homes was down 2.2% from July, and down 5.4% year-over-year.

The median price for condos rose 0.2% compared to July, but was down 2.1% year-over-year.

Inventory of both homes and condos continues to be weak. Home inventory was down 13.4% com-

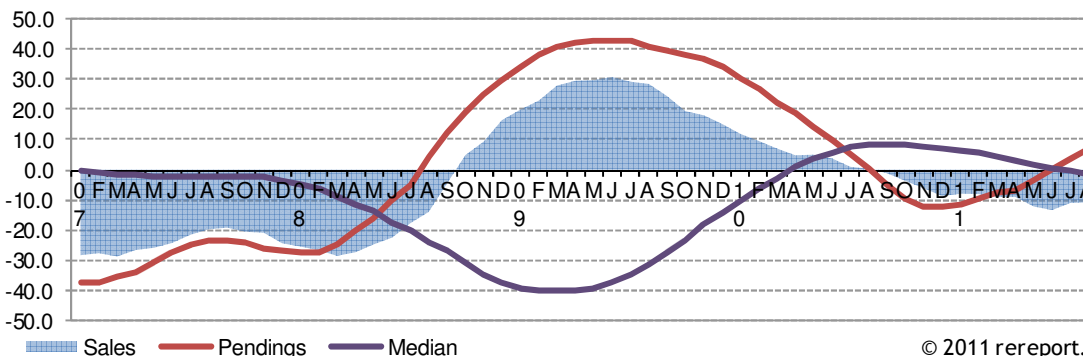
Trends at a Glance			
(Single-family Homes)			
	Aug 11	Jul 11	Aug 10
Median Price:	\$ 357,000	\$ 365,000	\$ 377,425
Average Price:	\$ 468,112	\$ 480,467	\$ 480,200
Home Sales:	1,889	1,867	1,868
Pending Sales:	3,707	3,608	2,954
Inventory:	10,102	10,494	11,669
(Condos/Town Homes)			
Median Price:	\$ 205,500	\$ 219,000	\$ 220,000
Average Price:	\$ 272,916	\$ 259,160	\$ 262,110
Condo Sales:	936	864	936
Pending Sales:	1,681	1,716	1,521
Inventory:	4,456	4,624	5,845

pared to last August: 10,102 homes actively listed. Please note, only active listings are included in this figure. Numbers from the local associations include properties that are also in a pending status, meaning they have an accepted offer, but haven't been taken off the market.

Condo inventory was down 20% year-over-year.

Please remember, while statistics are nice, they will not determine the price you pay or get for a property. That will come down to you and the buyer or seller.

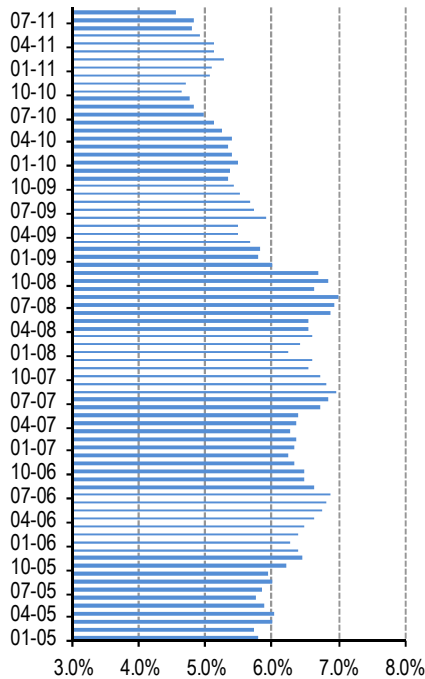
San Diego County Homes: Sales Momentum



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Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by HSH.com. The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

Sep. 09, 2011 -- Labor Day came and went this week, and the administration has turned an eye toward at least one of the two most intractable problems facing the economy: joblessness. The other problem is the poor state of the housing market, and there are some rumors that a new plan may be afoot, either from the administration or perhaps in conjunction with other agencies, to promote a refinance plan for potentially millions of borrowers. The Federal Reserve is thought to be pondering a new plan to foster economic growth. Meanwhile, the European debt crisis bombed stock markets and drove investors back to the safety of US Treasury offerings, pressing interest rates down to record lows.

HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages decreased by seven basis points (0.07%) from last week, moving to a new record-low average of 4.42%. FHA-backed 30-year fixed-rate mortgages, especially important to first-time homebuyers and low-equity refinancers, have shed a full tenth percentage point, closing the week at just 4.06%. Hybrid 5/1 ARMs might interest a few borrowers, with five-year fixed-rate periods slipping by another four basis points this week to average an ultra-low 3.13%.

