October 2008 Volume 14.10

# NEW HOME REPORT

## *SAN BERNARDINO COUNTY EDITION*

**Contents**



**New Home Report**

For over 10 years, Hanley Wood has provided weekly traffic and sales information to the building industry throughout Southern California. In addition to this newsletter and our weekly reports, we offer a variety of custom reports and market research services.

For more information, please call us at (714) 540-8500 to discuss your research needs or visit www.hanleywood.com.

Following is the October 2008 Hanley Wood Weekly Sales and Traffic New Home Report for the San Bernardino County market. Definitions for the categories shown on the tables are provided below.

## Definitions

**Number of Active Projects:** A project is considered active when prices on individual units are published and offers can be made. A project stays open/active through the month that the final home has closed escrow. Afterwards, it is considered inactive. For example, a project that closes its last escrow on November 15 is considered active through November 30, but inactive on December 1.

**Traffic:** Groups visiting an active project, as reported by the homebuilder.

**Traffic per Project:** The number of traffic groups for the period divided by the number of active projects.

**New Sales:** Gross sales contracts written for a project during the period.

**Cancellations:** Any sales contracts that are cancelled before closing/settlement of escrow.

**Net Sales:** New sales less cancellations.

**Net Sales per Project:** Net sales for the period divided by the number of active projects. For example, if there were 15 sales during a month and 5 active projects in that month, the net sales per project would be 3.0.

**Cancellation Percentage:** The number of cancellations during the period divided by the number of new sales.

**Conversion Percentage:** The number of sales netted during the period divided by the number of traffic groups.

**Conversion Ratio**: The conversion ratio measures the percentage of traffic converting to net sales.

**Inventory:** Unsold housing units that have been released for sale, but have not been sold to a buyer. As a result, inventory figures may change significantly due to large phase releases or projects taken off the market.

**Inventory per Project:** The number of available inventory for the period divided by the number of active projects.

**Months of Inventory:** The inventory levels of new homes available based on the current sales rate in the market.

## Monthly Market Summary

| CATEGORY | OCT 08 | SEP 08 | OCT 07 |
|---|---|---|---|
| NO. ACTIVE PROJECTS | 207 | 209 | 280 |
| TRAFFIC | 8,141 | 11,046 | 20,610 |
| TRAFFIC/PROJECT | 39 | 53 | 74 |
| NEW SALES | 122 | 196 | 397 |
| CANCELLATIONS | 37 | 53 | 120 |
| NET SALES | 85 | 143 | 277 |
| NET SALES/PROJECT | 0.41 | 0.68 | 0.99 |
| CANCELLATION % | 30% | 27% | 30% |
| CONVERSION % | 1.04% | 1.29% | 1.34% |
| CONVERSION RATIO | 95.78 | 77.24 | 74.40 |
| INVENTORY | 1,246 | 1,120 | 1,819 |
| INVENTORY/PROJECT | 6.02 | 5.36 | 6.50 |
| MONTHS OF INVENTORY | 14.66 | 7.83 | 6.57 |

## Submarket Summaries

| CATEGORY | SBC | SBD | SBE | SBNW | SBSW |
|---|---|---|---|---|---|
| NO. ACTIVE PROJECTS | 31 | 87 | 36 | 18 | 35 |
| TRAFFIC | 1,130 | 1,578 | 682 | 2,228 | 2,523 |
| TRAFFIC/PROJECT | 36 | 18 | 19 | 124 | 72 |
| NEW SALES | 16 | 35 | 16 | 18 | 37 |
| CANCELLATIONS | 6 | 11 | 6 | 2 | 12 |
| NET SALES | 10 | 24 | 10 | 16 | 25 |
| NET SALES/PROJECT | 0.32 | 0.28 | 0.28 | 0.89 | 0.71 |
| CANCELLATION % | 38% | 31% | 38% | 11% | 32% |
| CONVERSION % | 0.88% | 1.52% | 1.47% | 0.72% | 0.99% |
| CONVERSION RATIO | 113.00 | 65.75 | 68.20 | 139.25 | 100.92 |
| INVENTORY | 207 | 568 | 202 | 79 | 190 |
| INVENTORY/PROJECT | 6.68 | 6.53 | 5.61 | 4.39 | 5.43 |
| MONTHS OF INVENTORY | 20.70 | 23.67 | 20.20 | 4.94 | 7.60 |

