



Laguna Beach Real Estate Magazine

July 2023 | [Edition #96]



SOLD MEDIAN \$2,500,000 + 250,000 | **\$ PER SQ FT** \$1,198 - 92 | **SUPPLY** 6.2 MONTHS + 2.4 | **CLOSING RATIO** 75% - 8

Scarcity Under \$10,000,000

Sold Median Up \$250,000 | Higher Prices in Forecast

There is no way high mortgage rates are going to kill this market. There is no supply. As of this writing, there were only 89 homes for sale under \$10,000,000 representing less than three and a half months of supply of homes for sale. Adam Smith said it in 1776: prices cannot fall when there is no supply. It is against the law.

As predicted, Laguna Beach prices rose in June. The sold median was up \$250,000 – finishing at \$2,500,000 – but, it was ugly. On low volume – only 18 closings – the median sold dollars per square foot fell \$92 to \$1,198: the lowest print since November 2021.

Prices are going up. The active median – at \$4,950,000 – is at an all-time high. The pending dollars per square foot – at \$1,645 – is, also, at an all-time high. Both of my proprietary short-term price indicators – the Pending Indicator and the Spread Indicator – are flashing up signals. There is an 87% certainty, prices will rise again this month.

In my March 2022 column, I wrote: *“Regarding some of macro-economic trends in the news: Inflation will not be transitory. So much money has been printed in the last 15 years, once the psychology of inflation and*

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SOLD



\$3,495,000

Lake Mission Viejo

SOLD



\$4,150,000

San Juan Capistrano

In Contract



3 Lagunita Drive | Laguna Beach



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Longtime Laguna Beach Resident

Laguna Beach Expert | BA Economics

A broker since 2004, Boyd Roberts has closed or overseen the closing of over 800 real estate and mortgage transactions exceeding \$250M.

June 2023 Closing Detail

	Address	Date	Original Price	Closing Price	Reduction	% Reduc	\$ Sq Ft	DOM
1	1094 Katella Street, Laguna Beach, CA 92651	6/1/2023	\$ 2,295,000	\$ 2,300,000	\$ (5,000)	-0.2%	\$ 1,141	3
2	3140 Alta Laguna Boulevard, Laguna Beach, CA 92651	6/5/2023	\$ 3,895,000	\$ 3,610,000	\$ 285,000	7.3%	\$ 1,463	73
3	31131 Monterey St, Laguna Beach, CA 92651	6/5/2023	\$17,995,000	\$ 8,450,000	\$ 9,545,000	53.0%	\$ 2,195	244
4	30502 Coast HWY Unit#A2, Laguna Beach, CA 92651	6/6/2023	\$ 1,650,000	\$ 1,600,000	\$ 50,000	3.0%	\$ 1,170	10
5	616 Mystic View, Laguna Beach, CA 92651	6/6/2023	\$ 3,999,000	\$ 4,500,000	\$ (501,000)	-12.5%	\$ 1,621	5
6	21775 Ocean Vista Drive Unit#7, Laguna Beach, CA 92651	6/7/2023	\$ 2,300,000	\$ 1,850,000	\$ 450,000	19.6%	\$ 1,123	37
7	490 Aster Street, Laguna Beach, CA 92651	6/7/2023	\$ 2,500,000	\$ 2,500,000	\$ -	0.0%	\$ 1,550	0
8	115 Santa Rosa Court, Laguna Beach, CA 92651	6/9/2023	\$ 749,000	\$ 725,000	\$ 24,000	3.2%	\$ 524	23
9	2155 Temple Hills Drive, Laguna Beach, CA 92651	6/9/2023	\$ 4,995,000	\$ 4,000,000	\$ 995,000	19.9%	\$ 944	389
10	31503 Eagle Rock Way, Laguna Beach, CA 92651	6/13/2023	\$ 3,199,999	\$ 2,500,000	\$ 699,999	21.9%	\$ 1,298	30
11	1712 Thurston Drive, Laguna Beach, CA 92651	6/14/2023	\$ 7,495,000	\$ 6,415,000	\$ 1,080,000	14.4%	\$ 1,198	6
12	2604 Victoria, Laguna Beach, CA 92651	6/16/2023	\$ 3,450,000	\$ 3,600,000	\$ (150,000)	-4.3%	\$ 1,704	15
13	150 Cress Street, Laguna Beach, CA 92651	6/19/2023	\$ 8,498,000	\$ 8,250,000	\$ 248,000	2.9%	\$ 2,865	19
14	214 Santa Rosa Court, Laguna Beach, CA 92651	6/21/2023	\$ 749,000	\$ 740,000	\$ 9,000	1.2%	\$ 535	11
15	332 Locust Street, Laguna Beach, CA 92651	6/27/2023	\$ 3,495,000	\$ 2,800,000	\$ 695,000	19.9%	\$ 1,063	97
16	1211 Skyline Drive, Laguna Beach, CA 92651	6/28/2023	\$ 1,699,000	\$ 2,500,000	\$ (801,000)	-47.1%	\$ 1,506	10
17	505 San Nicholas Court, Laguna Beach, CA 92651	6/30/2023	\$ 875,000	\$ 956,000	\$ (81,000)	-9.3%	\$ 627	6
18	16 S Vista De Catalina, Laguna Beach, CA 92651	6/30/2023	\$ 4,750,000	\$ 4,350,000	\$ 400,000	8.4%	\$ 2,263	232
19								
20	Not used in calculations		Median	\$ 2,500,000	\$ 248,000	2.9%	\$ 1,198	19