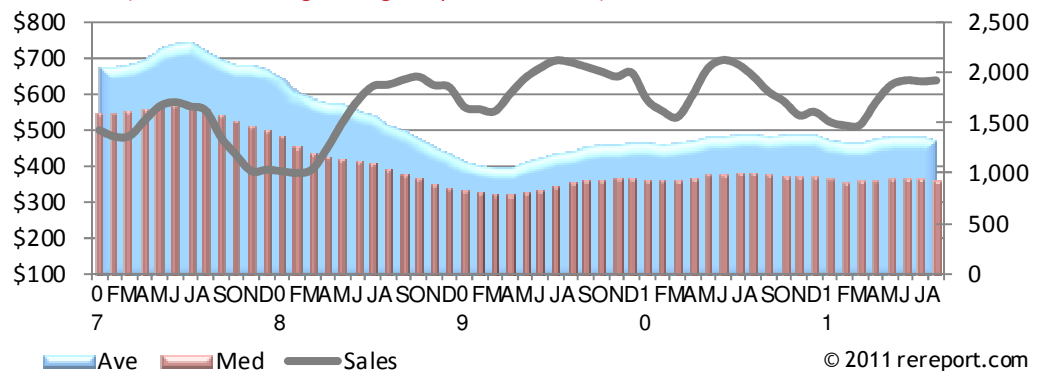
It goes without saying that conforming 30-year FRMs are sporting a new record low, too. The eight basis point decline this week puts the average at 4.23%.

There are few signs that the economy is building the kind of momentum needed to significantly lower unemployment, and time is running short on hopes of seeing aggregate GDP growth near 3% for the year. The third quarter comes to a close in just a few weeks' time, and there has been little strength to talk about, but only perhaps less-bad-than-feared figures as growth stumbles along.

Anyone looking for a quick fix for the economic woes will need to keep looking. We are years into this mess at this point, and by some reckonings are in much better shape now, relative to both the depths of the mess and many other countries. That said, we are or have been in a near stasis for the recovery for 6-8 months, and the risk of faltering back into recession is a real one at this moment. Low interest rates -- whether at new record lows or only near them -- are likely to be with us for a long while yet as these difficult troubles slowly sort themselves out or otherwise come to resolution. Expect more of the same again next week.

San Diego County — Homes: Sold Prices & Unit Sales

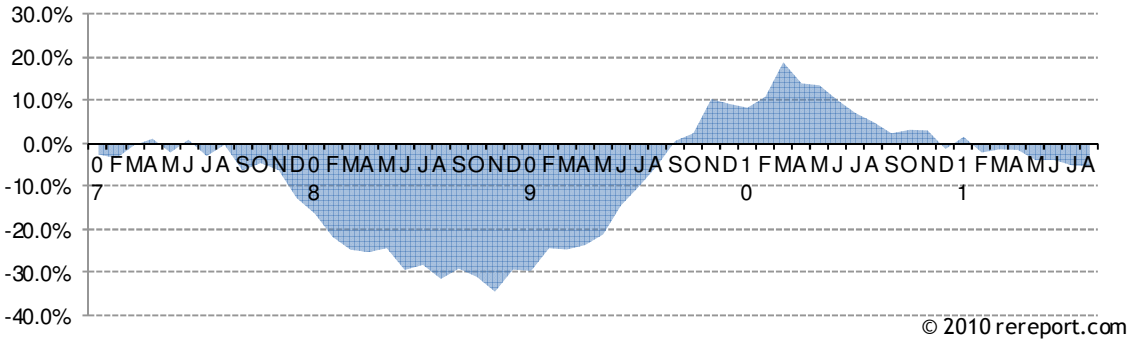
(3-month moving average — price in \$000's)