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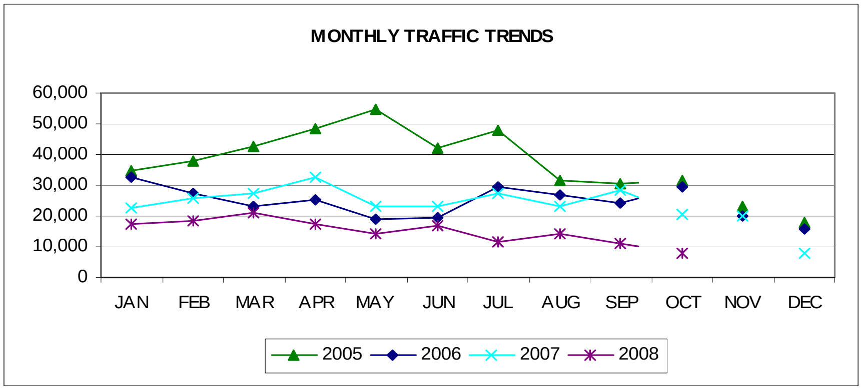
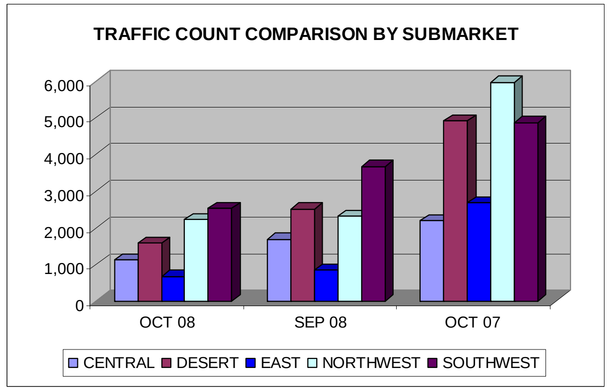
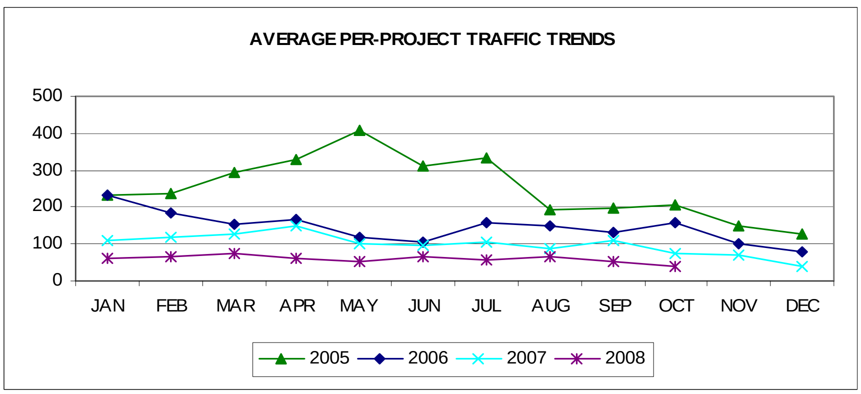
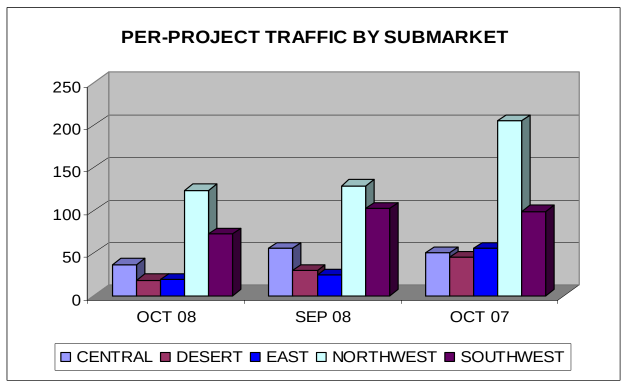
# Traffic Trends



