

# PATRICK O'ROURKE

## MARKET UPDATE

LAKE FOREST, IL

- Current Real Estate Market Conditions for Single Family Homes
- Trends in Pricing
- Current Levels of Supply and Demand
- Value Metrics

- Report for the week of  
October 05, 2009

- Presented by Patrick O'Rourke  
Coldwell Banker Residential Brokerage  
[coldwellbankeronline.com/Patrick.ORourke@cbexchange.com](http://coldwellbankeronline.com/Patrick.ORourke@cbexchange.com)  
847-835-6060



### This Week

- The median list price in LAKE FOREST, IL this week is \$1,284,500. The 362 properties have been on the market for an average of 288 days.

With inventory trending up but days-on-market trending down and the Market Action Index essentially flat recently, conditions do not seem to have strong up or down pull.

### Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

#### Real-Time Market Profile

		Trend
Median List Price	\$ 1,284,500	↔
Average List Price	\$ 1,867,504	
Asking Price Per Square Foot	\$ 331	↔
Average Days on Market (DoM)	288	↓↓
Inventory of Properties Listed	362	↑↑
Most Expensive Listing	\$ 15,000,000	
Least Expensive Listing	\$ 245,000	
Average Age of Listing	44	
Percent of Properties with Price Decrease	35 %	
Percent Relisted (reset DOM)	7 %	
Percent Flip (price increased)	2 %	
Median House Size (sq ft)	3780	
Median Lot Size	0.50 - 1.0 acre	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	4.0	

#### Altos Research Value Statistics

Market Action	Strong Buyer's	8.3	↔
The Market Action Index answers the question "How's the Market?" By measuring the current rate of sale versus the amount of the inventory. Index above 30 implies a seller's advantage. Below 30, conditions give the advantage to the buyer.			

Trend Key:

↔ No change	↑↑ Strong upward	↓↓ Strong downward
	↑ Slight upward	↓ Slight downward trend

### Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 3,485,000	6331	1.0 - 2.5 acres	5.0	6.0	30	90	1	1	319
Upper/Second	\$ 1,699,000	4450	1.0 - 2.5 acres	4.0	4.5	24	90	3	2	309
Lower/Third	\$ 929,000	3462	0.50 - 1.0 acre	4.0	3.5	36	91	0	1	297
Bottom/Fourth	\$ 599,000	2335	0.25 - 0.50 acre	4.0	2.5	52	91	2	5	227

Most expensive 25% of properties

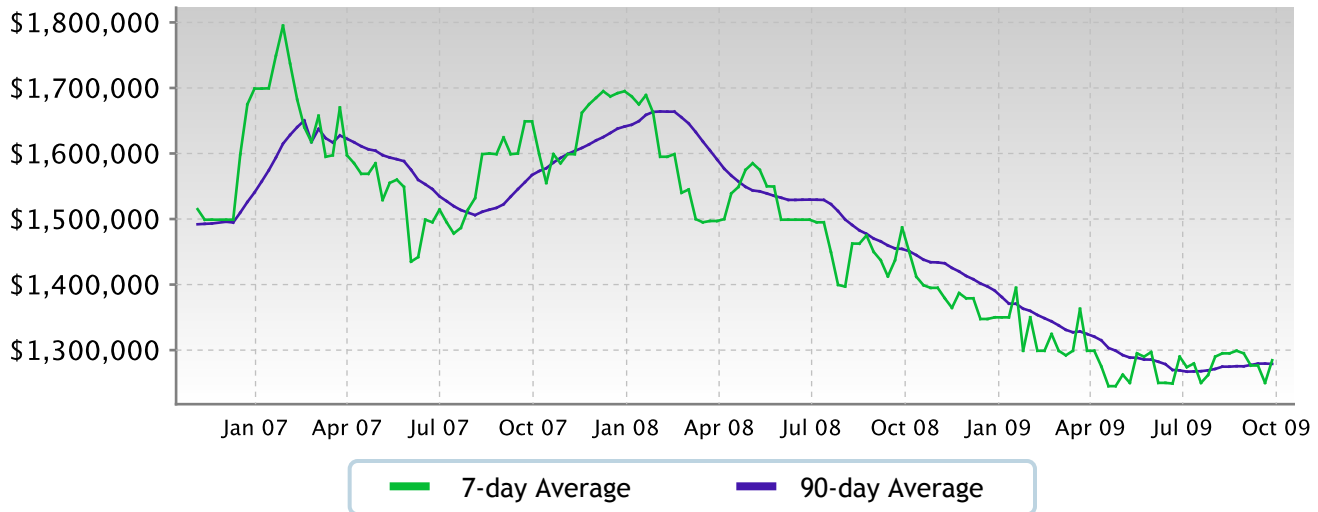
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

