

Own Sweet Home **market update**

CUPERTINO

Current prices for homes on the market

Trends in pricing

Current levels of supply and demand

Value metrics

Report for the week of

2007-02-02

Presented by Amit Inamdar

510-796-4000

39159 Paseo Padre Pky, Ste 103

Fremont, CA 94538



Own Sweet Home

R E A L T Y

City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 1,198,950	
Average List Price	\$ 1,530,658	
Least Expensive Listing	\$ 699,999	
Most Expensive Listing	\$ 5,750,000	
Asking Price per Square Foot	\$ 598	
Average Days on Market	83	
Total Inventory	54	
Sold This Week	10	
Percent Price Decreased	22 %	
Percent Relisted (reset DOM)	7 %	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	2,558	
Median Lot Size	5.0 - 10.0 acres	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	3.0	
Median Age	27	

Altos Research Value Statistics		
Market Action Index	Warm Seller's	36

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

	Last Month's Trend		Last Quarter's		No Clear Monthly/Quarterly
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Characteristics per Quartile

Quartile	Median Price	Med. Sqft	Med. Lot Size	Beds	Baths	Med. Age	Inven.	Newly Listed	Sold	Avg. DoM
1	\$ 2,395,000	3,820	0.25 - 0.50 acre	5.0	3.5	16.0	13	0	2	145
2	\$ 1,498,000	2,710	6,501 - 8,000 sq ft	4.0	3.0	4.0	13	2	2	96
3	\$ 1,124,000	1,902	6,501 - 8,000 sq ft	3.0	2.5	48.0	14	6	4	47
4	\$ 843,944	1,318	4,501 - 6500 sq ft	3.0	2.0	51.5	14	6	2	51

CUPERTINO

THIS WEEK

The median single family home price in CUPERTINO this week is \$1198950. The 54 homes have been on the market for an average of 83 days.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

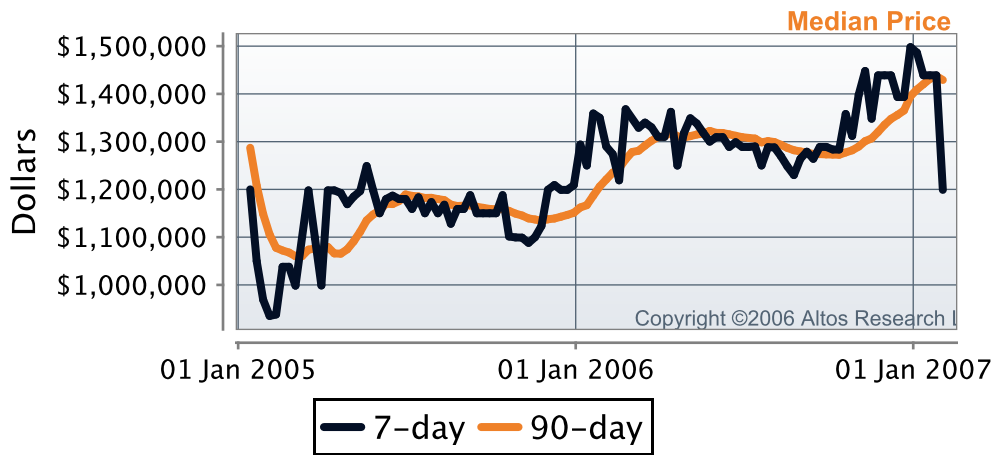
Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

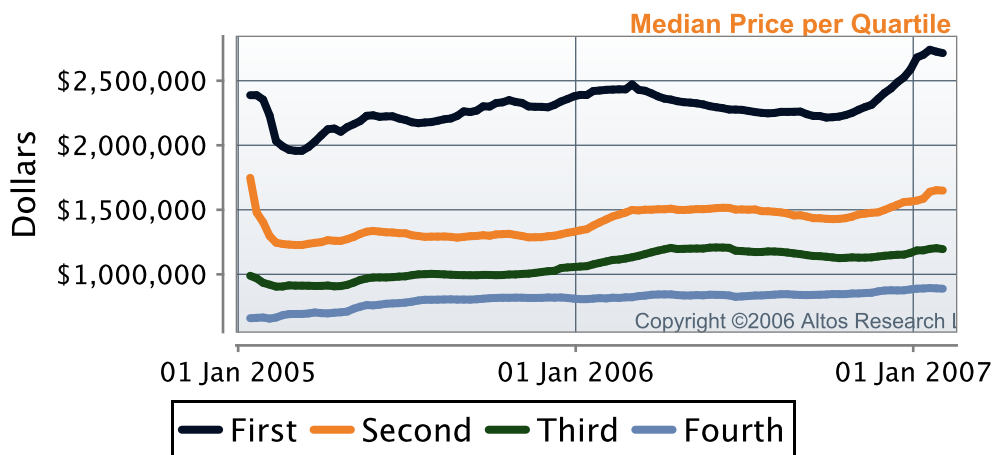
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



PRICE

Again this week we see a downward notch for prices. Pricing has been weak in recent weeks and versus their absolute-high levels. The Market Action Index is a good leading indicator for the durability of this trend.

