

**Imperial County**  
**Vol. III, No. IV Residential Trends Executive Summary December 2006**

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**GENERAL MARKET TRENDS**

The Imperial Valley new home market is still on life support although the prognosis may be improving. Overall sales levels rebounded with a healthy 50 percent increase to 195 net sales. Still, the region posted fewer than 200 net sales for just the second quarter in the last two years. These 195 overall net sales consist of 200 detached and negative five attached net sales. The attached net negative level is due to a townhome project that had been previously reported as sold out that, after cancellations, currently holds 26 available homes. The detached sector more than doubled the output of last quarter with the net increase of six additional projects.

Overall, the 39 actively selling projects combined for a quarterly weighted average price loss of almost 4 percent this quarter to \$302,739. In the attached market, prices fell roughly the same 4 percent as the overall this quarter to \$216,354 as attached home sizes grew more than 7 percent to 1,268 average square feet. These price and size changes resulted in more than a \$19 decrease (10 percent) in the attached value ratio to \$171 per square foot. The 36 detached projects saw weighted average prices decrease more than 7 percent to \$311,482. Weighted average detached home sizes fell considerably to 2,055 square feet, more than a 13 percent decline. This decrease in home size, coupled with the lesser decrease in detached price caused the value ratio to increase more than 6 percent to \$152 per square foot, the first time on record that the detached value ratio moved above \$150 per square foot.

From a supply perspective, at current sales rates roughly 22 months of supply exists in the attached sector with more than 11 months of supply immediately available. In the detached sector, about 5.5 months of supply is currently available while an astounding 86.5 months of supply exists in future phases of current developments. More than 45 percent of this future phase inventory, however, sits in just two projects in Salton City. Calexico will be the most active community in the future with 17,277 units in the entitlement process. Imperial follows with 13,873 proposed units and El Centro is third with 11,320 units in the entitlement process. These three communities combine for more than 85 percent of the countywide total.

<b>Imperial County Summary Overview</b>						
	<b>Fourth Quarter 2006</b>			<b>Third Quarter 2006</b>		
	<b>Attached</b>	<b>Detached</b>	<b>Total</b>	<b>Attached</b>	<b>Detached</b>	<b>Total</b>
Developments	3	36	39	2	30	32
Total Sold	25	247	272	36	140	176
Net Cancelled	30	47	77	0	46	46
Net Sold	-5	200	195	36	94	130
Weighted Average Price	\$216,354	\$311,482	\$302,739	\$224,268	\$336,731	\$313,727
Weighted Average Sqft	1,268	2,055	1,983	1,183	2,366	2,124
Weighted \$/Sqft	\$170.59	\$151.54	\$152.66	\$189.62	\$142.31	\$147.70
Offered & Unsold Inventory	49	387	436	21	315	336
Remaining for Development	45	6,050	6,095	18	4,898	4,916
Total Inventory	94	6,437	6,531	39	5,213	5,252