

Laguna Beach Real Estate Magazine

March 2022 | [Edition #81]



SOLD MEDIAN \$2,900,000 - 100,000 | **\$ PER SQ FT** \$1,562 + 144 | **SUPPLY** 1.2 MONTHS - .3 | **CLOSING RATIO** 94% + 8

Supply of Homes Collapses Further

Median Price falls \$100,000 | \$ Per Sq Ft Hits All Time High

Are we at an inflection point? Certainly, the market has a lot to say. Stick with me to the end for market insights not reported anywhere else.

At first blush the short-term Laguna Beach real estate market appears bearish. March sold prices declined \$100,000 – \$875,000 since December – to \$2,900,000. The April 1 pending median \$ per square foot plunged \$245 to \$1,200. And with the pending median \$500,000 below the March sold median, the short-term Pending Indicator – with a 96% proba-

bility – is forecasting further declines for April. Charts page 2, 5 & website.

The bullish case, however, is compelling. The supply of homes plunged to 1.2 months – a record. The sold \$ per square foot soared to \$1,528 – a record. The days on market collapsed to 9 days – a record. The median price reduction was not a reduction for the first time ever – the median sale closed \$60,000 above the original listed price, or 2.1%. Absorption -- the percentage of actives to closed sales finished at 82% -- a record. The closing ratio was 94% - another

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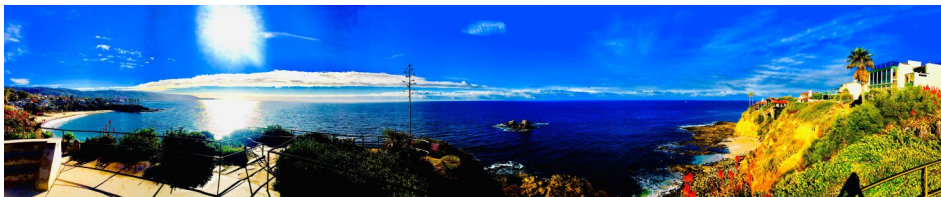
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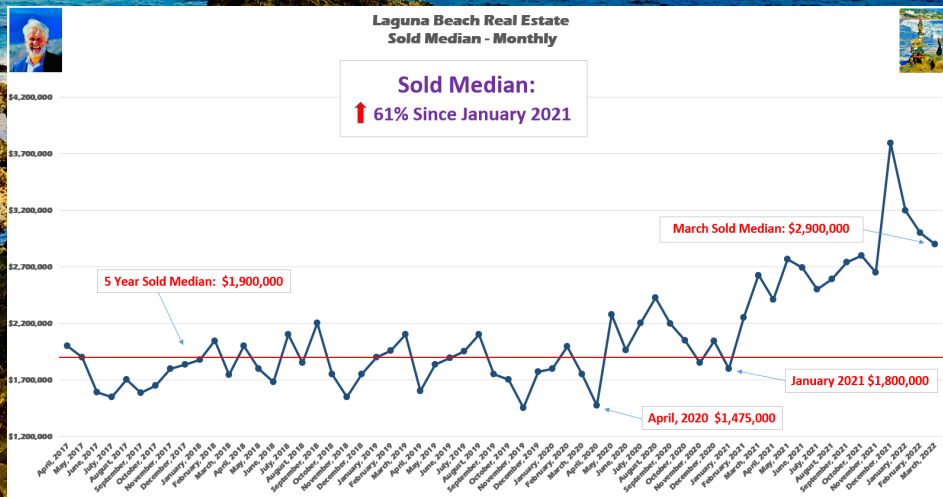
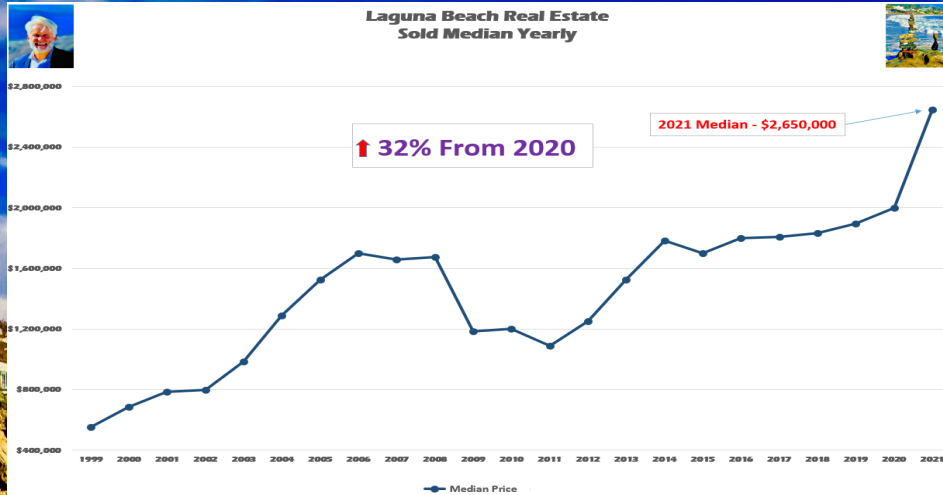


