Reports on HOUSING

Your Local Real Estate Snapshot



Los Angeles County Summer Housing Update



EVERYONE IN REAL ESTATE
WATCHING MORTGAGE RATES



My emotional support dog, after his first week in Real Estate with me!

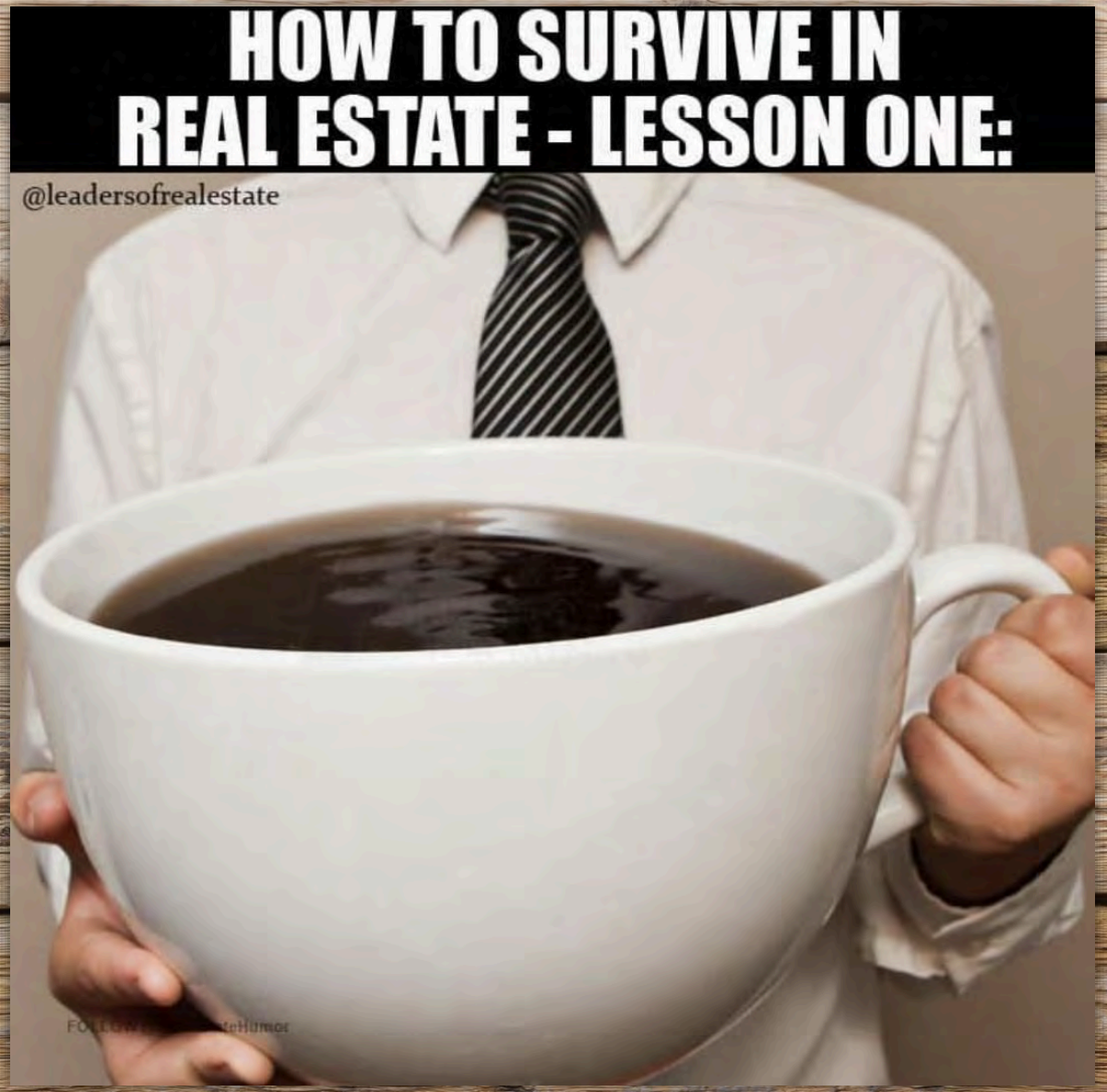


When your seller refuses to lower the price after 65 days with no showings and no offers



I'll just stay on the market until I get my price.




HOW TO SURVIVE IN
REAL ESTATE - LESSON ONE:
@leadersofrealestate











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Multiple Listing Service

THREE MONTH PHOTO SOLD BOOK
4-1-95 to 6-30-95

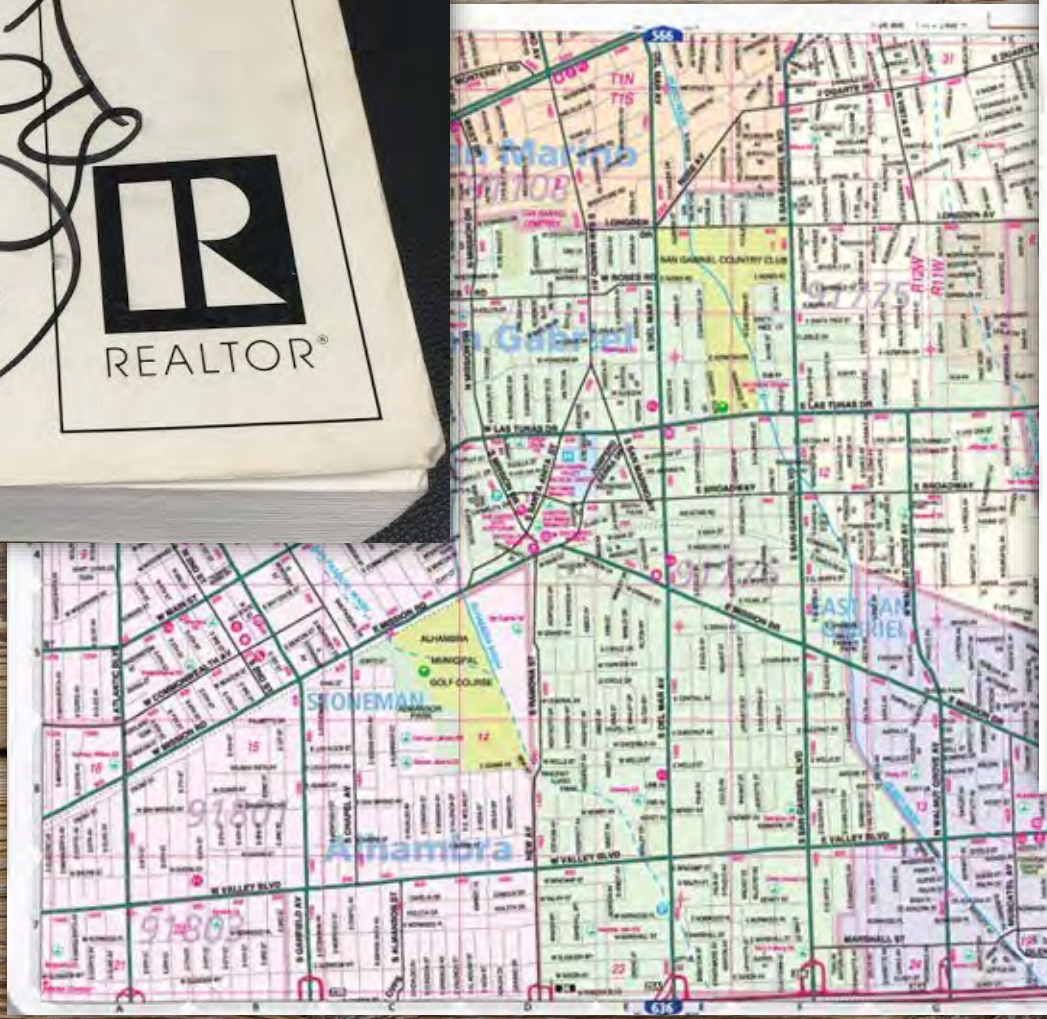
SIX MONTH MARKETING ANALYSES
1-1-95 to 6-30-95

"INFORMATION HEREIN DEEMED RELIABLE BUT NOT GUARANTEED AND SHOULD BE VERIFIED"

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REALTOR®

EQUAL HOUSING OPPORTUNITY





M/L #..... 49601
BROKER..... 712
DATE..... 10/17/80
MARKET TIME 087 DAYS
PRICE..... $120,000
TERMS..... SLD-C

M/L #..... 51531
BROKER..... 167
DATE..... 11/06/80
MARKET TIME 056 DAYS
PRICE..... $122,500
TERMS..... SLD-C

M/L #..... 49711
BROKER..... 202
DATE..... 11/13/80
MARKET TIME 071 DAYS
PRICE..... $133,000
TERMS..... SLD-A

BOARD 501 PAGE 371
VOL. 5052

M/L #..... 57225
BROKER..... 167
DATE..... 12/18/80
MARKET TIME 078 DAYS
PRICE..... $175,000
TERMS..... SLD-N

M/L #..... 51472
BROKER..... 719
DATE..... 10/29/80
MARKET TIME 064 DAYS
PRICE..... $180,000
TERMS..... SLD-C

M/L #..... 57716
BROKER..... 240
DATE..... 12/05/80
MARKET TIME 059 DAYS
PRICE..... $195,000
TERMS..... SLD-C

371


BREAKING NEWS
"Nar settlement requires realtors to take new headshots every 10 years to avoid catfishing clients."
@kristensellshouses @HighwayToSell


Reports on
HOUSING
Introduction


A Mortgage Rate Update


The Housing Market


Luxury Update


Market Overview



Introduction

My Background

- Quantitative Economics & Decision Sciences
  - UCSD
- 33 Years in Business
- OC Native
- Capo Valley HS Grad
- 9 kids!









The Thomas Bunch








The Thomas Bunch




Forbes
Bloomberg
USA TODAY
KTLA 5
FORTUNE
FT FINANCIAL TIMES
KCAL 9
The San Diego Union-Tribune
abc 7
THE WALL STREET JOURNAL.
Los Angeles Times
The New York Times
HW HOUSINGWIRE
7 SAN DIEGO
KNX 1070 NEWSRADIO
THE ORANGE COUNTY REGISTER
4 LOS ANGELES
inman
inmanNEWS
COX
ORANGE COUNTY BUSINESS JOURNAL


Reports on
HOUSING
Your Local Real Estate Snapshot


20th
ANNIVERSARY












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220




NEW PRICE






Expectations













Bay Area, Los Angeles, Orange County, Riverside, San Bernardino, San Diego, Ventura Reports

Brand New Reports: Las Vegas and Phoenix

FEBRUARY 22 2022

Reports on HOUSING
Your Local Real Estate Snapshot

THE LOS ANGELES COUNTY HOUSING REPORT

WILL IT SLOW IN 2022?

WRITTEN BY
STEVEN THOMAS

HOUSING HAS ONLY GROWN HOTTER DESPITE MORTGAGE RATES RISING CONSIDERABLY SINCE RINGING IN A NEW YEAR, INDICATING IT WILL TAKE FURTHER CHANGES FOR THE MARKET TO SLOW.

FEBRUARY 8 2022

Reports on HOUSING
Your Local Real Estate Snapshot

THE SAN DIEGO COUNTY HOUSING REPORT

GOING, GOING, GONE!

WRITTEN BY
STEVEN THOMAS

WHEN A RECORD LOW NUMBER OF AVAILABLE HOMES IS MATCHED WITH FIERCE PENT-UP DEMAND, IT RESULTS IN AN AUCTION WHERE HOMES SELL IMMEDIATELY AND FOR MORE THAN THEIR ASKING PRICES.

JANUARY 31 2022

Reports on HOUSING
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THE RIVERSIDE COUNTY HOUSING REPORT

RISING RATES VS NO INVENTORY

WRITTEN BY
STEVEN THOMAS

THERE ARE TWO OPPOSING ECONOMIC FORCES IMPACTING THE HOUSING MARKET RIGHT NOW, RISING MORTGAGE RATES AND A RECORD LOW SUPPLY OF HOMES AVAILABLE TO PURCHASE.

Reports on HOUSING
Your Local Real Estate Snapshot

THE ORANGE COUNTY HOUSING REPORT

COMING UP... SPRING

WRITTEN BY
STEVEN THOMAS

MANY MISTAKEN THE SUMMER MARKET AS THE BUSIEST TIME OF THE YEAR FOR HOUSING, YET IT IS THE SPRING MARKET THAT IS HOME TO THE MOST REAL ESTATE ACTIVITY YEAR IN AND YEAR OUT.



Reports on HOUSING

THE BAY AREA REPORT

LOWER RANGES FADING AWAY

WRITTEN BY
STEVEN THOMAS

THE LOWER, ENTRY-LEVEL PRICE RANGES HAVE BEEN SLOWLY DISAPPEARING WITH FAR FEWER CLOSED SALES AND HOMEOWNERS CHOOSING NOT TO SELL THEIR HOMES.



JANUARY 17 2022

Reports on HOUSING

THE SAN BERNARDINO COUNTY HOUSING REPORT

UNPRECEDENTED START

WRITTEN BY
STEVEN THOMAS

EVEN WITH A RISING MORTGAGE INTEREST RATE ENVIRONMENT, IT IS THE SECOND HOTTEST START TO A YEAR SINCE TRACKING BEGAN IN 2004 BY A LANDSLIDE, ONLY BEHIND LAST YEAR.



JANUARY 8, 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE ORANGE COUNTY HOUSING REPORT

A POWERFUL BEGINNING

WRITTEN BY
STEVEN THOMAS

UNLIKE THE SLUGGISH START TO 2023, THIS YEAR'S HOUSING MARKET HAS KICKED OFF WITH A SCARCITY OF HOMES AVAILABLE AND A MUCH FASTER PACE.



THE 2024 START

WITH THE SECOND-FEWEST HOMES TO START A YEAR SINCE TRACKING BEGAN IN 2004, THE ORANGE COUNTY HOUSING MARKET IS ALREADY HOTTER THAN PRE-COVID YEARS.

Reports on HOUSING

Farmers markets are growing in popularity. There are plenty of booths and crowds of people eager to shop outdoors and support the community even in the middle of winter. Those who have frequented them for years know January is not a great month for fruits. The selection is limited mainly to citrus. It is not the season for peaches, plums, melons, pineapple, berries, or apples. Squeezing between the crowds reveals half-empty shelves with very few options.

That is precisely what buyers are facing at the start of 2024. The Orange County housing shelves are half empty. It is tough being a buyer looking for a home today with higher mortgage rates and very few options to purchase. Demand is muted due to affordability constraints and fewer FOR-SALE signs. Still, the inventory crisis eclipses today's diminished demand, resulting in a market that already feels hot at the start of January.

After a late but muted inventory peak in 2023 at 2,496 homes, the lowest peak since tracking began in 2004, the inventory dropped by 28% to where it sits today at 1,785. That is the second-lowest start to a year behind 2022. There were 42% more homes available last year, with 2,530 homes available, which is still very low compared to long-term averages. The average start from 2013 through 2020 was 4,421, a staggering 147% more. That is an extra 2,636 available homes. Contributing to the supply scarcity is the fact that fewer homeowners are willing to give up their underlying, low, fixed-rate mortgages. In 2023, there were 16,151 missing FOR-SALE signs compared to the 3-year average before COVID (2017 to 2019), 41% fewer. Mortgage rates are anticipated to drop this year, and the further they fall, the more homeowners will be more inclined to sell their homes.

Orange County Annual Housing Start

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Active Listing Inventory	1,785	2,530	1,100	2,633	3,901	5,911	3,707	4,376	4,576	5,000	4,733	3,161
Demand	861	900	1,295	1,895	1,434	1,165	1,447	1,562	1,593	1,478	1,495	2,031
Expected Market Time	62 Days	84 Days	25 Days	42 Days	82 Days	152 Days	77 Days	84 Days	86 Days	101 Days	95 Days	47 Days
Mortgage Rates	6.74%	6.14%	3.22%	2.65%	3.72%	4.51%	3.95%	4.20%	3.97%	3.73%	4.53%	3.34%

With a higher mortgage rate environment and far fewer homes coming on the market, demand, a snapshot of the last 30 days of pending sales activity, is at its lowest level to start a year since tracking began 20 years ago, only 861. Last year was the prior low with a demand reading of 900 pending sales, an extra 39 or 5%. As rates drop this year, demand readings will increase due to more available homes and improving home affordability.

FEBRUARY 13 2024

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Your Local Real Estate Snapshot

THE BAY AREA HOUSING REPORT

ALAMEDA - CONTRA COSTA - MARIN - NAPA - SAN FRANCISCO - SAN MATEO - SANTA CLARA - SOLANO - SONOMA

THE FIRST GREEN SHOOTS

WRITTEN BY
STEVEN THOMAS

AFTER BOUNCING ALONG A RECORD-LOW NUMBER OF HOMEOWNERS WILLING TO SELL IN THE HIGH MORTGAGE RATE ENVIRONMENT FOR OVER A YEAR, THERE WERE MORE NEW SELLERS IN JANUARY COMPARED TO 2023, THE FIRST "GREEN SHOOT" SINCE RATES SOARED HIGHER IN 2022.

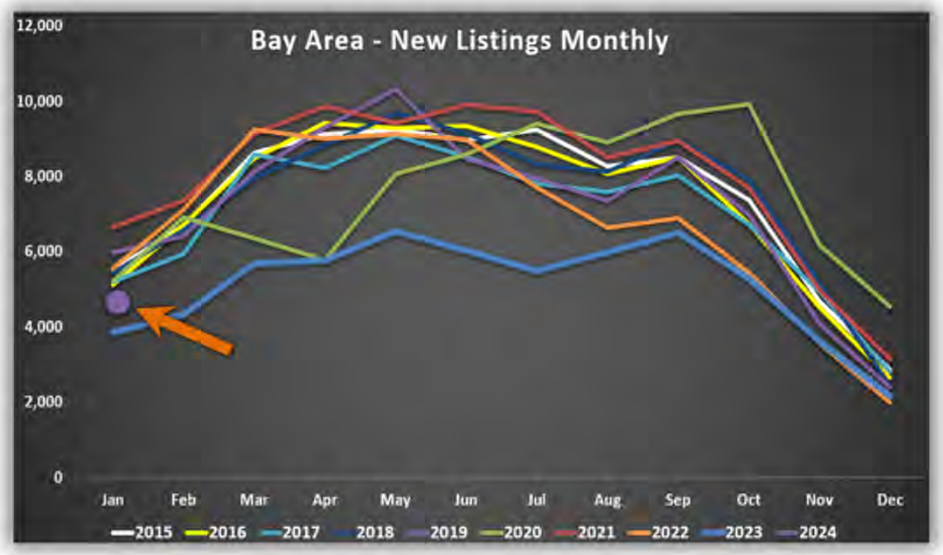


HOMES COMING ON THE MARKET

THERE WERE 20% MORE SELLERS OPTING TO SELL IN JANUARY COMPARED TO LAST YEAR.

The Bay Area may not have freezing temperatures and snow on the ground like the rest of the country, but it is much cooler. Leaves still fall from the trees, and the golden rolling hills stretch as far as the eyes can see. It is winter. While it may be a time with plenty of sunshine and warmer temperatures when the wind shifts, it is also the rainy season. This year's El Niño climate pattern has delivered a lot of rain and promises to deliver even more in the coming weeks. In no time, the rolling golden hills will magically turn green. If you look closely, there are already plenty of green shoots.

According to Investopedia.com, "green shoots" is a term used to describe signs of economic recovery or positive data during an economic downturn. They are a welcome symbol that the economy is on the mend and slowly trending upward. In this case, the housing market has been in a funk since mortgage rates rocketed from 3.25% at the start of 2022 to eclipsing 8% last October. Pending sales and closed sales plunged. Last year's closed sales were one of the lowest totals in decades. Homeowners have opted to stay put in their homes, unwilling to sell and give up their incredible, low fixed-rate mortgages. Since tracking began, the number of sellers coming on the market has plummeted to its lowest level. Each of these data lines reached a low in 2023 and established a bottom. This bottom gave way to the first sign of recovery: green shoots in the number of homes coming on the market, homeowners willing to sell.



MARCH 4, 2024

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Your Local Real Estate Snapshot

THE LOS ANGELES COUNTY HOUSING REPORT

THE TIME IS NOW

WRITTEN BY
STEVEN THOMAS

DESPITE MORTGAGE RATES ECLIPSING 7%, THERE ARE VERY FEW AVAILABLE HOMES, MULTIPLE OFFERS ARE THE NORM, AND HOME VALUES ARE ON THE RISE.



WAITING IS RISKY

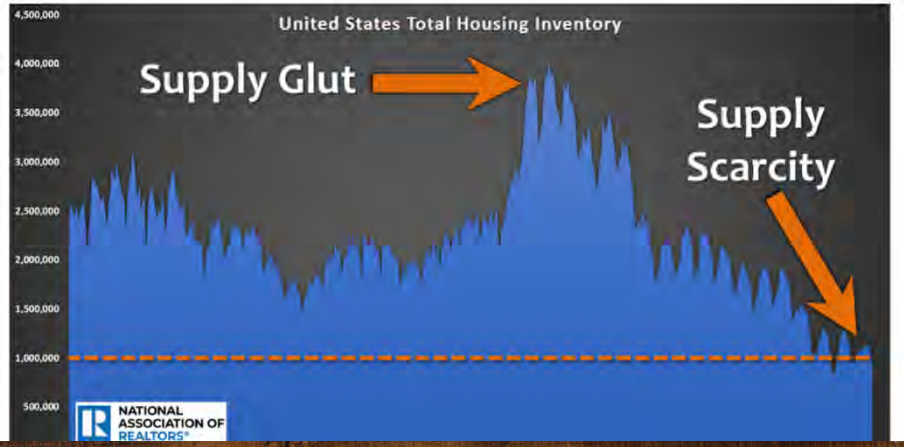
AS THE ECONOMY EVENTUALLY COOLS, MORTGAGE RATES WILL DROP, FUELING DEMAND AND LEADING TO AN EVEN HOTTER HOUSING MARKET.

Reports on HOUSING
Your Local Real Estate Snapshot

Many potential buyers are sitting on the sidelines, waiting for the market to become more affordable. Combining high home values and significantly higher mortgage rates, the expectation was for home values to plunge. Home affordability has collapsed due to rates rising from 3.25% in January 2022 to 7% today. Purchasing a home is out of reach for so many Americans. The logic is simple: either incomes rise substantially, interest rates significantly fall, or home values tumble. They believe that the only proper solution is for home values to collapse.

Yet, the housing market has proven to be exceedingly resilient despite higher rates and low home affordability. Incomes have not suddenly spiked, mortgage rates have not plunged, and home values have risen year over year. Housing has played out much differently than expected. Buyers new to the housing arena are shocked to find tremendous competition. Jam-packed open houses, multiple offer bidding wars, and sales prices at or above the asking prices are the norm, especially in the lower price ranges.

It is best to look at supply and demand to understand why home values have not collapsed. Before and during the Great Recession, there was a glut of homes available across the U.S. Before 1995, the inventory averaged 2,250,000 homes, according to the National Association of REALTORS® (1982 to 2005). From 2006 to 2010, it averaged 3,430,000, 52% higher, and even eclipsed 4,000,000 homes in July 2007. During the Great Recession, demand plunged. With a glut of homes available and very low demand, home values crashed. Yet, since 2021, the U.S. inventory has averaged 1,100,000. In January, it was at 1,010,000. There is a scarcity of homes available to purchase. With higher rates, demand has plunged once again. This time, low demand is matched up against a chronically low inventory. This has resulted in rising home values.



MARCH 18, 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE ORANGE COUNTY HOUSING REPORT

A CLIMBING INVENTORY

WRITTEN BY
STEVEN THOMAS

THE ORANGE COUNTY INVENTORY HAS BEEN ON THE RISE AND IS STARTING TO PICK UP STEAM, UNLIKE LAST YEAR WHEN IT CONTINUOUSLY DROPPED THROUGH MID-APRIL.



MORE HOMES TO BUY

FROM THE START OF THE YEAR TO TODAY, MORE HOMES ARE AVAILABLE IN EVERY PRICE RANGE.

Reports on HOUSING

Californians have endured severe droughts, which have resulted in water restrictions, new laws, and policies aimed at curtailing the consumption of this valuable resource. Reservoirs reach record lows. Frustrated snow skiers watch the 10-day forecast, anxiously awaiting a hint of future snow. There are years when rainfall totals disappoint. But in years when it rains week after week, snow tops all surrounding mountains, and reservoirs rise, there is a sense of relief. It is a year when a drought has been abated.

Orange County has endured an inventory drought for several years now. Yet, finally, there is rain in the forecast, more homes are coming on the market, and the inventory is slowly rising. The drought of available homes to purchase has not ended, but at least it has been moving in the right direction. For buyers experiencing the drought firsthand, any rise in the number homes to look at is a welcome relief.

From the start of the year to today, the active inventory has risen from 1,785 to 2,084 homes, a rise of 17% or 299 homes. Mortgage rates bounced between 6.63% and 7.16%. Last year, the inventory dropped from 2,530 to 2,168 homes, down 362 homes or 14%, while mortgage rates fluctuated between 5.99% and 7.1%. It was 2022 when the inventory changed the most, rising from 1,100, a record low start, to 1,556, up 41% or 456 homes. That was when mortgage rates soared from 3.29% at the beginning of January to nearly 4.5% by mid-March. The low mortgage rate environment was quickly coming to an end.

For a proper perspective, it is best to look at the 3-year average before COVID (2017 to 2019) when housing was normal and mortgage rates were in the low to mid 4% range. Cyclically, the active inventory would slowly rise during the Winter Market, then pick up steam during the Spring Market, and slowly reach a peak sometime during the Summer Market. The 3-year average rose from 4,665 to 5,286, up 621 or 13%. The percent change looks misleading because it is smaller than this year and 2022, but that is because there were already a lot of homes on the market before COVID. This year and 2022 started from chronically low, anemic levels. As a result, the percent change exaggerates what is really occurring from a buyer's perspective. 2,084 homes today is more than the 1,785 to start this year, but it does not feel significant for buyers waiting for more homes to come on the market.

Orange County Inventory Change

	Start of January Inventory	Mid-March Inventory	Inventory Change	Percent Change	New Listings January & February
2024	1,785	2,084	+299	+17%	3,971
2023	2,530	2,168	-362	-14%	3,460
2022	1,100	1,556	+456	+41%	5,084
2021	2,633	2,349	-284	-11%	6,114
3-Year Average (2017 to 2019)	4,665	5,286	+621	+13%	6,186

APRIL 2 2024

Reports on HOUSING
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THE SAN DIEGO COUNTY HOUSING REPORT

THE TEMPERATURE OF THE MARKET

WRITTEN BY
STEVEN THOMAS

COMPARING TODAY'S INVENTORY AND DEMAND LEVELS TO PRIOR YEARS REVEALS THE ACCURATE TEMPERATURE AND TRENDS OF THE CURRENT MARKET.



LOW INVENTORY AND DEMAND

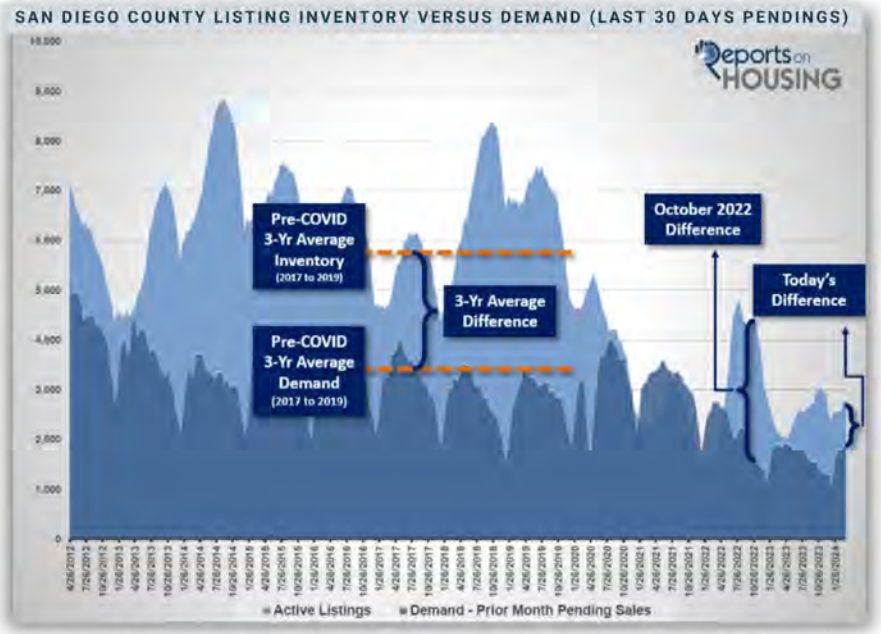
EVEN WITH LOW DEMAND, THE LOW INVENTORY HAS PAVED THE WAY FOR A VERY HOT SPRING MARKET.

