

Inside This Issue

- > LOCAL MARKET TRENDS..... 1
- > MORTGAGE RATE OUTLOOK..... 2
- > HOME STATISTICS..... 2
- > FORECLOSURE STATS..... 3
- > CONDO STATISTICS..... 3
- > CHARTS: SP/LP & SALES YTD..... 4



Ryan Mathys & Tracie Kersten

ProFund Financial & Real Estate

7777 Fay Avenue, Suite G4

La Jolla, CA 92037

(858) 405-4004

ryan@profundrealestate.com

<http://www.profundrealestate.com>

CA DRE #01361941

The Real Estate Report

local market trends

NORTH COASTAL SAN DIEGO COUNTY

Some Underwater Mortgage Holders Get Help

The Home Affordable Refinance Program, or HARP, is being revamped.

It was originally aimed at a housing market that had an estimated 5 million struggling homeowners. Unfortunately, HARP's original terms and limits were so restrictive that the program, to date, has reached fewer than 900,000 mortgage holders. The major restriction eliminated any homeowner whose existing mortgage represented more than 125% of the loan-to-value of their home.

The revamping of HARP will let borrowers whose mortgages are backed by Fannie Mae and Freddie Mac refinance those underwater mortgages, presumably no matter how far their home's value has fallen. In fact, current loan-to-value ratio on the existing mortgage must be greater than 80 percent.

And, mortgage holders can't double-dip; that is, if they already have an earlier HARP loan, they can't get another at the even better rate of 4%. The new terms also eliminate the need for yet another property appraisal in calculating LTV, and the program's end date has been extended.

The plan, announced last week still has certain eligibility limits. For example, your mortgage has to be a Fannie Mae or Freddie Mac instrument, owned or guaranteed by one agency or the other, and you must not have missed any payments in the last six months (since April 24, at present), or have more than one missed payment over the last year.

The FHFA, or Federal Housing Finance Agency, which currently controls Fannie, Freddie, and 12 other Federal Home Loan Banks – located in Atlanta, Boston, Chicago, Cincinnati, Dallas, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle and Topeka - is expected to announce the final program parameters by November 15.

This is a much needed expansion of the program. Unfortunately, there are over ten million homeowners underwater and this new HARP will only be available to 10% of them.

MARKET STATISTICS

Sales of single-family, re-sale homes were up 5.5% year-over-year. This is the fourth month in a row

Trends at a Glance (Single-family Homes)			
	Oct 11	Sep 11	Oct 10
Median Price:	\$ 347,000	\$ 350,000	\$ 374,250
Average Price:	\$ 450,350	\$ 463,321	\$ 494,744
Home Sales:	1,623	1,841	1,539
Pending Sales:	3,593	3,583	3,176
Inventory:	9,469	9,760	10,667
(Condos/Town Homes)			
Median Price:	\$ 205,000	\$ 205,500	\$ 210,000
Average Price:	\$ 263,931	\$ 270,030	\$ 266,241
Condo Sales:	755	813	805
Pending Sales:	1,599	1,632	1,646
Inventory:	4,136	4,286	5,280

home sales have been higher than the year before. Year-to-date, home sales are down 3.1%.

Condo sales were up 0.5% year-over-year. Year-to-date, condo sales are down 10.3%.

The median price for homes was down 0.9% from September, and down 7.3% year-over-year.

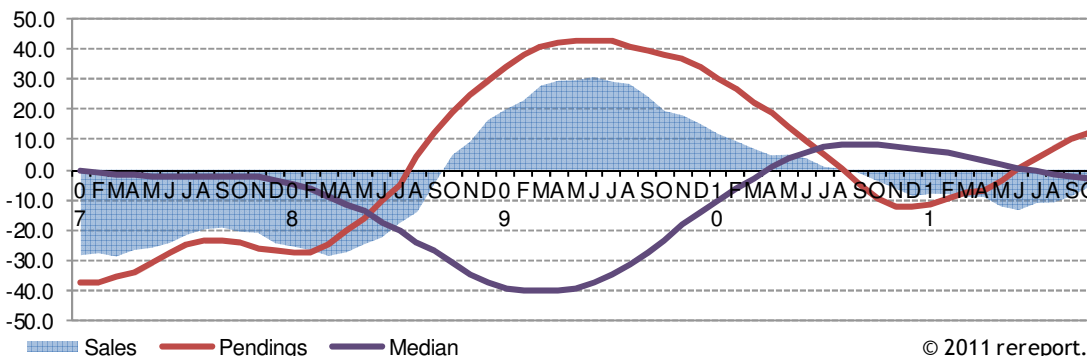
The median price for condos fell 1% compared to September, and was down 4.7% year-over-year.

Inventory of both homes and condos continues to be weak. Home inventory was down 11.2% compared to last October.

Condo inventory was down 19.8% 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.