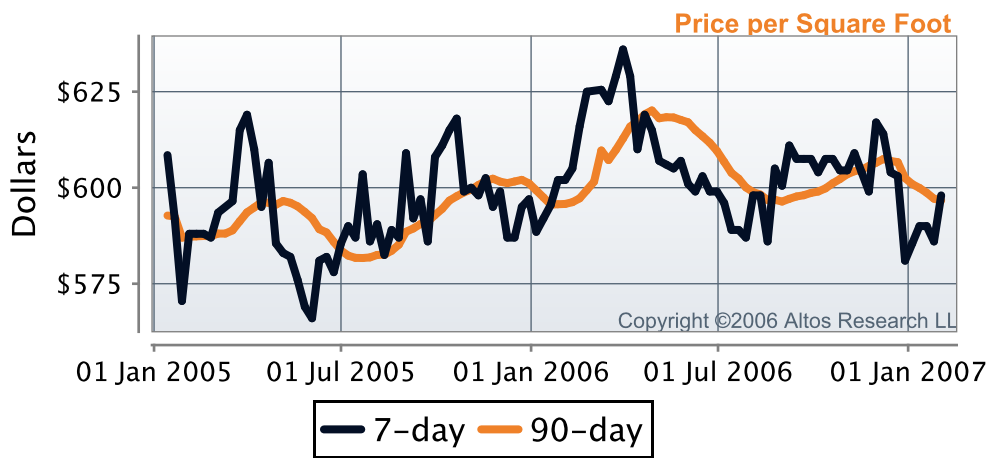


QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Price weakness is evident across the board. All four quartiles have been in price decline in recent weeks. Look to the Market Action Index as a leading indicator of the bottom of the market.

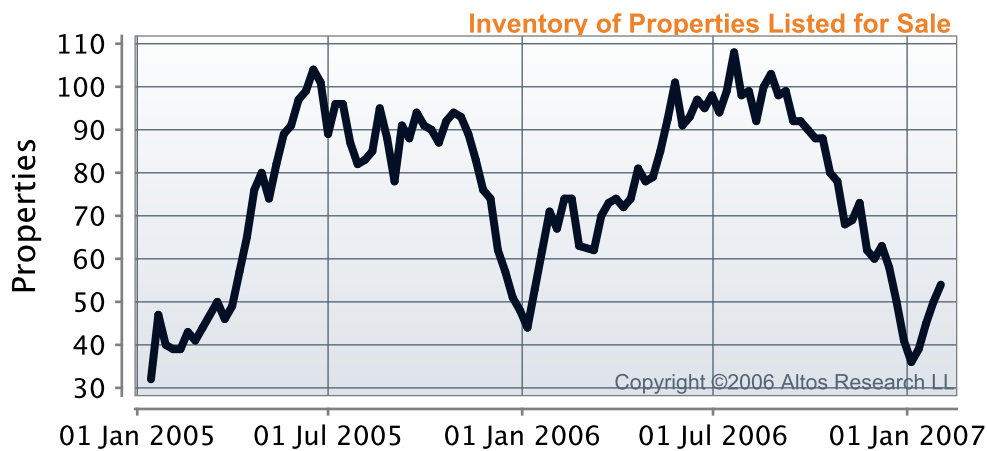
PRICE AND VALUE

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.