Reports on HOUSING
Your Local Real Estate Snapshot

In planning the day, there are plenty of weather apps and websites to try to figure out the temperature. Based on the information, it may be helpful to pack a jacket or wear shorts. Unfortunately, with all the technology, weather forecasting is not an exact science and often misses the temperature by a mile. It is better to look at a good old-fashioned outdoor thermometer, or the "outside temperature" reading in the car, to gauge the day's weather accurately.

Similarly, there is no shortage of "economic experts" who look at housing data and attempt to measure the current temperature of the market. Yet, many of these experts are not "housing analysts" by trade and miss the temperature of housing by a mile, unfamiliar with the nuances in the data. Their economic expertise focuses on a different sector of the economy. To accurately determine housing's strength and its actual temperature, it is best to turn to the data, inventory versus demand.

SAN DIEGO COUNTY LISTING INVENTORY VERSUS DEMAND (LAST 30 DAYS PENDINGS)



Ever since rates spiked higher in 2022, there has been a tug-of-war between two opposing forces: supply scarcity and an affordability crisis. The lack of homes available to sell favors sellers in the negotiation process, and home affordability dropping to historic lows favors buyers in the negotiation process. As rates spiked higher from 3.25% in January 2022 to eclipsing 7% in October 2022, the highest rate in over 20 years, demand came to a

APRIL 23 2024

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THE BAY AREA HOUSING REPORT

ALAMEDA - CONTRA COSTA - MARIN - NAPA - SAN FRANCISCO - SAN MATEO - SANTA CLARA - SOLANO - SONOMA

STARTER HOME SQUEEZE

WRITTEN BY
STEVEN THOMAS

FIRST-TIME HOME BUYERS ARE NOT ONLY GETTING SQUEEZED BY HIGHER MORTGAGE RATES, THERE ARE ALSO FEWER HOMES COMING ON THE MARKET IN THE ENTRY-LEVEL PRICE RANGES.



THE TALE OF TWO MARKETS

THERE IS A DEFINITIVE DIFFERENCE BETWEEN STARTER HOMES AND THE REST OF THE BAY AREA HOUSING MARKET.

Reports on HOUSING

For several years, there has been a wave of millennials turning 32, the prime first-time home buyer age. They have been getting married and having babies and now want to own a home. Unfortunately, with higher mortgage rates and higher home prices, many have been unable or unwilling to purchase. For nearly two years, since rates spiked, they have been sitting on the sidelines, waiting for either home values to plunge or mortgage rates to drop. Yet, neither has occurred. Instead, there has been a standoff between buyers and sellers, and with a limited inventory of available homes, sellers have had the edge.

In taking a careful look under the hood, the upper ranges, anything above $1.5 million, has had a lot more activity than last year. There are more homes coming on the market and more closed sales. Yet, for starter homes, anything below $1.5 million, it is an entirely different story. Homes are coming on the market at a much slower pace compared to the upper ranges, and there are far fewer closings. There is a noticeable squeeze on the starter home market.

The data illustrates the stark differences between starter homes and the rest of the market. In 2024, through March, an extra 2,230 homes were placed on the market, 16% more compared to 2023. Yet, there were only **12% more**, or 1,211 extra FOR-SALE signs below $1.5 million. On the other hand, **25% more** homes were placed on the market above $1.5 million, or an extra 1,019 signs. The entry-level market is already suffering from a chronically low supply. There is plenty of buyer competition due to the scarcity of available homes. As a result of the limited inventory of starter homes, the Expected Market Time (the number of days to sell all Bay Area listings at the current buying pace) for all homes below $1.5 million is a quick 73 days.

Homes Placed on the Market - January 1 to March 31

	Total	$0-$500k	$500k-$750k	$750k-$1m	$1m-$1.5m	$1.5m-$2m	$2m-$4m	$4m+
2024	16,121	1,470	3,329	2,954	3,517	2,177	2,130	744
2023	13,891	1,255	2,839	2,688	3,077	1,743	1,716	573
Difference %	16%	17%	10%	10%	14%	25%	24%	30%
Difference	2,230	215	290	266	440	434	414	171

Homeowners are "hunkering down" in their homes and are unwilling to move due to their current underlying, locked-in, low fixed-rate mortgage. Through March, 20% fewer homes are on the market compared to the 3-year average before COVID (2017 to 2019). Starter homeowners are even more inclined to stay put compared to homeowners in the higher price ranges. Many cannot afford to sell their homes and trade their low rates for today's 7.38% mortgage rate. It simply does not make economic sense. According to the Federal Housing Finance Agency's National Mortgage Database, 84% of Californians with a mortgage have a 5% or lower rate, 67% are at 4% or lower, and 30% are at 3% or lower.

MAY 14, 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE VENTURA COUNTY HOUSING REPORT

MORE CHOICES

WRITTEN BY
STEVEN THOMAS

WHILE THE INVENTORY MAY STILL BE LIMITED AND NOT EVEN CLOSE TO RETURNING TO PRE-PANDEMIC LEVELS, THERE ARE FINALLY MORE HOMES COMING ON THE MARKET.



A RISE IN SELLERS

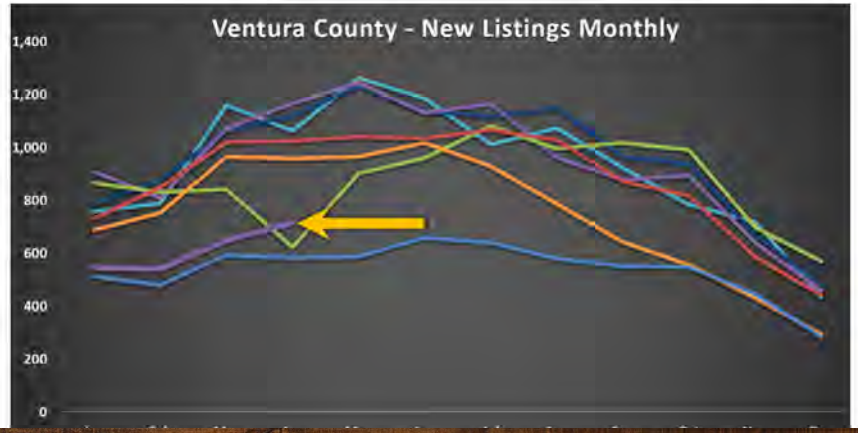
THERE ARE 13% MORE SELLERS THAN LAST YEAR.

Reports on HOUSING

The pandemic severely disrupted the new car supply chain, resulting in inventories hitting an unprecedented low in 2021. New car dealerships looked like empty parking lots. Many interested buyers were forced to pre-order their new automobile purchases. Sales often included a premium and ultimately sold over retail. That all changed as the inventory slowly climbed along with rising interest rates. Finally, there are a lot more cars sitting on the lots. While they have not returned to averages before the pandemic, it is a healthy step in the right direction.

Similarly, housing inventories were severely disrupted during the pandemic. It was not until 2022, when mortgage rates climbed from 3.25% in January to 7.37% in October, that the Ventura County inventory finally rose. The supply increased from 398 in January until it peaked in August at 1,175 homes, a rise of 210% 195% or 777. Yet in 2023, the inventory fell from 703 in January to 570 in mid-April, a drop of 19% 547 in May, a drop of 19% 22% It then slowly rose until peaking in November at 758, an increase of only 39% or 211 homes. Mortgage rates started the year at 6% and eclipsed 8% in October. Affordability was a significant issue, yet the inventory remained relatively flat all year. Intuitively, many thought the inventory would continue to climb rapidly as it did during the second half of 2022 due to the high mortgage rate environment. That was not the case. What happened? Too many homeowners "hunkered down" in their homes and opted not to sell.

The hunkering-down phenomenon developed because homeowners were unwilling to move due to their current underlying, locked-in, low fixed-rate mortgage. The difference between their low fixed rate and the prevailing rate of the day was substantial and precluded many homeowners from listing their homes for sale and moving to another house. Through the fourth quarter of 2023, according to the Federal Housing Finance Agency's National Mortgage Database, 84% of all Californians with a mortgage have a mortgage rate at or below 5%. Two-thirds, 67%, have a rate at or below 4%. And an



JUNE 10, 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE ORANGE COUNTY HOUSING REPORT

PRICING MATTERS

WRITTEN BY
STEVEN THOMAS

LONGER MARKET TIMES AND PRICE REDUCTIONS ARE VERY STRONG INDICATORS THAT SELLERS WILL NET LESS UPON CLOSING.



ACCURATE PRICING IS CRUCIAL

SCRUTINIZING COMPARABLE PENDING AND CLOSED SALES IS CRITICAL FOR SELLERS TO WALK AWAY WITH THE MOST MONEY IN THE LEAST AMOUNT OF TIME.

Reports on HOUSING

The housing market has been plagued by a limited inventory for years now. Buyers eagerly await a fresh supply of available homes that best match their wish list. They regularly check their home search apps for anything that hits the market. Home buyers scour every photograph, every feature, and every detail of each home within moments it is listed FOR-SALE. It is during the first week of coming on the market that a home obtains the most attention. Buyers scrutinize the pictures, looking at condition, upgrades, amenities, style, curb appeal, and location. But, even more importantly, before climbing in a car to tour a home, potential purchasers will carefully analyze the asking price.

Correctly pricing a home initially, especially in a market slowing from week to week, is critical to secure a successful outcome and to walk away with as much money as possible. Armed with the knowledge of what they can afford, seasoned buyers have seen many different homes. Some look like a model, and others have plenty of deferred maintenance. They have seen homes that have been upgraded and updated and have alluring amenities. More importantly, they are very familiar with proper pricing for their specific needs. When a home first comes on the market, buyers immediately look at the price in relation to what the house has to offer. They can easily discern when a seller is being a bit overzealous and is stretching the asking price.

Price is ultimately **the** most critical first impression of a home. Sellers only get one shot at this first impression. After the initial ten days of coming on the market, most seasoned buyers have seen the home. Some decide to tour the house, yet others, after considering all the details, decide that their "phone tour" is enough and they are not interested in pursuing it any further. The longer a home is on the market, the less fanfare and excitement the property receives. Even if a seller reduces the asking price down the road, it is not met with eager buyer anticipation and enthusiasm. Currently, 27% of today's active listing inventory has reduced the asking price at least once. The data illustrates that lowering the asking price or stubbornly waiting to get a price is not the best strategy.

The sales price to **last** list price ratio is very revealing. This refers to the final list price before becoming a pending sale. These are averages, meaning there are exceptions, but the overall trend is eye-opening. In Orange County, 88% of all closed sales in May did not reduce the asking price. The sales price to **last** list price ratio for these homes was 101.3%, meaning, on average, a home sold a bit **higher** than the asking price. A house listed at $1 million sold for $1,013,000, $13,000 above the asking price. The median days on the

Orange County - May 2024

Reduction	% of Sales	Sales to Last Price Ratio	Sales to Original List Price Ratio	Median DOM
No Reduction	88%	101.3%	101.3%	8 Days
1% to 4%	6%	98.1%	95.4%	33 Days

JUNE 25 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE SAN DIEGO COUNTY HOUSING REPORT

OPEN HOUSES ARE BACK!

WRITTEN BY
STEVEN THOMAS

HOUSING IS MUCH DIFFERENT THIS YEAR COMPARED TO LAST YEAR, WITH MORE **FOR-SALE** SIGNS, MORE **OPEN HOUSE** DIRECTIONAL ARROWS, AND LONGER MARKET TIMES.



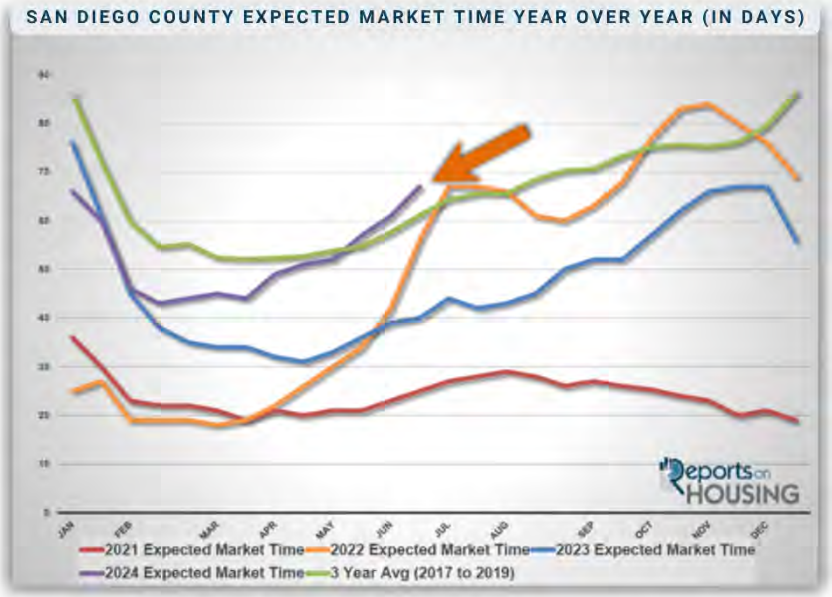
HOUSING IS SLOWING

SINCE REACHING A LOW OF 43 DAYS IN THE MIDDLE OF FEBRUARY, THE SAN DIEGO COUNTY EXPECTED MARKET TIME HAS SWELLED TO 67 DAYS.

Many times, there is a big difference between expectations and reality. Sellers are now coming on the market expecting a boatload of activity, throngs of buyers touring their homes, and instantaneous success after sifting through multiple offers. Yet, the market has evolved. A telltale sign that the market has changed is the growing number of OPEN HOUSE directional arrows that adorn busy intersections. It is now common to see the same OPEN HOUSE for multiple weekends in a row. The hot, high-paced, instant housing market has transformed into something completely different, throttling back and slowing from week to week.

The San Diego County housing market was insanely hot just a few months ago. The Expected Market Time (the number of days it takes to sell all listings at the current buying pace) grew from 43 days in February to 67 days today, the highest level for this time of year since 2019. An incredible 31% of all active listings have reduced their asking price at least once. 22% of available homes have been on the market for 30 days or more, and 23% have been exposed to the market for at least 60 days.

SAN DIEGO COUNTY EXPECTED MARKET TIME YEAR OVER YEAR (IN DAYS)



What happened in just a few short months? Buyer demand has been almost identical to last year. Year-over-year, demand (the number of pending sales over the prior 30 days) is up by only 3%, with an additional 56 pending sales. Like last year, demand is stuck at very low levels due to the sky-high mortgage rate environment. Mortgage rates have remained

JULY 8, 2024

Reports on HOUSING
Your Local Real Estate Snapshot

THE ORANGE COUNTY HOUSING REPORT

SUBDUED SUMMER

WRITTEN BY
STEVEN THOMAS

HOUSING IS IN THE MIDDLE OF THE SUMMER MARKET WHEN SEASONALLY, THE INVENTORY RISES, DEMAND SLOWLY DECLINES, AND MARKET TIMES GROW LONGER FROM WEEK TO WEEK.



THE SUMMER HOUSING MARKET

DEMAND PEAKED AT THE BEGINNING OF MAY, AND THE INVENTORY HAS YET TO PEAK, SO THE MARKET CONTINUES TO SLOW.

Reports on HOUSING

Summer is here with all of its many distractions. It is time to pack the suitcases and take a much-needed family vacation. An easy answer to the blistering heat is to head to the pool, lake, or beach and splash around until the sun goes down. Parents are busy Ubering their kids to summer school, camps, and movies. Many additional extracurricular activities are on the calendar, from museums to amusement parks to day hikes. Summertime is chock full of interruptions to everyday daily life. It is no wonder that the housing market is evolving and downshifting a bit from the heated pace of spring.

Cyclically, in nearly every market across the country, including Orange County, spring is the hottest time of the year for housing. Buyers transact year-round, but their preference, especially families, is to pull the trigger on isolating a home during the spring that ultimately closes in the summer. That is when the kids are out of school, the perfect time for a household move. Even if it requires a school change, the best time is when they are transitioning between grade levels. Throw into the mix the list of summer activities, including travel, and the goal of purchasing a home often takes a back seat to all the fun. As a result, demand drops from its Spring Market peak.

In Orange County, demand, a snapshot of the number of new pending sales over the prior month, peaked at the start of May at 1,759 homes. Since then, it has dropped by 8% or 135 pending sales and sits at 1,624 today. It was at 1,560 last year, 4% less or 64 fewer pending sales. Compared to normal markets before COVID, the 3-year average between 2017 and 2019 was 2,582, 59% higher or 958 additional pending sales.

	Today	Last Year 7/6/2024	3-Year Avg Pre-COVID
Inventory	3,052	2,276	6,708
Demand	1,624	1,560	2,582
Expected Market Time	56 Days	44 Days	78 Days

Reports on HOUSING

Many homeowners mistake summer as the best time of the year to sell a home and decide to place their homes on the market from June through August. Yet, since demand typically peaks during the spring, and there is still an elevated number of homes that come on the market during the summer, the extra homes accumulate until a peak is reached between mid-July and the end of August. Back in May, when demand peaked, there were 2,470


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$150 per year


FIRST
MONTH
FREE

Reports on HOUSING
Your Local Real Estate Snapshot

CARD AUTHORIZATION

CARDHOLDER INFORMATION

NAME: _____

BILLING ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

EMAIL: _____ PHONE: _____

COMPANY: _____

SUBSCRIPTION PREFERENCE:

Please Check One. First month is **FREE** when signing up using this form.

- ☐ YEARLY $150/YEAR
- ☐ MONTHLY $15/MONTH

COUNTY PREFERENCE:

Please Check One. Each county is a **separate** subscription cost.

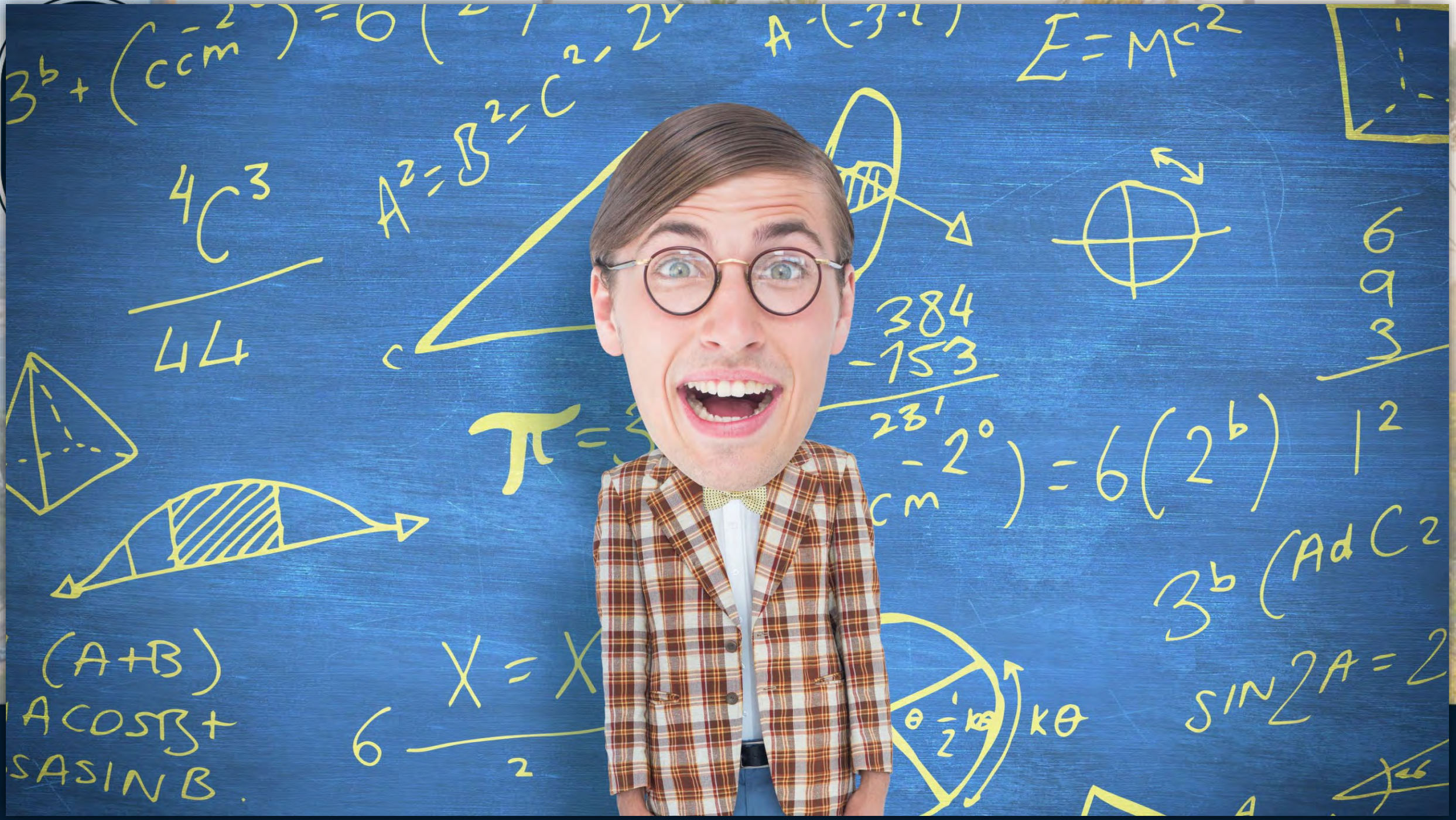
- ☐ BAY AREA
- ☐ CLARK (LAS VEGAS)
- ☐ LOS ANGELES
- ☐ ORANGE
- ☐ MARICOPA (PHOENIX)
- ☐ RIVERSIDE
- ☐ SAN BERNARDINO
- ☐ SAN DIEGO
- ☐ VENTURA