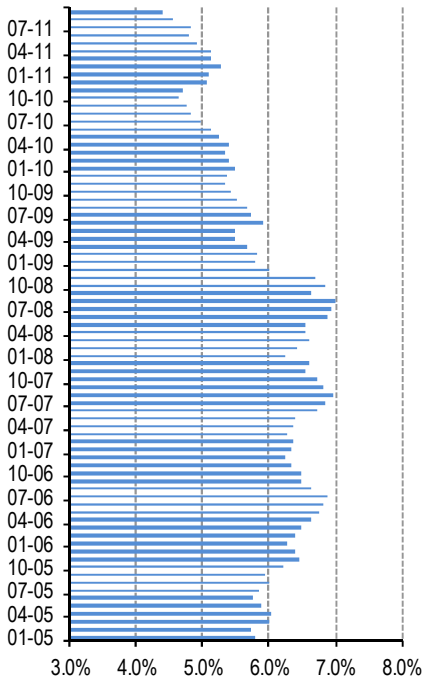
San Diego County Homes: Sales Momentum



© 2011 rereport.com

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.

Nov. 4, 2011 -- 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 eased by nine basis points (0.09%) from last week, slipping up to an average 4.36%, the lowest reading in a month's time. The FRMI's 15-year companion closed the week with an eight basis point decline to 3.66%. Important to homebuyers and low-equity-stake refinancers, 30-year FHA-backed mortgages shed seven hundredths of a percentage point to land a 3.93%, a new record low, while the overall average for 5/1 Hybrid ARMs dropped by five basis points to 3.11%.

While news about the economy continues to suggest we will avoid falling into a new recession, there's not much to suggest that a strong breakout of growth is imminent, either, and the slow economic slog continues, if at perhaps a better pace. No one knows this better than the Federal Reserve, which noted in the release which signaled the close of their two-day meeting this week that "economic growth strengthened somewhat in the third quarter" but "recent indicators point to continuing weakness in overall labor market conditions, and the unemployment rate remains elevated."

The Fed also released its latest set of economic projections, and marked down the paths for GDP growth

and unemployment while increasing their projections for inflation for 2012 and beyond. None of this was particularly good news, but did underscore the Fed's recent decision to hold short-term interest rates at low levels at least through mid-2013 as it would appear the economy may need the additional support should the Fed's expectations turn into reality.

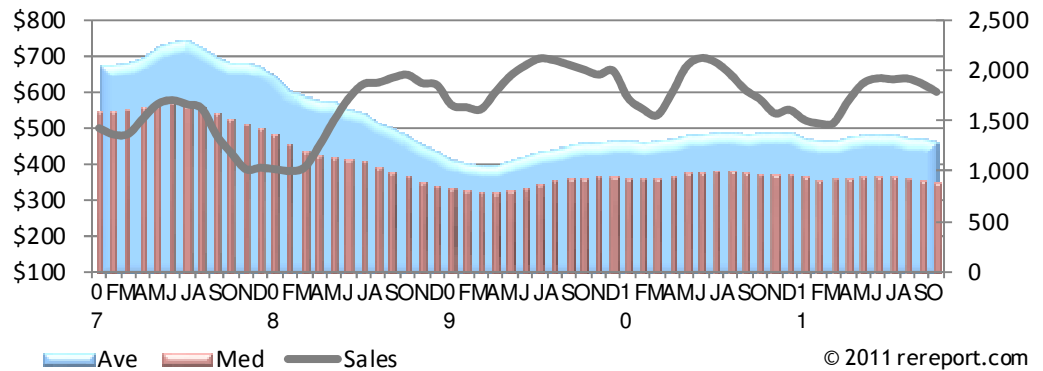
Of course, there's nothing that says these forecasts will come true. Previous ones predicting a more rosy economy by now never materialized, and just as the old ones were wrong to the upside, perhaps these new ones will be wrong to the downside, too.

Opportunities to finance or refinance remain strong, and if you are so inclined, you might do well to get your loan in process before month's end, when at least a minor crush of refinancing is to be expected due to the expansion of the HARP program.

The slight slip in rates this week will probably hold for next week, unless a spate of optimism for a Greek deal comes to market. Figure on a couple basis point move upward at most.