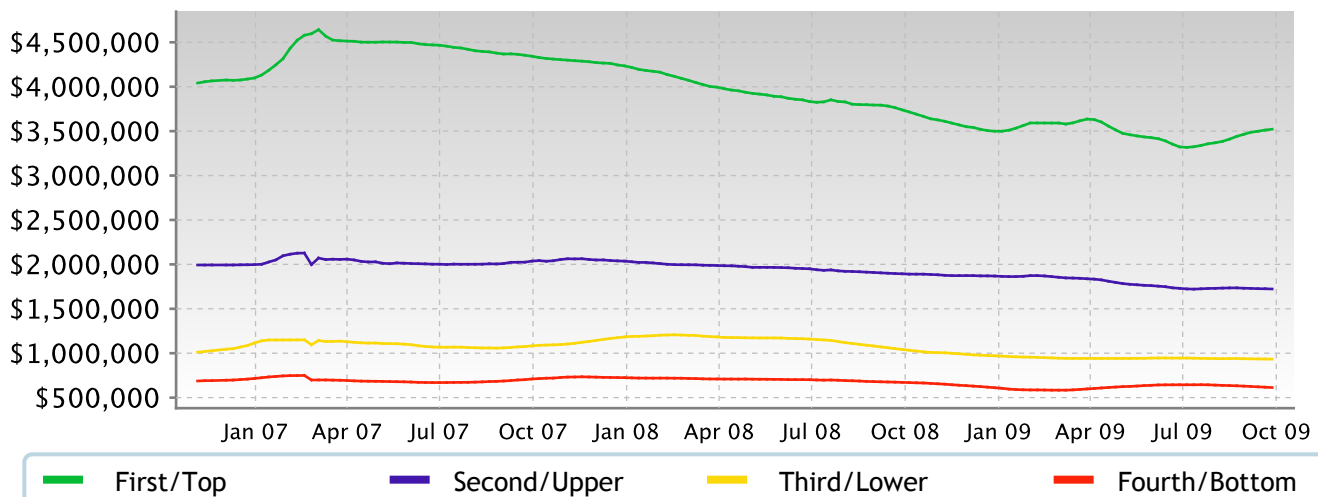
### Median Price

We continue to see prices in this zip code hovering around these current levels, even though they bumped up a bit this week. Look for a persistent up-shift in the Market Action Index before we see prices move significantly from here.