Continued from page 1

And the velocity of money kick in, there will be no way to stop it. Inflation correlates to higher real estate prices.

The big economic event is behind us, not ahead of us. 2020 was a short-lived and very deep depression. Even if there is a recession,

it will not be attributed to low economic output. At best high economic output will be outpaced by higher inflation.

Yes, mortgage rates are going up, but do not listen to pundits that say this will lead to lower real estate prices. In fact, the opposite

is true. Since 1975 there have been 7 periods of rising mortgage rates. Real estate prices appreciated significantly in 6 of those periods. [Table page 4].

Call me to take advantage of this market.”

Higher Mortgage Rates Correlate to Higher Real Estate Prices

Last year, when all the pundits were talking about high mortgage rates destroying demand and inevitably leading to lower real estate prices, I wanted the proof. The Federal Reserve Bank of St Louis publishes weekly mortgage rates and the California House Price Index, quarterly, going back to the 1970s, so I checked.

The data is laid out in the table below. The opposite is true. Higher mortgage rates correlate to inflation and higher California real estate prices almost every time.

30 Year Fixed Mortgage Rates Peaks & Troughs v California House Price Index (HPI)

Period	Begin Rate	End Rate	Change	% Rate Change	% HPI Change	Rates Up HPI Down?	
						Yes	No
01/03/1975 - 02/25/1977	9.60%	8.65%	-0.95%	-9.90%	39.20%		Yes
02/25/1977 - 04/11/1980	8.65%	16.35%	7.70%	89.02%	77.28%	No	
04/11/1980 - 07/04/1980	16.35%	12.18%	-4.17%	-25.50%	3.59%		Yes
07/04/1980 - 10/09/1981	12.18%	18.63%	6.45%	52.96%	10.31%	No	
10/09/1981 - 03/27/1987	18.63%	9.03%	-9.60%	-51.53%	23.17%		Yes
03/27/1987 - 10/16/1987	9.03%	11.58%	2.55%	28.24%	5.68%	No	
10/16/1987 - 10/22/1993	11.58%	6.74%	-4.84%	-41.80%	40.07%		Yes
10/22/1993 - 11/25/1994	6.74%	9.25%	2.51%	37.24%	-6.16%	Yes	
11/25/1994 - 10/09/1998	9.25%	6.49%	-2.76%	-29.84%	15.40%		Yes
10/09/1998 - 05/26/2000	6.49%	8.62%	2.13%	32.82%	15.56%	No	
05/26/2000 - 06/13/2003	8.62%	5.21%	-3.41%	-39.56%	39.54%		Yes
06/13/2003 - 07/20/2006	5.21%	6.80%	1.59%	30.52%	72.86%	No	
07/20/2006 - 11/29/2012	6.80%	3.32%	-3.48%	-51.18%	-38.20%		No
11/29/2012 - 11/08/2018	3.32%	4.94%	1.62%	48.80%	60.76%	No	
11/08/2018 - 01/27/2021	4.94%	2.65%	-2.29%	-46.36%	11.97%		Yes
01/27/2021 - 11/10/2022*	2.65%	7.08%	4.43%	167.17%	23.95%*	No	