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949-463-9152



DON'T DO IT

Do Not Sell Your Home Off Market

You CANNOT realize a home's full price, if you sell off market. Millions of dollars are being left on the table. I am an expert on the Laguna Beach real estate market and am uniquely suited to get you top dollar. Realize your home's full value - call me.

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March 2022 Closing Detail

	Address	Date	Original Price	Closing Price	Reduction	% Reduc	S Sq Ft	DOM
1	32156 Virginia Way, Laguna Beach, CA 92651	3/1/2022	\$ 2,595,000	\$ 2,700,000	\$ (105,000)	-4.0%	\$ 1,132	3
2	2310 Glenneyre St, Laguna Beach, CA 92651	3/1/2022	\$ 2,995,000	\$ 2,925,000	\$ 70,000	2.3%	\$ 1,382	0
3	323 Magnolia Drive, Laguna Beach, CA 92651	3/2/2022	\$ 1,849,000	\$ 1,975,000	\$ (126,000)	-6.8%	\$ 2,021	357
4	1597 Skyline Drive, Laguna Beach, CA 92651	3/2/2022	\$ 3,998,000	\$ 4,250,000	\$ (252,000)	-6.3%	\$ 1,549	6
5	965 Coast View Drive, Laguna Beach, CA 92651	3/2/2022	\$ 5,995,000	\$ 6,000,000	\$ (5,000)	-0.1%	\$ 1,389	5
6	883 Santa Ana Street, Laguna Beach, CA 92651	3/3/2022	\$ 1,890,000	\$ 1,875,000	\$ 15,000	0.8%	\$ 1,041	25
7	411 Arroyo Chico, Laguna Beach, CA 92651	3/3/2022	\$ 1,900,000	\$ 1,900,000	\$ -	0.0%	\$ 1,552	59
8	996 Noria Street, Laguna Beach, CA 92651	3/3/2022	\$ 1,999,900	\$ 2,099,900	\$ (100,000)	-5.0%	\$ 1,268	5
9	1075 Noria, Laguna Beach, CA 92651	3/3/2022	\$ 2,795,000	\$ 2,900,000	\$ (105,000)	-3.8%	\$ 1,298	6
10	867 Acapulco Street, Laguna Beach, CA 92651	3/4/2022	\$ 2,095,000	\$ 1,950,000	\$ 145,000	6.9%	\$ 1,171	147
11	155 Thalia Street Unit#1, Laguna Beach, CA 92651	3/4/2022	\$ 3,495,000	\$ 3,149,500	\$ 345,500	9.9%	\$ 1,656	107
12	31676 Seacove Drive, Laguna Beach, CA 92651	3/4/2022	\$ 3,880,000	\$ 3,090,000	\$ 790,000	20.4%	\$ 2,075	176
13	844 Quivera Street, Laguna Beach, CA 92651	3/8/2022	\$ 2,799,000	\$ 2,825,000	\$ (26,000)	-0.9%	\$ 997	0
14	928 Quivera, Laguna Beach, CA 92651	3/9/2022	\$ 2,650,000	\$ 2,725,000	\$ (75,000)	-2.8%	\$ 1,246	8
15	748 Buena Vista Way, Laguna Beach, CA 92651	3/9/2022	\$ 3,495,000	\$ 3,350,000	\$ 145,000	4.1%	\$ 1,959	4
16	2855 Zell, Laguna Beach, CA 92651	3/9/2022	\$ 3,645,000	\$ 3,645,000	\$ -	0.0%	\$ 1,493	0
17	753 Barracuda Way, Laguna Beach, CA 92651	3/10/2022	\$ 4,490,000	\$ 4,700,000	\$ (210,000)	-4.7%	\$ 1,382	4
18	1235 Ocean Front, Laguna Beach, CA 92651	3/10/2022	\$ 7,880,000	\$ 6,200,000	\$ 1,680,000	21.3%	\$ 2,893	250
19	2939 Alta Laguna Blvd, Laguna Beach, CA 92651	3/11/2022	\$ 2,890,000	\$ 3,125,000	\$ (235,000)	-8.1%	\$ 1,562	27
20	31642 2nd Avenue, Laguna Beach, CA 92651	3/11/2022	\$ 2,399,000	\$ 2,425,000	\$ (26,000)	-1.1%	\$ 1,244	5
21	3 Shreve Drive, Laguna Beach, CA 92651	3/11/2022	\$ 7,920,000	\$ 7,920,000	\$ -	0.0%	\$ 2,720	0
22	2455 Temple Hills Drive, Laguna Beach, CA 92651	3/14/2022	\$ 2,825,000	\$ 2,675,000	\$ 150,000	5.3%	\$ 1,032	165