CARD INFORMATION

CARD NUMBER: _____

EXPIRATION DATE: _____ SECURITY CODE: _____

CARDHOLDER SIGNATURE: _____ DATE: _____


E=MC2
A2=B2=C2
4C3
44
384
-153
231
π=3
(A+B)
ACOSBSIN
SASINB
X=X
6
2
kθ
SIN2A=2



Progression Model

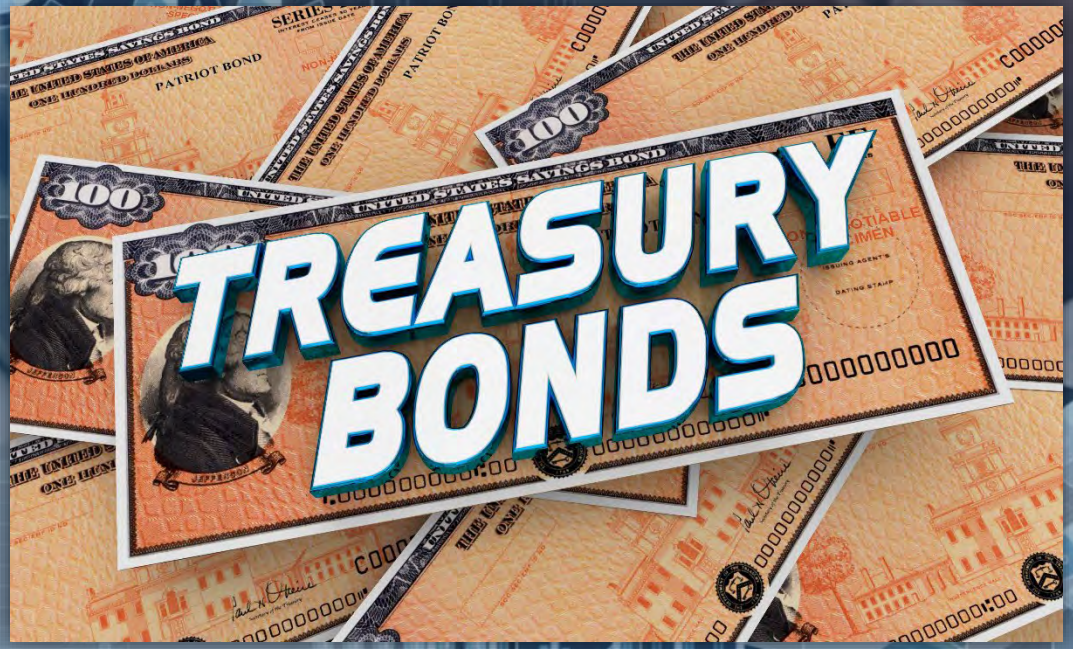



A Mortgage Rate Update




Secretary of the Treasury
UNITED STATES
FEDERAL RESERVE




TREASURY
BONDS


M
B
S
MORTGAGE
BACKED
SECURITY

U.S. 10 Year Treasury

US.10:Tradeweb

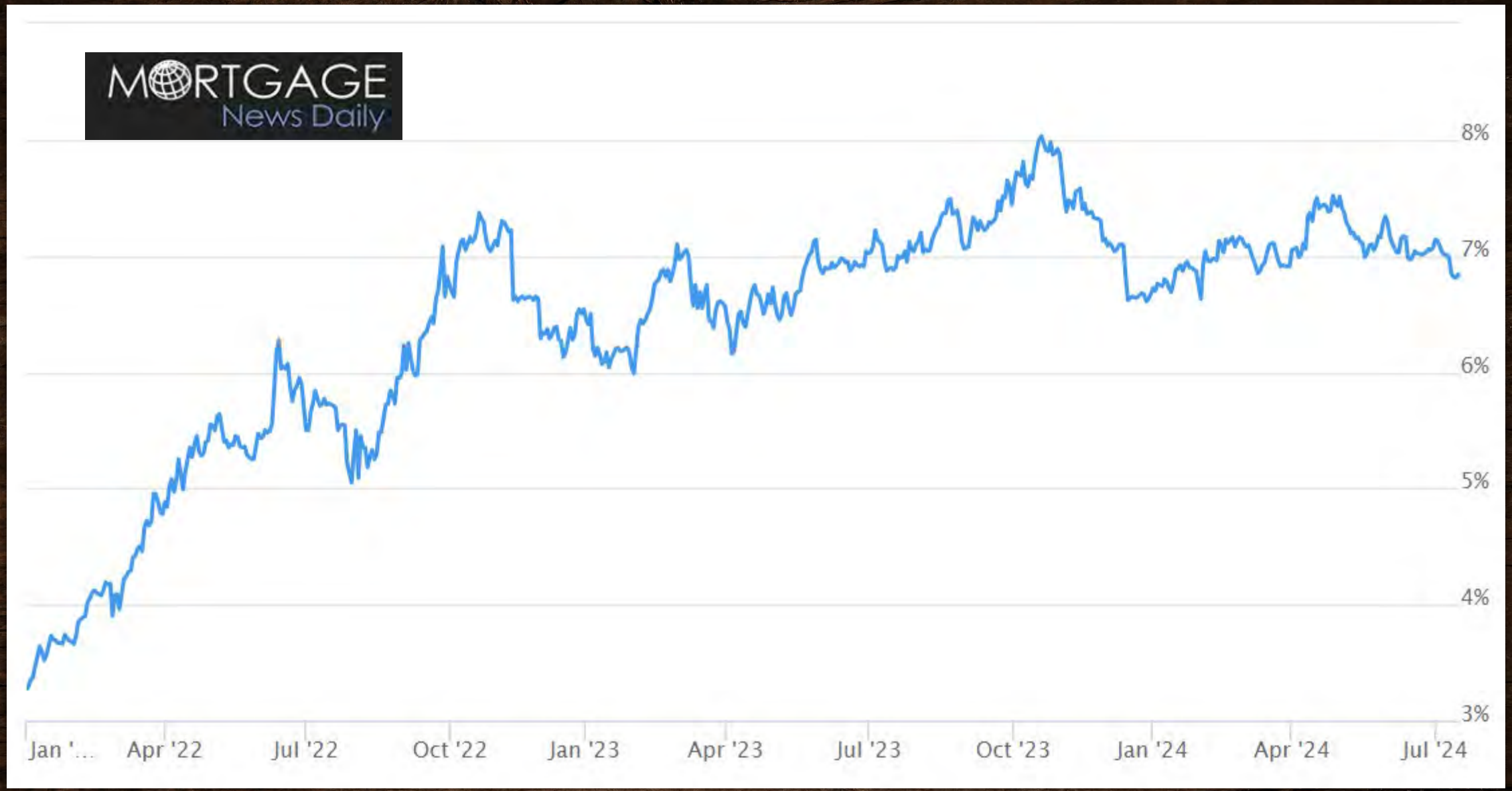
RT Quote | Exchange

Yield | 1:08 PM EDT

4.155% ▼ **-0.011**

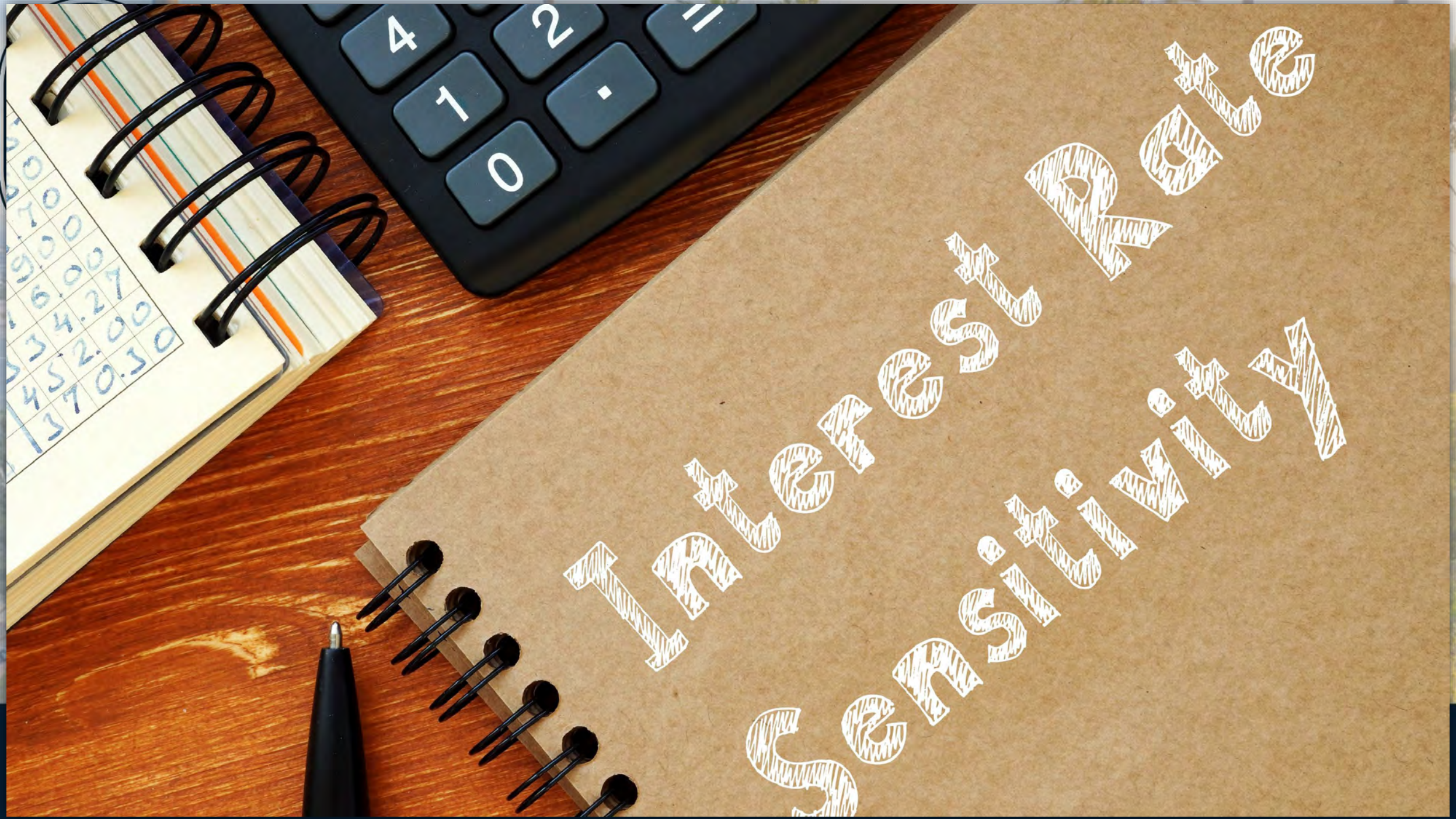
1D 5D 1M 3M 6M YTD 1Y 5Y ALL




MORTGAGE
News Daily
8%
7%
6%
5%
4%
3%
Jan '...
Apr '22
Jul '22
Oct '22
Jan '23
Apr '23
Jul '23
Oct '23
Jan '24
Apr '24
Jul '24



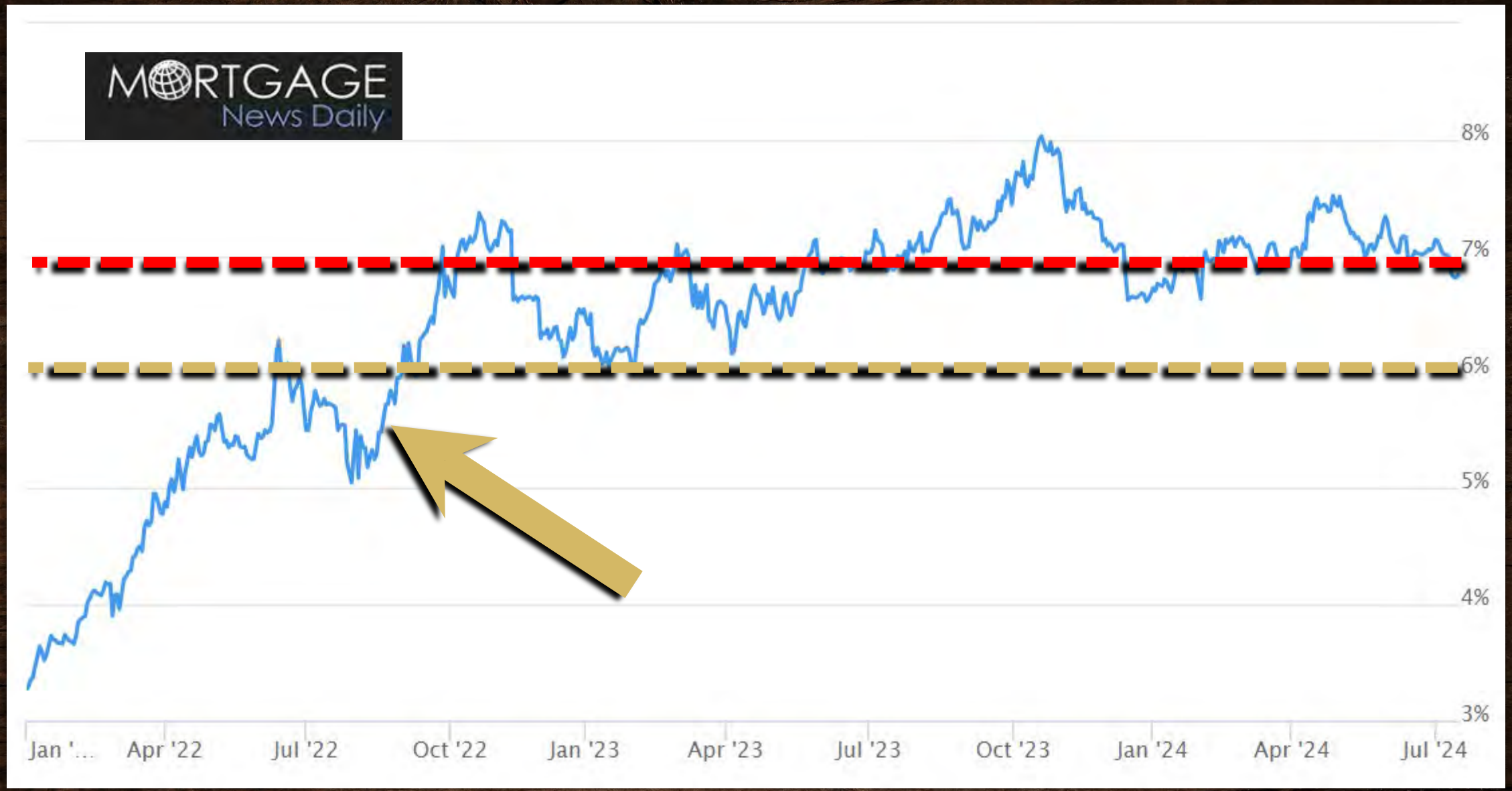

10-YR Bond and 30-YR Mortgage Spread
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
1/1/2015
1/1/2016
1/1/2017
1/1/2018
1/1/2019
1/1/2020
1/1/2021
1/1/2022
1/1/2023
1/1/2024
10-Year Bond
30-Year Mortgage
Reports on HOUSING
FRED
ECONOMIC DATA | ST. LOUIS FED


Interest Rate
Sensitivity


6.5% to 8%

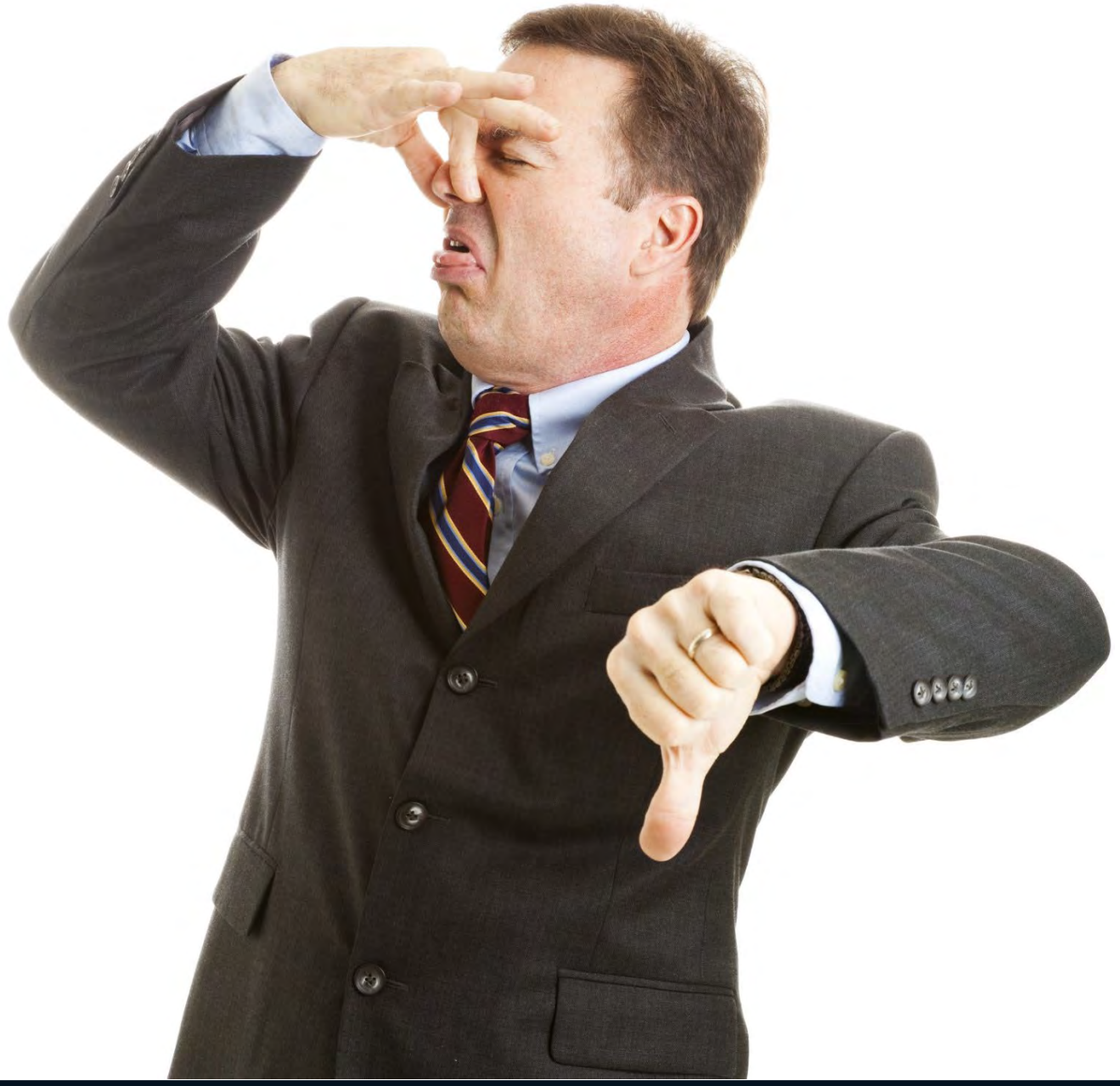

7%


5%


MORTGAGE
News Daily
8%
7%
6%
5%
4%
3%
Jan '...
Apr '22
Jul '22
Oct '22
Jan '23
Apr '23
Jul '23
Oct '23
Jan '24
Apr '24
Jul '24


600
500
400
300
200
100
0
75%
45%
20%
50%
85%
15%
75%
%include "win32n.inc"
xtern MessageBoxA


APRIL



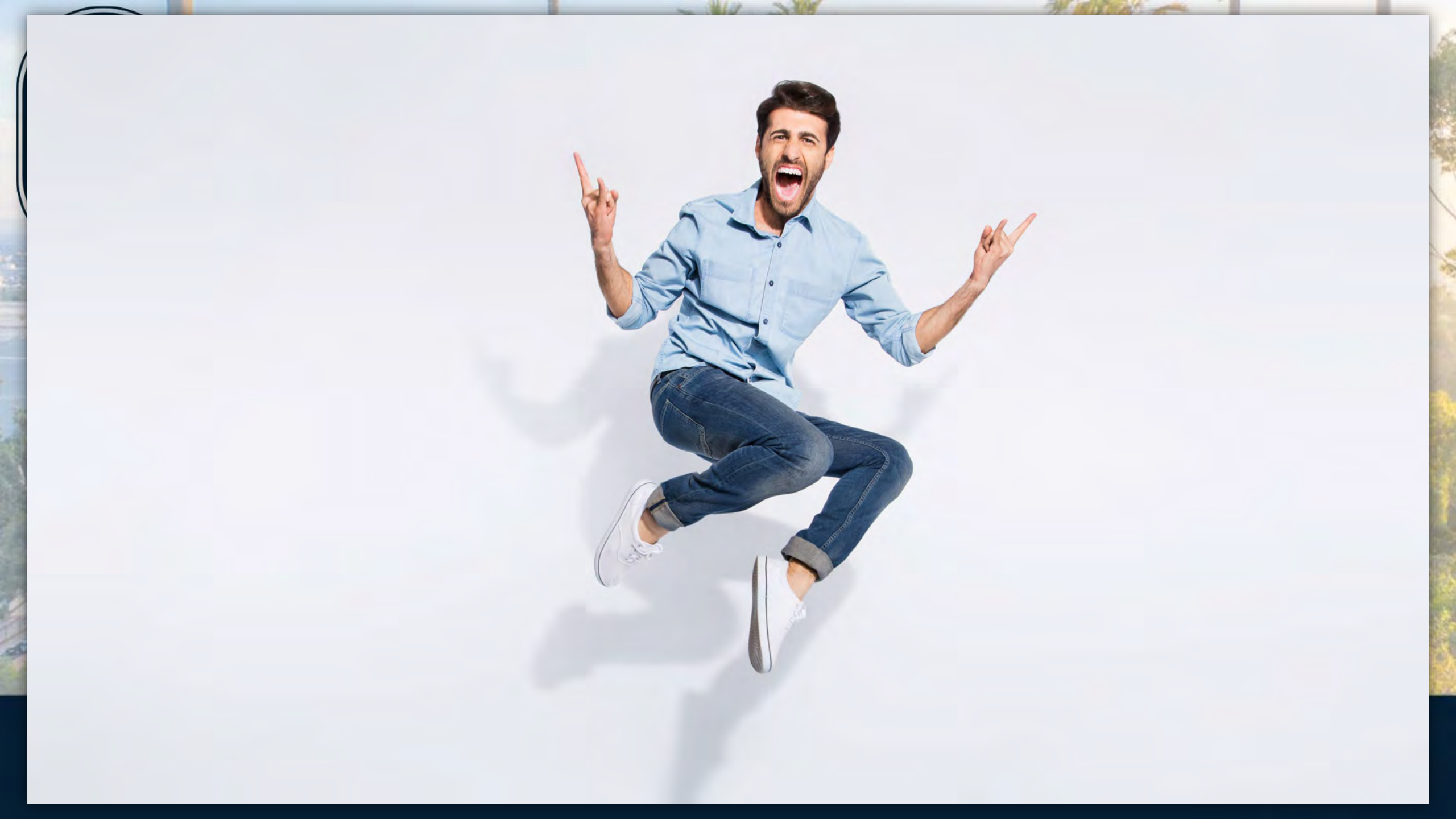

MAY



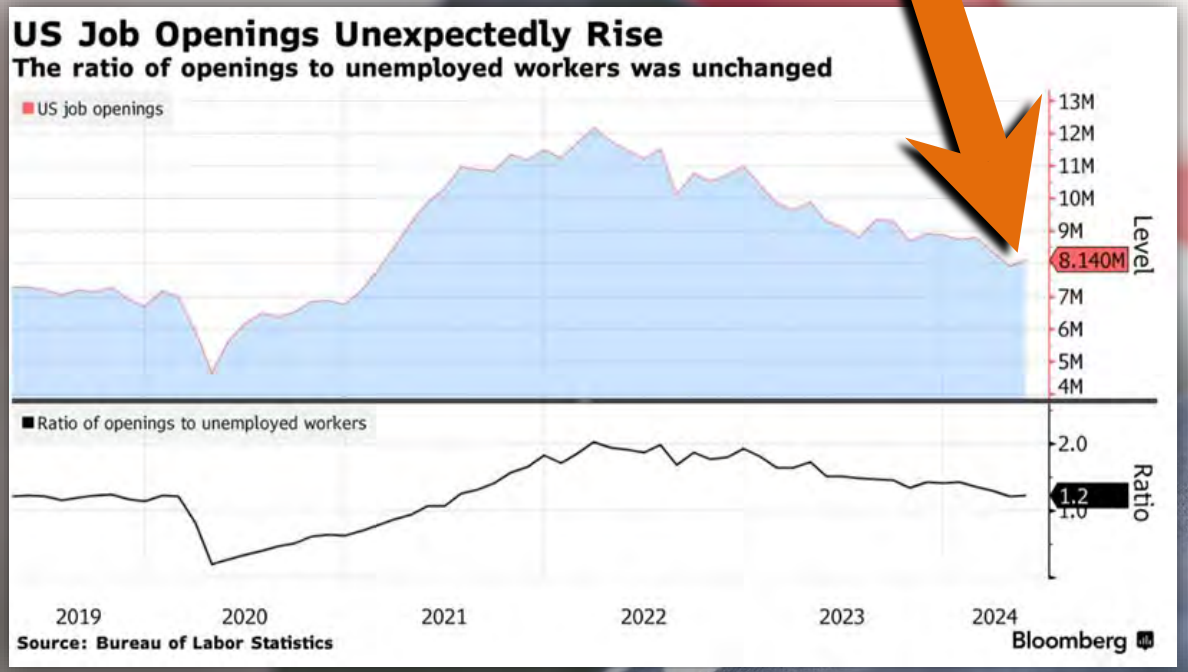

JUNE




JULY

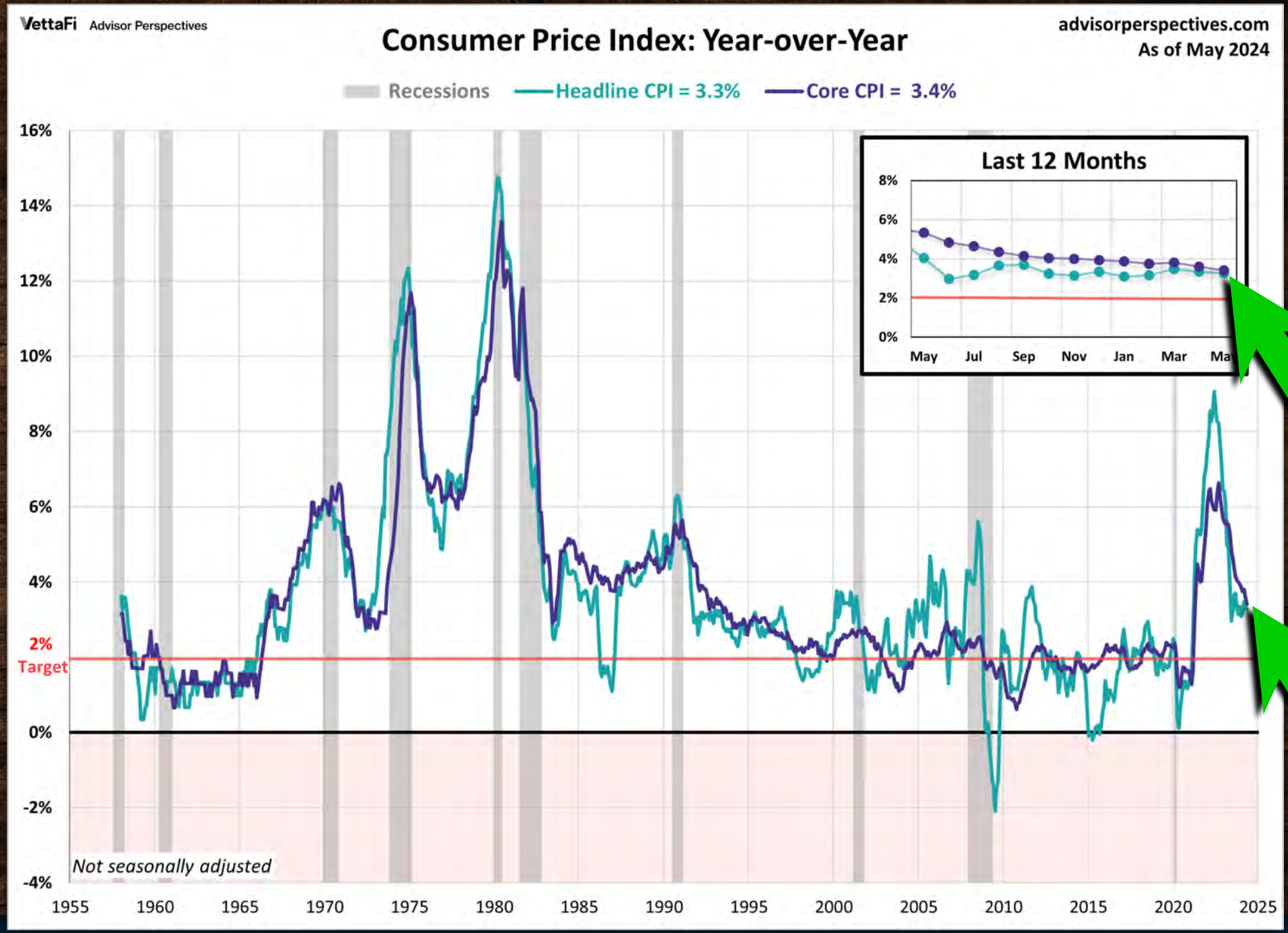


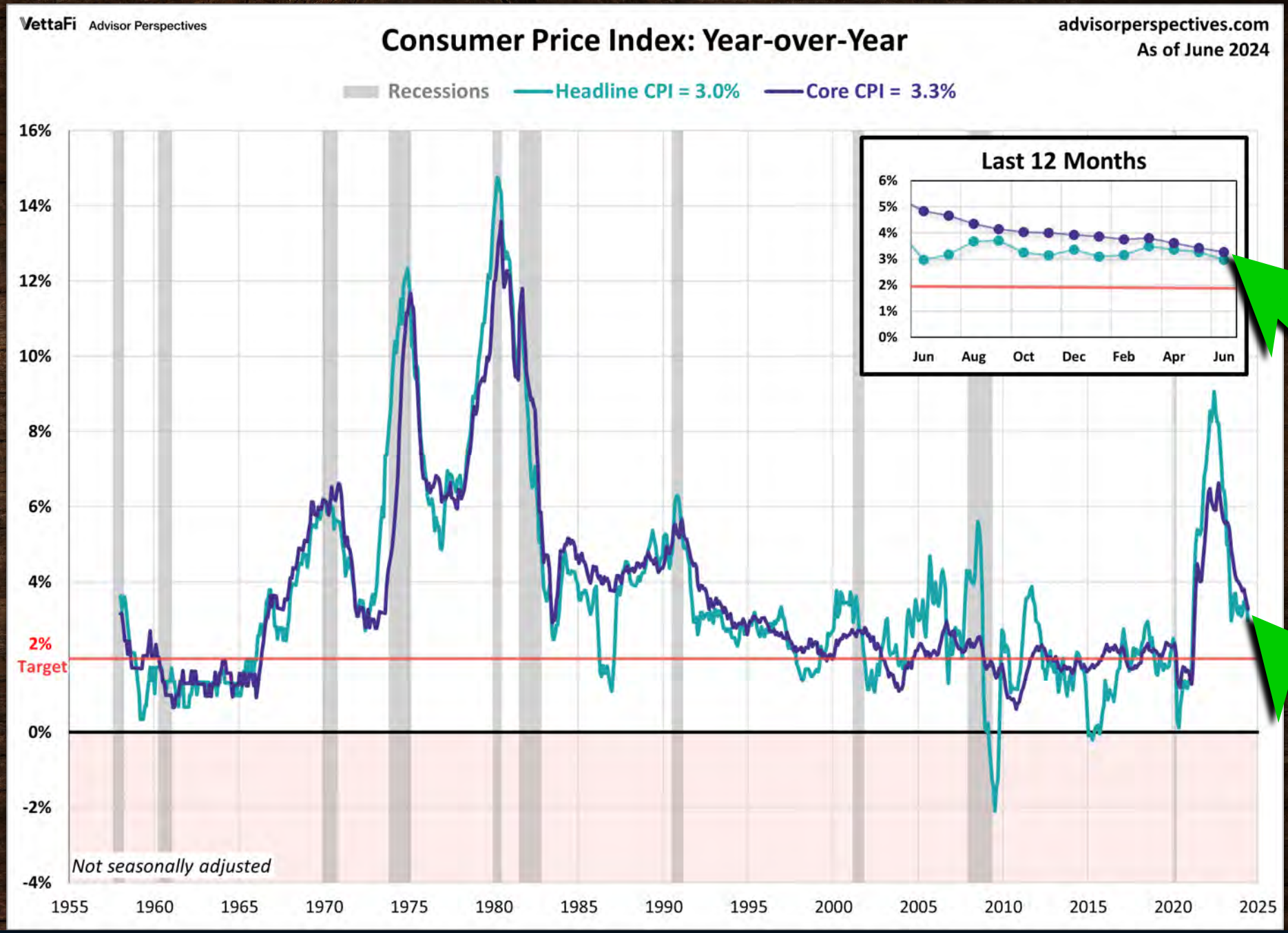

JOBS


US Job Openings Unexpectedly Rise
The ratio of openings to unemployed workers was unchanged
US job openings
13M
12M
11M
10M
9M
8.140M
7M
6M
5M
4M
Level
Ratio of openings to unemployed workers
2.0
1.2
1.0
Ratio
2019
2020
2021
2022
2023
2024
Source: Bureau of Labor Statistics
Bloomberg