Data pulled from Federal Reserve Bank of St. Louis. Table for your own personal, non-commercial use.
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June 2023 Sales Data

Active Median (As of 7/1/2023)	\$ 4,950,000	113 Listings
\$ per Square Foot Median		\$ 1,797
Pending Median (As of 6/1/2023)	\$ 2,945,000	24 Listings
\$ per Square Foot Median		\$ 1,645
Sold Median June 2023	\$ 2,500,000	18 Sales
Price Reduction Median	\$ 248,000	2.9 %
Days on Market		19 Days
\$ Per Square Foot Median		\$ 1,198
Sold 3 Month Median	\$ 2,686,125	75 Sales
\$ Per Square Foot Median		\$ 1,448
Sold 6 Month Median	\$ 2,750,000	125 Sales
Sold 12 Month Median	\$ 2,900,000	247 Sales
Price Reduction Median	\$ 224,000	7.1 %
\$ Per Square Foot Median		\$ 1,510
Sold 2022 Median	\$ 3,000,000	322 Sales
PENDING INDICATOR (Pending - Sold)		+ \$ 445,000
SPREAD (Active - Sold)		+ \$2,450,000
June Absorption (Sold to Active Ratio)		15 %
June Pending Absorption (Pending to Active Ratio)		21 %
June Closing Ratio (Pending to Sold)		75%
June Supply	6.2 Months	Balanced Market
June 3 Month Supply	4.5 Months	Seller's Market
\$1,499,999 -	1.0 Months	Seller's Market
\$1,500,000 - \$1,999,999	2.7 Months	Seller's Market
\$2,000,000 - \$2,999,999	3.0 Months	Seller's Market
\$3,000,000 - \$4,999,999	3.7 Months	Seller's Market
\$5,000,000 - \$9,999,999	7.0 Months	Balanced Market
\$10,000,000 +	42 Months	Buyer's Market

Balanced Market 5 to 7.9 Months

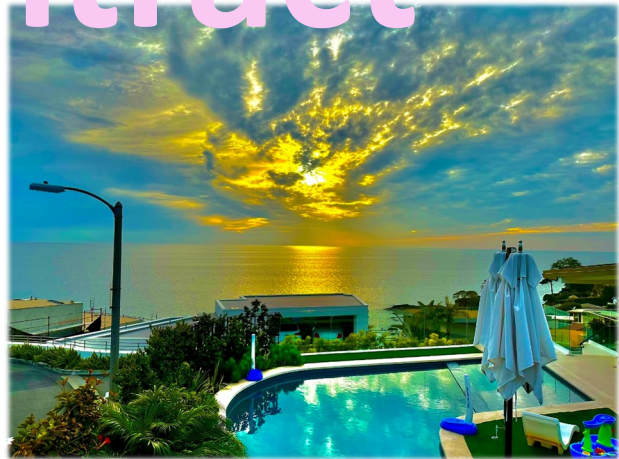
Price Forecasts

Short-Term PENDING INDICATOR Forecast for July	Up Signal
Short-Term SPREAD INDICATOR Forecast for July	Up Signal
Long-Term PRICE INDICATOR Forecast for 2023	No Signal