23	630 Cuprien Way, Laguna Beach, CA 92651	3/14/2022	\$ 2,695,000	\$ 2,830,000	\$ (135,000)	-5.0%	\$ 1,536	7
24	394 Poplar, Laguna Beach, CA 92651	3/14/2022	\$ 4,500,000	\$ 4,800,000	\$ (300,000)	-6.7%	\$ 1,522	7
25	21711 Wesley Dr. #C, Laguna Beach, CA 92651	3/15/2022	\$ 1,075,000	\$ 1,150,000	\$ (75,000)	-7.0%	\$ 1,437	10
26	31642 Virginia Way, Laguna Beach, CA 92651	3/15/2022	\$ 1,575,000	\$ 1,635,000	\$ (60,000)	-3.8%	\$ 1,528	28
27	676 Vista Lane, Laguna Beach, CA 92651	3/15/2022	\$ 7,500,000	\$ 6,895,000	\$ 605,000	8.1%	\$ 1,190	197
28	708 Cliff Drive, Laguna Beach, CA 92651	3/16/2022	\$ 1,996,000	\$ 2,100,000	\$ (104,000)	-5.2%	\$ 1,822	7
29	31561 Table Rock Drive #202, Laguna Beach, CA 9	3/16/2022	\$ 2,500,000	\$ 2,500,000	\$ -	0.0%	\$ 2,166	0
30	112 S La Senda Drive, Laguna Beach, CA 92651	3/16/2022	\$ 10,500,000	\$10,100,000	\$ 400,000	3.8%	\$ 2,028	0
31	1046 Santa Ana Street, Laguna Beach, CA 92651	3/18/2022	\$ 2,098,000	\$ 2,100,000	\$ (2,000)	-0.1%	\$ 1,325	8
32	31261 Monterey Street, Laguna Beach, CA 92651	3/18/2022	\$ 2,499,000	\$ 2,900,000	\$ (401,000)	-16.0%	\$ 1,643	7
33	266 La Brea Street, Laguna Beach, CA 92651	3/18/2022	\$ 4,495,000	\$ 4,250,000	\$ 245,000	5.5%	\$ 1,962	324
34	170 McAulay Place, Laguna Beach, CA 92651	3/21/2022	\$ 1,995,000	\$ 2,560,000	\$ (565,000)	-28.3%	\$ 2,415	9
35	1136 Gaviota, Laguna Beach, CA 92651	3/21/2022	\$ 3,995,000	\$ 4,078,000	\$ (83,000)	-2.1%	\$ 2,548	6
36	955 S Coast, Laguna Beach, CA 92651	3/21/2022	\$ 7,250,000	\$ 7,080,000	\$ 170,000	2.3%	\$ 1,629	0
37	12 S Encino, Laguna Beach, CA 92651	3/21/2022	\$ 3,725,000	\$ 3,725,000	\$ -	0.0%	\$ 3,793	4
38	2065 San Remo Drive, Laguna Beach, CA 92651	3/24/2022	\$ 3,000,000	\$ 3,028,000	\$ (28,000)	-0.9%	\$ 1,667	13
39	247 Emerald Bay, Laguna Beach, CA 92651	3/24/2022	\$ 6,495,000	\$ 6,300,000	\$ 195,000	3.0%	\$ 2,493	14
40	31522 Eagle Rock Way, Laguna Beach, CA 92651	3/24/2022	\$ 2,375,000	\$ 2,450,000	\$ (75,000)	-3.2%	\$ 1,446	7
41	951 Summit Drive, Laguna Beach, CA 92651	3/25/2022	\$ 1,995,000	\$ 1,940,000	\$ 55,000	2.8%	\$ 1,797	24
42	505 Blumont, Laguna Beach, CA 92651	3/28/2022	\$ 2,600,000	\$ 2,885,000	\$ (285,000)	-11.0%	\$ 2,519	11
43	1284 Anacapa Way, Laguna Beach, CA 92651	3/28/2022	\$ 6,195,000	\$ 6,400,000	\$ (205,000)	-3.3%	\$ 1,675	4
44	622 Thalia Street, Laguna Beach, CA 92651	3/29/2022	\$ 2,975,000	\$ 2,705,000	\$ 270,000	9.1%	\$ 1,986	93
45	345 Heather Place, Laguna Beach, CA 92651	3/29/2022	\$ 5,195,000	\$ 5,600,000	\$ (405,000)	-7.8%	\$ 2,137	2
46	1165 Noria Street, Laguna Beach, CA 92651	3/31/2022	\$ 1,999,988	\$ 1,928,000	\$ 71,988	3.6%	\$ 1,186	25
47	7 Shreve Drive, Laguna Beach, CA 92651	3/31/2022	\$ 8,130,000	\$ 8,130,000	\$ -	0.0%	\$ 2,811	0
48								
49	Not used in calculations		Median	\$ 2,900,000	\$ (60,000)	-2.1%	\$ 1,562	9