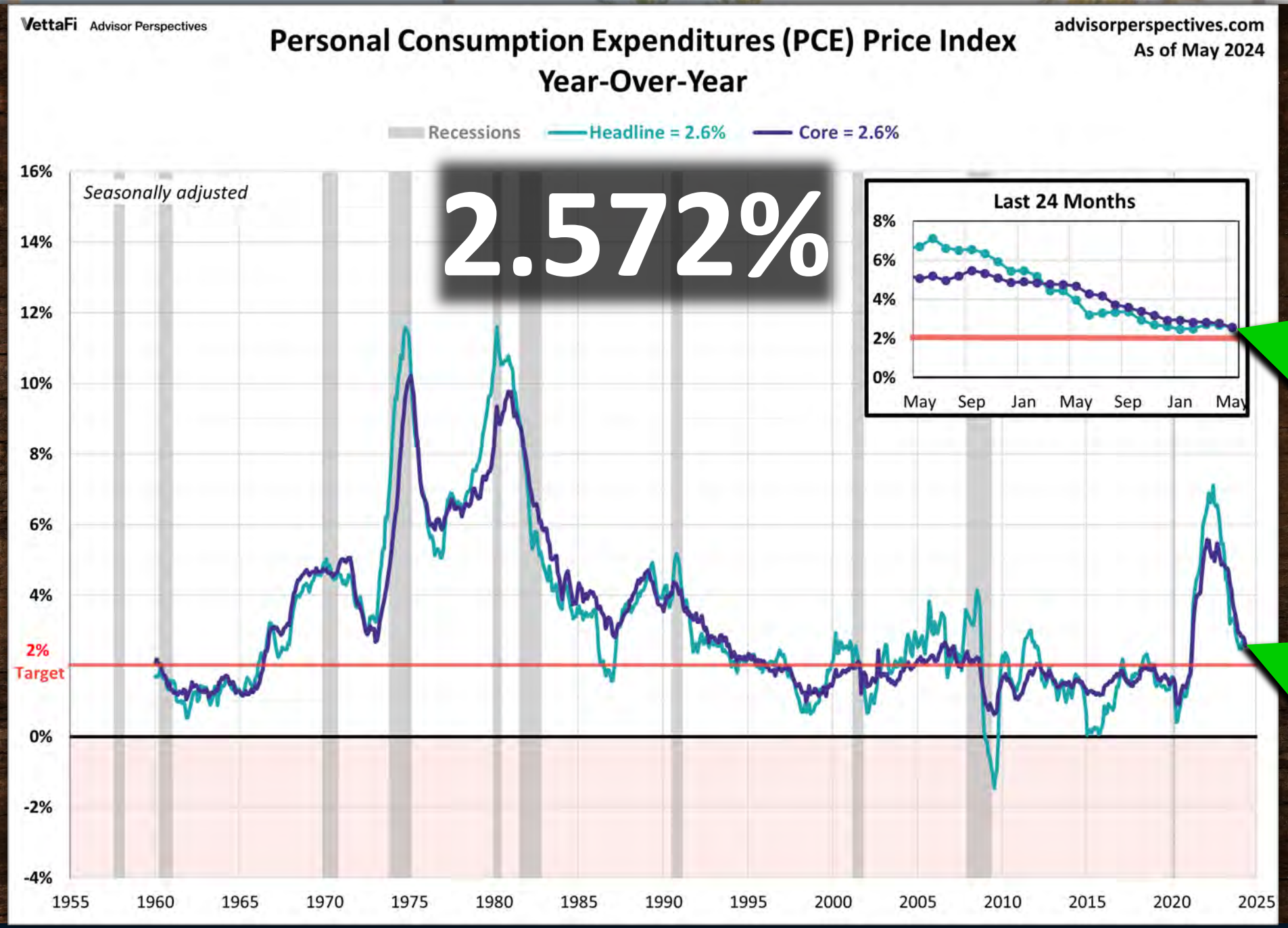

June Jobs REPORT
Monthly jobs growth
▲206,000
In thousands
000
800
600
400
200
0
'21
'22
'23
'24
Unemployment
4.1%
7%
6
5
4
4.1%
'21
'22
'23
'24


INFLATION


VettaFi Advisor Perspectives
Consumer Price Index: Year-over-Year
advisorperspectives.com
As of May 2024
Recessions
Headline CPI = 3.3%
Core CPI = 3.4%
Last 12 Months
8%
6%
4%
2%
0%
May
Jul
Sep
Nov
Jan
Mar
16%
14%
12%
10%
8%
6%
4%
2%
Target
0%
-2%
-4%
Not seasonally adjusted
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
2025


VettaFi Advisor Perspectives
Consumer Price Index: Year-over-Year
advisorperspectives.com
As of June 2024
Recessions
Headline CPI = 3.0%
Core CPI = 3.3%
Last 12 Months
6%
5%
4%
3%
2%
1%
0%
Jun
Aug
Oct
Dec
Feb
Apr
Jun
16%
14%
12%
10%
8%
6%
4%
2%
Target
0%
-2%
-4%
Not seasonally adjusted
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
2025


FED
UNITED STATES
FEDERAL RESERVE SYSTEM

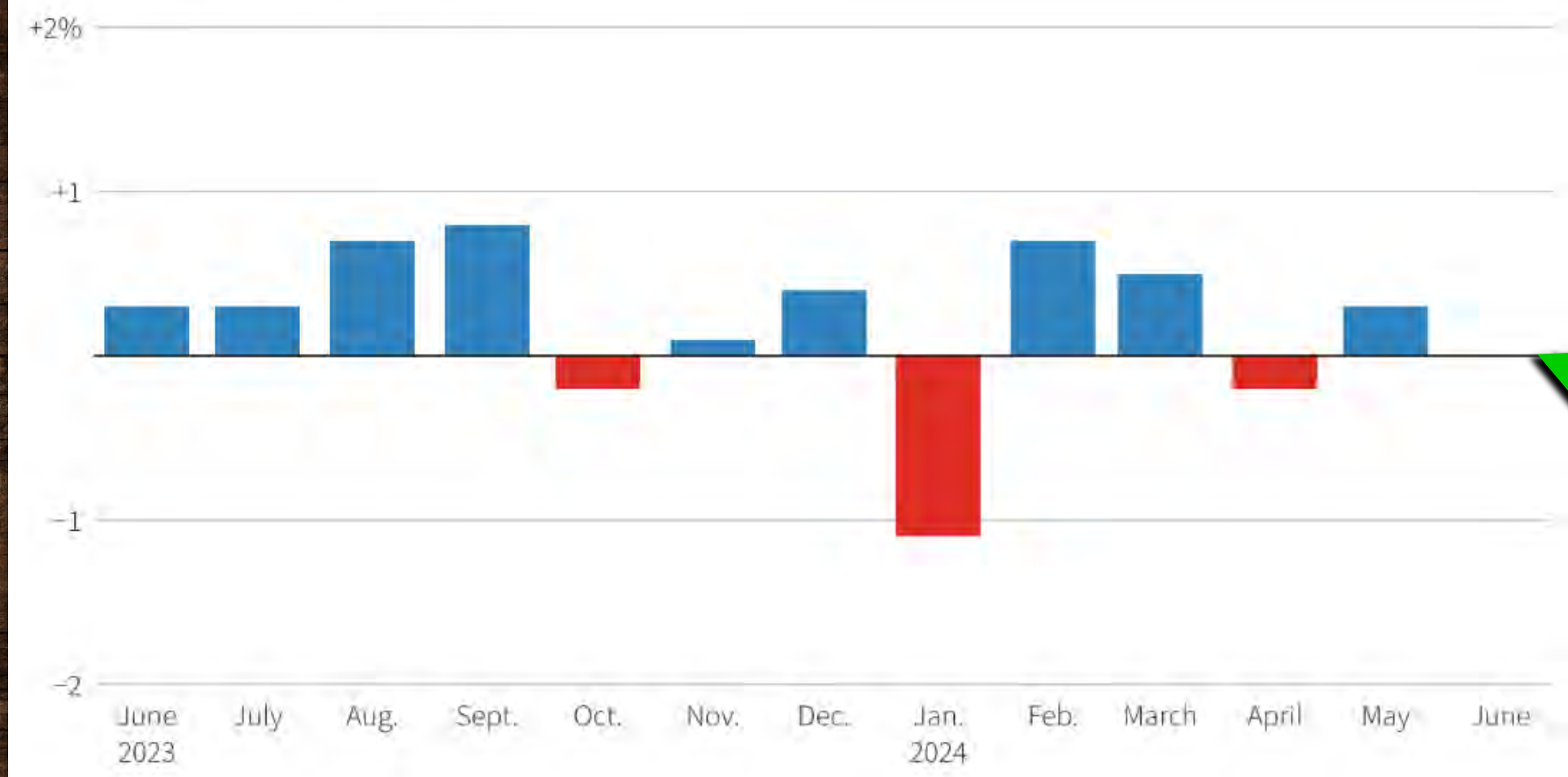

VettaFi Advisor Perspectives
Personal Consumption Expenditures (PCE) Price Index
Year-Over-Year
advisorperspectives.com
As of May 2024
Recessions
Headline = 2.6%
Core = 2.6%
Seasonally adjusted
2.572%
Last 24 Months
8%
6%
4%
2%
0%
May
Sep
Jan
May
Sep
Jan
May
16%
14%
12%
10%
8%
6%
4%
2%
Target
0%
-2%
-4%
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
2025



Retail Sales

Monthly change in US retail sales

Retail sales growth was flat in June.



Published July 16, 2024 at 12:43 PM GMT

Sources: U.S. Census Bureau, LSEG

Reuters Graphics

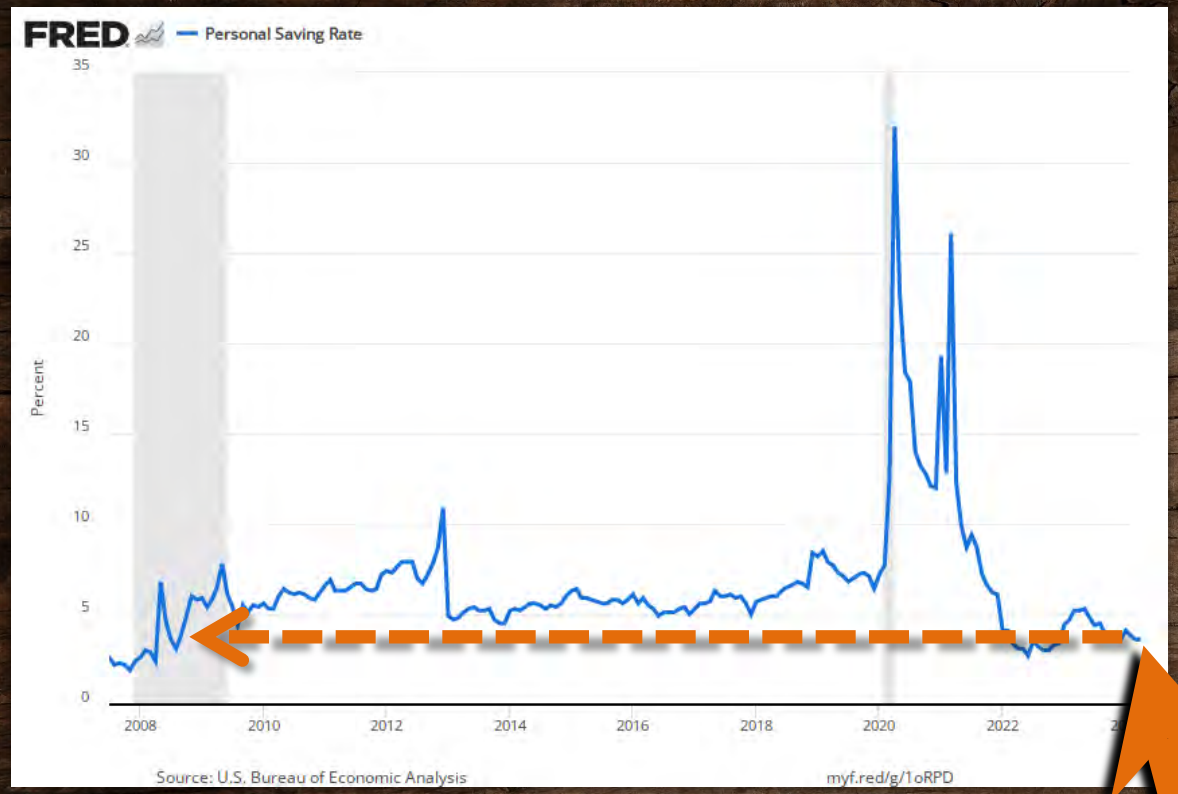


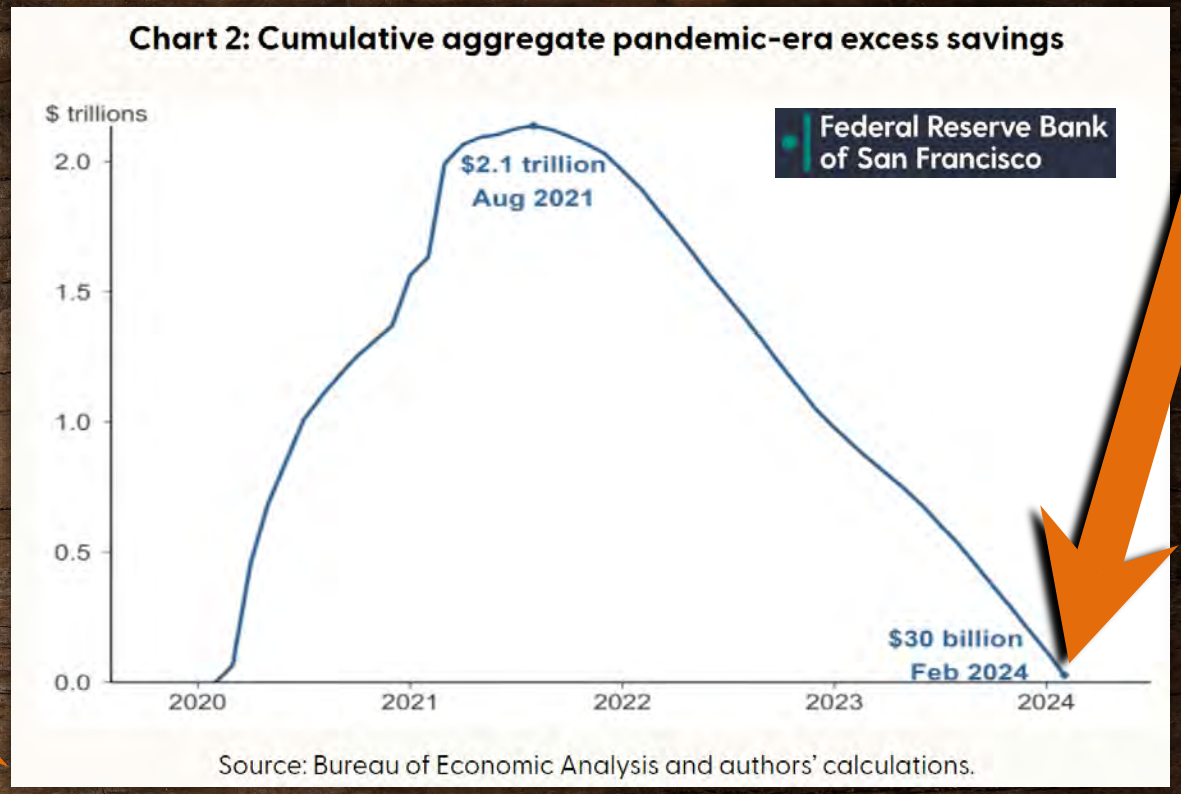

93.3%

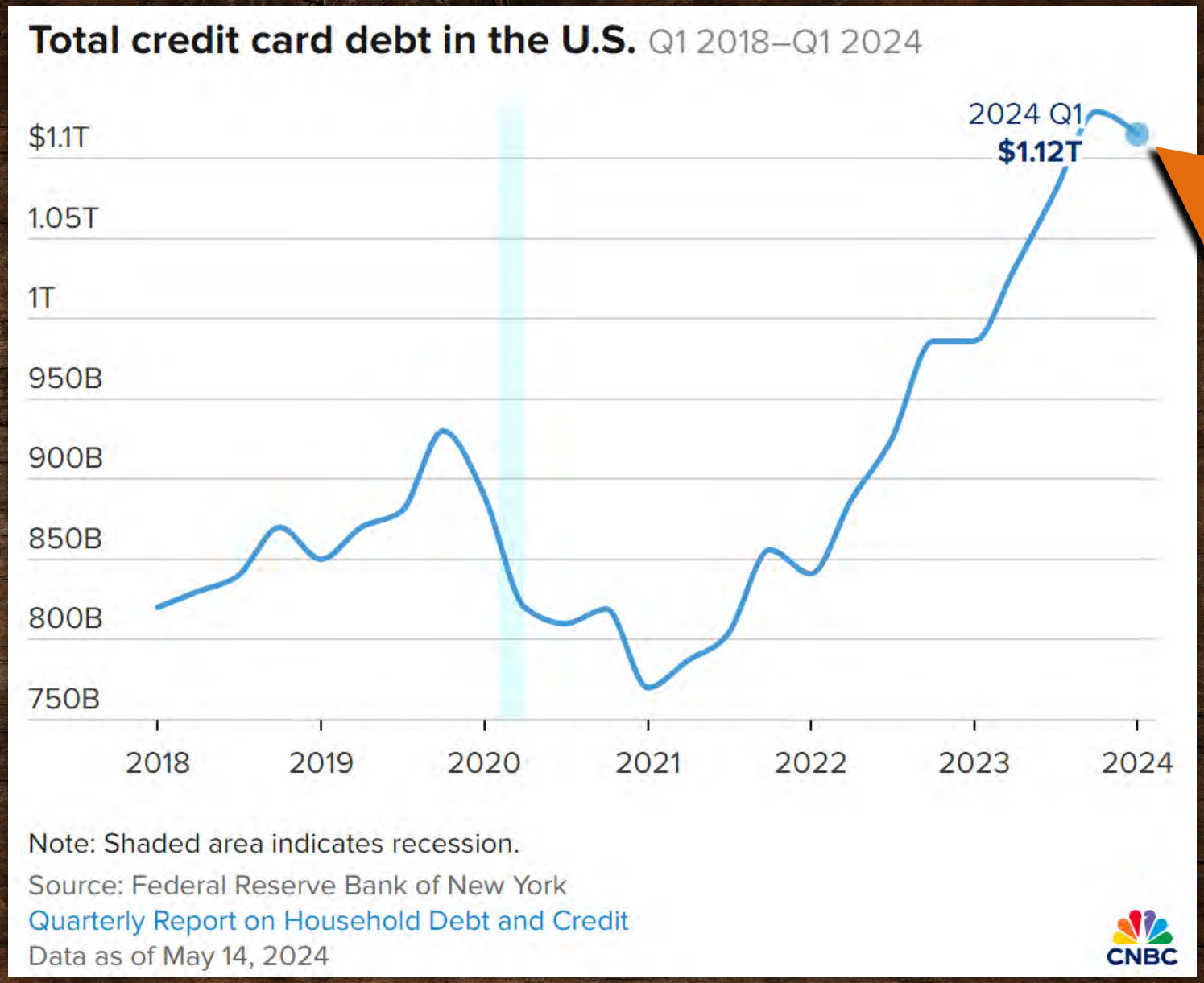


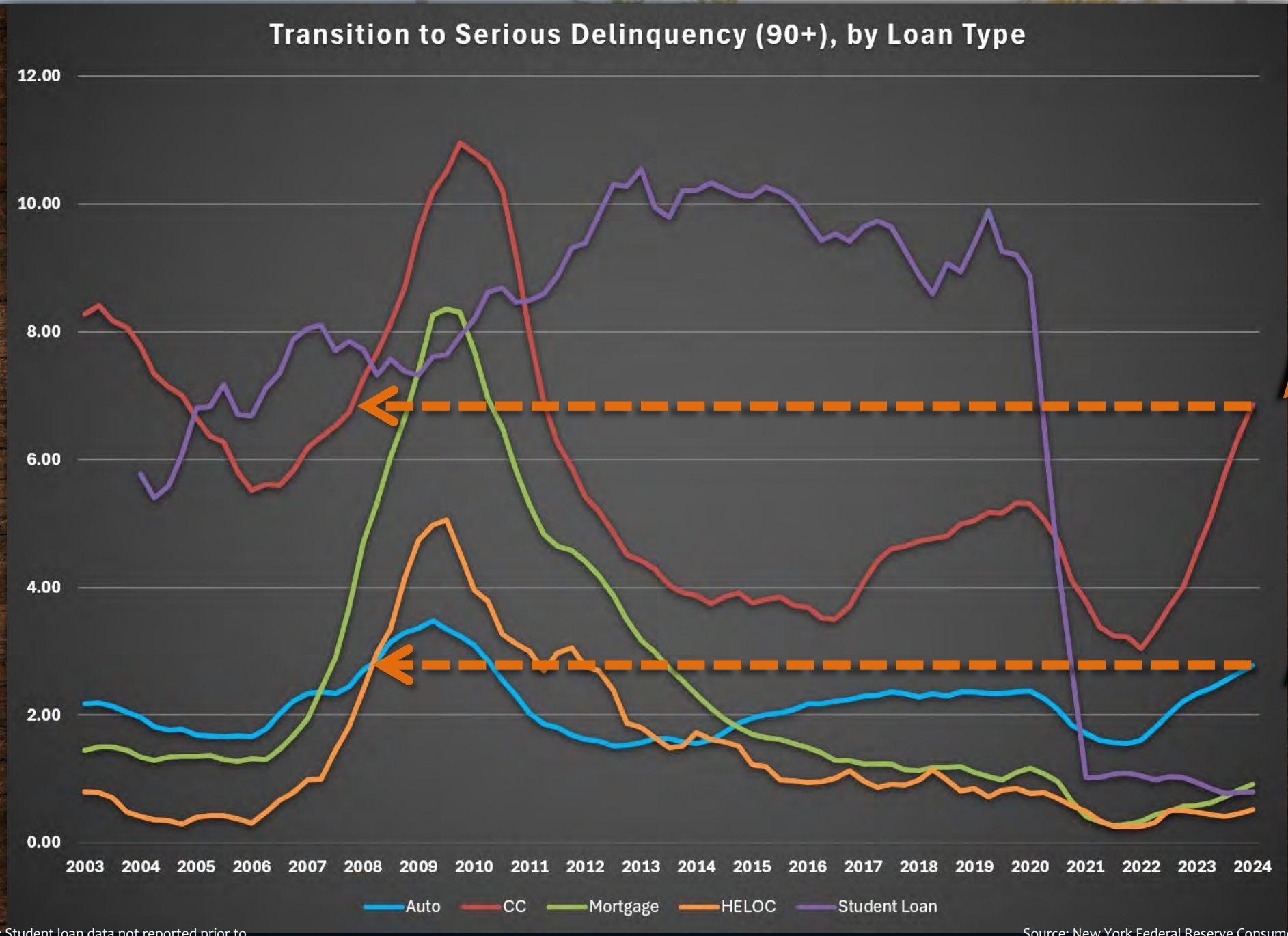
Economic Headwinds




FRED
Personal Saving Rate
Percent
35
30
25
20
15
10
5
0
2008
2010
2012
2014
2016
2018
2020
2022
Source: U.S. Bureau of Economic Analysis
myf.red/g/1oRPD


Chart 2: Cumulative aggregate pandemic-era excess savings
$ trillions
Federal Reserve Bank of San Francisco
$2.1 trillion
Aug 2021
$30 billion
Feb 2024
2.0
1.5
1.0
0.5
0.0
2020
2021
2022
2023
2024
Source: Bureau of Economic Analysis and authors' calculations.


Total credit card debt in the U.S. Q1 2018–Q1 2024
2024 Q1
$1.12T
$1.1T
1.05T
1T
950B
900B
850B
800B
750B
2018
2019
2020
2021
2022
2023
2024
Note: Shaded area indicates recession.
Source: Federal Reserve Bank of New York
Quarterly Report on Household Debt and Credit
Data as of May 14, 2024
CNBC



