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Rod Johnston's Market Summary



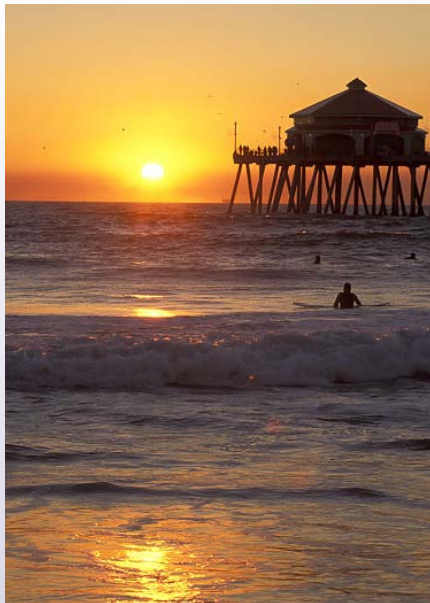
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California Market Report

<i>May, 2010</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	516,590	529,920	504,200	-2.5%	2.5%
Median Home Price	\$301,790	\$279,840	\$249,790	7.8%	20.8%
Unsold Inventory Index	5.0 months	6.3 months	5.6 months	-20.6%	-10.7%
Median Days On Market	39.2	41.2	48.5	-4.9%	-19.2%
30-Year Fixed Mortgage	4.97%	4.99%	5.00%	-0.02%	-0.03%

Source for statistics: California Association of Realtors

California Market Analysis



In the last year, low home prices, low interest rates, and government tax incentives have turned the real estate market around. While prices are experiencing a slight appreciation in the under \$500,000 range, prices above \$500,000 seem to have stabilized but are not appreciating. These factors indicate that this will be the trend for the near future. Most economists predict that interest rates will remain low, however, a bump of 1/2 to 1% is likely to occur if the real estate market continues to stabilize and the national economy continues to grow. As the federal tax incentive was expiring, California passed Assembly Bill 183, which provides a tax credit for up to \$10,000 for first-time homebuyers or buyers of new construction. Even recent negative news headlines such as the devastating economies of several European countries, an increasing U.S. deficit, oil leaks in the Gulf, and a volatile stock market seem to have produced little negative effects on an improving real estate market. Whether you subscribe to the belief that buyer confidence improves as the market improves or that the market improves as buyer confidence improves, the good news is...buyer confidence is on the rise! The short term as well as the longer-term real estate market in California appears to be strong and stable.

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