March 2022 Sales Data

Active Median (As of 4/1/2022)	\$ 4,290,000	57 Listings
\$ per Square Foot Median		\$ 1,637
Pending Median (As of 4/1/2022)	\$ 2,400,000	41 Listings
\$ per Square Foot Median		\$ 1,200
Sold Median March 2022	\$ 2,900,000	47 Sales
Price Reduction Median	\$ -60,000	- 2.1 %
\$ Per Square Foot Median		\$ 1,562
Sold 3 Month Median	\$ 3,028,000	105 Sales
\$ Per Square Foot Median		\$ 1,528
Sold 6 Month Median	\$ 3,010,000	222 Sales
Sold 12 Month Median	\$ 2,780,000	557 Sales
Price Reduction Median	\$ 85,000	3.3 %
\$ Per Square Foot Median		\$ 1,310
Sold 2021 Median	\$ 2,650,000	568 Sales
PENDING INDICATOR (Pending - Sold)		- \$ 500,000
SPREAD (Active - Sold)		+ \$ 1,390,000
March Absorption (Sold to Active Ratio)		82 %
March Pending Absorption (Pending to Active Ratio)		71 %
March Closing Ratio (Pending to Sold)		94 %
March Supply	1.2 Months	Seller's Market
March 3 Month Supply	1.6 Months	Seller's Market
\$1,499,999 -	.8 Months	Seller's Market
\$1,500,000 - \$1,999,999	1.0 Months	Seller's Market
\$2,000,000 - \$2,999,999	.7 Months	Seller's Market
\$3,000,000 - \$4,999,999	2.0 Months	Seller's Market
\$5,000,000 - \$9,999,999	1.5 Months	Seller's Market
\$10,000,000 +	6.5 Months	Balanced Market