Note: Student loan data not reported prior to 2024 due to uneven reporting

Source: New York Federal Reserve Consumer Credit Panel/Equifax



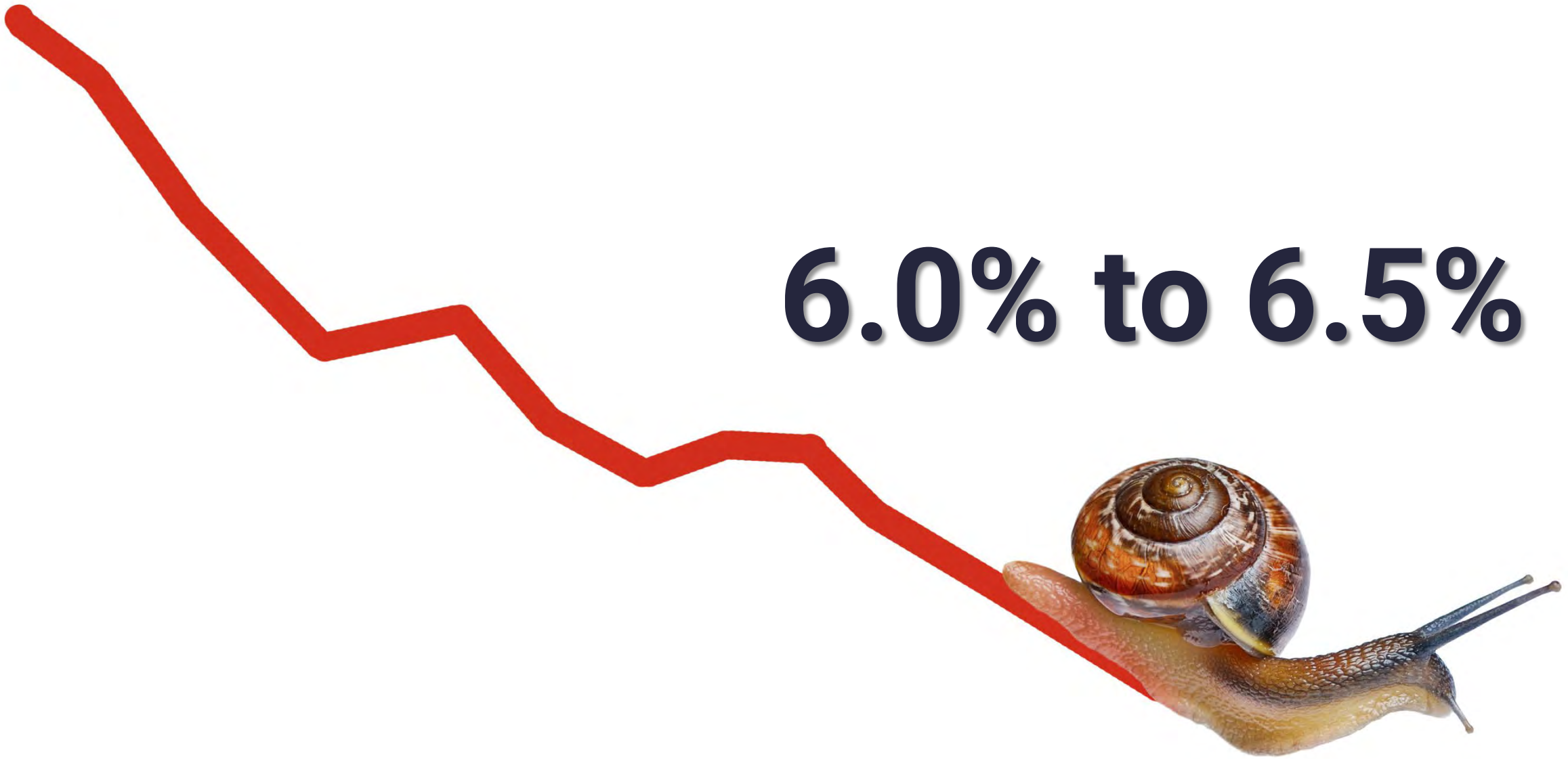





TREASURY
BONDS


M
B
S
MORTGAGE
BACKED
SECURITY




6.0% to 6.5%

U.S. 10 Year Treasury

US.10:Tradeweb

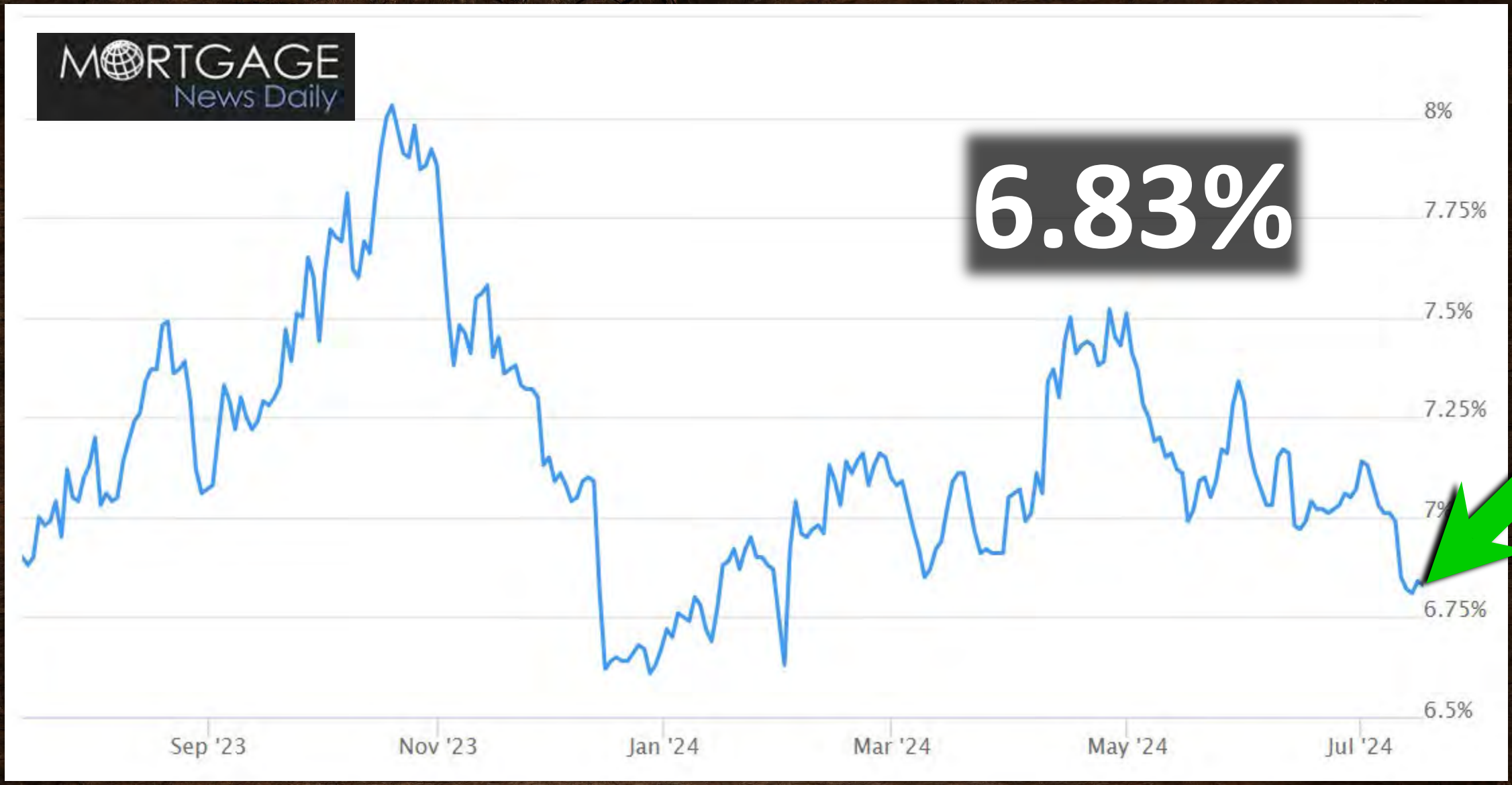
RT Quote | Exchange

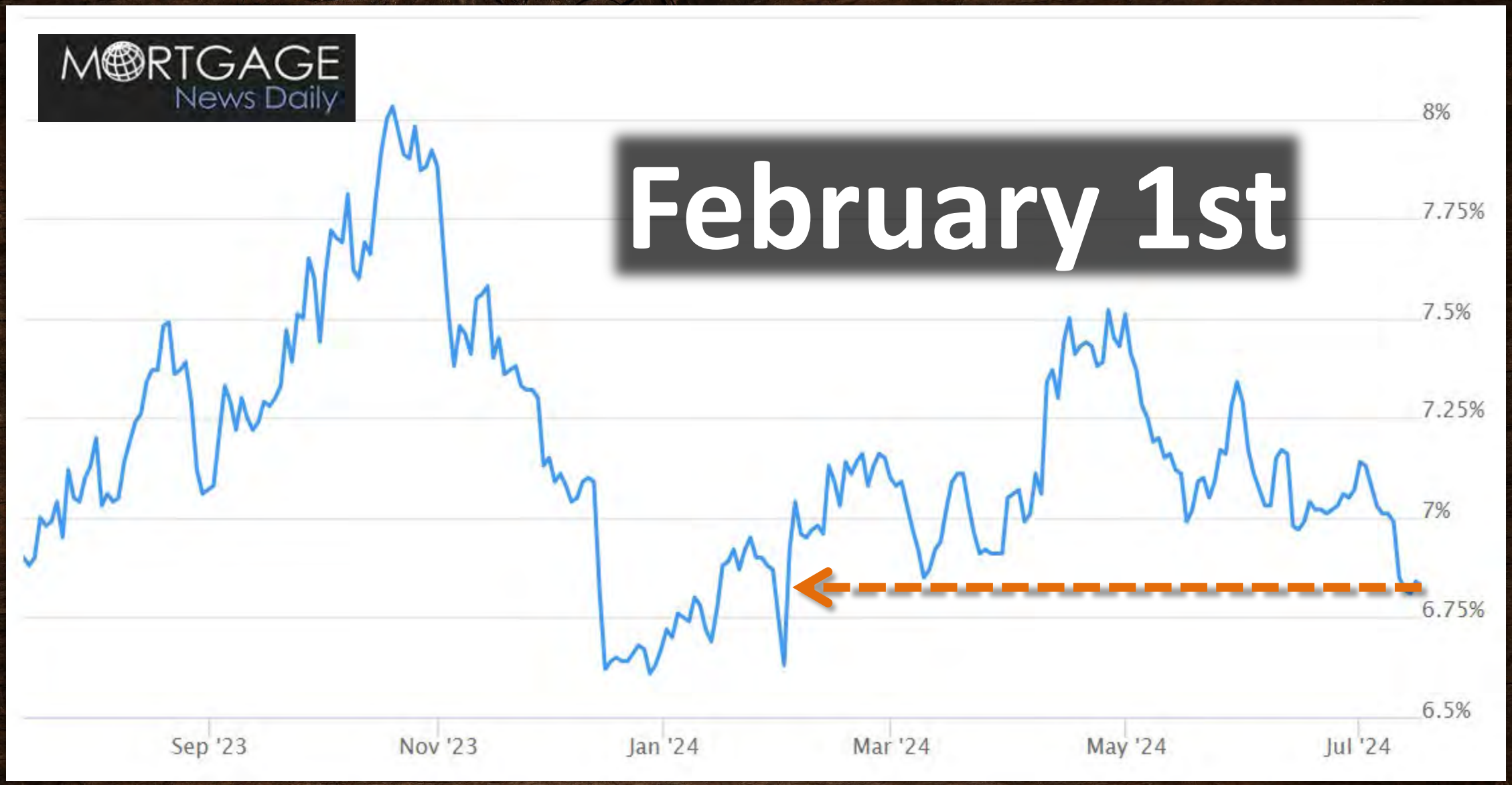
Yield | 1:42 PM EDT

4.161% ▼ **-0.005**

1D 5D 1M 3M 6M YTD 1Y 5Y ALL




MORTGAGE
News Daily
6.83%
8%
7.75%
7.5%
7.25%
7%
6.75%
6.5%
Sep '23
Nov '23
Jan '24
Mar '24
May '24
Jul '24

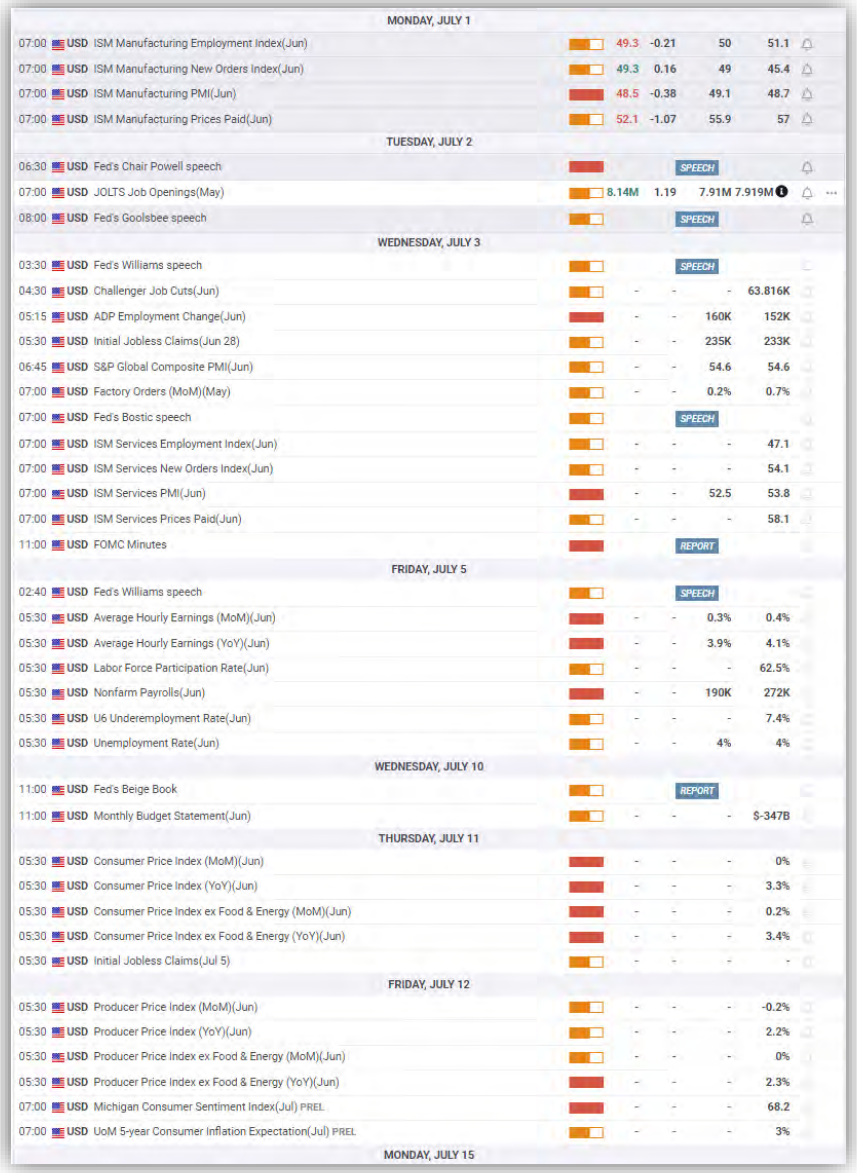

MORTGAGE News Daily
February 1st
8%
7.75%
7.5%
7.25%
7%
6.75%
6.5%
Sep '23
Nov '23
Jan '24
Mar '24
May '24
Jul '24



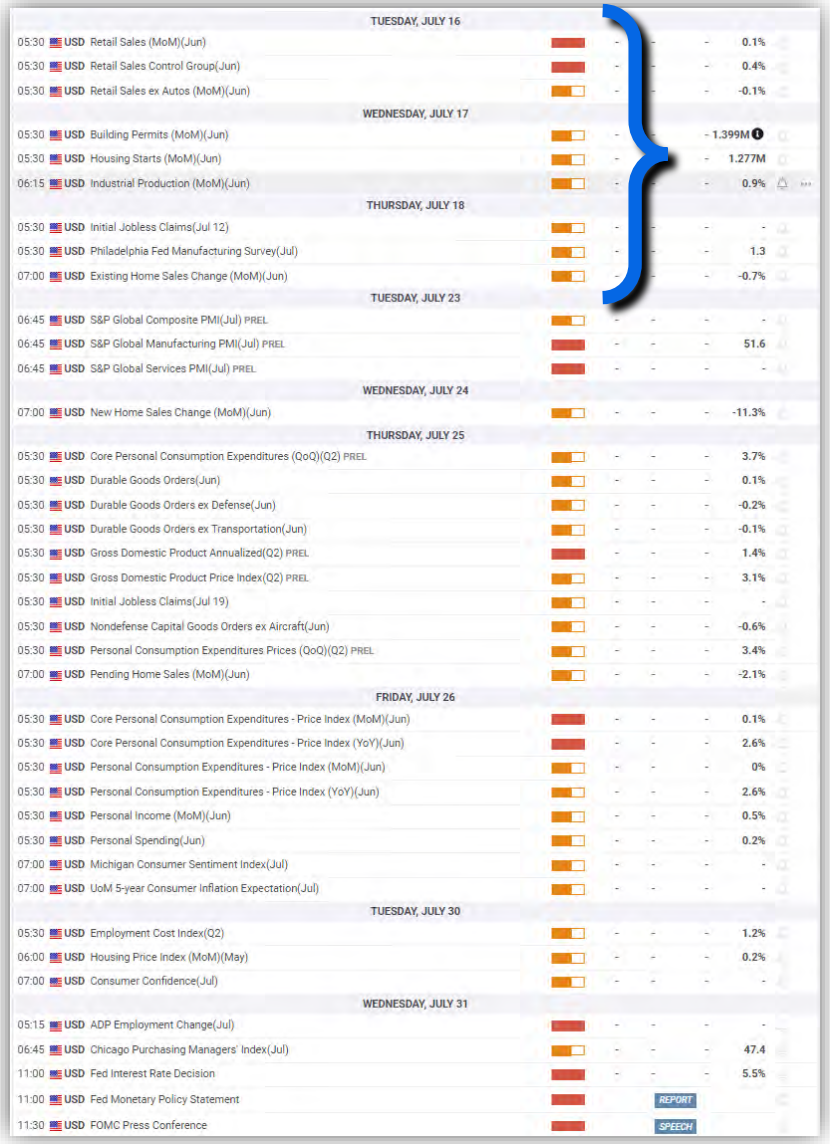




Economic Calendar



MONDAY, JULY 1							
07:00	USD	ISM Manufacturing Employment Index(Jun)		49.3	-0.21	50	51.1
07:00	USD	ISM Manufacturing New Orders Index(Jun)		49.3	0.16	49	45.4
07:00	USD	ISM Manufacturing PMI(Jun)		48.5	-0.38	49.1	48.7
07:00	USD	ISM Manufacturing Prices Paid(Jun)		52.1	-1.07	55.9	57
TUESDAY, JULY 2							
06:30	USD	Fed's Chair Powell speech				SPEECH	
07:00	USD	JOLTS Job Openings(May)		8.14M	1.19	7.91M	7.919M
08:00	USD	Fed's Goolsbee speech				SPEECH	
WEDNESDAY, JULY 3							
03:30	USD	Fed's Williams speech				SPEECH	
04:30	USD	Challenger Job Cuts(Jun)		-	-	-	63.816K
05:15	USD	ADP Employment Change(Jun)		-	-	160K	152K
05:30	USD	Initial Jobless Claims(Jun 28)		-	-	235K	233K
06:45	USD	S&P Global Composite PMI(Jun)		-	-	54.6	54.6
07:00	USD	Factory Orders (MoM)(May)		-	-	0.2%	0.7%
07:00	USD	Fed's Bostic speech				SPEECH	
07:00	USD	ISM Services Employment Index(Jun)		-	-	-	47.1
07:00	USD	ISM Services New Orders Index(Jun)		-	-	-	54.1
07:00	USD	ISM Services PMI(Jun)		-	-	52.5	53.8
07:00	USD	ISM Services Prices Paid(Jun)		-	-	-	58.1
11:00	USD	FOMC Minutes				REPORT	
FRIDAY, JULY 5							
02:40	USD	Fed's Williams speech				SPEECH	
05:30	USD	Average Hourly Earnings (MoM)(Jun)		-	-	0.3%	0.4%
05:30	USD	Average Hourly Earnings (YoY)(Jun)		-	-	3.9%	4.1%
05:30	USD	Labor Force Participation Rate(Jun)		-	-	-	62.5%
05:30	USD	Nonfarm Payrolls(Jun)		-	-	190K	272K
05:30	USD	U6 Underemployment Rate(Jun)		-	-	-	7.4%
05:30	USD	Unemployment Rate(Jun)		-	-	4%	4%
WEDNESDAY, JULY 10							
11:00	USD	Fed's Beige Book				REPORT	
11:00	USD	Monthly Budget Statement(Jun)		-	-	-	$-347B
THURSDAY, JULY 11							
05:30	USD	Consumer Price Index (MoM)(Jun)		-	-	-	0%
05:30	USD	Consumer Price Index (YoY)(Jun)		-	-	-	3.3%
05:30	USD	Consumer Price Index ex Food & Energy (MoM)(Jun)		-	-	-	0.2%
05:30	USD	Consumer Price Index ex Food & Energy (YoY)(Jun)		-	-	-	3.4%
05:30	USD	Initial Jobless Claims(Jul 5)		-	-	-	-
FRIDAY, JULY 12							
05:30	USD	Producer Price Index (MoM)(Jun)		-	-	-	-0.2%
05:30	USD	Producer Price Index (YoY)(Jun)		-	-	-	2.2%
05:30	USD	Producer Price Index ex Food & Energy (MoM)(Jun)		-	-	-	0%
05:30	USD	Producer Price Index ex Food & Energy (YoY)(Jun)		-	-	-	2.3%
07:00	USD	Michigan Consumer Sentiment Index(Jul) PREL		-	-	-	68.2
07:00	USD	UoM 5-year Consumer Inflation Expectation(Jul) PREL		-	-	-	3%
MONDAY, JULY 15							



TUESDAY, JULY 16							
05:30	USD	Retail Sales (MoM)(Jun)		-	-	-	0.1%
05:30	USD	Retail Sales Control Group(Jun)		-	-	-	0.4%
05:30	USD	Retail Sales ex Autos (MoM)(Jun)		-	-	-	-0.1%
WEDNESDAY, JULY 17							
05:30	USD	Building Permits (MoM)(Jun)		-	-	-	1.399M
05:30	USD	Housing Starts (MoM)(Jun)		-	-	-	1.277M
06:15	USD	Industrial Production (MoM)(Jun)		-	-	-	0.9%
THURSDAY, JULY 18							
05:30	USD	Initial Jobless Claims(Jul 12)		-	-	-	-
05:30	USD	Philadelphia Fed Manufacturing Survey(Jul)		-	-	-	1.3
07:00	USD	Existing Home Sales Change (MoM)(Jun)		-	-	-	-0.7%
TUESDAY, JULY 23							
06:45	USD	S&P Global Composite PMI(Jul) PREL		-	-	-	-
06:45	USD	S&P Global Manufacturing PMI(Jul) PREL		-	-	-	51.6
06:45	USD	S&P Global Services PMI(Jul) PREL		-	-	-	-
WEDNESDAY, JULY 24							
07:00	USD	New Home Sales Change (MoM)(Jun)		-	-	-	-11.3%
THURSDAY, JULY 25							
05:30	USD	Core Personal Consumption Expenditures (QoQ)(Q2) PREL		-	-	-	3.7%
05:30	USD	Durable Goods Orders(Jun)		-	-	-	0.1%
05:30	USD	Durable Goods Orders ex Defense(Jun)		-	-	-	-0.2%
05:30	USD	Durable Goods Orders ex Transportation(Jun)		-	-	-	-0.1%
05:30	USD	Gross Domestic Product Annualized(Q2) PREL		-	-	-	1.4%
05:30	USD	Gross Domestic Product Price Index(Q2) PREL		-	-	-	3.1%
05:30	USD	Initial Jobless Claims(Jul 19)		-	-	-	-
05:30	USD	Nondefense Capital Goods Orders ex Aircraft(Jun)		-	-	-	-0.6%
05:30	USD	Personal Consumption Expenditures Prices (QoQ)(Q2) PREL		-	-	-	3.4%
07:00	USD	Pending Home Sales (MoM)(Jun)		-	-	-	-2.1%
FRIDAY, JULY 26							
05:30	USD	Core Personal Consumption Expenditures - Price Index (MoM)(Jun)		-	-	-	0.1%
05:30	USD	Core Personal Consumption Expenditures - Price Index (YoY)(Jun)		-	-	-	2.6%
05:30	USD	Personal Consumption Expenditures - Price Index (MoM)(Jun)		-	-	-	0%
05:30	USD	Personal Consumption Expenditures - Price Index (YoY)(Jun)		-	-	-	2.6%
05:30	USD	Personal Income (MoM)(Jun)		-	-	-	0.5%
05:30	USD	Personal Spending(Jun)		-	-	-	0.2%
07:00	USD	Michigan Consumer Sentiment Index(Jul)		-	-	-	-
07:00	USD	UoM 5-year Consumer Inflation Expectation(Jul)		-	-	-	-
TUESDAY, JULY 30							
05:30	USD	Employment Cost Index(Q2)		-	-	-	1.2%
06:00	USD	Housing Price Index (MoM)(May)		-	-	-	0.2%
07:00	USD	Consumer Confidence(Jul)		-	-	-	-
WEDNESDAY, JULY 31							
05:15	USD	ADP Employment Change(Jul)		-	-	-	-
06:45	USD	Chicago Purchasing Managers' Index(Jul)		-	-	-	47.4
11:00	USD	Fed Interest Rate Decision		-	-	-	5.5%
11:00	USD	Fed Monetary Policy Statement				REPORT	
11:30	USD	FOMC Press Conference				SPEECH	

