

San Bernardino County

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Residential Trends Executive Summary

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GENERAL MARKET TRENDS

The introduction of two new attached projects and 18 new detached projects could not turn sales around this quarter. Total net sales fell for the second consecutive quarter with four of the last five quarters posting fewer sales than the previous quarter; despite the number of projects increasing to 194, with 15 of those attached and 179 detached. The attached sector accounted for 176 net sales, down 11 percent from last quarter, with the detached sector posting 1,158 net sales down 29 percent from last quarter. However, when compared to the third quarter of previous years, attached net sales are 35 percent higher than 2005, and 46 percent higher than 2004. Conversely, the third quarter for the detached sector is 46 percent lower than third quarter of 2005 and 23 percent lower than the third quarter of 2004. Furthermore, the 1,334 total net sales this quarter is the lowest quarterly total since the fourth quarter of 2001.

The overall weighted average price remained nearly unchanged this quarter at \$472,276 for a 2,477 square foot home, or \$190.69 per square foot. In the attached sector, the weighted average price declined by 18 percent to \$280,670 for a 1,074 square foot unit, valued at \$261.45 per square foot. The decline in price is more the result of one conversion project with a weighted average home size of 780 square feet capturing 49 percent of the attached sector's sales, therefore, pulling down the weighted average price and size. In the detached sector, the weighted average price increased by 2 percent to \$495,910 for a 2,650 square foot home, valued at \$187.15 per square foot.

With more projects in the market and sales volumes slowing down, the level of inventory is on the rise. Total inventory stands at 11,341, the highest level since the first quarter of 1994. However, the vast majority (83 percent) of the inventory has not been released to the market yet. Offered and unsold inventory totals 1,905 units, of which 194 are attached units and 1,711 are detached homes. In both sectors current phase inventory is higher, with the attached sector up 24 percent from last quarter and the detached sector up 9 percent from last quarter.

San Bernardino County Summary Overview						
	3rd Quarter 2006			2nd Quarter 2006		
	Attached	Detached	Total	Attached	Detached	Total
Developments	15	179	194	14	178	192
Total Sold	177	1,435	1,612	203	1,748	1,951
Net Cancelled	1	277	278	6	122	128
Net Sold	176	1,158	1,334	197	1,626	1,823
Weighted Average Price	\$280,670	\$495,910	\$472,276	\$342,028	\$486,237	\$471,232
Weighted Average Sqft	1,074	2,650	2,477	1,278	2,635	2,494
Weighted Average \$/Sqft	\$261.45	\$187.15	\$190.69	\$267.59	\$184.52	\$188.95
Offered & Unsold Inventory	194	1,711	1,905	157	1,570	1,727
Remaining for Development	789	8,647	9,436	401	8,852	9,253
Total Inventory	983	10,358	11,341	558	10,422	10,980