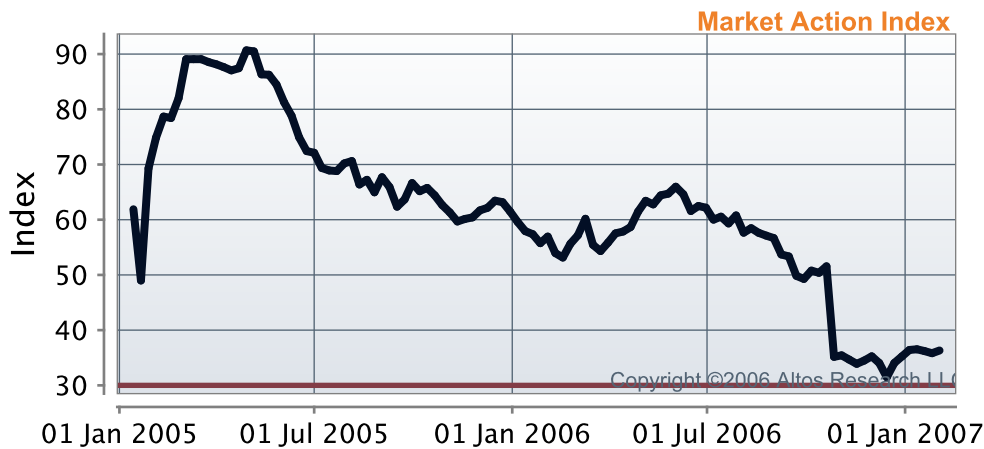


INVENTORY

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



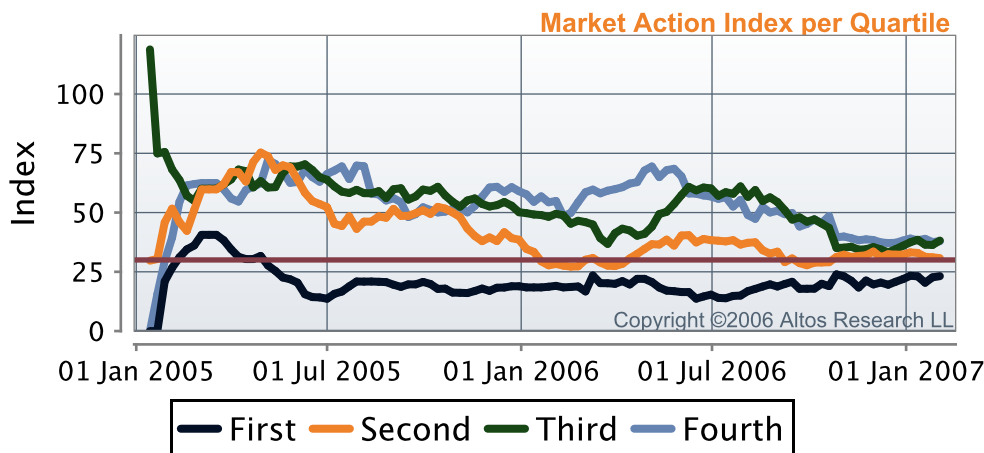
The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause

MARKET ACTION

The CUPERTINO market is currently slightly in the Seller's Market zone (greater than 30). The 90-day Market Action Index stands at 36 which indicates that demand is relatively strong but the available supply of new listings doesn't get acquired immediately.

In the last few weeks the market has achieved a relative stasis point in terms of sales to inventory. However, inventory is sufficiently low to keep us in the Seller's Market zone so watch changes in the MAI. If the market heats up, prices are likely to resume an upward climb."



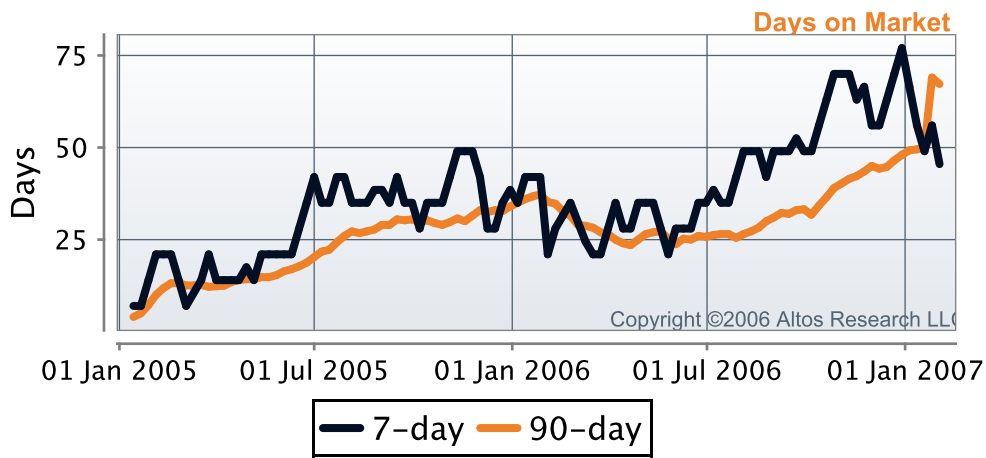
The quartiles can help you answer the question, "How hot is the market for homes in my price range?"

MARKET ACTION

Three of the four quartiles of the market are in the Seller's Market zone with relatively low amounts of inventory given the current rate of demand for homes in the quartile. Notice that Quartile 1 (the highest-end price group) is showing weaker demand than the others. It's not uncommon that the premium segment of the market takes longer to sell than the rest of the group.

DAYS ON MARKET (DOM)

The properties have been on the market for an average of 83 days. Half of the listings have come newly on the market in the past 45 or so days.



DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.

