



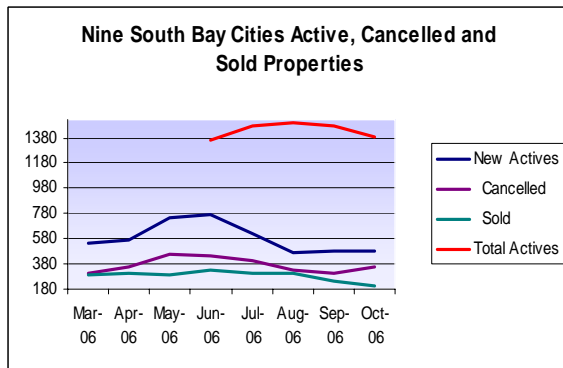
November 2006 South Bay Real Estate Market Analysis

Prepared by Ron Becker/**RBI**nnovations Appraisals

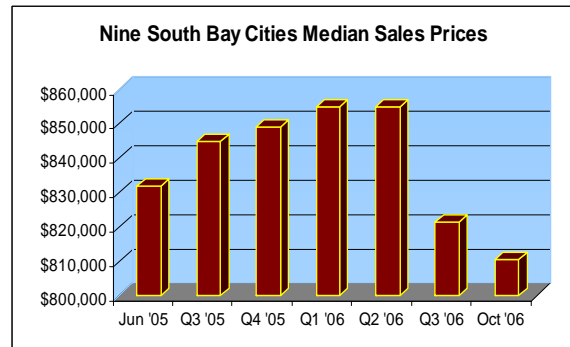
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Including: Torrance, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills Estates and Rolling Hills.

This month continued with the softening trend in real estate values in the south bay. The new numbers represent one month only (October), so keep in mind that quarterly numbers are much more indicative of long term trends. Regarding the chart below, the level of sales for October were the lowest since I began counting in March. Cancelled listings increased while total active listings dropped off:

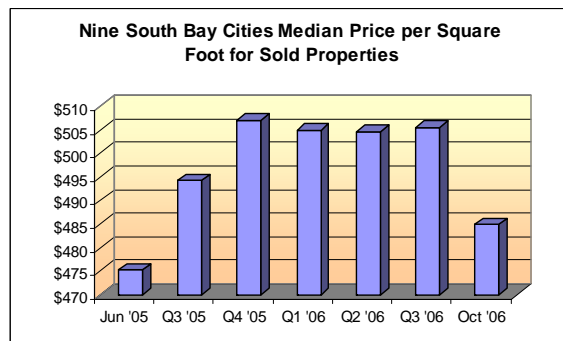
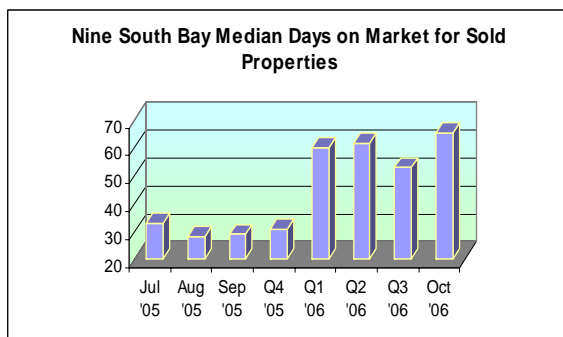


The median sales price (below) pulled back down to about the \$810,000 range for October from about \$820,000 for the July-September period. This is the lowest number I've seen since about May of 2005:

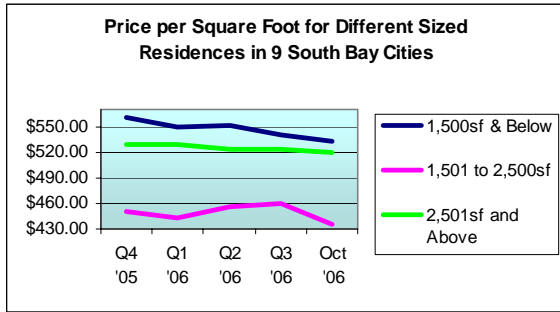


Keeping in line with the overall pullback in median sales prices are the price per square foot numbers. For October, the median price per square foot came in around \$485/sf, the lowest I've seen since the third quarter of 2005:

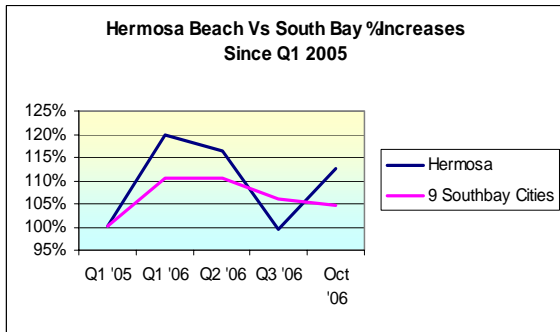
Below is a look at the days on market for sold properties. The cumulative days on market for October for sold properties was about 65 days, the highest number since I began the study a couple years ago:



The next chart is a look at the prices per square foot paid for different sized houses across the 9 cities in the study. The most consistently good performer for 2006 has been the medium sized homes (1,501 to 2,500sf). However, this range slipped in October:

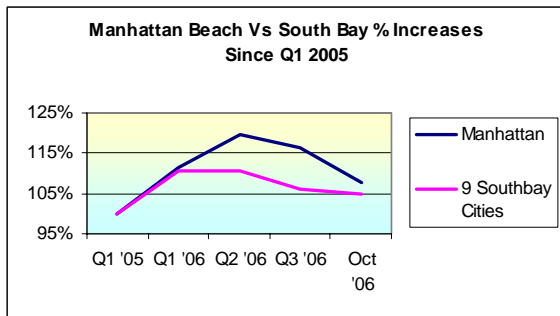


This month, I ran individual markets against the overall south bay in percentage terms since the first quarter of 2005 to see how they stacked up. Below is Hermosa Beach:

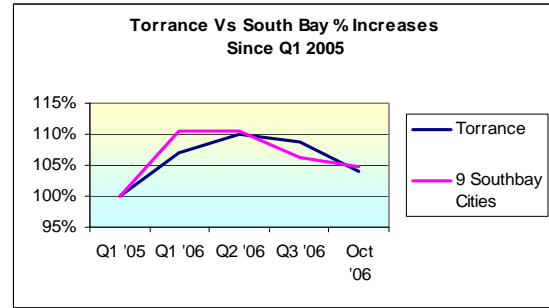


Hermosa is a small market, so there is a lot of fluctuation. Except for Q3 of 2006, it has outperformed the overall south bay market since the first quarter 2005.

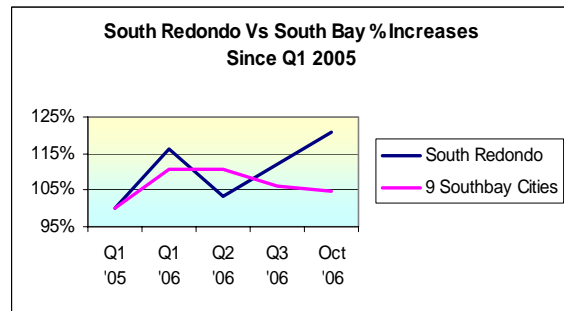
Manhattan Beach has been doing very well compared to the overall south bay, especially in Q2 and Q3 of 2006. In October it began to pull back a bit closer to the south bay norm:



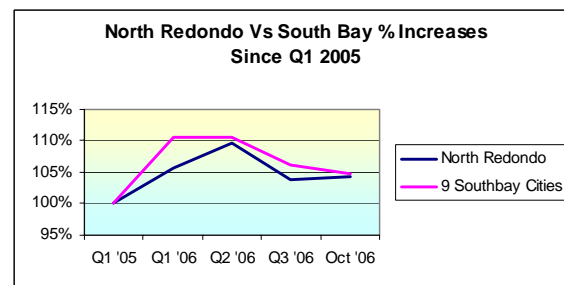
Torrance has kept pretty much in line with the overall south bay:



South Redondo Beach had a great October, but it's probably more of a one month fluke than anything. Next month we'll probably see a pullback there also:



North Redondo has generally lagged the overall south bay in percent increases since the first quarter 2005:



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I hope you've enjoyed the study. Thank you for all your referrals. Please contact me at (310) 540-6829 or at ron@sbhc.info with any appraisals or questions. This study is intended to be used in assisting real estate professionals throughout the south bay. Prices and prices per square foot numbers are derived from MLS information. It includes single family residences and condos only, and is based on my MLS research. The data is deemed to be reliable, but not guaranteed.