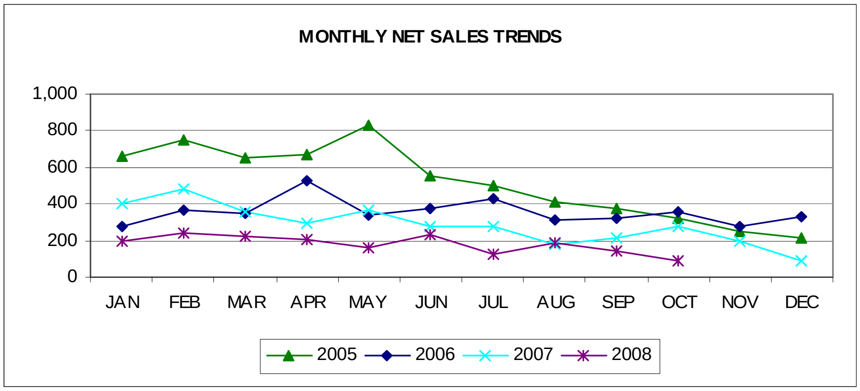



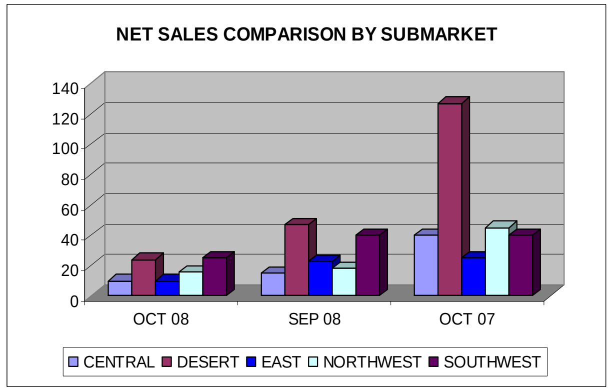



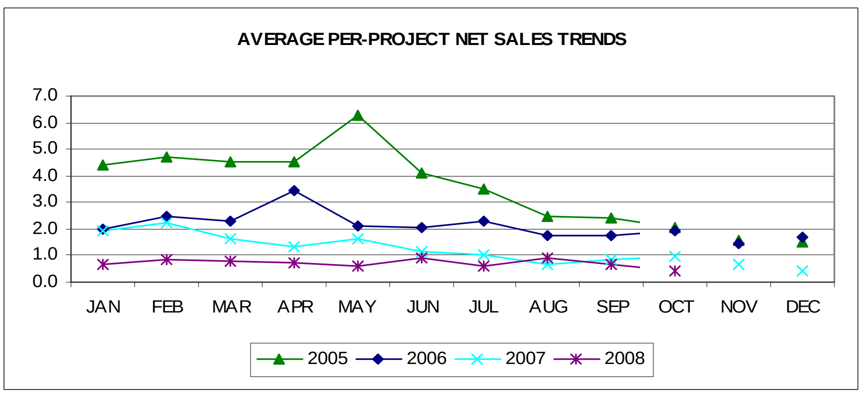



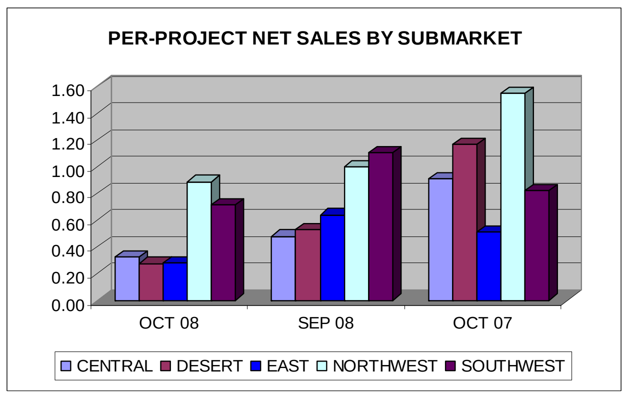

| TRAFFIC SUMMARY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| SUBMARKET | OCT 08 | % TOTAL | TRAF/PR | SEP 08 | CHG | % CHG | OCT 07 | CHG | % CHG |
| CENTRAL | 1,130 | 14% | 36 | 1,690 | -560 | -33% | 2,196 | -1,066 | -49% |
| DESERT | 1,578 | 19% | 18 | 2,516 | -938 | -37% | 4,905 | -3,327 | -68% |
| EAST | 682 | 8% | 19 | 847 | -165 | -19% | 2,681 | -1,999 | -75% |
| NORTHWEST | 2,228 | 27% | 124 | 2,321 | -93 | -4% | 5,958 | -3,730 | -63% |
| SOUTHWEST | 2,523 | 31% | 72 | 3,672 | -1,149 | -31% | 4,870 | -2,347 | -48% |
| TOTALS | 8,141 | 100% | 39 | 11,046 | -2,905 | -26% | 20,610 | -12,469 | -60% |

## Net Sales Trends




**NET SALES SUMMARY**

| SUBMARKET | OCT 08 | % TOTAL | SLS/PR | SEP 08 | CHG | % CHG | OCT 07 | CHG | % CHG |
|---|---|---|---|---|---|---|---|---|---|
| CENTRAL | 10 | 12% | 0.32 | 15 | -5 | -33% | 40 | -30 | -75% |
| DESERT | 24 | 28% | 0.28 | 47 | -23 | -49% | 127 | -103 | -81% |
| EAST | 10 | 12% | 0.28 | 23 | -13 | -57% | 25 | -15 | -60% |
| NORTHWEST | 16 | 19% | 0.89 | 18 | -2 | -11% | 45 | -29 | -64% |
| SOUTHWEST | 25 | 29% | 0.71 | 40 | -15 | -38% | 40 | -15 | -38% |
| TOTALS | 85 | 100% | 0.41 | 143 | -58 | -41% | 277 | -192 | -69% |