San Diego County — Homes: Sold Prices & Unit Sales

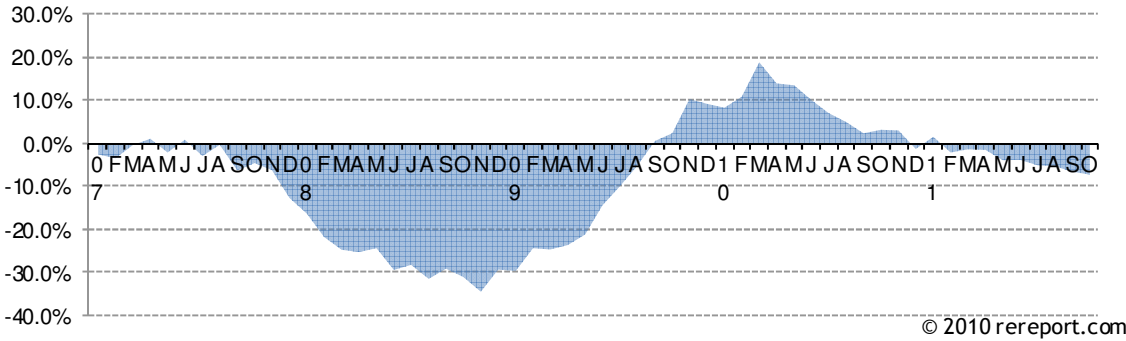
(3-month moving average — price in \$000's)



© 2011 rereport.com

North San Diego County Coastal - October 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	\$ 347,000	\$ 450,350	1,623	3,593	9,469	175	97.0%		-7.3%	-9.0%	5.5%	13.1%	-11.2%
N. County Coast	\$ 435,000	\$ 673,446	392	837	2,729	209	96.0%		-6.9%	-4.4%	2.9%	19.9%	-6.1%
Cardiff by the Sea	\$ 678,750	\$ 748,125	4	11	44	248	93.7%		-0.9%	2.6%	33.3%	175.0%	-4.3%
Carlsbad	\$ 635,000	\$ 708,825	57	123	508	203	96.2%		-5.4%	-1.9%	-13.6%	7.0%	28.6%
Carmel Valley	\$ 875,000	\$ 1,009,420	29	49	229	186	96.1%		-7.4%	-8.3%	16.0%	-3.9%	27.9%
Del Mar	\$ 1,140,000	\$ 1,474,910	11	20	134	311	91.4%		-8.2%	12.3%	120.0%	33.3%	-9.5%
Encinitas	\$ 651,200	\$ 838,511	27	63	251	209	96.3%		-31.5%	-16.5%	-18.2%	43.2%	17.3%
Fallbrook	\$ 369,000	\$ 381,720	25	90	401	373	96.7%		13.5%	3.9%	-41.9%	32.4%	11.4%
La Jolla	\$ 1,325,000	\$ 1,760,620	26	44	291	285	91.7%		4.8%	10.7%	18.2%	15.8%	8.2%
Oceanside	\$ 320,500	\$ 339,003	120	242	862	155	97.3%		0.9%	6.7%	9.1%	25.4%	47.1%
Rancho Santa Fe	\$ 2,100,000	\$ 2,159,190	13	30	287	593	90.2%		-11.2%	-28.6%	-7.1%	-6.3%	-2.7%
San Marcos	\$ 377,500	\$ 353,799	60	162	543	191	96.5%		-4.7%	-14.7%	-6.3%	30.6%	33.4%
Solana Beach	\$ 1,049,750	\$ 1,120,350	6	13	65	260	92.3%		0.4%	-29.2%	50.0%	8.3%	20.4%
Vista	\$ 280,000	\$ 292,802	74	152	494	139	96.9%		-6.7%	-2.4%	32.1%	20.6%	36.8%

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



FORECLOSURE STATISTICS

After a large spike in August, notices of default, the first step in the foreclosure process, in San Diego County declined 26.5% in September from the year before, and were down 21.9% from August.

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, dropped 32.8% from August, and were down 38.2% 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 September, cancellations fell 3.7% from August, and were down 20.4% year-over-year.

Properties going back to the bank were down 24.7% from August, and were down 49.2% compared to September 2010.

The total number of properties that have had a notice of default filed declined by 12.5% in September compared to September 2010.

The total number of properties scheduled for sale declined by 26.4%, year-over-year. Both of these are very positive signs.

The total number of properties owned by banks dropped by 2.5% year-over-year.

Foreclosure statistics provided by:

<http://foreclosureradar.com>.