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North San Diego County Coastal - August 2011													
SINGLE-FAMILY HOMES									% Change from Year Before				
Prices									Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP		Med	Ave	Sales	Pend	Inven
County	\$ 357,000	\$ 468,112	1,889	3,707	10,102	160	97.0%		-5.4%	-2.5%	1.1%	25.5%	-13.4%
N. County Coast	\$ 495,000	\$ 724,179	422	883	2,976	212	95.7%		5.1%	10.6%	-4.7%	32.8%	-10.1%
Cardiff by the Sea	\$ 839,000	\$ 1,058,140	7	16	61	193	89.9%		14.1%	37.2%	40.0%	166.7%	10.9%
Carlsbad	\$ 617,500	\$ 618,798	86	153	559	142	96.3%		-11.7%	-15.4%	16.2%	40.4%	20.7%
Carmel Valley	\$ 905,000	\$ 1,090,450	41	55	271	158	95.2%		-3.7%	6.5%	5.1%	-1.8%	21.0%
Del Mar	\$ 1,250,000	\$ 1,655,830	13	30	163	307	92.3%		13.6%	55.7%	116.7%	50.0%	12.4%
Encinitas	\$ 738,500	\$ 890,931	36	68	253	154	95.3%		2.6%	9.0%	-20.0%	28.3%	8.1%
Fallbrook	\$ 350,000	\$ 424,044	29	100	412	323	96.6%		3.2%	27.2%	-43.1%	58.7%	3.3%
La Jolla	\$ 1,850,000	\$ 2,262,690	21	47	326	399	88.5%		37.0%	17.4%	0.0%	291.7%	-4.4%
Oceanside	\$ 350,000	\$ 348,624	101	235	888	194	97.7%		1.4%	3.6%	-9.8%	279.0%	15.3%
Rancho Santa Fe	\$ 1,650,000	\$ 2,075,270	11	35	314	761	90.6%		-15.4%	-0.2%	22.2%	191.7%	-8.7%
San Marcos	\$ 330,000	\$ 347,093	89	136	540	136	96.2%		-17.5%	-10.3%	18.7%	202.2%	5.7%
Solana Beach	\$ 872,500	\$ 1,320,000	6	12	73	305	92.7%		-15.3%	-13.8%	-14.3%	200.0%	10.6%
Vista	\$ 280,000	\$ 294,358	71	132	539	172	96.8%		-13.8%	-6.4%	20.3%	277.1%	13.0%

San Diego County Homes: Year-Over-Year Median Price Change



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FORECLOSURE STATISTICS

Notices of default, the first step in the foreclosure process, in San Diego County declined 25% in July from the year before, and were down 7.1% from June.

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, dropped 2.6% from June, and were down 31.5% year-over-year.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements.

Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank and become part of that bank's REO inventory.

In May, cancellations fell 5.1% from June, and were down 36.8% year-over-year.

Properties going back to the bank were up 3.3% from June, but were down 18% compared to July 2010.

The total number of properties that have had a notice of default filed declined by 12.3% in June compared to June 2010.

The total number of properties scheduled for sale declined by 26.2%, year-over-year. Both of these are very positive signs.

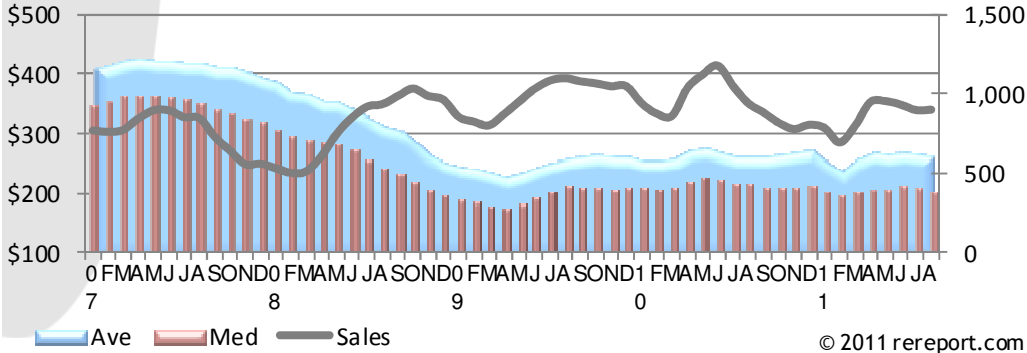
But, the total number of properties owned by banks rose by 1% year-over-year.

All-in-all, the numbers are pretty much a mixed bag at this point.

Foreclosure statistics provided by: <http://foreclosureradar.com>.

San Diego County — Condos: Sold Prices & Unit Sales

(3-month moving average — price in \$000's)



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Table Definitions

Median Price
The price at which 50% of prices were higher and 50% were lower.

Average Price
Add all prices and divide by the number of sales.

SP/LP
Sales price to list price ratio or the price paid for the property divided by the asking price.

DOI
Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.

Pend
Property under contract to sell that hasn't closed escrow.

Inven
Number of properties actively for sale as of the last day of the month.