Balanced Market 5 to 7.9 Months

Price Forecasts

Short-Term PENDING INDICATOR Forecast for April	Down
Short-Term SPREAD INDICATOR Forecast for April	No Signal
Long-Term PRICE INDICATOR Forecast for 2022 (As of 9/1/2021)	Up

Continued from page 1

record. Charts on page 5, 6, and website.

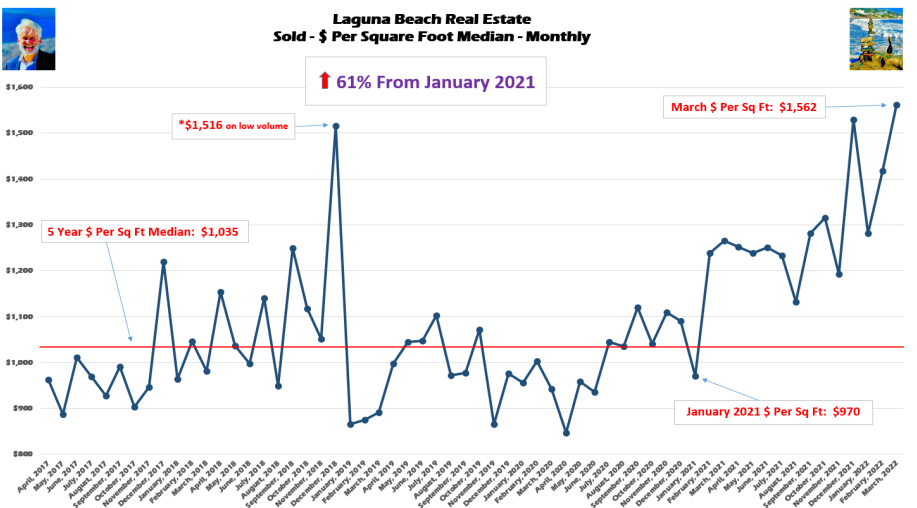
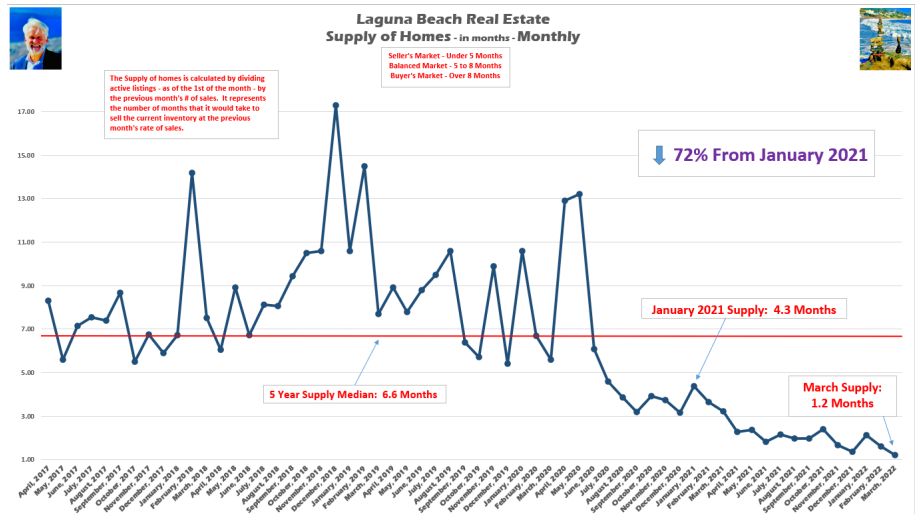
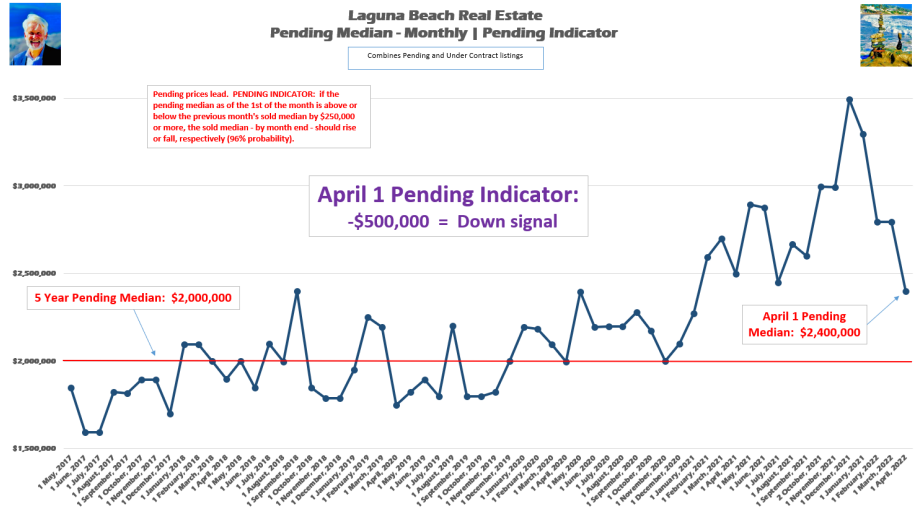
Also bullish is the short-term Spread Indicator. The spread – the difference between the April 1 active median and the March sold median – came in at a plus \$1,390,000. Although \$10,000 short of an official “up” signal, every time in the last 6 years that the spread has been this wide, the market has been up that month. Chart page 7 and website.

