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Rod Johnston's Market Summary



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California Market Report

<i>March, 2010</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	539,040	555,640	602,660	-3.0%	-10.6%
Median Home Price	\$287,440	\$306,820	\$249,960	-6.3%	15.0%
Unsold Inventory Index	5.8 months	3.8 months	7.3 months	52.6%	-20.5%
Median Days On Market	33.8	35.2	50.0	-4.0%	-32.4%
30-Year Fixed Mortgage	5.03%	4.93%	5.05%	0.10%	-0.02%

Source for statistics: California Association of Realtors

California Market Analysis



The national economy is showing signs of improvement in many areas. Consumer spending rose .05% in January. Manufacturing was up for the seventh straight month. Non-manufacturing was at its highest point since October 2007. Mortgage applications in February were up 14.6% from last year. Although 36,000 jobs were lost in February, this was still less than expected. It appears that the overall economy is heading in the right direction. The best news is that real estate is leading the way because interest rates are very low. Inventory is at a reasonable level. Consumer confidence is on the rise, and prices are down 30% from their highs four years ago. The real estate market could be improving even more were it not for the fact that unemployment is still above 10% in California, the state is having problems balancing its budget, and we have a shortage of inventory in the price range under \$500,000. There is no clear indication of when these three indicators will begin to improve, but if and when they do, we may see the real estate market heat up substantially. Most likely the Federal Reserve Board will take action to raise interest rates if, in their opinion, the real estate market is heating up too much. After all, a big part of their job is to be an adjusting factor to stabilize the economy. Rates are kept low at times to spur on the economy and rates are increased when the Federal Reserve believes the economy is improving too fast. So when you see interest rates on the rise, you can bet that the real estate market will be moving from warm to hot.

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