North San Diego County Coastal - August 2011												
CONDOS								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven
County	\$ 205,500	\$ 272,916	936	1,681	4,456	143	97.2%	-2.1%	1.0%	12.8%	8.5%	-20.0%
N. County Coast	\$ 285,450	\$ 379,446	180	359	1,120	187	95.6%	17.7%	14.1%	5.9%	8.8%	-10.0%
Cardiff by the Sea	\$ 355,000	\$ 480,000	3	9	34	250	98.6%	-5.8%	4.1%	-40.0%	200.0%	6.3%
Carlsbad	\$ 295,000	\$ 318,271	35	64	276	182	96.4%	-2.5%	0.6%	-2.8%	220.0%	2.2%
Carmel Valley	\$ 298,000	\$ 331,812	16	38	135	182	97.5%	-26.4%	-14.5%	-50.0%	280.0%	17.4%
Del Mar	\$ 800,000	\$ 913,333	3	7	48	410	88.3%	23.8%	41.3%	50.0%	133.3%	-14.3%
Encinitas	\$ 492,500	\$ 677,666	18	28	112	140	95.8%	14.4%	59.9%	200.0%	250.0%	2.8%
La Jolla	\$ 510,000	\$ 586,255	24	50	242	240	93.8%	25.9%	19.3%	-4.0%	212.5%	5.2%
Oceanside	\$ 170,000	\$ 217,324	59	115	441	166	95.5%	0.0%	-13.1%	-14.5%	180.5%	-14.5%
Rancho Santa Fe	\$ 985,000	\$ 985,000	2	0	18	270	92.7%	n/a	n/a	n/a	n/a	n/a
San Marcos	\$ 240,000	\$ 237,995	31	58	177	115	98.2%	43.7%	17.2%	3.3%	190.0%	-8.8%
Solana Beach	\$ 664,000	\$ 667,167	6	15	77	310	96.1%	9.0%	3.3%	0.0%	150.0%	16.7%
Vista	\$ 164,500	\$ 186,325	14	31	86	118	96.4%	-11.1%	-4.3%	7.7%	210.0%	4.9%



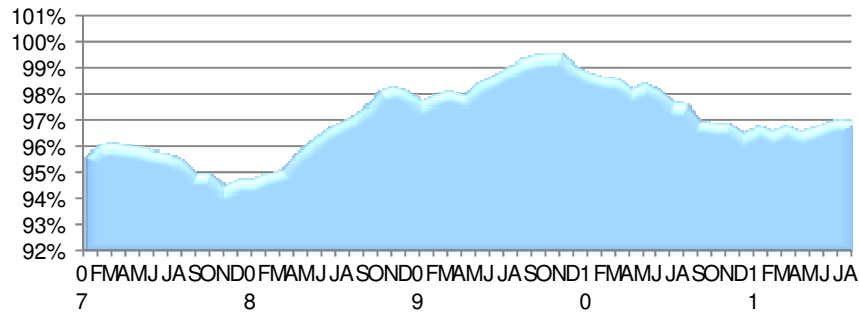
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For a **FREE** subscription and the city by city breakdown, go to our web-site at:

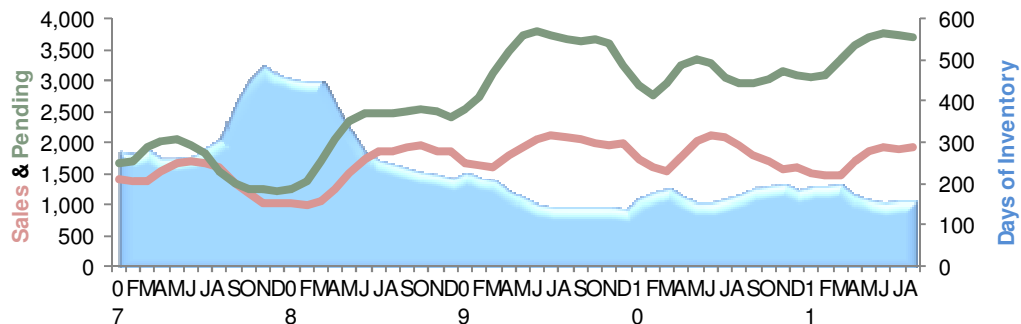
<http://www.profundrealestate.com>

San Diego County: Single-family Homes
Sales Price/Listing Price Ratio



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San Diego County Homes - Sales, Pending & Days of Inventory
(3-month moving average)



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