3 Lagunita Drive



In Contract



Your Slice of Coastal Paradise

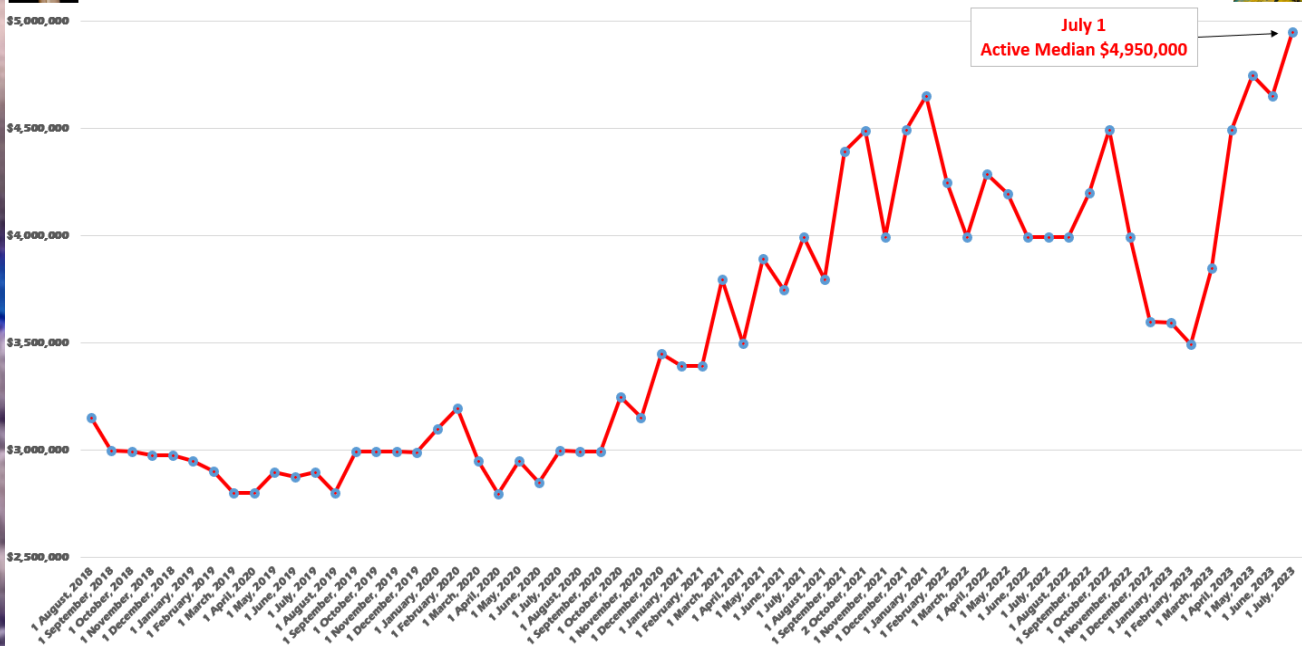
LAGUNITA | LAGUNA BEACH Expansive Ocean Views - Private Gated Community - Tranquil Location Away from PCH - Steps from White Sands of Victoria Beach - 2,054 square foot featuring 3 bedrooms, 3 bathrooms (2 Ensuite) - 6,480 Square Foot Street-to-Street Lot - Two Car Garage Access off Nyes Place - Updated, Open Great Room Floorplan Perfect for Indoor-Outdoor Entertaining - Large Ocean-View Patio and Two Semi-Private Patios - Wet Bar with Built-in Wine Refrigerator - Near Iconic Victoria Beach Pirate Tower, Drake, and World Renowned Montage Resort.