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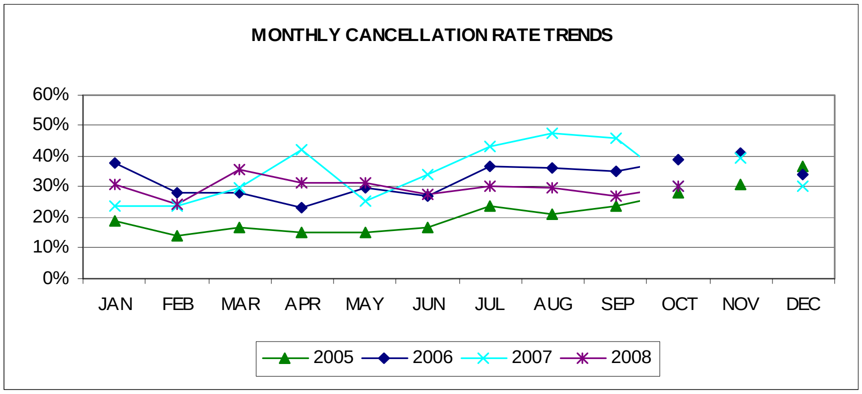
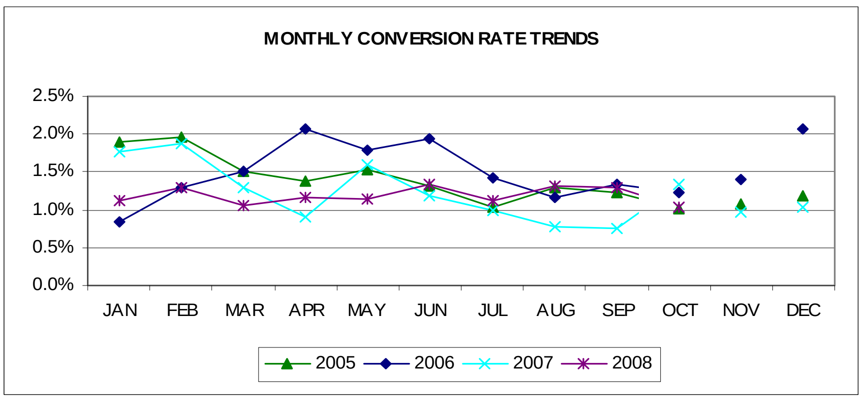
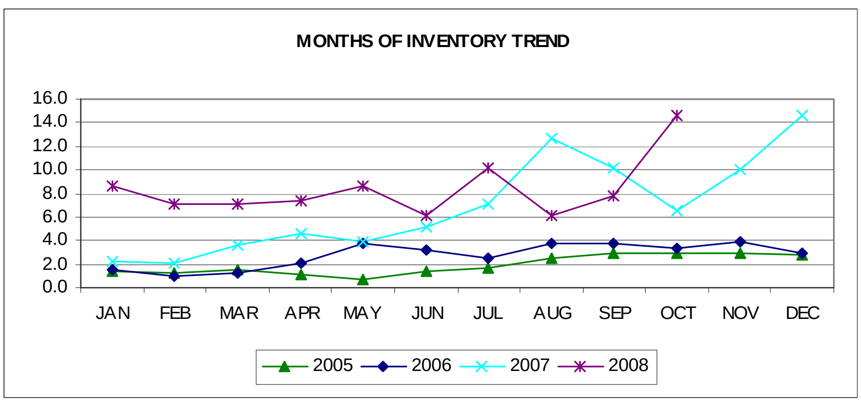
## Key Statistics Summary