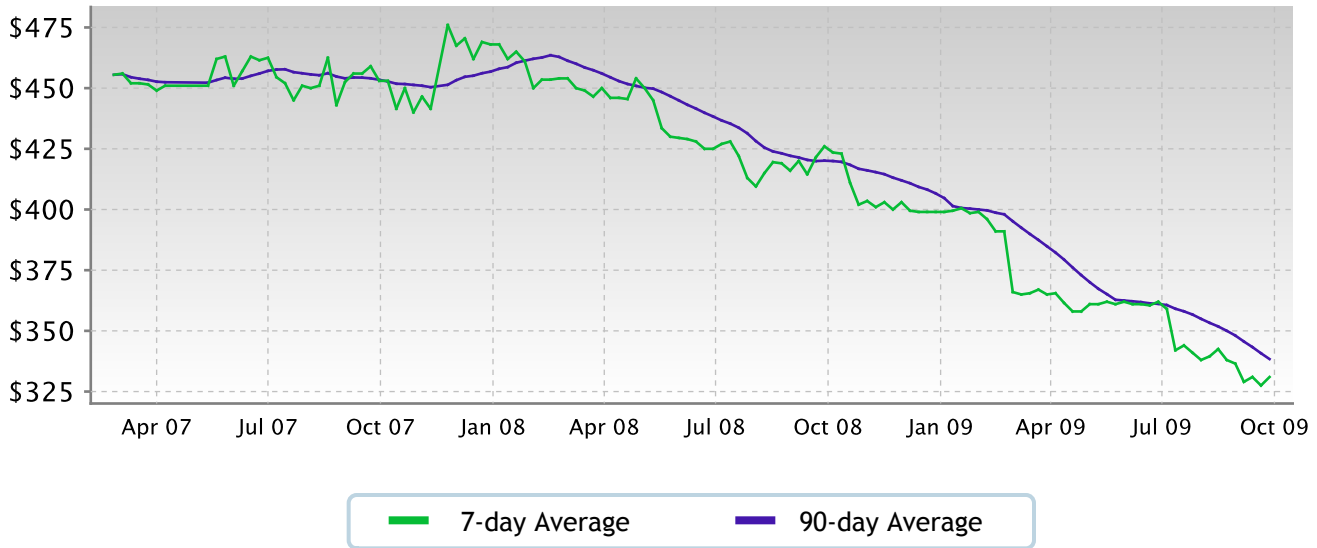
### Quartile Prices

In the quartile market segments, we see this zip code showing mild price weakness lately. Quartiles 2 and 3 are basically flat while Quartile 1 is down in recent weeks. Notice however, that Quartile 4 at the low-end of the market is still on an up-trend. Often this condition happens in markets where demand has fallen (due to economic pressures perhaps) but supply is still relatively short. Buyers are focusing on the lowest price homes in the area.



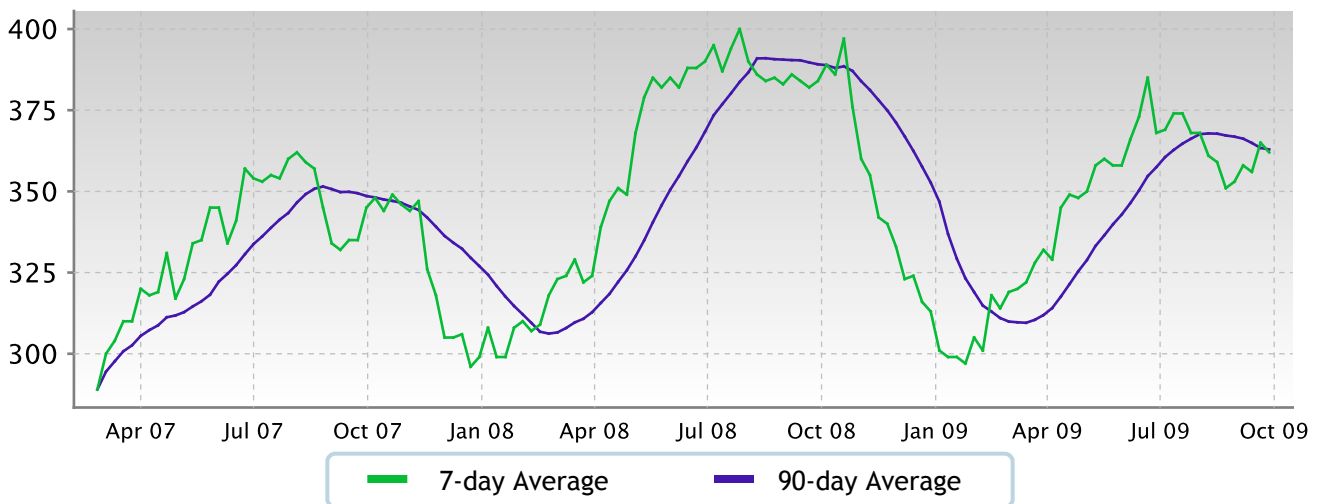
# Price per Square Foot

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.