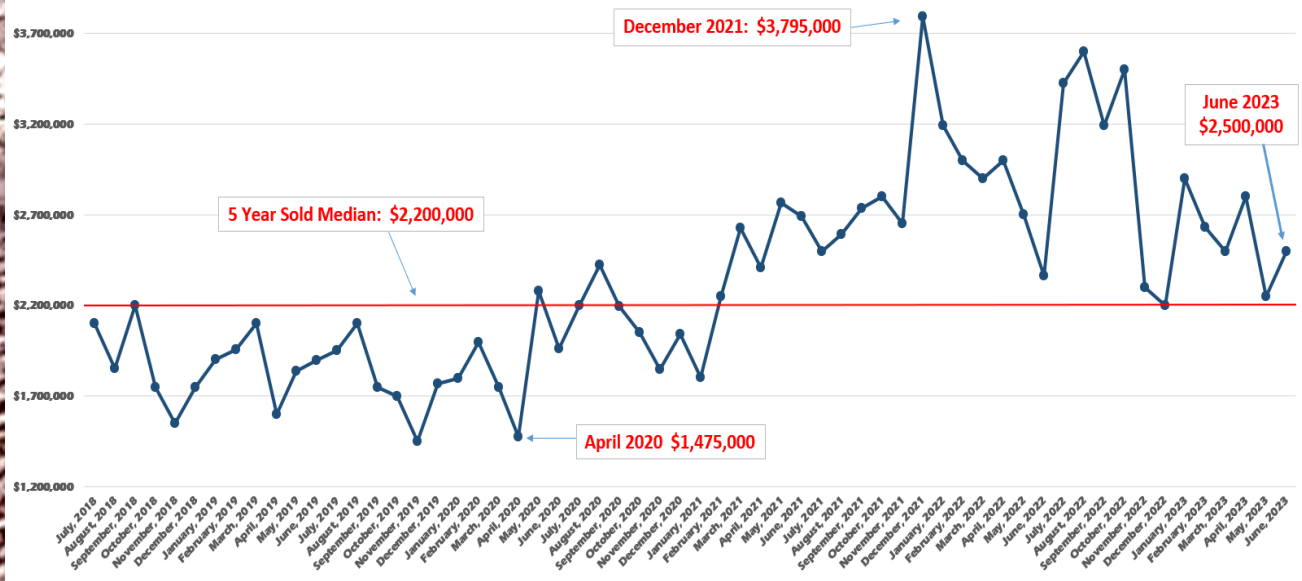
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Laguna Beach Real Estate Active Median - Monthly