FXStreet.com



The Housing Market

Strong Credit

Great Jobs

Low Fixed Payments - Hedge

Record Tappable Equity

Record Equity Rich

Record Own Free & Clear



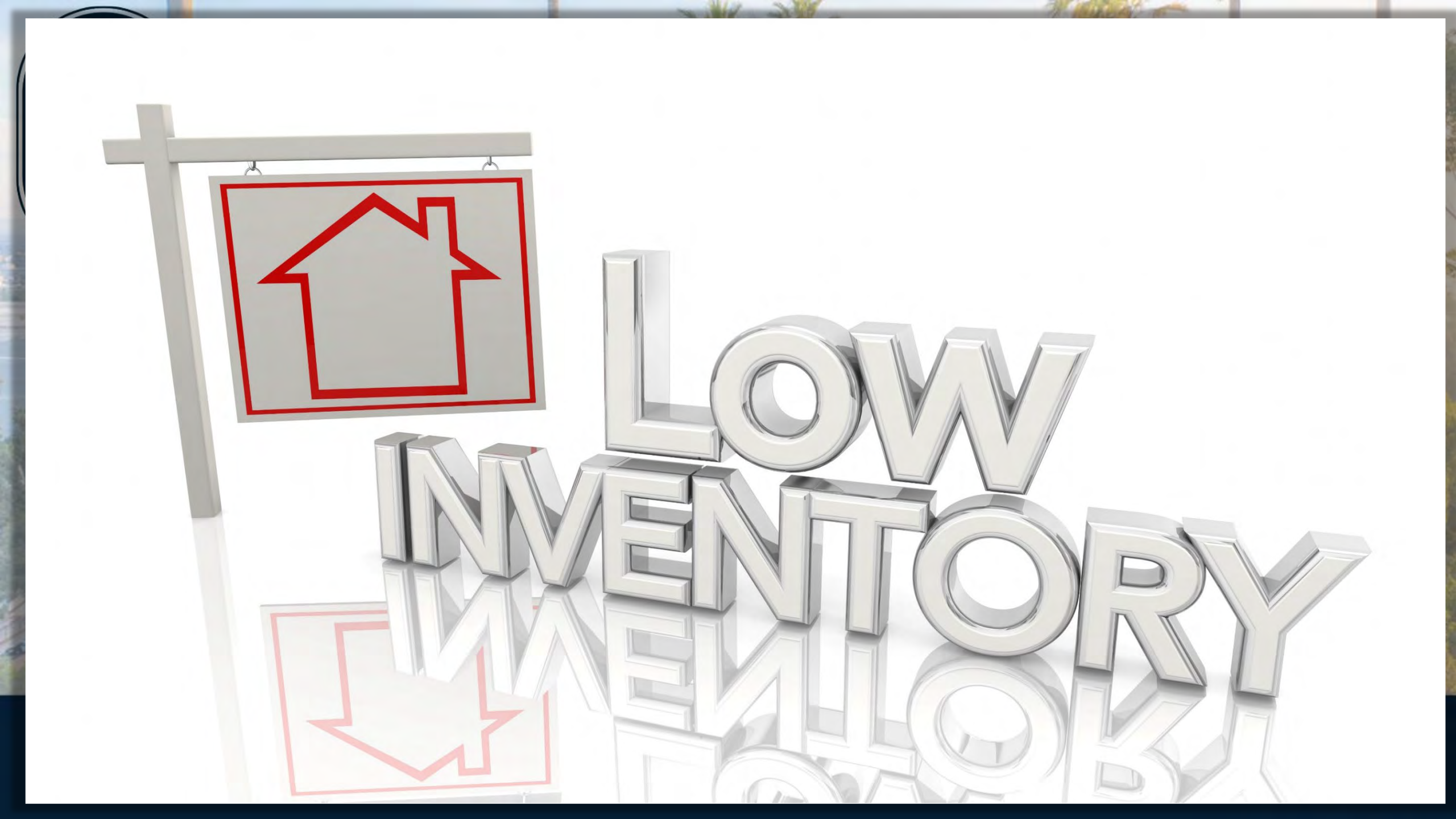



Supply Rises
Demand
Slowly Falls

Supply Scarcity

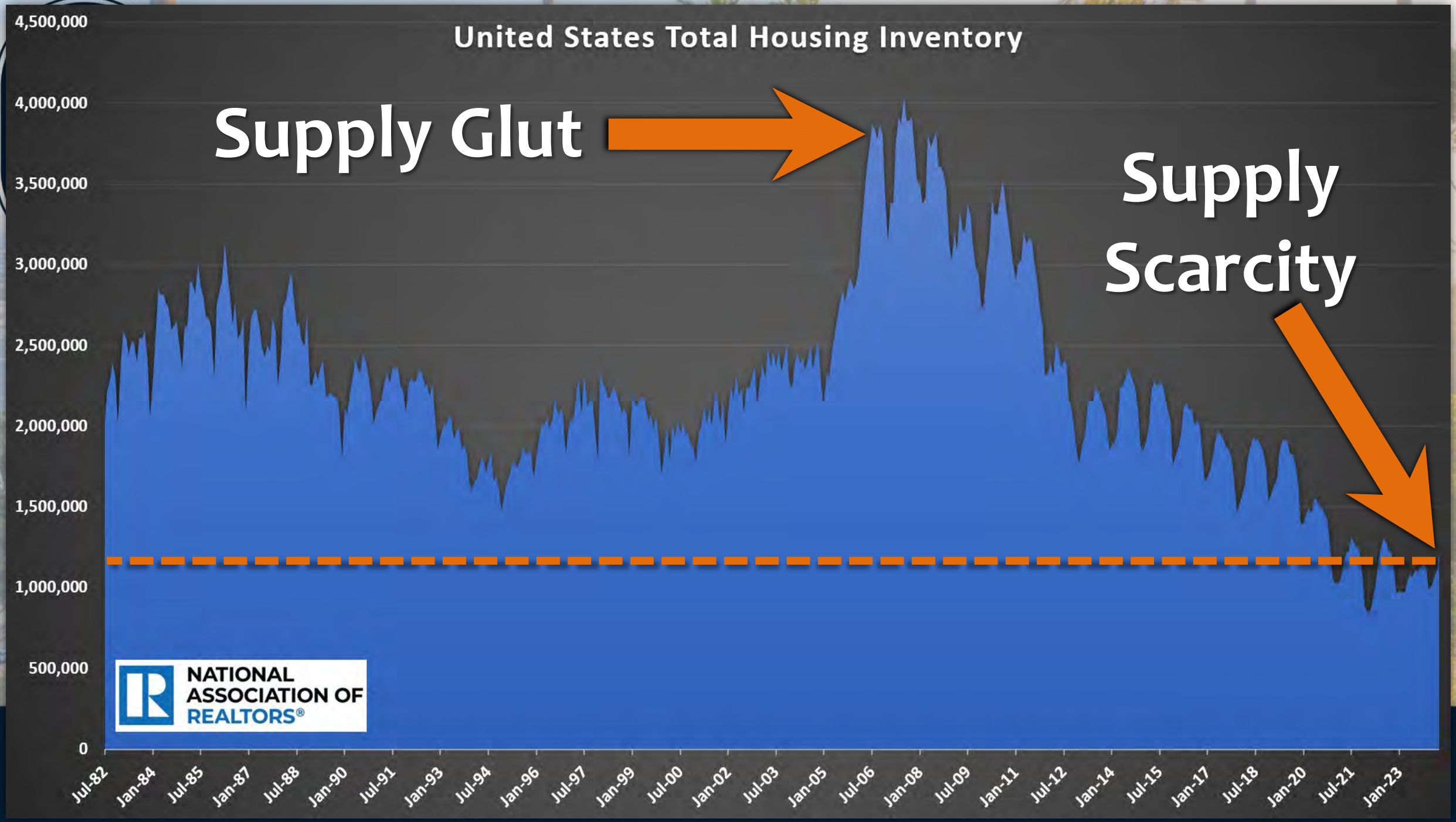
Affordability Crisis



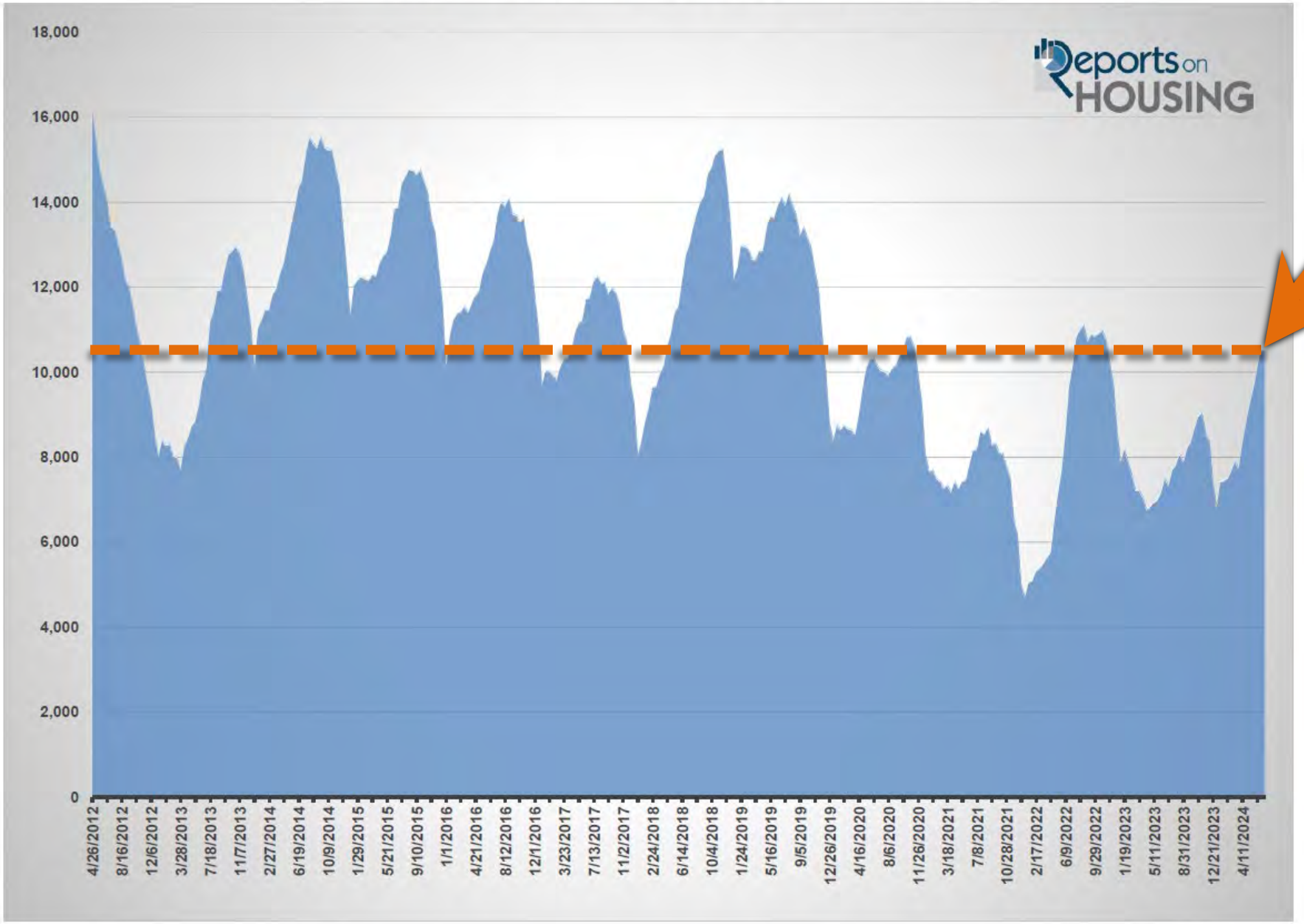

LOW
INVENTORY



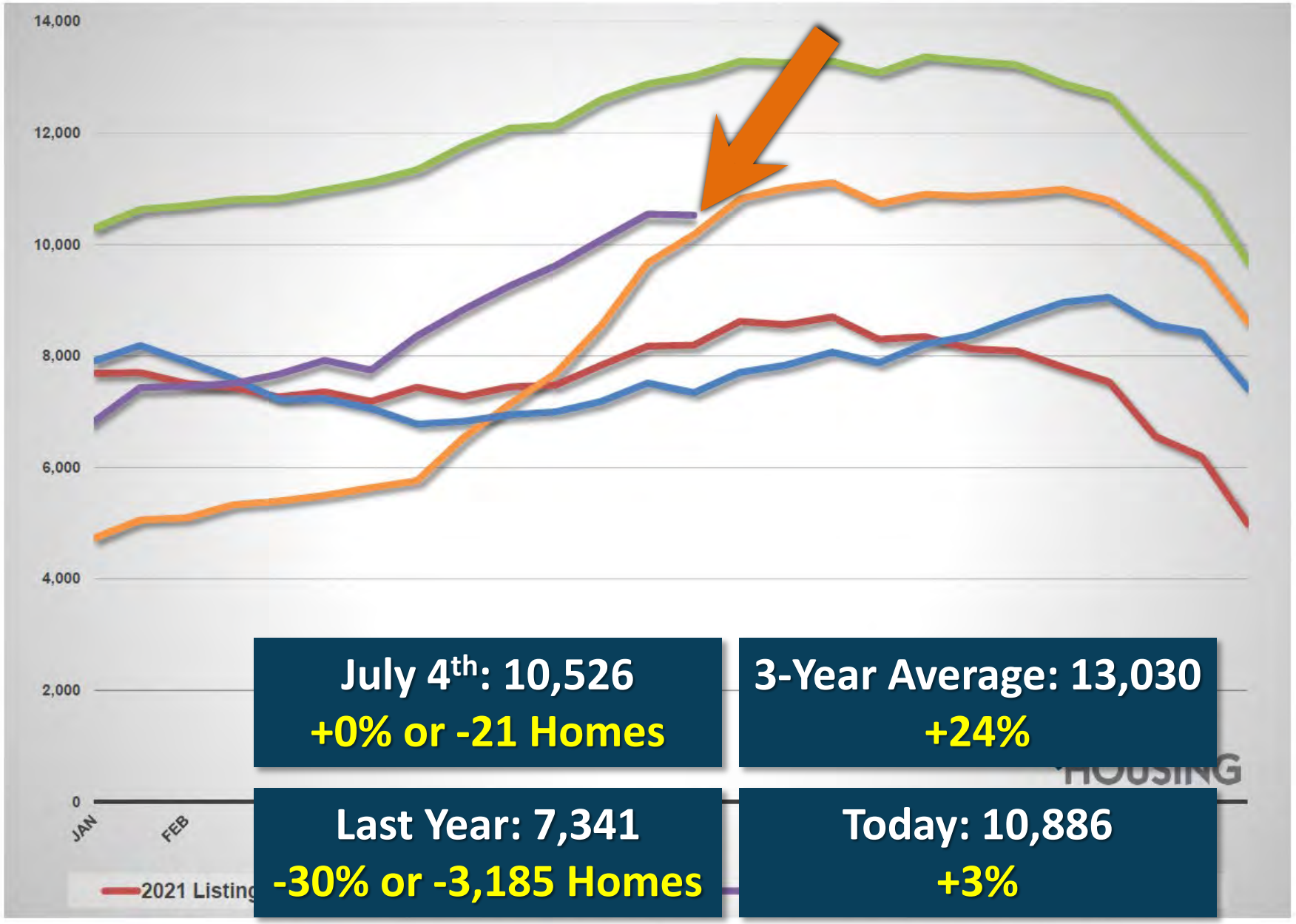

SCARCITY
GONE!
GOING
GOING
GOING
GOING


United States Total Housing Inventory
Supply Glut
Supply Scarcity
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Jul-82
Jan-84
Jul-85
Jan-87
Jul-88
Jan-90
Jul-91
Jan-93
Jul-94
Jan-96
Jul-97
Jan-99
Jul-00
Jan-02
Jul-03
Jan-05
Jul-06
Jan-08
Jul-09
Jan-11
Jul-12
Jan-14
Jul-15
Jan-17
Jul-18
Jan-20
Jul-21
Jan-23
NATIONAL ASSOCIATION OF REALTORS®

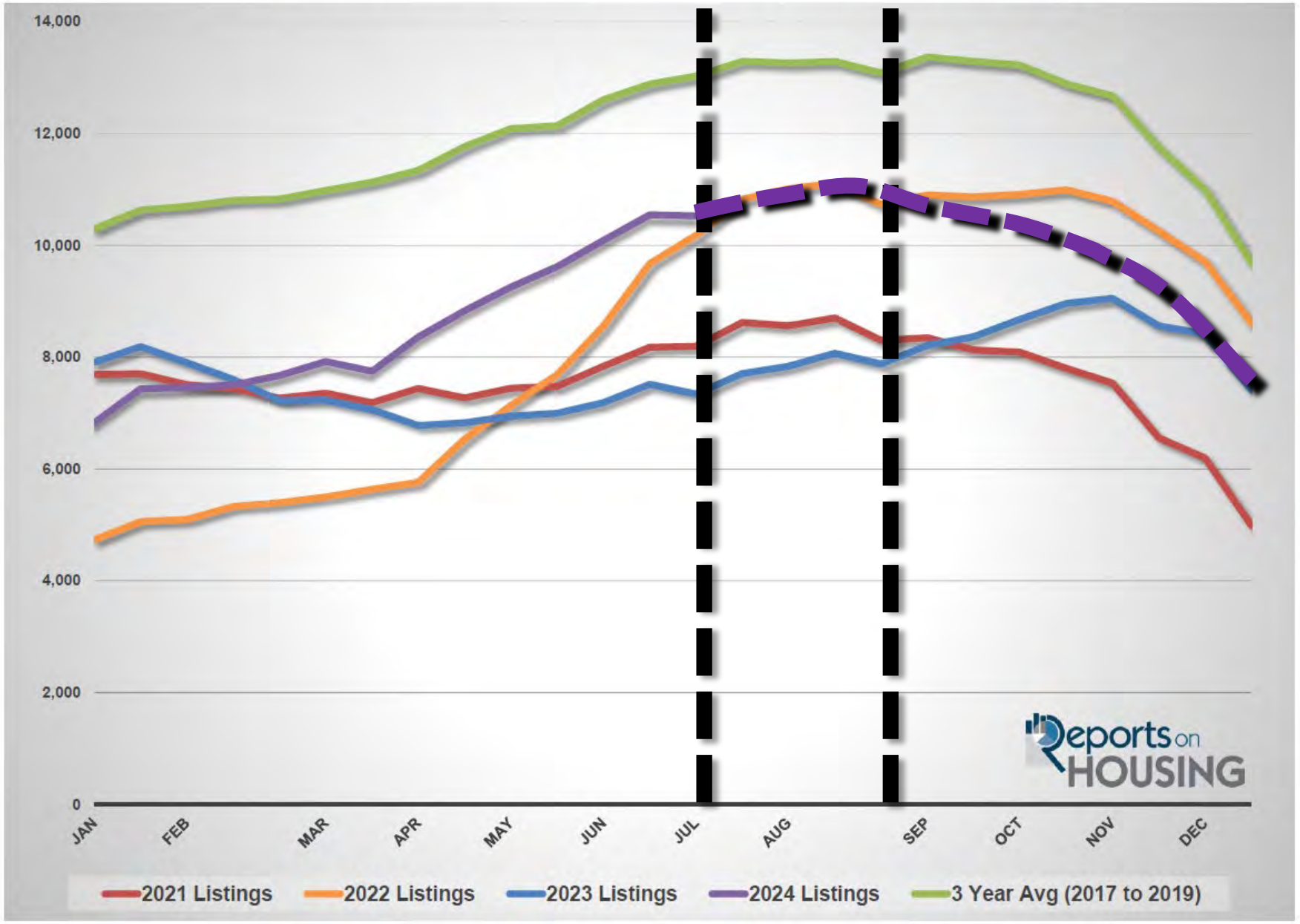
Los Angeles County Active Listing Inventory



Los Angeles County Active Listing Inventory Year Over Year



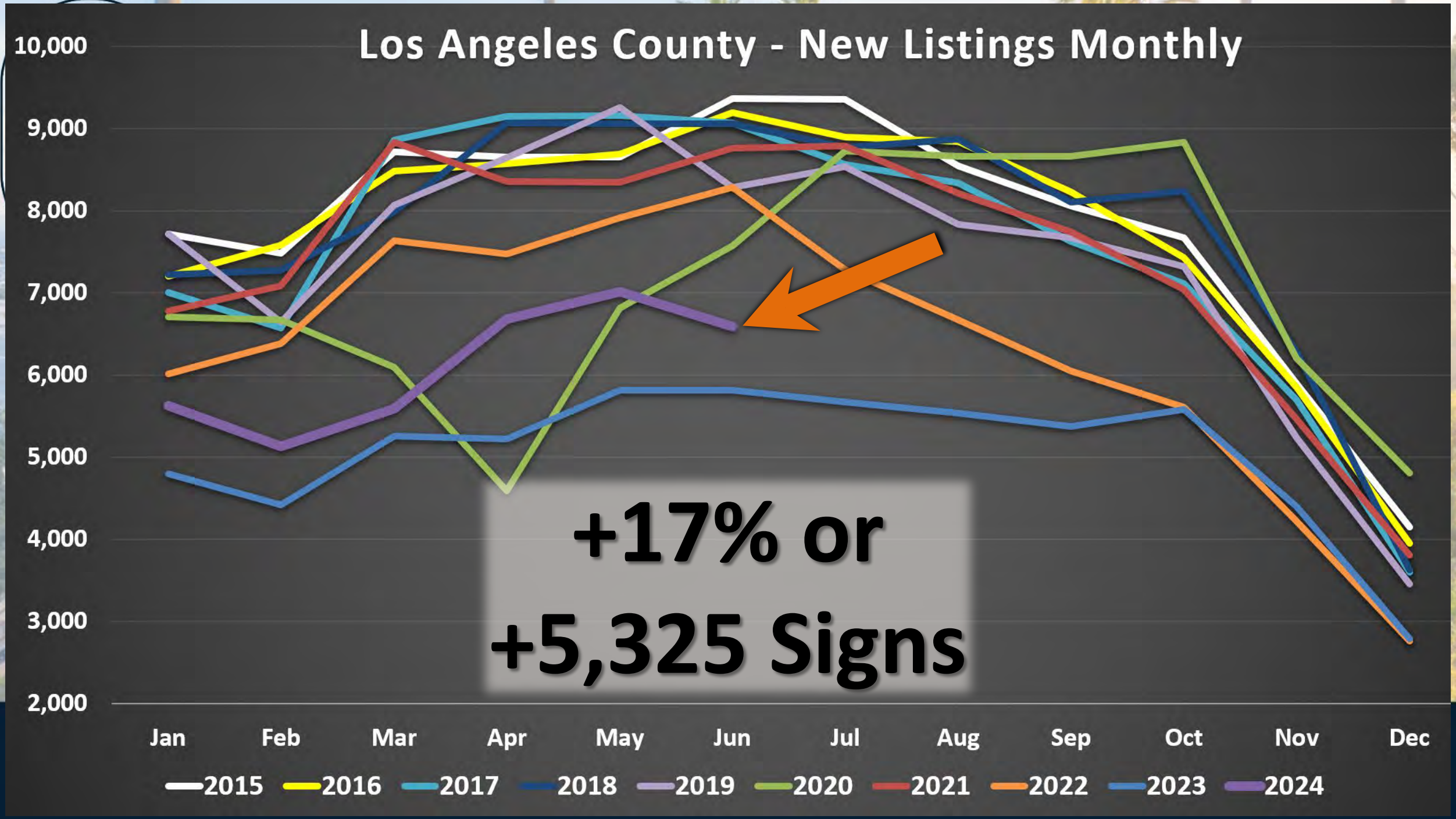
Los Angeles County Active Listing Inventory Year Over Year

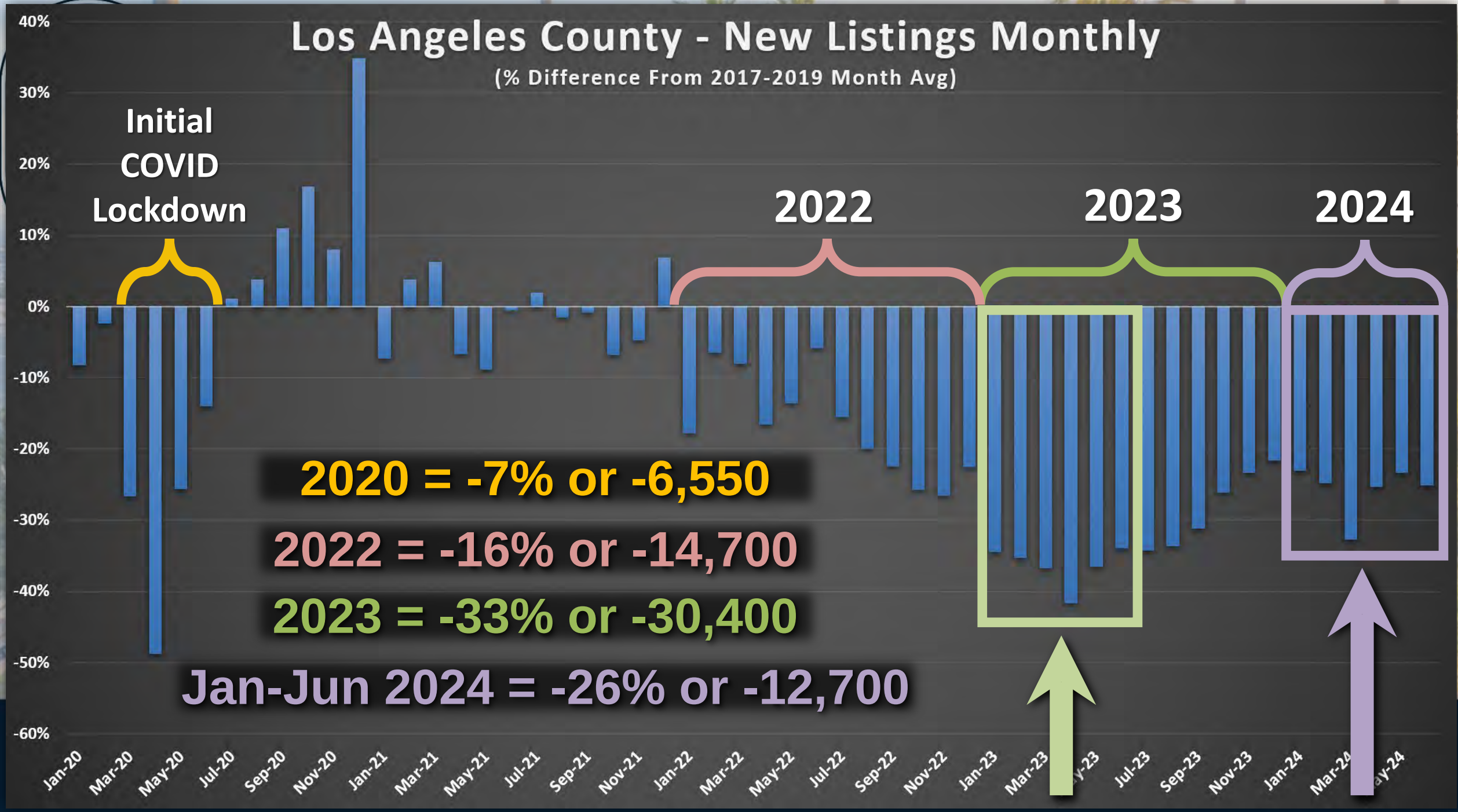



Kicking Back
California
84% = 5% or Lower
67% = 4% or Lower
30% = 3% or Lower





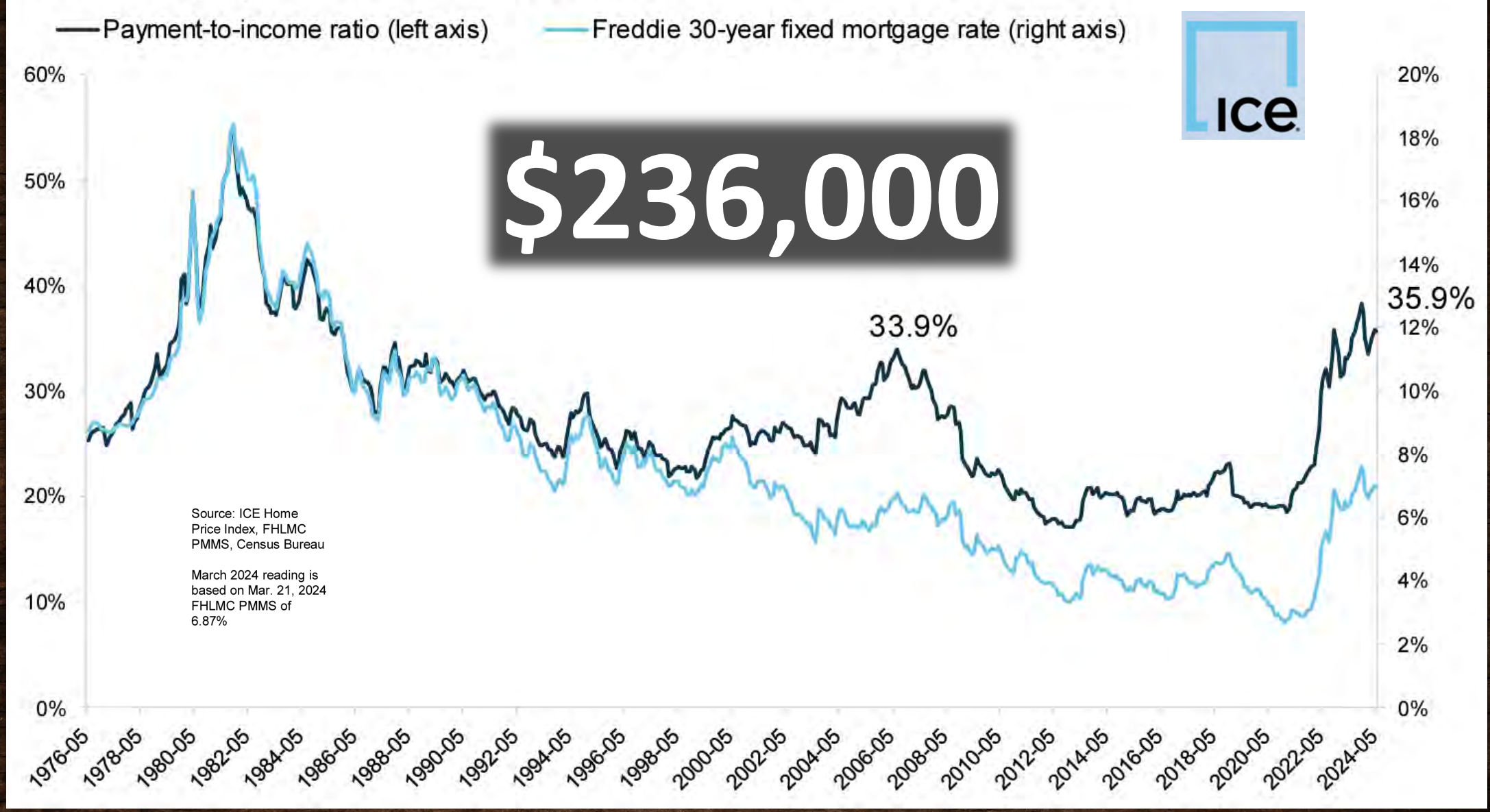

Los Angeles County - New Listings Monthly
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
+17% or
+5,325 Signs


Los Angeles County - New Listings Monthly
(% Difference From 2017-2019 Month Avg)
Initial COVID Lockdown
2022
2023
2024
2020 = -7% or -6,550
2022 = -16% or -14,700
2023 = -33% or -30,400
Jan-Jun 2024 = -26% or -12,700
40%
30%
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
-60%
Jan-20
Mar-20
May-20
Jul-20
Sep-20
Nov-20
Jan-21
Mar-21
May-21
Jul-21
Sep-21
Nov-21
Jan-22
Mar-22
May-22
Jul-22
Sep-22
Nov-22
Jan-23
Mar-23
Jul-23
Sep-23
Nov-23
Jan-24
Mar-24


LOW
DEMAND
pg dn
end


849754
MRC
M-
M+
OFF
ON/C

National payment-to-income ratio*



Rates Impact on Affordability

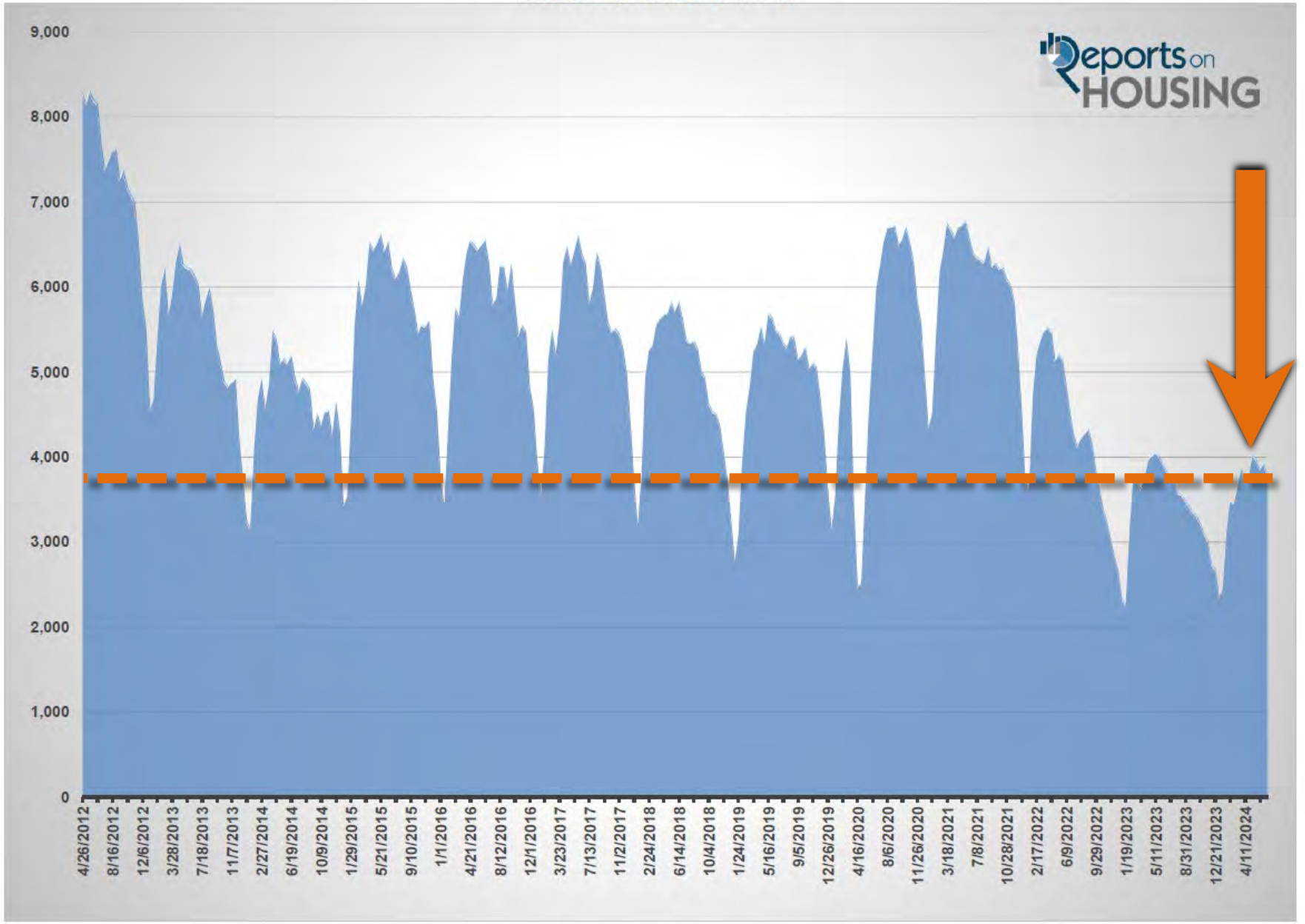
Interest Rates Impact on Affordability

	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%
$5,000 Desired Monthly Payment	↓ Price of Home Able to Afford ↓					
	$1,101,250	$1,042,500	$988,750	$940,000	$893,750	$851,250