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 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. See Table page 7

Call me to take advantage of this market.

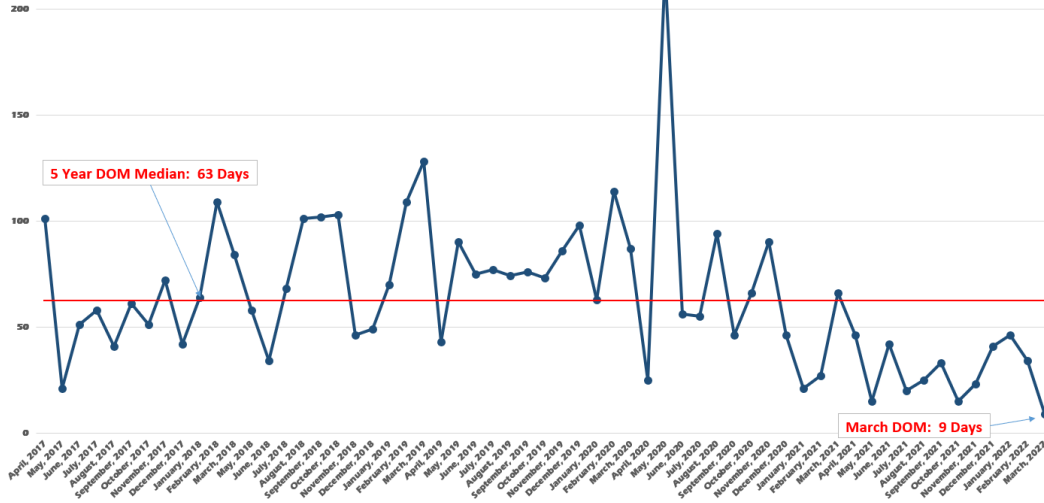




Laguna Beach Real Estate Sold - Days on Market Median - Monthly



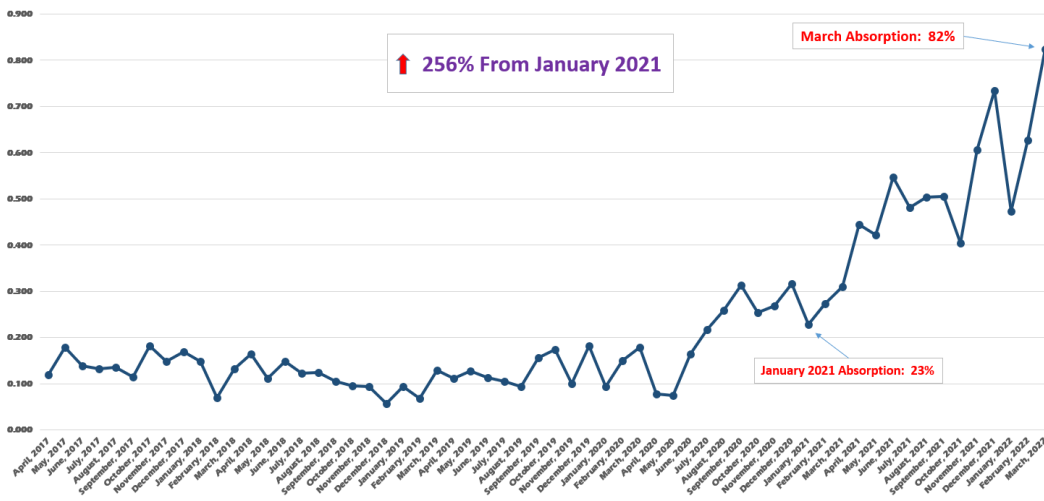
Days on Market (DOM) measures the number of days a listing is active on the market. Listings separated by less than 90 days are combined.



Laguna Beach Real Estate Chart Absorption - Monthly