Laguna Beach Real Estate Sold Median - Monthly

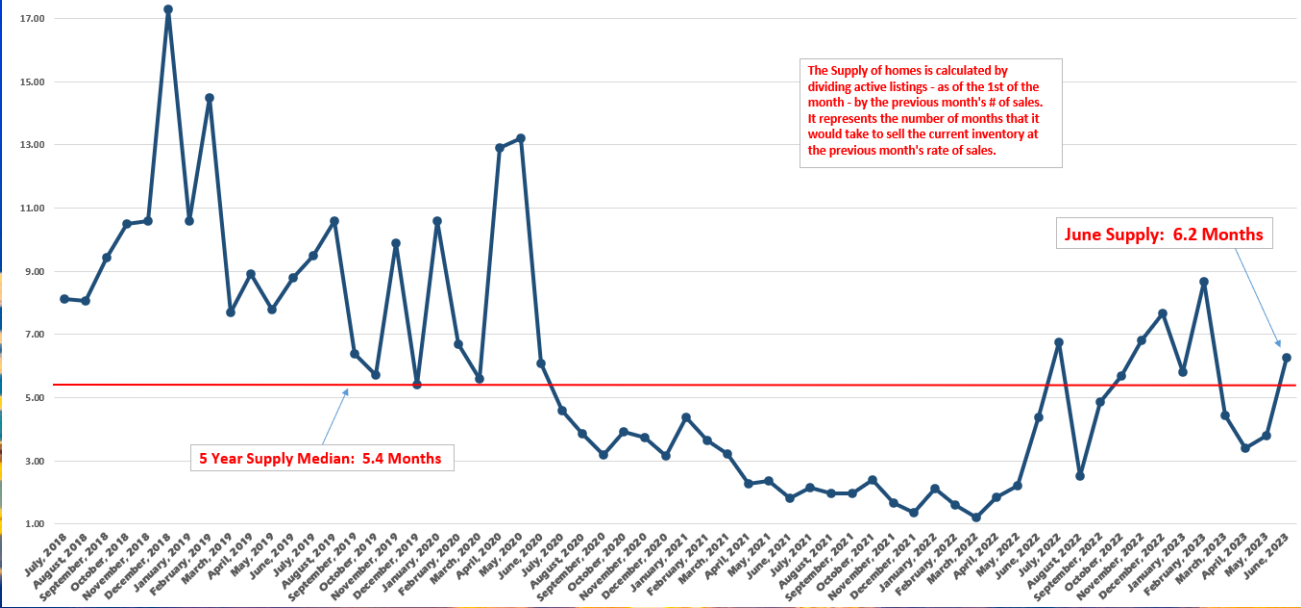




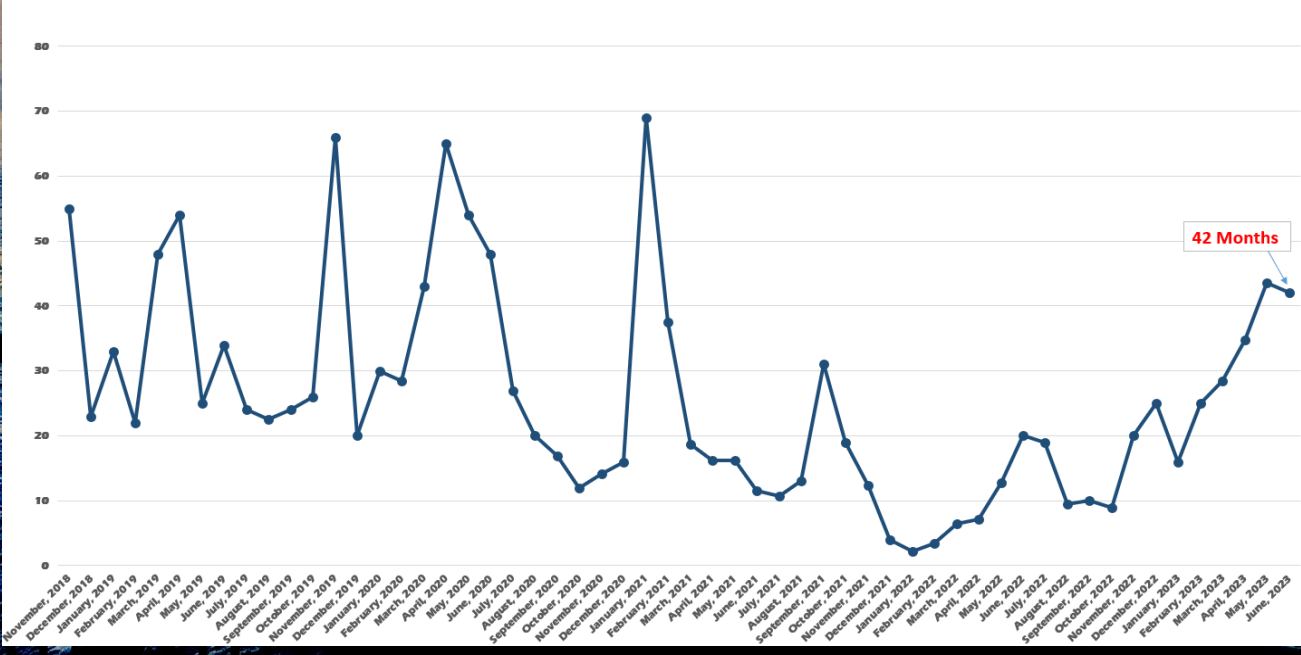
Laguna Beach Real Estate Supply of Homes - in months - Monthly