*Mortgage Payment is Principal & Interest Only & 20% Down Payment

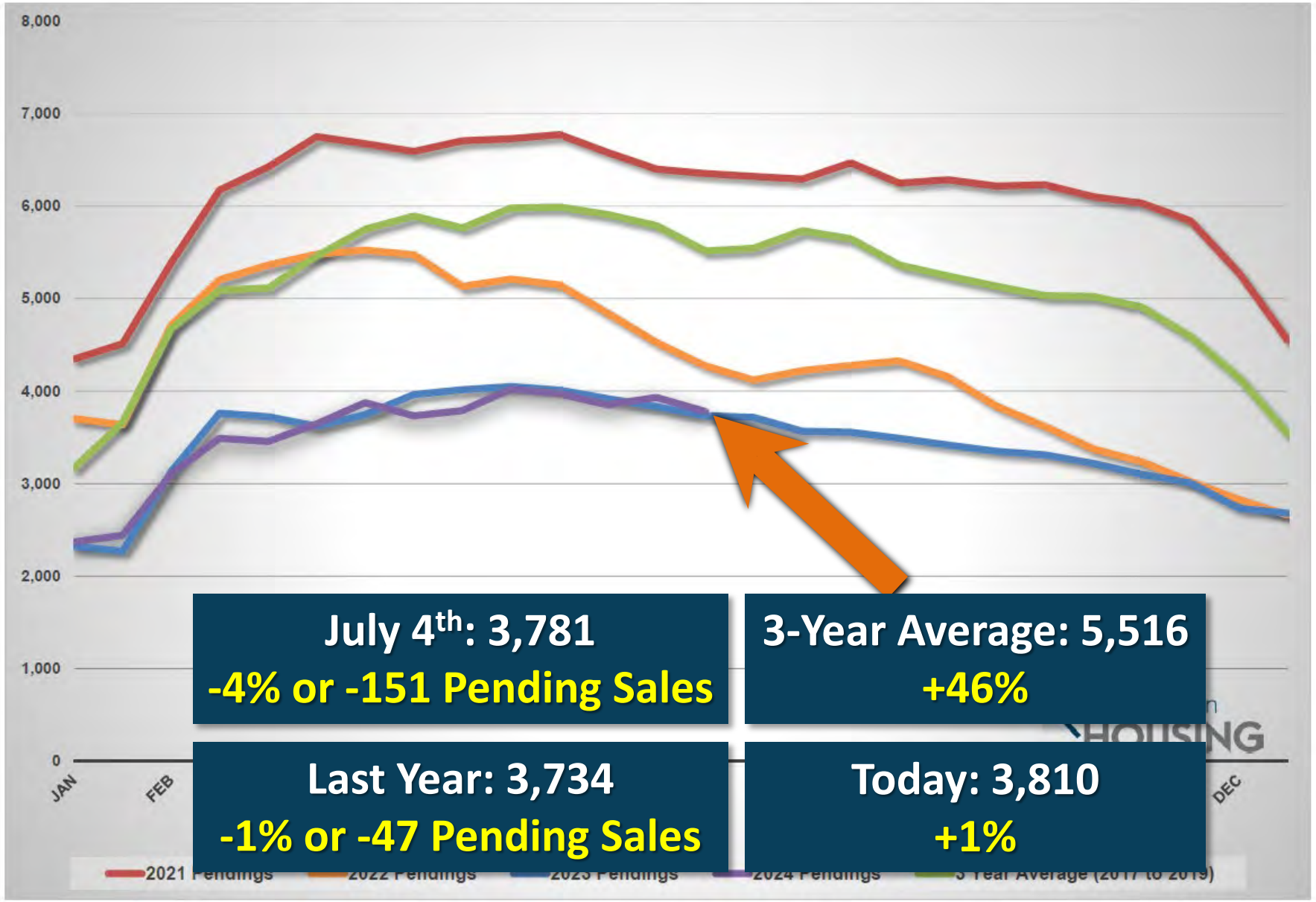
Los Angeles County Demand

(Prior 30 Day Pendings Snapshot)



Los Angeles County Demand Year Over Year

Prior 30 Day Pendings Snapshot



July 4th: 3,781
-4% or -151 Pending Sales

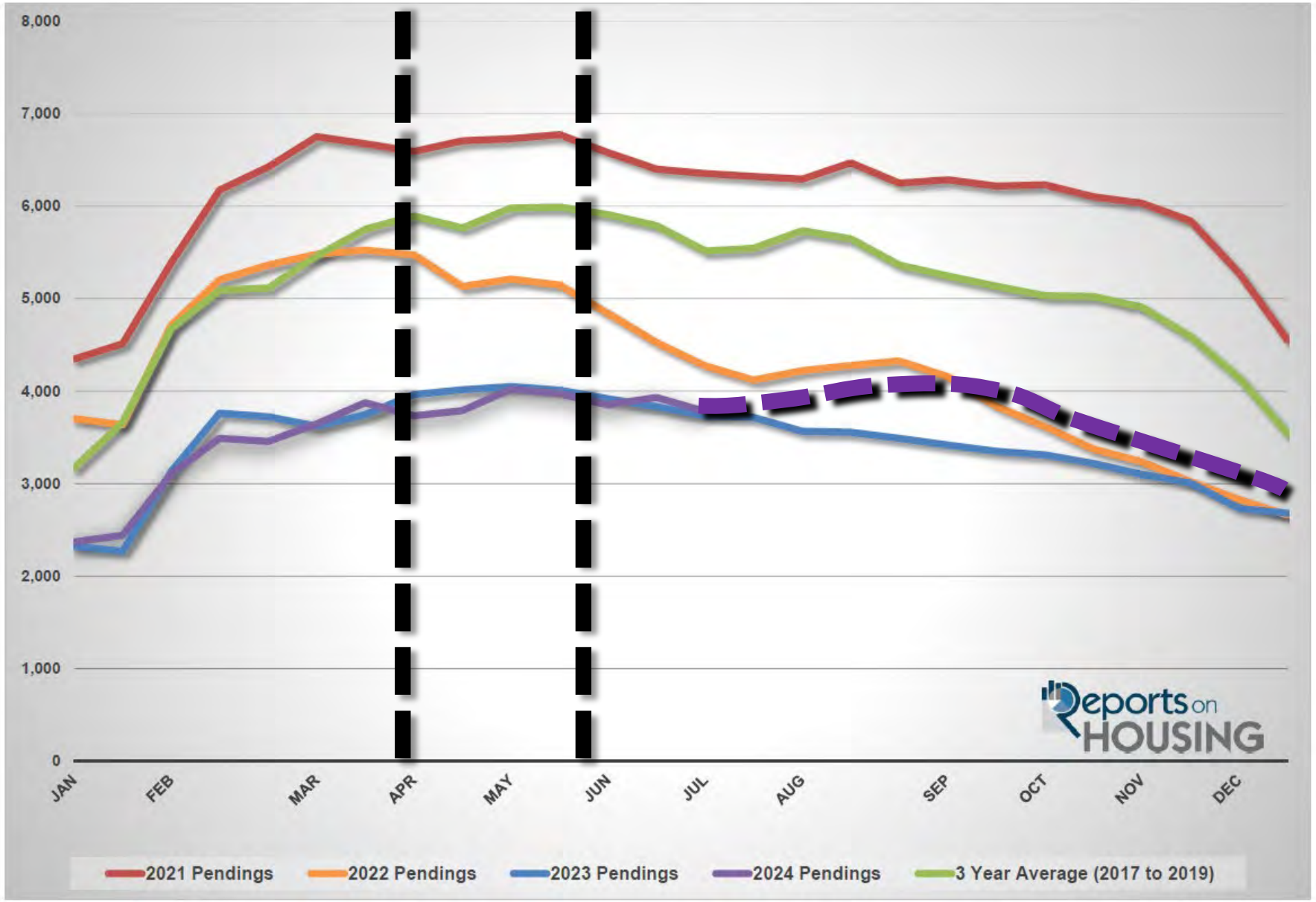
3-Year Average: 5,516
+46%

Last Year: 3,734
-1% or -47 Pending Sales

Today: 3,810
+1%

Los Angeles County Demand Year Over Year

Prior 30 Day Pendings Snapshot

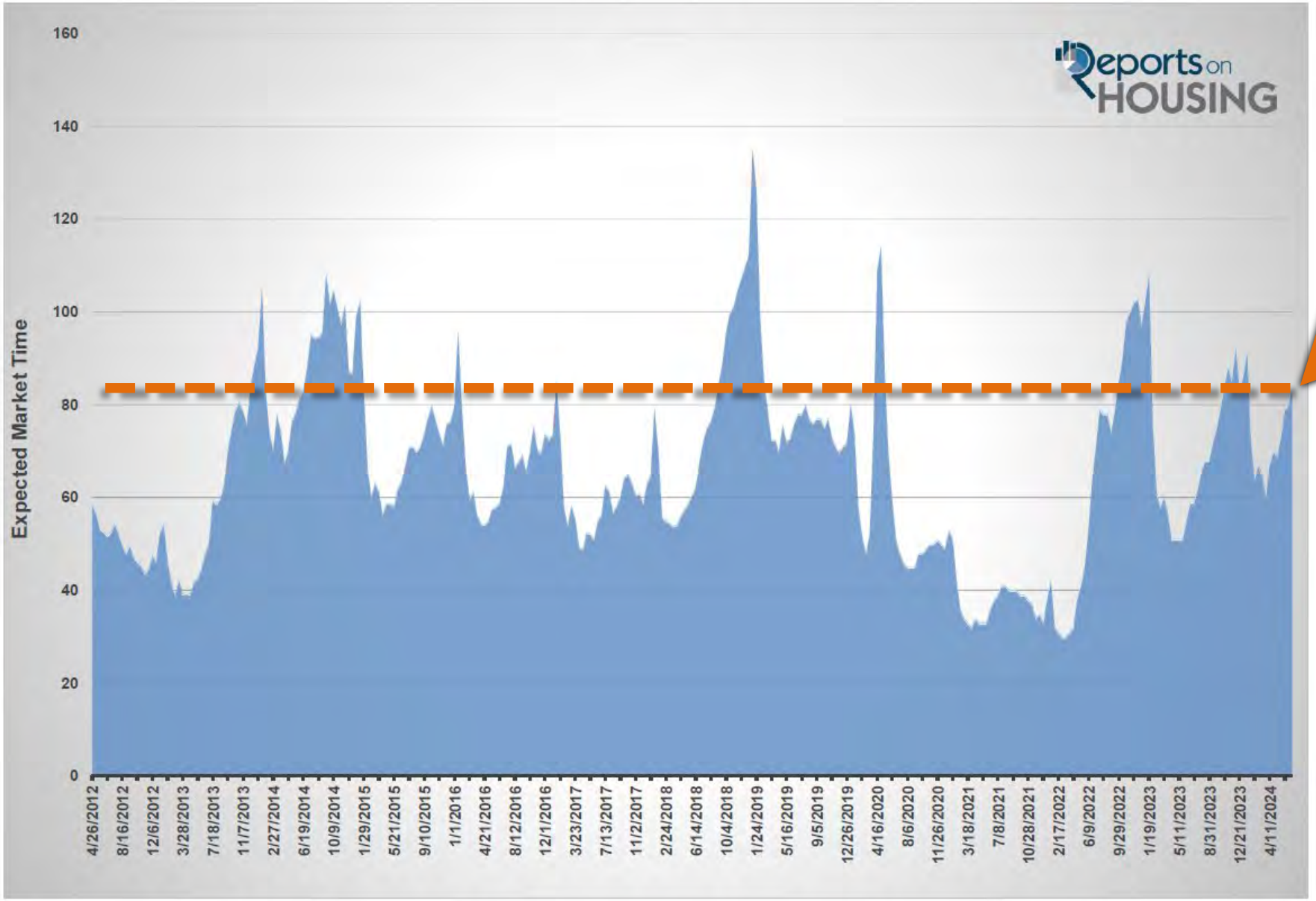




The Speed of the Market

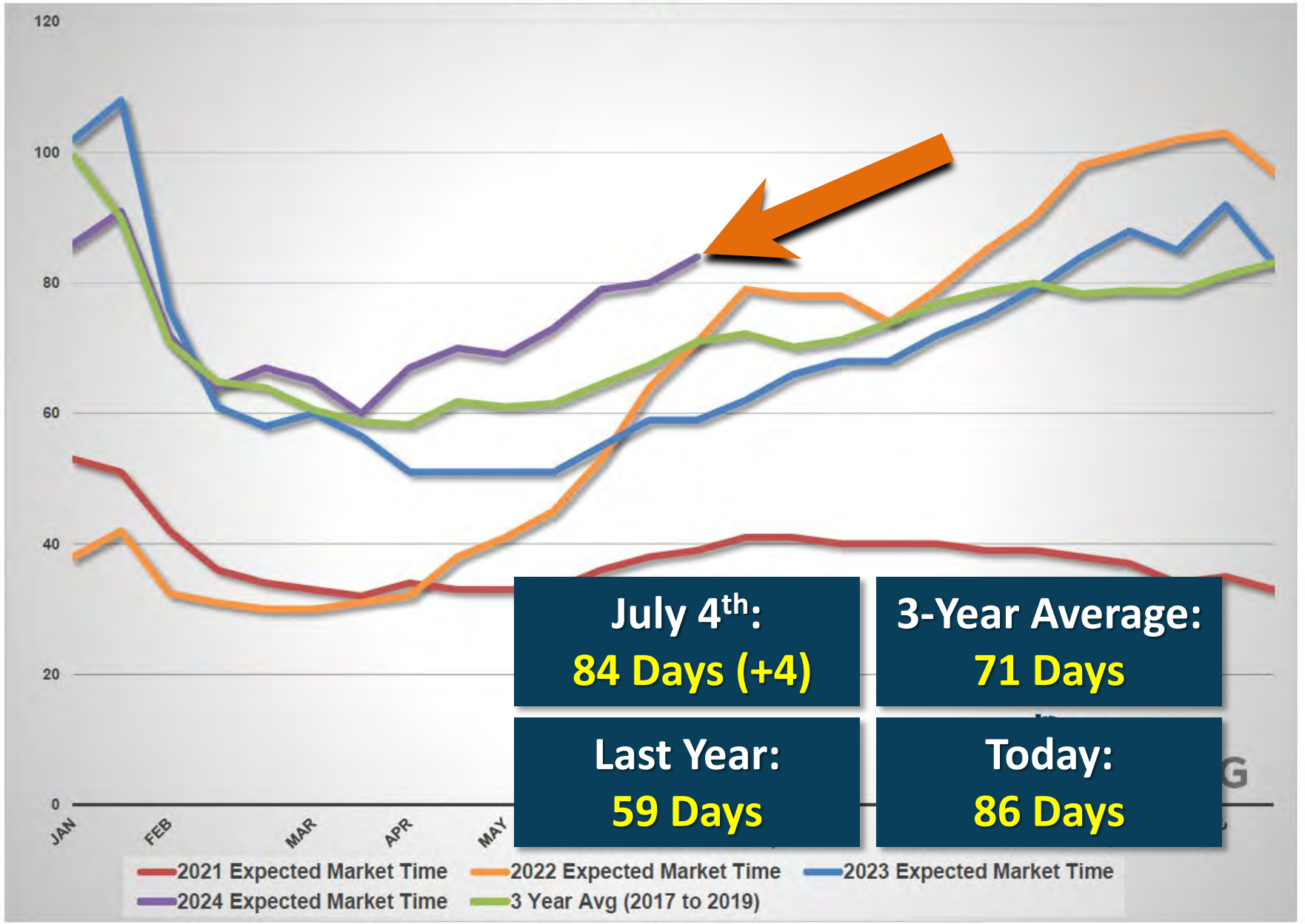
Los Angeles County Expected Market Time

Days of Inventory



Los Angeles County Expected Market Time Year Over Year

In Days



July 4th:
84 Days (+4)

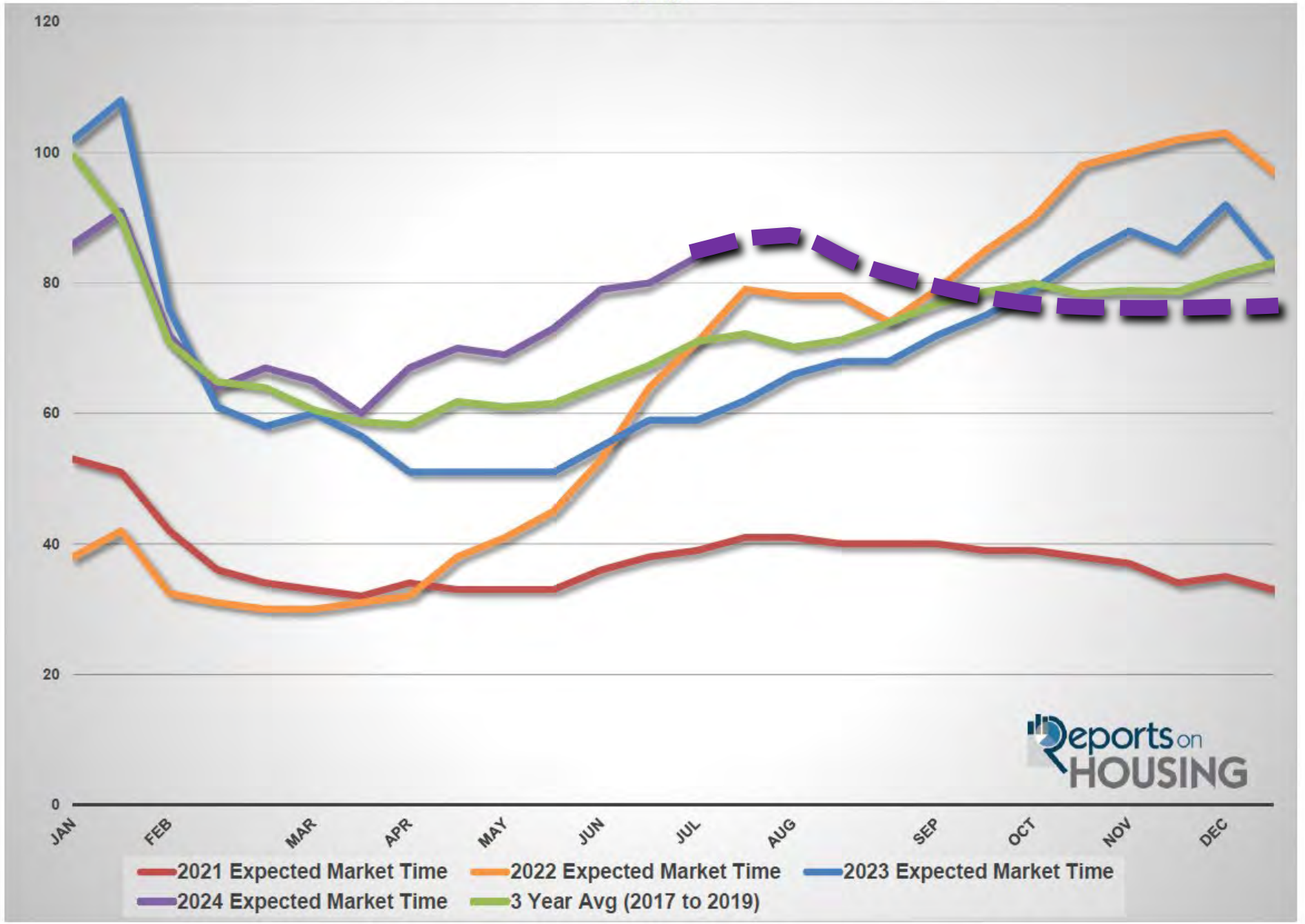
3-Year Average:
71 Days

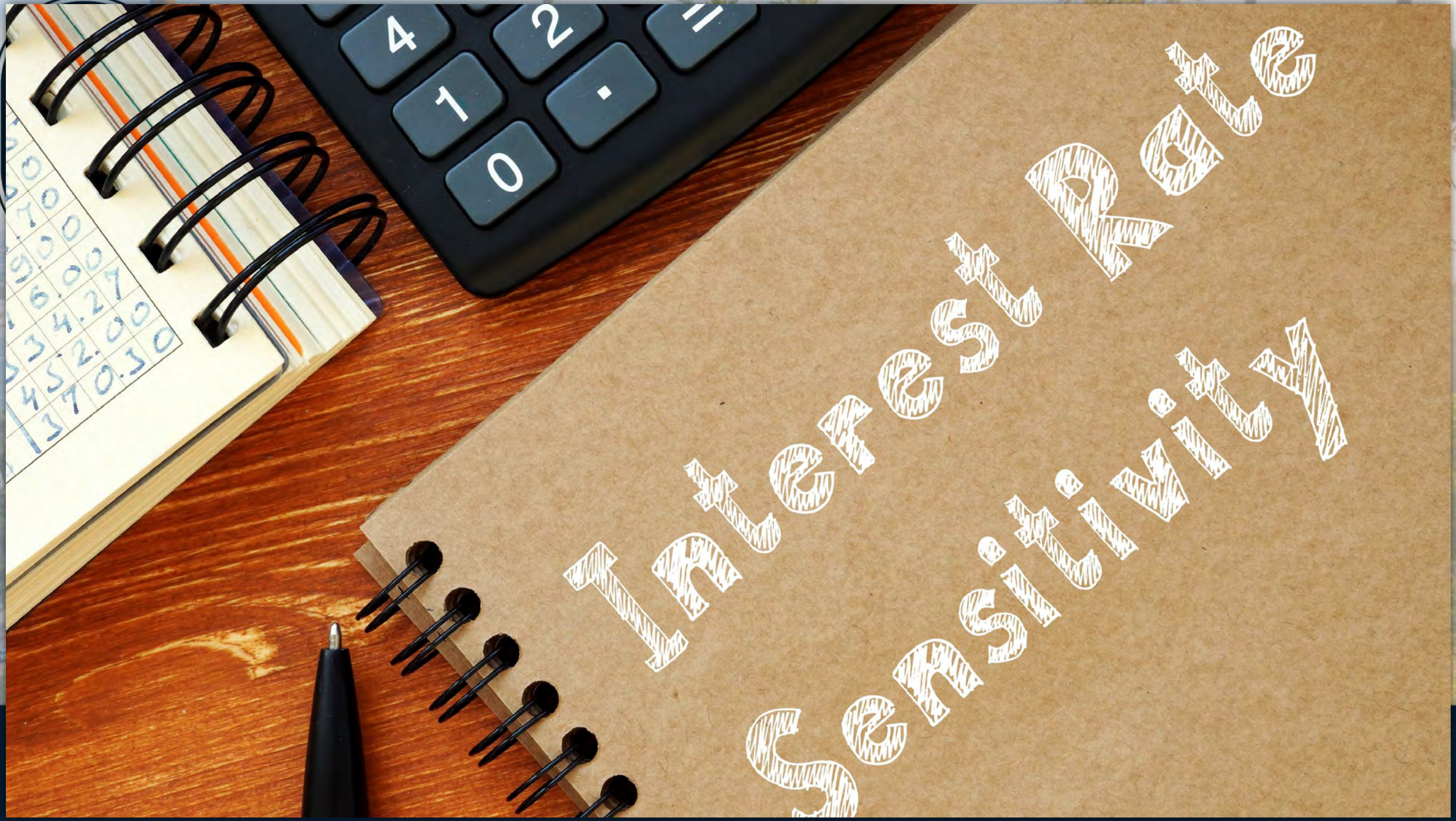
Last Year:
59 Days

Today:
86 Days

Los Angeles County Expected Market Time Year Over Year

In Days



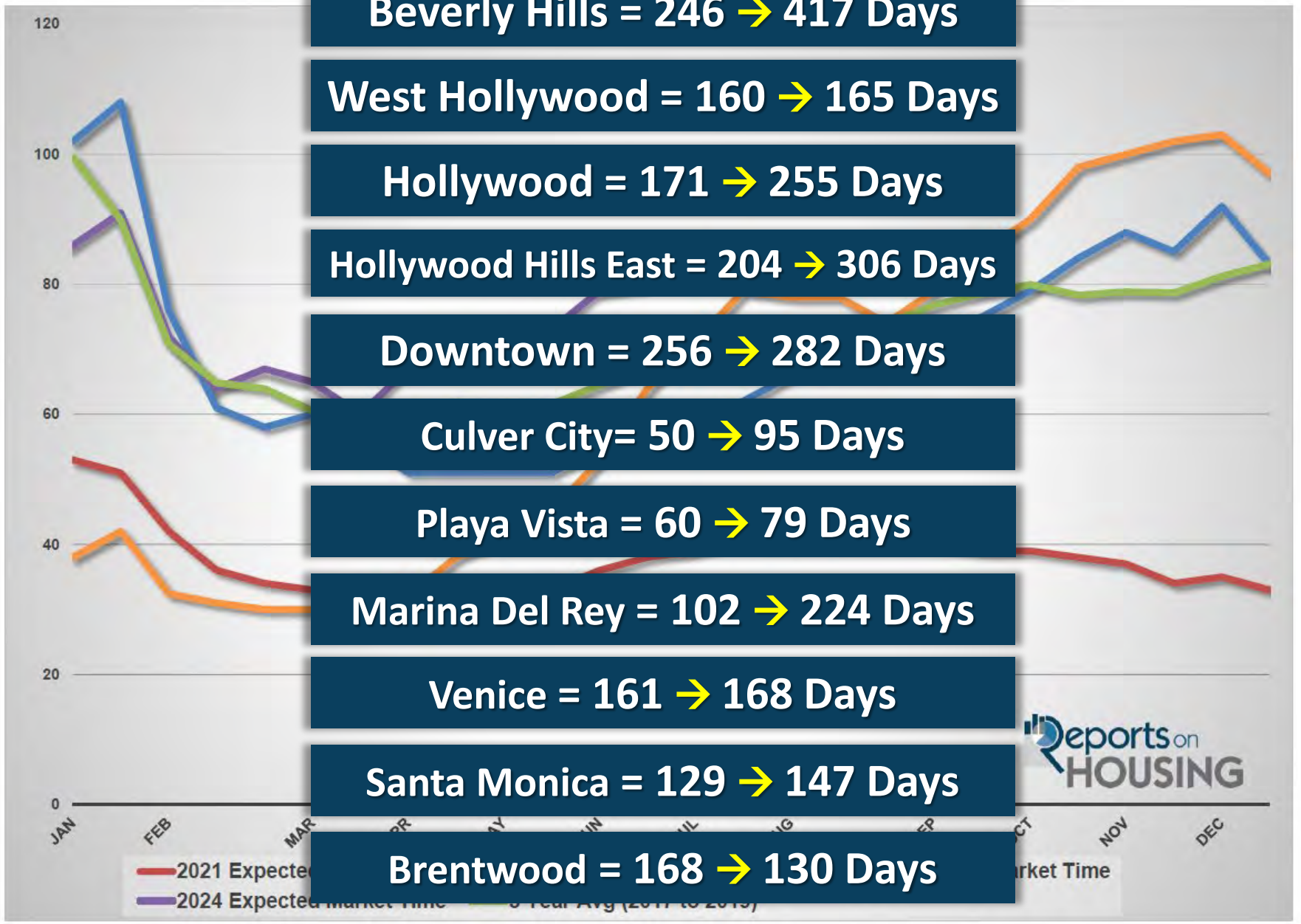

Interest Rate
Sensitivity





LOS ANGELES COUNTY CITIES 7/4/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO	MEDIAN ACTIVE LIST PRICE
Acton	31	12	78	70	58	75	169	$800k
Agoura Hills	44	22	60	73	54	50	57	$1.3m
Agua Dulce	13	6	65	225	98	160	105	$1.2m
Alhambra	42	28	45	52	46	55	55	$959k
Altadena	27	25	32	40	44	46	43	$1.4m
Arcadia	127	27	141	106	81	76	81	$2.0m
Artesia	10	5	60	35	45	38	37	$862k
Azusa	37	25	44	26	26	36	54	$730k
Baldwin Park	26	11	71	46	35	34	81	$709k
Bel Air	108	10	324	238	327	364	158	$8.6m
Bellflower	26	16	49	17	34	16	29	$779k
Beverly Hills	292	21	417	375	402	246	232	$5.6m
Brentwood	113	26	130	145	154	168	122	$4.4m
Burbank	76	46	50	48	48	32	58	$1.2m
Calabasas	69	18	115	93	68	98	72	$3.1m
Canoga Park	29	13	67	67	44	41	77	$620k
Canyon Country	97	59	49	47	56	27	65	$675k
Carson	47	24	59	43	41	44	53	$799k
Castaic	48	21	69	69	140	39	67	$897k
Cerritos	24	18	40	48	30	16	65	$1.1m
Chatsworth	62	28	66	89	108	54	54	$1.3m
Claremont	41	25	49	73	44	23	67	$1.2m
Compton	52	42	37	29	42	59	61	$670k
Covina	46	31	45	53	61	36	38	$891k
Culver City	57	18	95	80	61	50	37	$949k
Diamond Bar	81	26	93	56	54	40	66	$1.3m
Downey	51	16	96	68	44	42	47	$1.1m
Downtown L.A.	329	35	282	380	389	256	193	$675k
Duarte	26	13	60	47	38	25	39	$717k
Eagle Rock	25	12	63	165	90	44	34	$1.5m
East Los Angeles	6	3	60	100	48	300	80	$592k
El Monte	32	14	69	62	66	39	88	$792k
El Segundo	17	8	64	126	60	180	40	$2.0m
Encino	166	40	125	161	122	102	100	$2.3m
Gardena	42	25	50	63	46	56	65	$835k
Glassell Park	26	9	87	113	145	27	67	$1.2m
Glendale	92	53	52	44	53	46	72	$1.3m
Glendora	48	30	48	45	36	29	52	$1.2m
Granada Hills	54	35	46	49	48	32	51	$1.2m
Hacienda Heights	35	20	53	37	36	59	84	$950k
Hancock Park	111	23	145	189	156	80	102	$1.3m
Harbor City	19	11	52	26	24	48	31	$795k
Hawthorne	35	16	66	66	60	51	52	$899k
Hermosa Beach	36	8	135	105	102	75	93	$3.3m
Hidden Hills	30	2	450	540	263	810	510	$8.5m
Highland Park	55	12	138	78	70	50	100	$1.2m
Hollywood	102	12	255	240	285	171	205	$1.2m
Hollywood Hills East	64	8	240	300	150	92	93	$2.0m
Hollywood Hills West	296	29	306	282	371	204	284	$3.0m