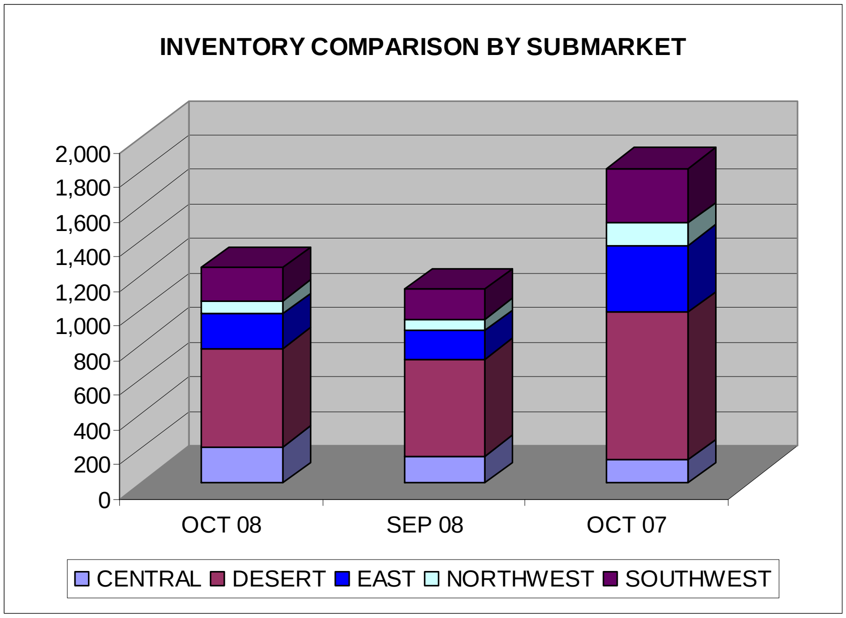



| KEY STATISTICS | CANCELLATION % | | | CONVERSION RATE | | | MONTHS OF INVENTORY | | |
|---|---|---|---|---|---|---|---|---|---|
| SUBMARKET | OCT 08 | SEP 08 | OCT 07 | OCT 08 | SEP 08 | OCT 07 | OCT 08 | SEP 08 | OCT 07 |
| CENTRAL | 38% | 35% | 31% | 0.88% | 0.89% | 1.82% | 20.70 | 10.27 | 3.35 |
| DESERT | 31% | 18% | 21% | 1.52% | 1.87% | 2.59% | 23.67 | 11.89 | 6.71 |
| EAST | 38% | 26% | 44% | 1.47% | 2.72% | 0.93% | 20.20 | 7.22 | 15.56 |
| NORTHWEST | 11% | 28% | 24% | 0.72% | 0.78% | 0.76% | 4.94 | 3.78 | 2.84 |
| SOUTHWEST | 32% | 33% | 46% | 0.99% | 1.09% | 0.82% | 7.60 | 4.33 | 7.90 |
| TOTALS | 30% | 27% | 30% | 1.04% | 1.29% | 1.34% | 14.66 | 7.83 | 6.57 |

## Inventory Trends




| INVENTORY SUMMARY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| SUBMARKET | OCT 08 | % TOTAL | INV/PR | SEP 08 | CHG | % CHG | OCT 07 | CHG | % CHG |
| CENTRAL | 207 | 17% | 6.68 | 154 | 53 | 34% | 134 | 73 | 54% |
| DESERT | 568 | 46% | 6.53 | 559 | 9 | 2% | 852 | -284 | -33% |
| EAST | 202 | 16% | 5.61 | 166 | 36 | 22% | 389 | -187 | -48% |
| NORTHWEST | 79 | 6% | 4.39 | 68 | 11 | 16% | 128 | -49 | -38% |
| SOUTHWEST | 190 | 15% | 5.43 | 173 | 17 | 10% | 316 | -126 | -40% |
| TOTALS | 1,246 | 100% | 6.02 | 1,120 | 126 | 11% | 1,819 | -573 | -32% |

## Best Sellers & New Projects for the Month

| OCTOBER 2008 BEST SELLERS | | | | | |
|---|---|---|---|---|---|
| PROJECT | OCT SALES | PRICE | SQ FT | $/SQ FT | LOT/DENSITY |