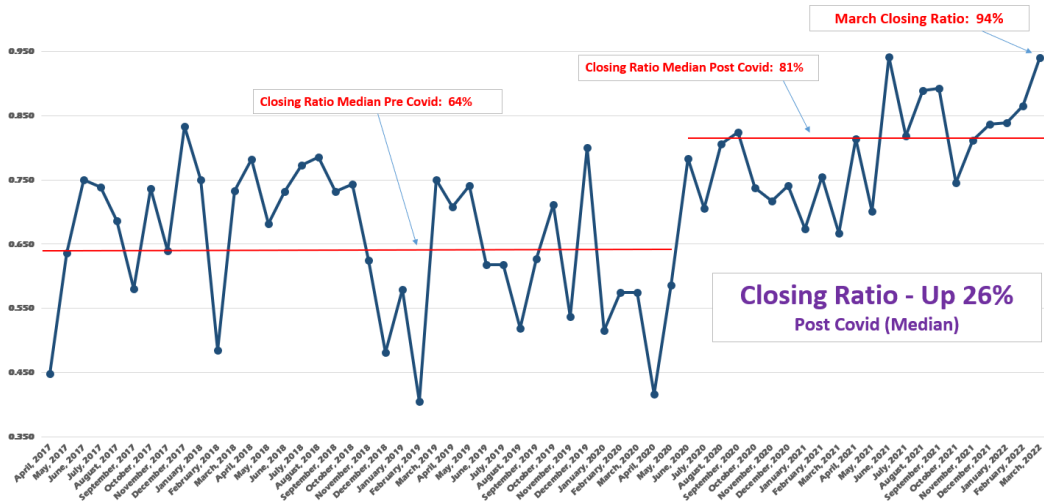
Absorption is the ratio of active to sold listings. It is calculated by dividing the number of closings from the previous month by the number of active listings as of the 1st of the month.



Laguna Beach Real Estate Chart Closing Ratio - Monthly



The Closing Ratio is the ratio of open escrows to closed sales. It is calculated by dividing the number of open escrows as of the 1st by the number of closings later that month.