Los Angeles County Expected Market Time Year Over Year



Beverly Hills = 246 → 417 Days

West Hollywood = 160 → 165 Days

Hollywood = 171 → 255 Days

Hollywood Hills East = 204 → 306 Days

Downtown = 256 → 282 Days

Culver City= 50 → 95 Days

Playa Vista = 60 → 79 Days

Marina Del Rey = 102 → 224 Days

Venice = 161 → 168 Days

Santa Monica = 129 → 147 Days

Brentwood = 168 → 130 Days


Luxury Update

Luxury YOY

Inventory: 2,939
+36% or +772 Homes

Demand: 386
+8% or +30 Pending Sales

Expected Market Time: 228 Days
183 Days Last Year

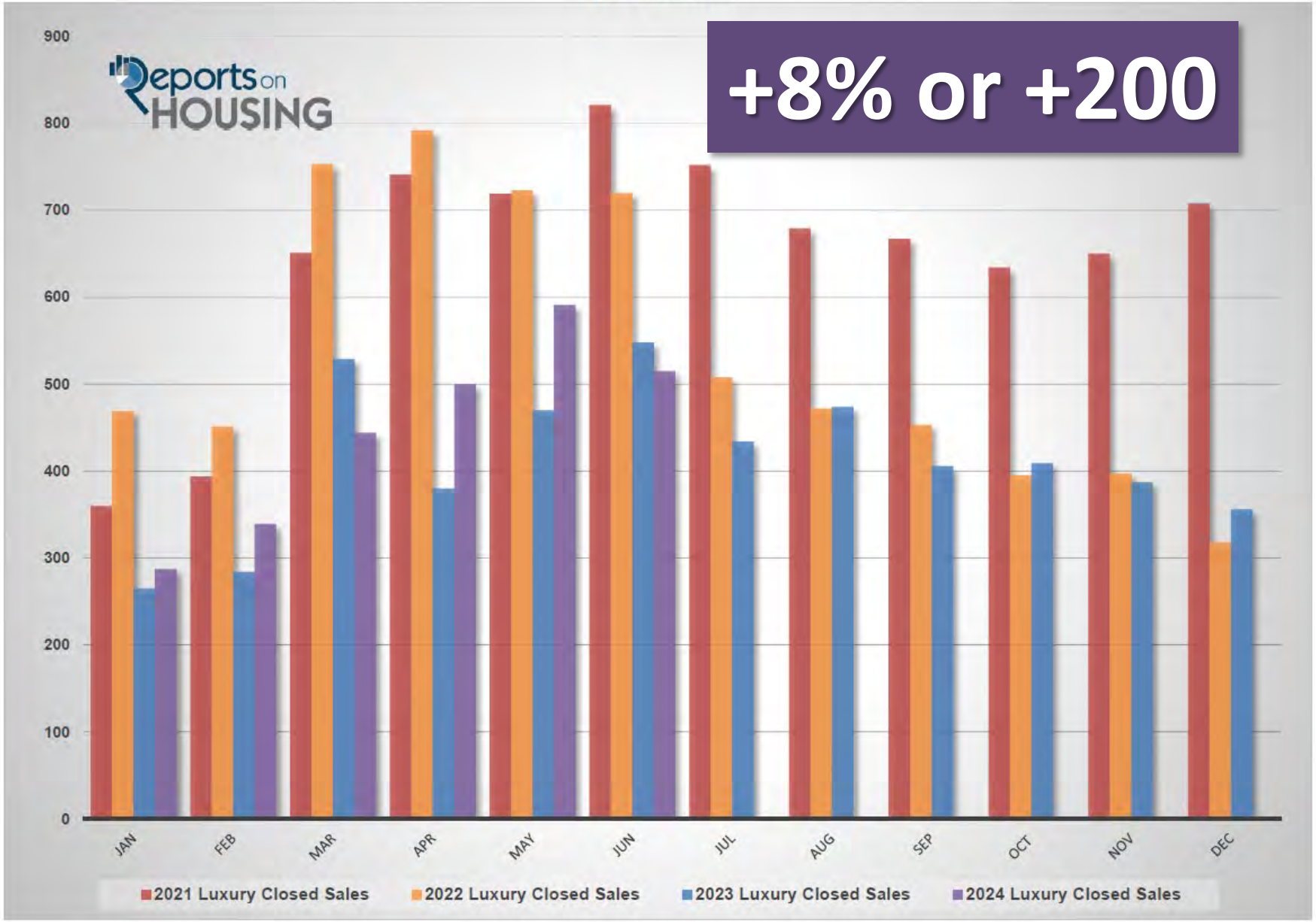
LOS ANGELES COUNTY MARKET BREAKDOWN

PRICE RANGES & MARKET SPEED	MARKET TIME	% OF CURRENT INVENTORY	% OF CURRENT DEMAND	LAST YEAR
$0-$750k	60 Days	26%	36%	39 Days
$750k-$1m	58 Days	18%	27%	41 Days
$1m-$1.5m	77 Days	18%	19%	55 Days
$1.5m-$2m	106 Days	11%	8%	81 Days
$2m-$3m	145 Days	10%	6%	103 Days
$3m-$4m	196 Days	5%	2%	163 Days
$4m-$8m	360 Days	7%	2%	305 Days
$8m+	1164 Days	5%	0.4%	707 Days

Reports on HOUSING

Los Angeles County Luxury Closed Sales Year Over Year

($2 Million+)

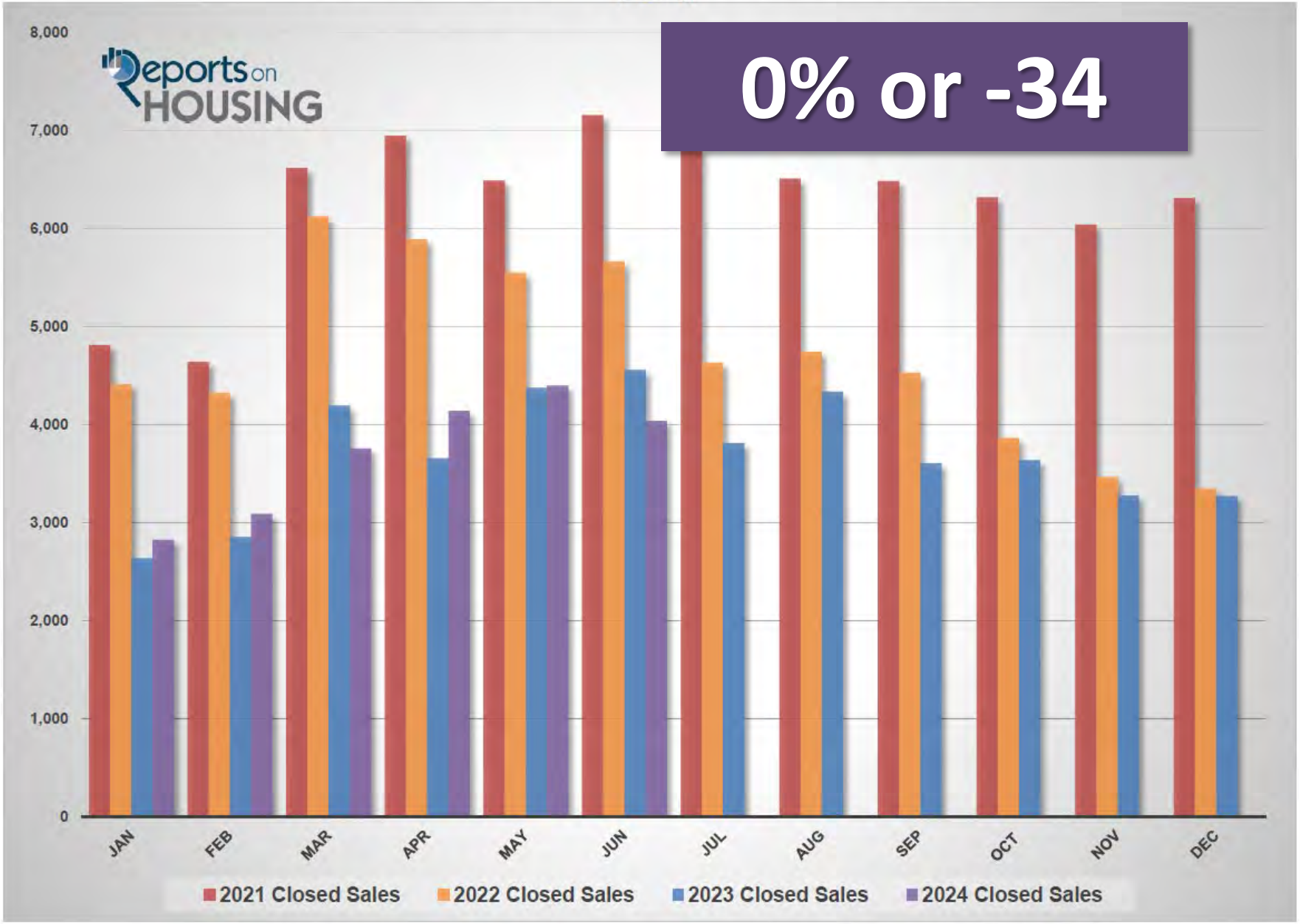




Market Overview

Los Angeles County Closed Sales Year Over Year

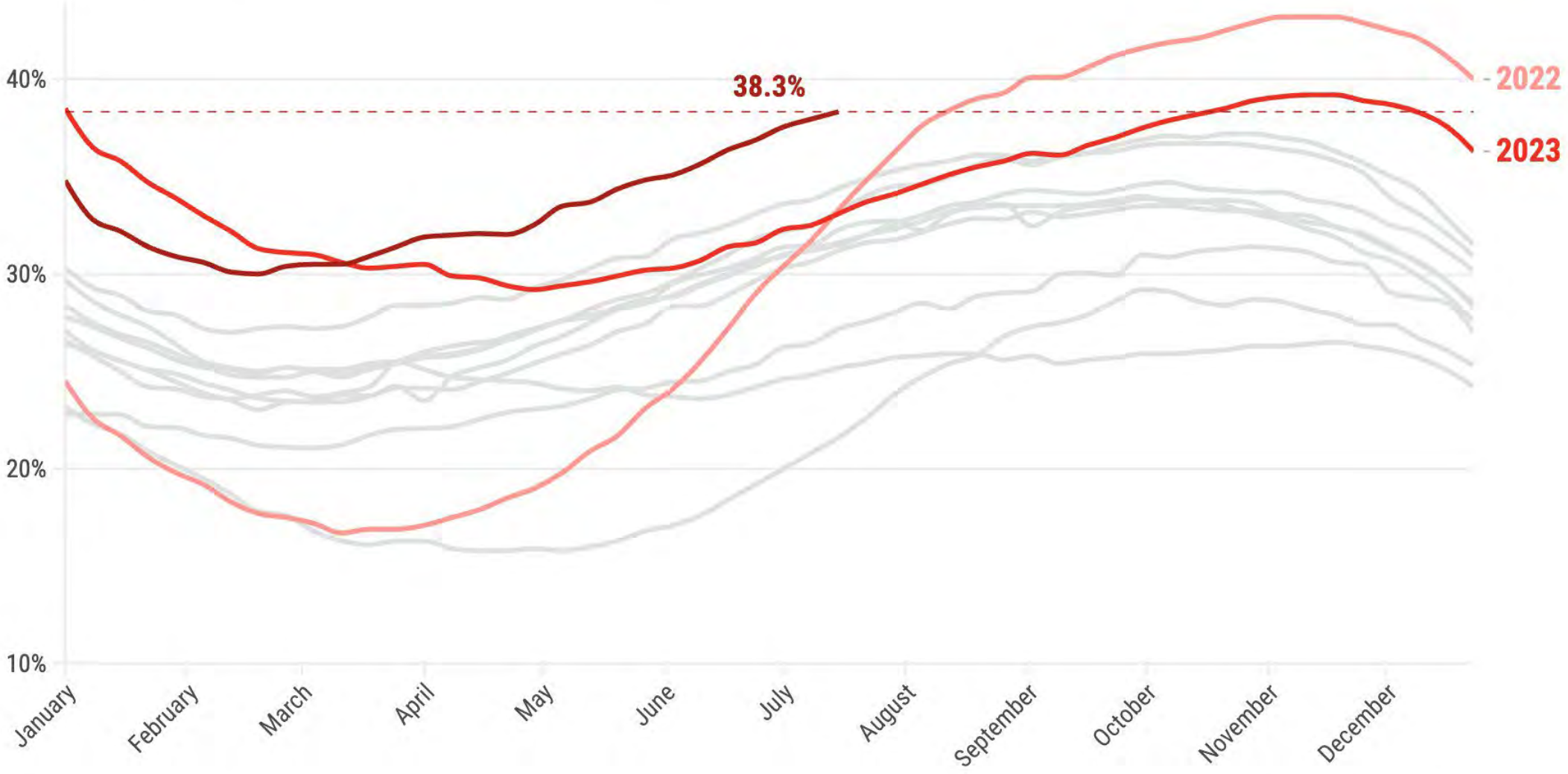
(Monthly)



Percent of Properties with Recent Price Reductions

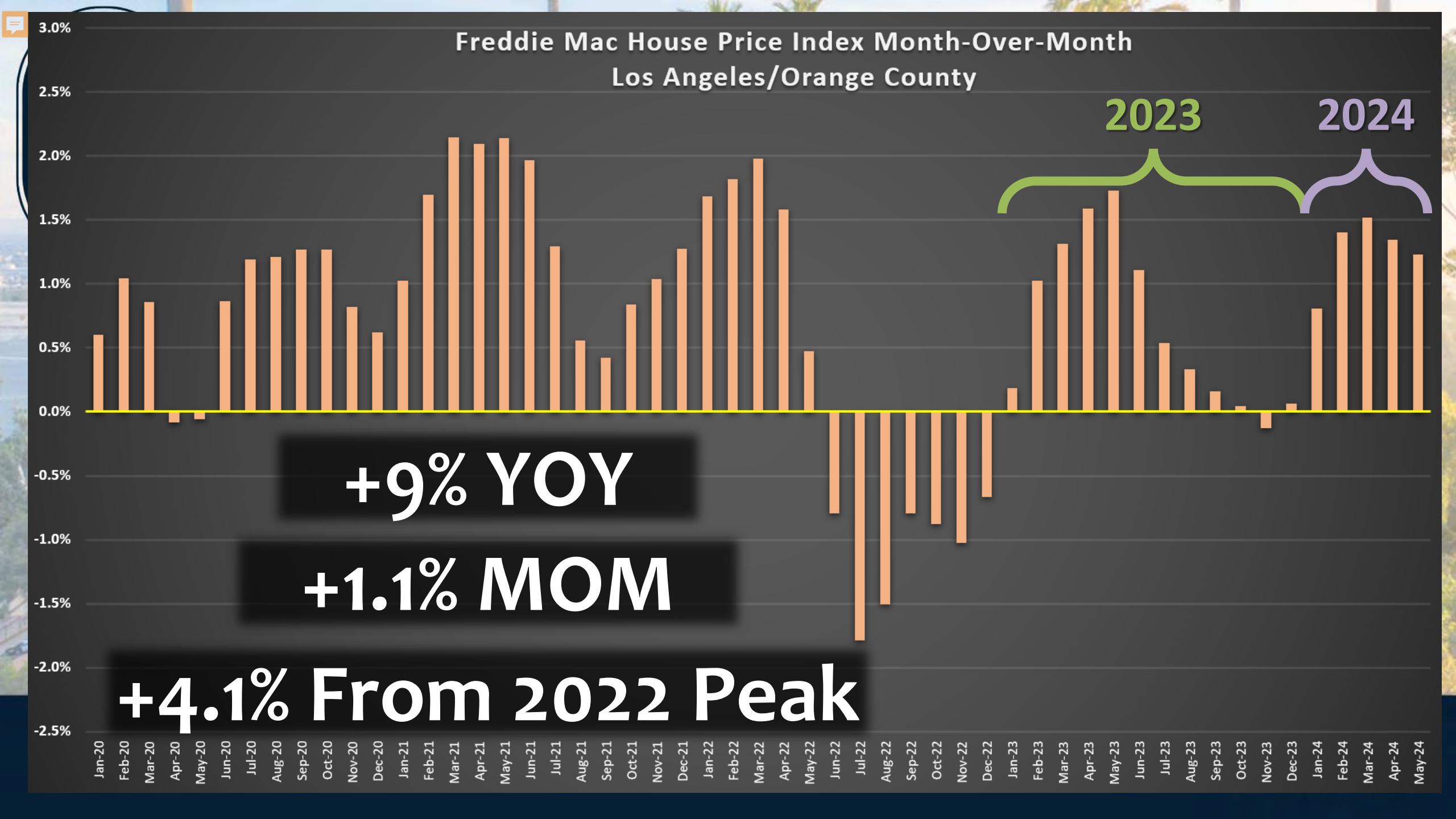
U.S. Single Family price cuts increased by 30bp this week

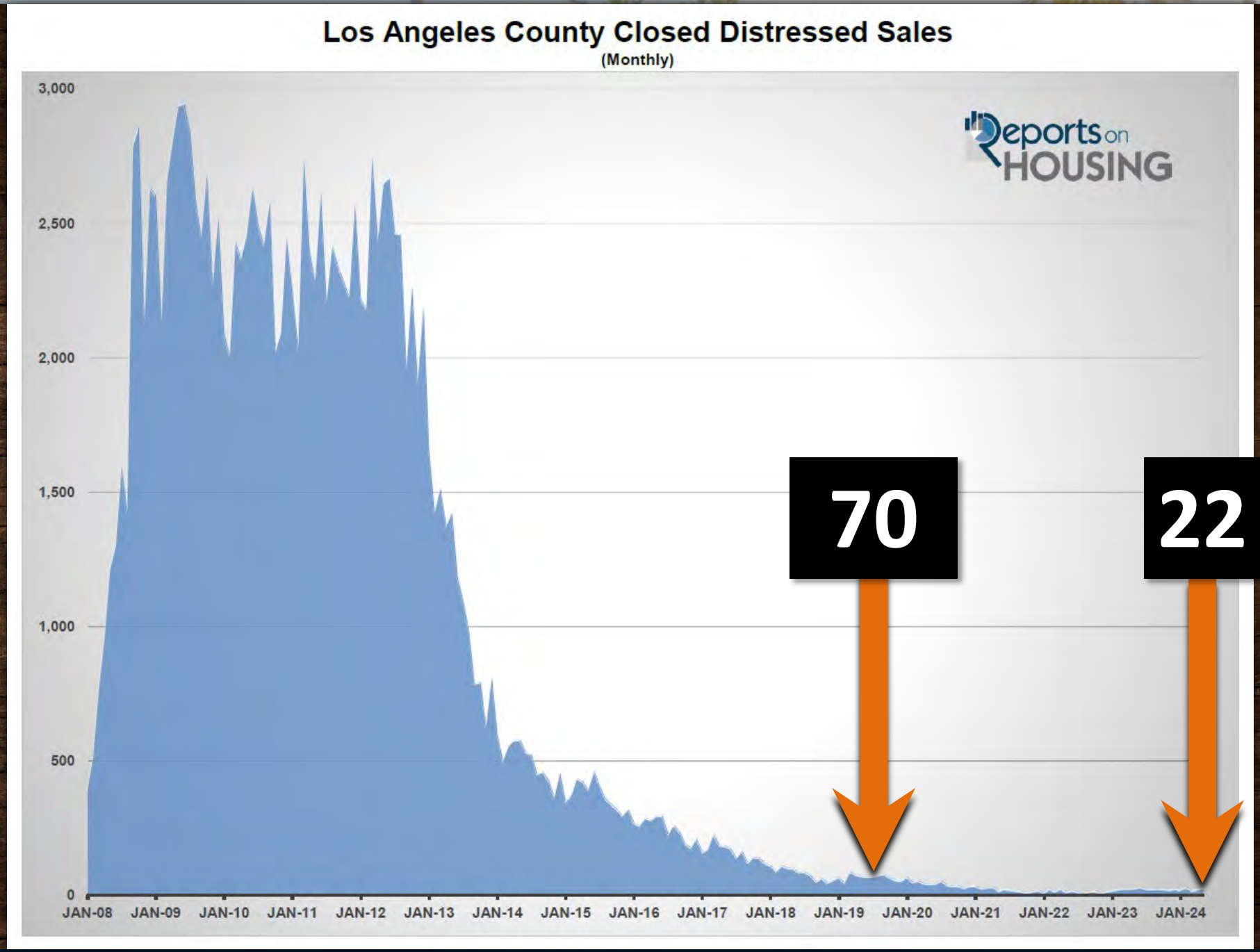
altos research



Source: Altos Research

HOUSINGWIRE

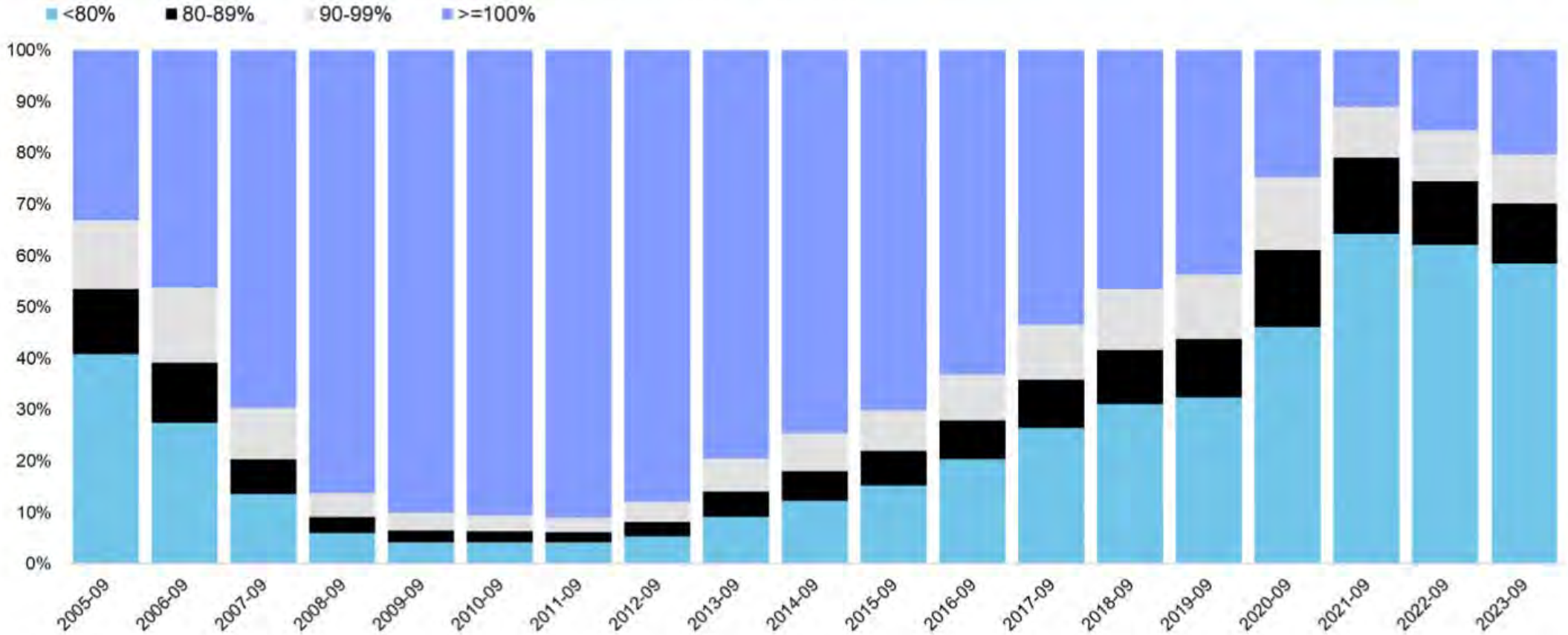

Freddie Mac House Price Index Month-Over-Month
Los Angeles/Orange County
2023
2024
+9% YOY
+1.1% MOM
+4.1% From 2022 Peak
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
-1.5%
-2.0%
-2.5%
Jan-20
Feb-20
Mar-20
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
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Nov-21
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Jan-22
Feb-22
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22
Jan-23
Feb-23
Mar-23
Apr-23
May-23
Jun-23
Jul-23
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24


Los Angeles County Closed Distressed Sales
(Monthly)
Reports on HOUSING
3,000
2,500
2,000
1,500
1,000
500
0
JAN-08
JAN-09
JAN-10
JAN-11
JAN-12
JAN-13
JAN-14
JAN-15
JAN-16
JAN-17
JAN-18
JAN-19
JAN-20
JAN-21
JAN-22
JAN-23
JAN-24
70
22

3 in 5 seriously past due mortgages have at least 20% equity

Only 30% are in negative or near negative equity positions

Current CLTV of loans 90+ days past due or in foreclosure



Source: ICE, McDash +Property


I
VOTED



Every Thursday at 5 PM

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EPISODE 22: ABNORMAL SPRING MARKET
STEVEN THOMAS
OUT NOW!

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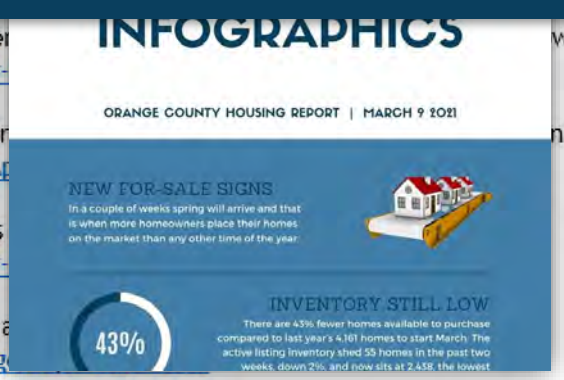



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