Seller's Market - Under 5 Months
Balanced Market - 5 to 8 Months
Buyer's Market - Over 8 Months



Laguna Beach Real Estate Supply in Months - Over \$10M - Monthly





2 Bedrooms, 2 Bathrooms, and a Den | 1,428 Square Feet on a beautiful 5,289 square foot lot
Highly Upgraded | Detached SFR | Low HOA

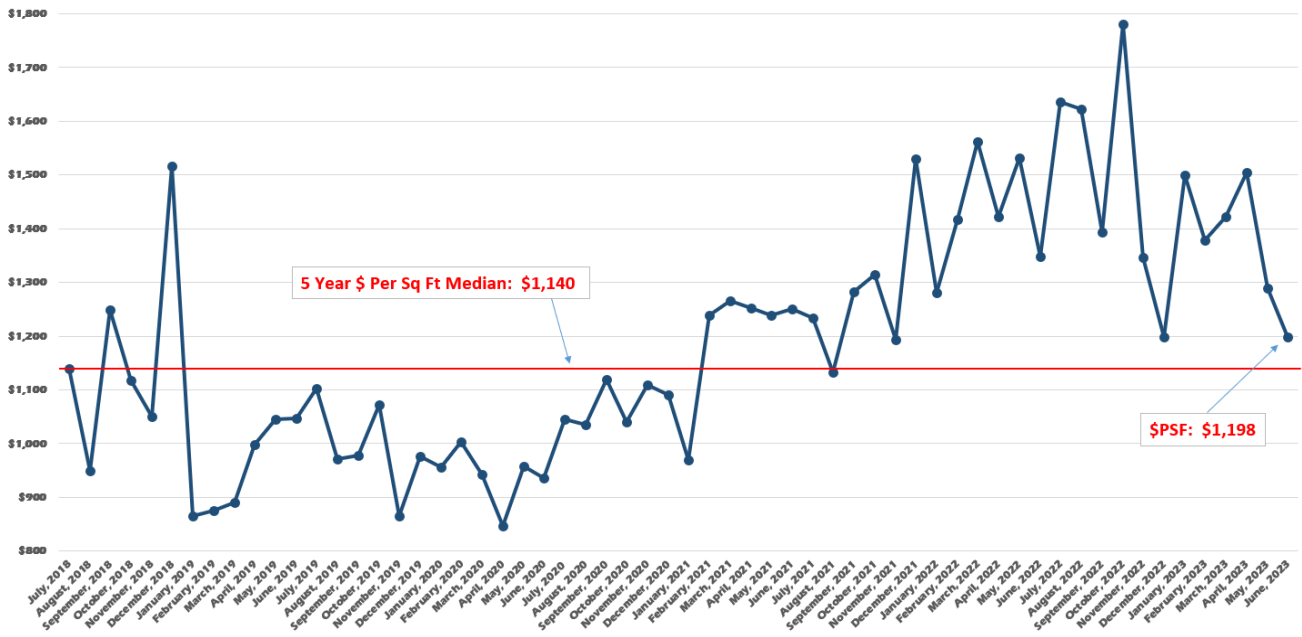
WILL NOT LAST | CALL FOR A PRIVATE SHOWING