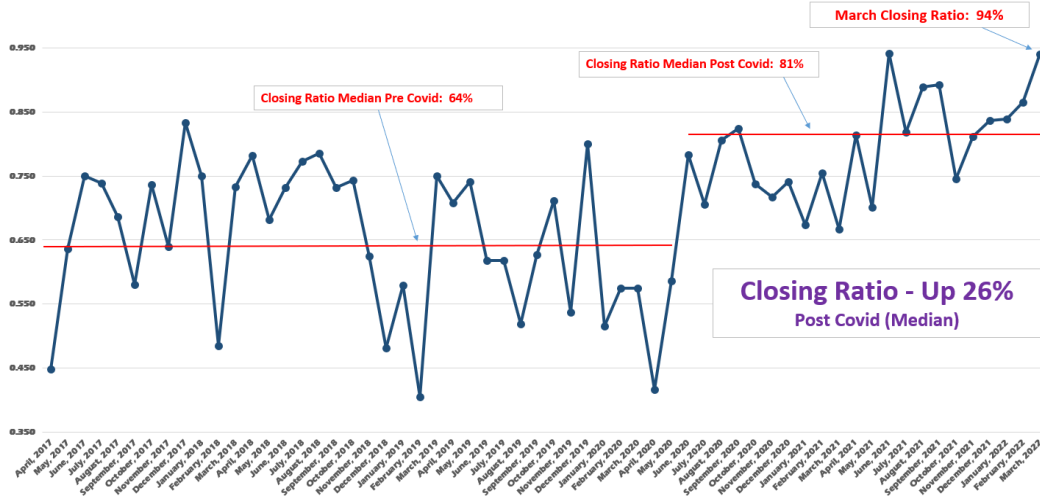




Laguna Beach Real Estate Chart Closing Ratio - Monthly



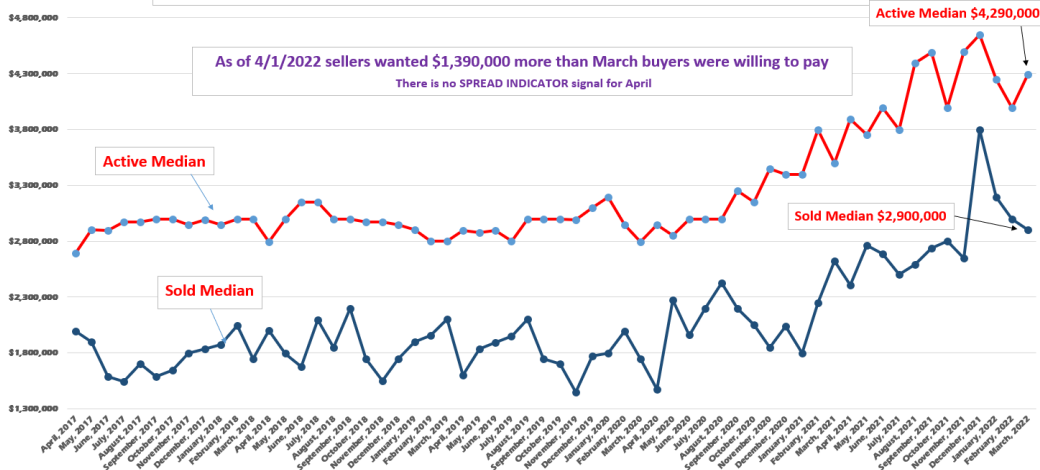
The Closing Ratio is the ratio of open escrows to closed sales. It is calculated by dividing the number of open escrows as of the 1st by the number of closings later that month.



Laguna Beach Real Estate The SPREAD: Active v Sold - Median Monthly



The SPREAD is the active median minus the sold median. The SPREAD INDICATOR: if the SPREAD is less than \$800,000 as of the 1st, the sold median should be down that month (81% probability). If the SPREAD exceeds \$1,400,000, the sold median should be up that month (100% probability).



30 Year Fixed Mortgage Rate Peak/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

All-Transactions House Price Index for California (CASTHPI)

[All charts at www.LagunaGalleryRealEstate.com/charts](http://www.LagunaGalleryRealEstate.com/charts)