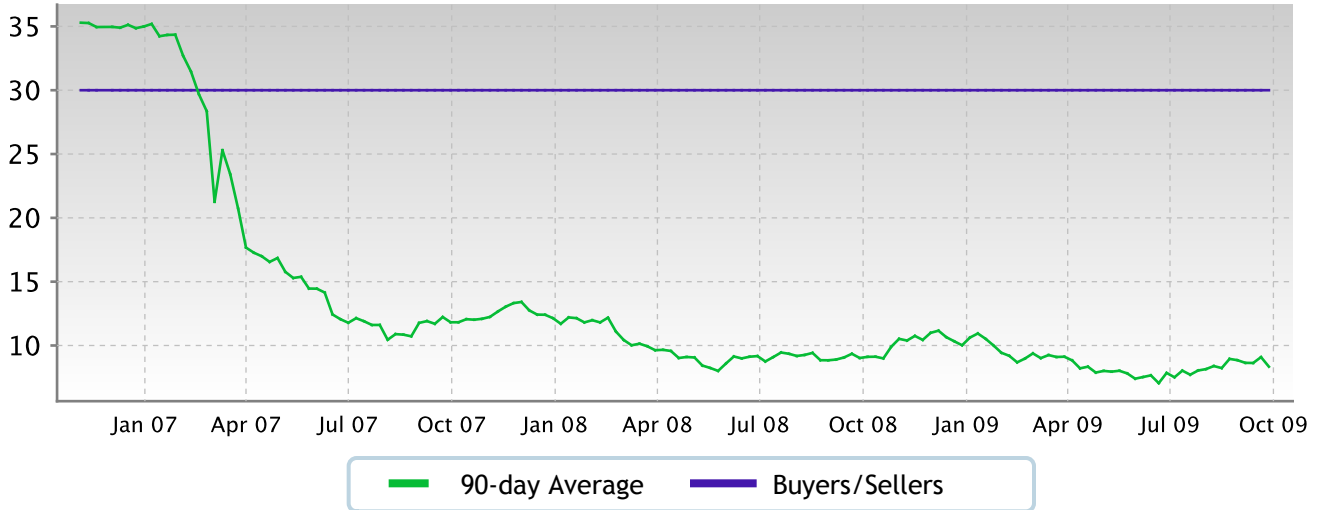
# Inventory of Properties Listed for Sale

Inventory has been climbing lately. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is keeping up with available supply.