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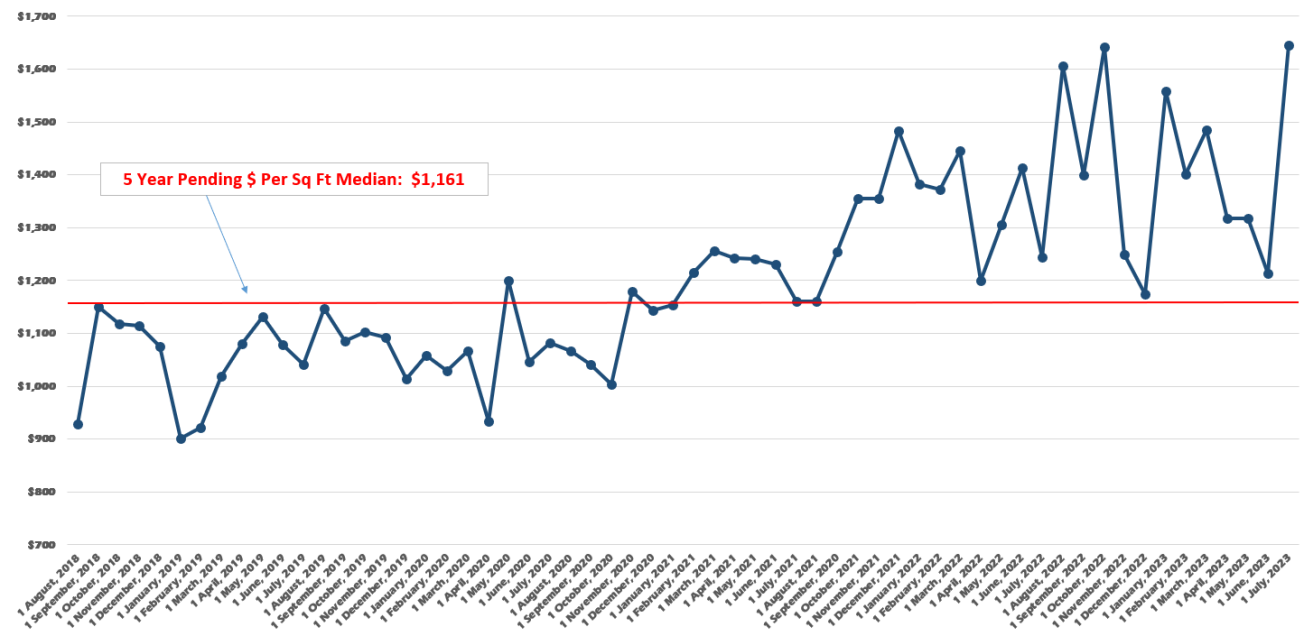


Laguna Beach Real Estate Sold - \$ Per Square Foot Median - Monthly



Laguna Beach Real Estate Pending - \$ Per Sq Ft - Monthly

Combines Pending and Under Contract listings



All charts at www.LagunaGalleryRealEstate.com/charts



Need Help?

I wish everybody would want to look great feel great be great and I love helping people achieve those goals usually it's in the way they carry themselves by their fashion the things that they bring into their home and office to bring style and design I love to re-create what people have to give him a new sense of himself there's always something new you can do wherever you go you can feel new you don't have to be in the past with all things because we have opportunities to change that every day and I'd love to be

part of that creative process of change and beauty and Transforming I know people go through a lot internally also and I have always shared great gifts that I have myself that help me pull through the dark times into the light every day because there is so much good and so much light and so much to be grateful and appreciative for I'd like to focus and help other people focus on those attributes that we all have.

Who is my perfect customer somebody who knows specifically what they want and what they need they just don't know how to get it where do I find my clients I find them from people that share my expertise with them and they shared me with the next I love referrals it's a much better platform for me

And how do I work I always consult on face time or in their home office or closets

I always go in and I make a clear plan so that my special person I'm helping really sees that I'm getting the job done in the time that we have allotted For the job

What kind of jobs have I finished the last two years?

One client has to travel for business and I help her put many many outfits together for her trips I help her pack pick out her accessories clothing etc.

Another was in her gigantic closet for her and her husband and it took months and months to organize things but she is so happy and has sent me four clients donated recreating many outfits so she can shop in her own closet.

Call Simone 949-500-1537