| BUILDER | YTD SALES | RANGE | RANGE | RANGE | LOCATION |
| **SAN BERNARDINO CENTRAL** | | | | | |
| VAN DAELE AT COYOTE CANYON | 5 | $399,990 | 2,420 | $165 | 7,000 |
| VAN DAELE DEVELOPMENT | 33 | $486,490 | 3,592 | $135 | FONTANA |
| BONITA RIDGE | 2 | $294,990 | 1,852 | $159 | 4,000 |
| KB HOME | 17 | $385,990 | 3,099 | $125 | FONTANA |
| **SAN BERNARDINO DESERT** | | | | | |
| VISTAS AT RIMROCK RANCH | 4 | $200,990 | 1,414 | $142 | 7,500 |
| CANADAY & COMPANY | 8 | $230,990 | 1,925 | $120 | BARSTOW |
| GLENWOOD | 4 | $149,990 | 1,239 | $121 | 7,200 |
| KB HOME | 4 | $179,990 | 1,780 | $101 | VICTORVILLE |
| **SAN BERNARDINO EAST** | | | | | |
| REDLANDS VILLAGE | 6 | $369,990 | 2,378 | $156 | 7,200 |
| BEAZER HOMES | 35 | $423,240 | 3,248 | $130 | REDLANDS |
| SEDANO AT ROSENA RANCH | 2 | $330,000 | 1,975 | $167 | 6,000 |
| LENNAR HOMES | 28 | $350,990 | 2,277 | $154 | SAN BERNARDINO |
| **SAN BERNARDINO NORTHWEST** | | | | | |
| MONTELENA ESTATES | 5 | $492,985 | 2,613 | $189 | 7,000 |
| VAN DAELE DEVELOPMENT | 20 | $654,990 | 4,183 | $157 | RANCHO CUCAMONGA |
| FOOTHILL WALK | 3 | $315,665 | 1,469 | $215 | 1,400 |
| BEAZER HOMES | 36 | $360,140 | 1,686 | $214 | UPLAND |
| **SAN BERNARDINO SOUTHWEST** | | | | | |
| VINEYARD PARK | 5 | $468,500 | 2,779 | $169 | 5,000 |
| WARMINGTON HOMES | 16 | $565,500 | 3,885 | $146 | ONTARIO |
| SHADY LANE | 4 | $373,500 | 2,239 | $167 | 4,200 |
| STANDARD PACIFIC HOMES | 32 | $422,500 | 2,778 | $152 | CHINO |