San Diego County — Condos: Sold Prices & Unit Sales

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

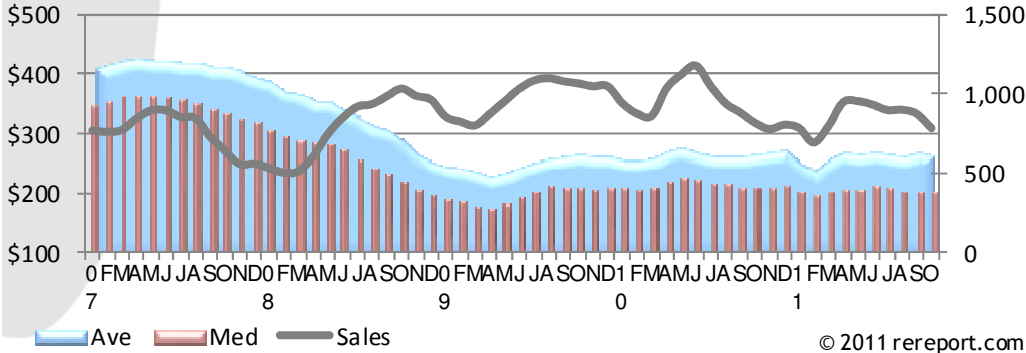


Table Definitions

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 - October 2011												
CONDOS								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven
County	\$ 205,000	\$ 263,931	755	1,599	4,136	164	97.5%	-4.7%	-6.1%	0.5%	-4.3%	-19.8%
N. County Coast	\$ 278,900	\$ 333,529	160	330	993	186	96.7%	1.4%	-12.8%	2.6%	0.0%	-12.2%
Cardiff by the Sea	\$ 310,000	\$ 440,000	3	7	24	170	94.1%	-10.4%	19.3%	0.0%	16.7%	9.1%
Carlsbad	\$ 325,000	\$ 321,545	22	70	270	273	97.1%	-3.0%	-3.0%	-35.3%	16.7%	29.2%
Carmel Valley	\$ 350,000	\$ 339,147	19	25	104	125	97.3%	-12.5%	-15.2%	11.8%	-26.5%	18.2%
Del Mar	\$ 674,000	\$ 708,000	3	8	41	330	94.0%	30.9%	37.5%	200.0%	14.3%	-14.6%
Encinitas	\$ 357,250	\$ 366,199	12	32	100	170	98.1%	-15.9%	-14.6%	-29.4%	28.0%	25.0%
La Jolla	\$ 470,000	\$ 594,438	26	50	202	175	94.2%	-16.1%	-17.3%	18.2%	56.3%	-2.4%
Oceanside	\$ 155,000	\$ 180,386	48	110	408	186	97.6%	-9.4%	-22.0%	-42.2%	-12.0%	16.6%
Rancho Santa Fe	\$ -	\$ -	0	0	0	0	0.0%	48.1%	62.4%	-33.3%	n/a	125.0%
San Marcos	\$ 246,000	\$ 238,829	26	68	181	130	98.8%	9.3%	6.0%	-25.7%	51.1%	17.5%
Solana Beach	\$ 475,000	\$ 519,214	7	11	70	253	95.1%	-26.9%	-25.8%	40.0%	37.5%	27.3%
Vista	\$ 192,000	\$ 210,778	18	14	71	95	97.0%	26.3%	27.2%	-5.3%	-41.7%	6.0%



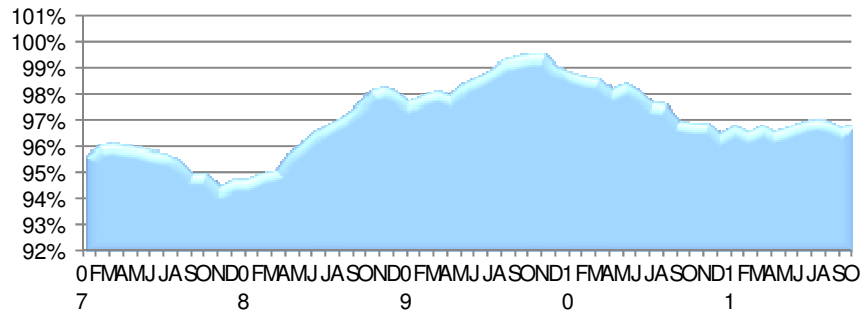
Ryan Mathys & Tracie Kersten
ProFund Financial & Real Estate
7777 Fay Avenue, Suite G4
La Jolla, CA 92037



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

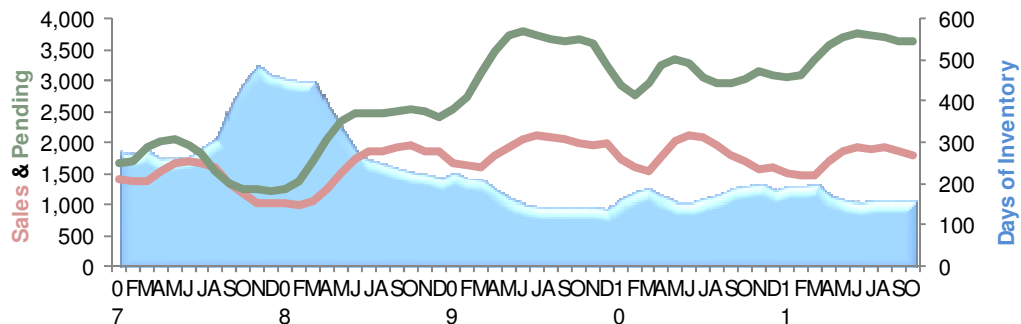
<http://www.profundrealestate.com>

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



© 2011 rereport.com

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



© 2011 rereport.com