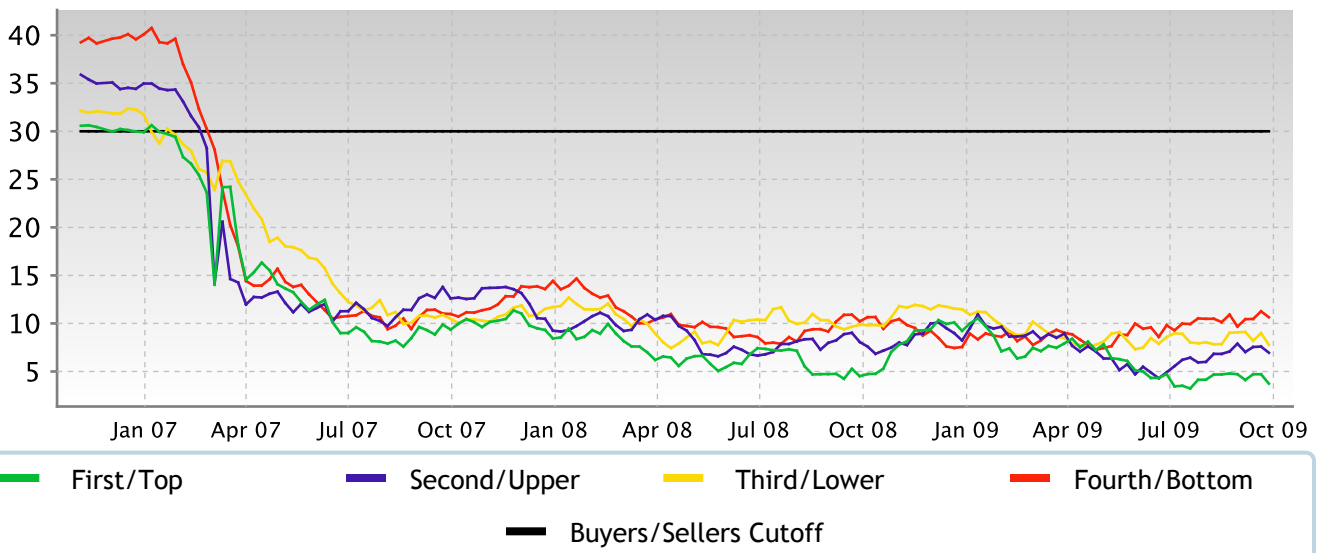
# Market Action Index

The LAKE FOREST market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 8.34. With several months of inventory available at the current sales rate, buyers should find ample choice.



# Market Action Index per Quartile

Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.

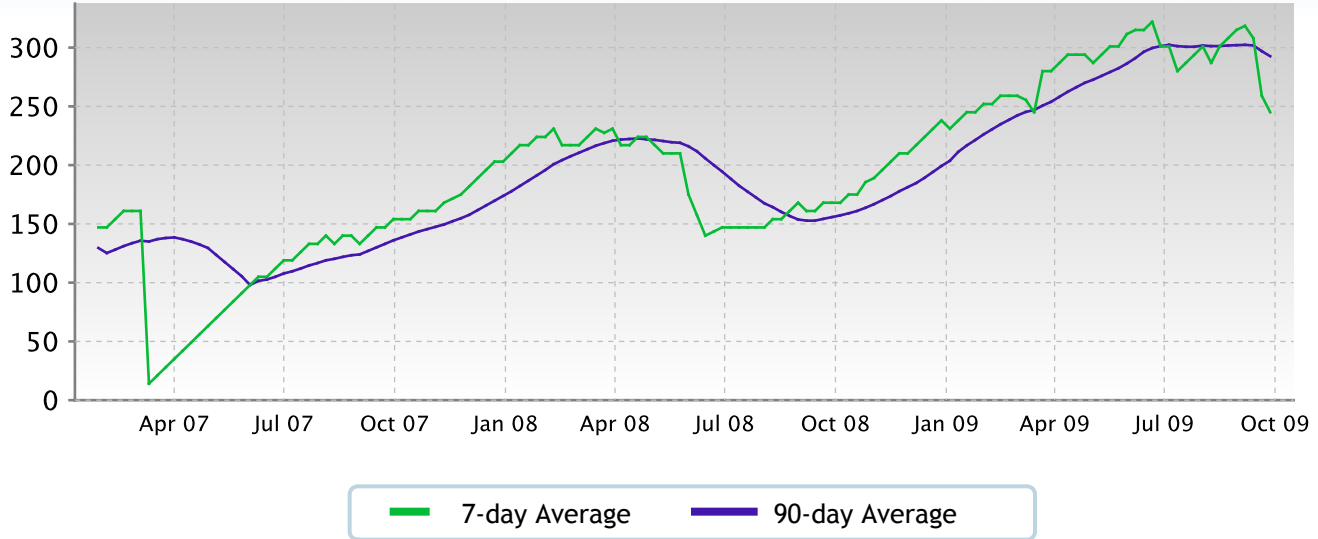


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

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

### Days on Market

The properties have been on the market for an average of 288 days. Half of the listings have come newly on the market in the past 245 or so days.



### Days on Market 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.

