

Laguna Beach Real Estate Magazine

April 2022 | [Edition #82]



SOLD MEDIAN \$3,000,000 + 100,000 | **\$ PER SQ FT** \$1,422 - 140 | **SUPPLY** 1.8 MONTHS +.6 | **CLOSING RATIO** 97% + 3

Supply of \$5-10M Homes Plunges 98%

Median Up \$100,000 | 3 Month \$ Per Sq Ft Still Over \$1,500

It was June 2019. The supply of homes priced between 5 and 10 million dollars in Laguna Beach was a miserable 75 months. This broker was doing an open house at Blue Lagoon. A Lagunita homeowner came through. We discussed the market. I got her email and sent her detailed monthly reports. Fast forward 3 years, the supply of \$5-10M homes had collapsed to 1.5 months: an unprecedented 98% drop. She and her husband were thinking about selling. We went over the comps and assessed the market. They decided to list.

Across all sectors in April, the median Laguna Beach closing price was up \$100,000, settling at an even \$3,000,000. The 3-month dollars per square foot finished near record levels at \$1,522. The days on market remained low at just 11 days.

Others, say this market is slowing down. They say higher mortgage rates and reduced demand are risks to this market. Let's take a closer look.

Demand, as a percentage of the market, has not slowed. Absorption, the ratio of active to

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3 Lagunita Drive

Laguna Beach | \$5,200,000



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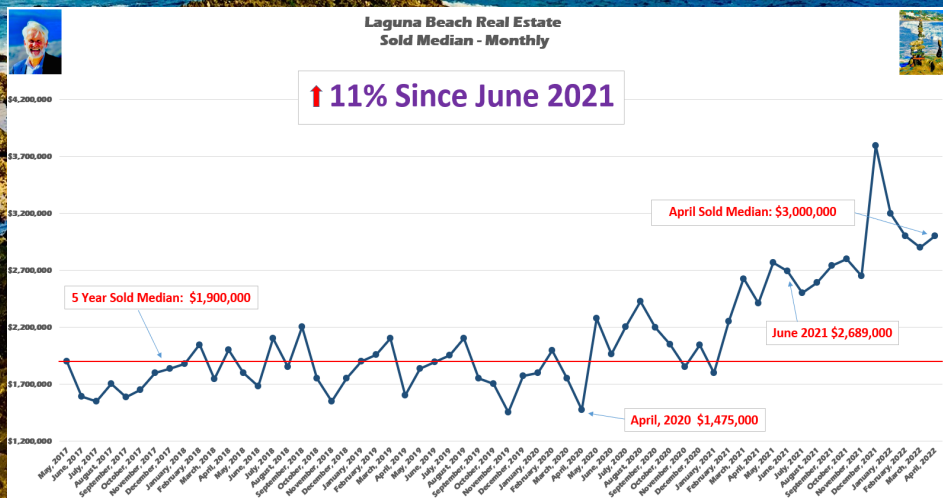
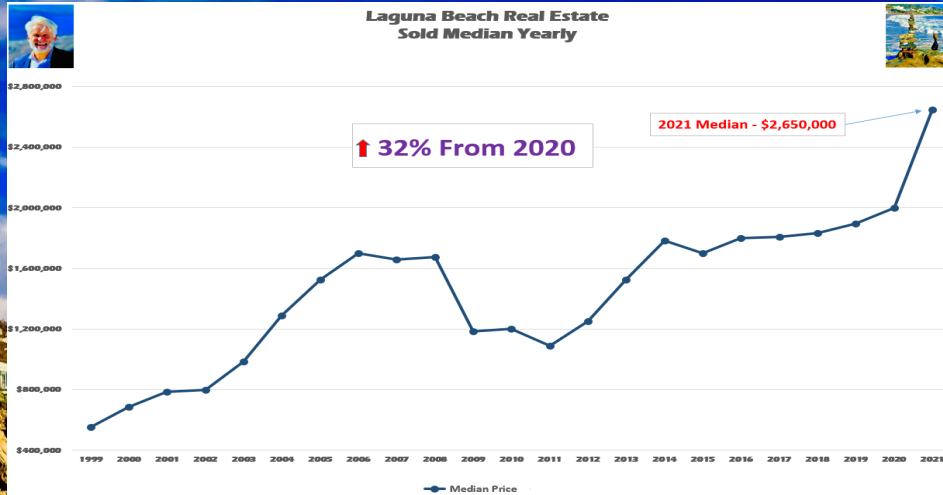
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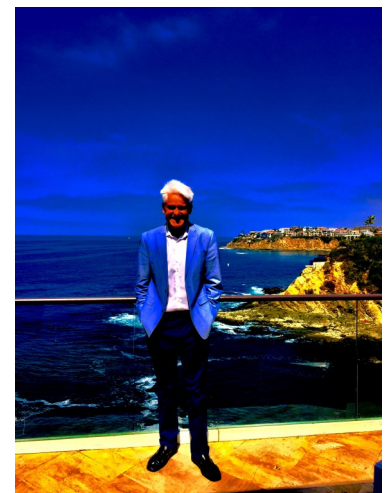


DON'T DO IT

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.

