

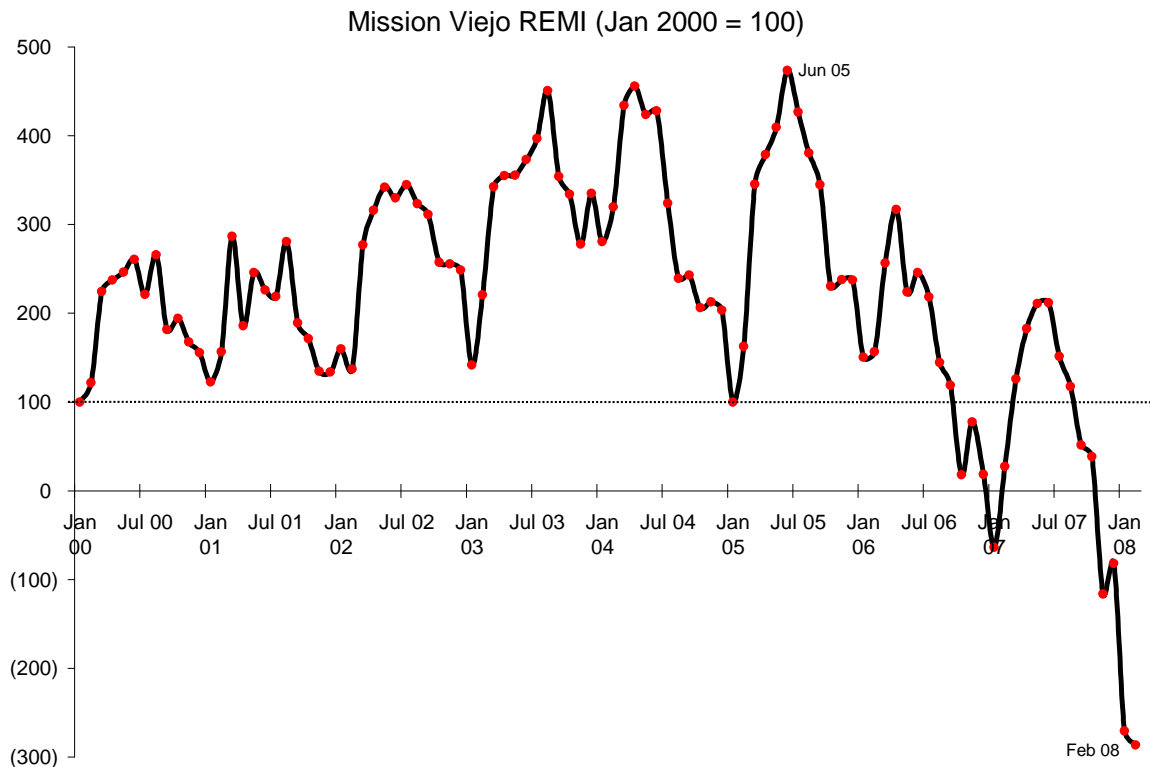
Mission Viejo Real Estate Market at Lowest Level in 8 Years

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PRESS RELEASE¹

The real-estate market in Mission Viejo, Orange County, California is at its lowest level in eight years, says economist and former California Real Estate Broker David Zetland. Zetland is the creator of a Real Estate Market Index (REMI) that includes more market information than indices that rely on price alone. Because the REMI adds data on quantity (number of transactions) and velocity (days on market) to information on price, it give a more-accurate description of the market.

“The most important components of activity in real estate markets are median selling price, median days on market and the number of transactions,” says Zetland. “Compare Mission Viejo’s market conditions in February 2004 to February 2008: Although median prices are nearly identical (\$495,000 versus \$500,000), days on market rose from an average of 8 in 2004 to 148 in 2008, and the number of transactions fell from 142 four years ago to 70 last month. When days on market rise and transactions fall, the market is slowing down and inventory is increasing, and the REMI reflects this: The Feb 2004 REMI is 320; in 2008, it’s -287.

The REMI indicates that Mission Viejo’s market is at its lowest level since Jan 2000:



Zetland has posted a longer explanation of the REMI, how it is calculated and the data behind it at <http://ssrn.com/abstract=1104948>.

¹Contact: David Zetland, PhD candidate, Agricultural and Resource Economics, University of California, Davis. Cell: (530) 848-9208. email: david@primal.ucdavis.edu.