| SAN BERNARDINO COUNTY NEW PROJECTS | | | | | |
|---|---|---|---|---|---|
| PROJECT | OCT SALES | PRICE | SQ FT | $/SQ FT | LOT/DENSITY |
| BUILDER | YTD SALES | RANGE | RANGE | RANGE | LOCATION |
| GLENWOOD | 4 | $149,990 | 1,239 | $121 | 7,200 |
| KB HOME | 4 | $179,990 | 1,780 | $101 | VICTORVILLE |

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## Year-to-Date Best Sellers

| 2008 BEST SELLERS | | | | | |
|---|---|---|---|---|---|
| PROJECT | YTD SALES | PRICE | SQ FT | $/SQ FT | LOT/DENSITY |
| BUILDER | OCT SALES | RANGE | RANGE | RANGE | LOCATION |
| SAN BERNARDINO CENTRAL | | | | | |
| VAN DAELE AT COYOTE CANYON | 33 | $399,990 | 2,420 | $165 | 7,000 |
| VAN DAELE DEVELOPMENT | 5 | $486,490 | 3,592 | $135 | FONTANA |
| MEADOWOOD | 21 | $349,990 | 2,492 | $140 | 7,000 |
| KB HOME | 1 | $402,990 | 3,340 | $121 | FONTANA |
| SAN BERNARDINO DESERT | | | | | |
| MANZANITA | 35 | $210,900 | 2,379 | $89 | 7,300 |
| D.R. HORTON | 3 | $267,581 | 3,676 | $73 | VICTORVILLE |
| SENNA | 35 | $243,990 | 2,287 | $107 | 7,200 |
| D.R. HORTON | 0 | $308,990 | 3,584 | $86 | VICTORVILLE |
| SAN BERNARDINO EAST | | | | | |
| REDLANDS VILLAGE | 35 | $369,990 | 2,378 | $156 | 7,200 |
| BEAZER HOMES | 6 | $423,240 | 3,248 | $130 | REDLANDS |
| CAPISTRANO AT MISSION CREEK | 31 | $330,990 | 1,476 | $224 | 5,000 |
| KB HOME | 1 | $369,990 | 2,661 | $139 | LOMA LINDA |
| SAN BERNARDINO NORTHWEST | | | | | |
| FOOTHILL WALK | 36 | $315,665 | 1,469 | $215 | 1,400 |
| BEAZER HOMES | 3 | $360,140 | 1,686 | $214 | UPLAND |
| 24-SEVEN AT VICTORIA GARDENS | 25 | $315,900 | 1,436 | $220 | N/A |
| SHEA HOMES | 2 | $349,900 | 1,560 | $224 | RANCHO CUCAMONGA |
| SAN BERNARDINO SOUTHWEST | | | | | |
| WOODBURY | 36 | $341,990 | 1,582 | $216 | 1,600 |
| D.R. HORTON | 1 | $379,900 | 1,728 | $220 | CHINO |
| TETHERWIND AT THE PRESERVE | 34 | $265,900 | 1,266 | $210 | N/A |
| SHEA HOMES | 0 | $335,900 | 2,074 | $162 | CHINO |