Boyd Roberts | 949-463-9152 | DRE 01354788



April 2022 Closing Detail

	Address	Date	Original Price	Closing Price	Reduction	% Reduc	\$ Sq Ft	DOM
1	1310 Bluebird, Laguna Beach, CA 92651	4/1/2022	\$ 2,250,000	\$ 2,250,000	\$ -	0.0%	\$ 1,645	0
2	933 Emerald Bay, Laguna Beach, CA 92651	4/1/2022	\$ 6,995,933	\$ 6,925,933	\$ 70,000	1.0%	\$ 2,443	3
3	92 S La Senda Drive, Laguna Beach, CA 92651	4/1/2022	\$ 11,300,000	\$10,700,000	\$ 600,000	5.3%	\$ 1,981	479
4	1250 Starlit Drive, Laguna Beach, CA 92651	4/4/2022	\$ 2,750,000	\$ 2,550,000	\$ 200,000	7.3%	\$ 721	14
5	20358 Sun Valley Drive, Laguna Beach, CA 92651	4/5/2022	\$ 1,800,000	\$ 1,700,000	\$ 100,000	5.6%	\$ 780	33
6	356 Cliff Drive, Laguna Beach, CA 92651	4/6/2022	\$ 5,100,000	\$ 5,100,000	\$ -	0.0%	\$ 1,495	0
7	604 San Nicholas Ct #604, Laguna Beach, CA 92651	4/6/2022	\$ 775,000	\$ 850,000	\$ (75,000)	-9.7%	\$ 641	6
8	2965 Terry Road, Laguna Beach, CA 92651	4/7/2022	\$ 2,800,000	\$ 2,300,000	\$ 500,000	17.9%	\$ 869	0
9	2664 Victoria Drive, Laguna Beach, CA 92651	4/7/2022	\$ 3,795,000	\$ 3,795,000	\$ -	0.0%	\$ 1,908	0
10	2020 Donna Drive, Laguna Beach, CA 92651	4/7/2022	\$ 8,295,000	\$ 5,850,000	\$ 2,445,000	29.5%	\$ 1,950	371
11	30731 Marilyn Drive, Laguna Beach, CA 92651	4/8/2022	\$ 3,995,000	\$ 4,390,000	\$ (395,000)	-9.9%	\$ 1,956	9
12	11 Emerald Bay, Laguna Beach, CA 92651	4/13/2022	\$ 7,995,000	\$ 8,300,000	\$ (305,000)	-3.8%	\$ 2,231	9
13	1220 Ensenada Ave, Laguna Beach, CA 92651	4/13/2022	\$ 4,580,000	\$ 4,500,000	\$ 80,000	1.7%	\$ 1,388	30
14	1473 Bluebird Canyon Dr, Laguna Beach, CA 92651	4/14/2022	\$ 1,750,000	\$ 1,900,000	\$ (150,000)	-8.6%	\$ 1,161	9
15	431 Osgood Court, Laguna Beach, CA 92651	4/15/2022	\$ 2,250,000	\$ 2,250,000	\$ -	0.0%	\$ 1,628	0
16	455 Panorama Drive, Laguna Beach, CA 92651	4/15/2022	\$ 7,000,000	\$ 7,000,000	\$ -	0.0%	\$ 1,321	0
17	520 Seaview Street, Laguna Beach, CA 92651	4/18/2022	\$ 4,200,000	\$ 4,200,000	\$ -	0.0%	\$ 2,208	0
18	7 Camel Point Drive, Laguna Beach, CA 92651	4/18/2022	\$ 8,999,000	\$ 8,050,000	\$ 949,000	10.5%	\$ 3,898	2
19	856 Diamond, Laguna Beach, CA 92651	4/18/2022	\$ 5,995,000	\$ 6,000,000	\$ (5,000)	-0.1%	\$ 1,357	9
20	597 Anita Street, Laguna Beach, CA 92651	4/19/2022	\$ 2,850,000	\$ 3,000,000	\$ (150,000)	-5.3%	\$ 1,788	1
21	151 Rockledge, Laguna Beach, CA 92651	4/19/2022	\$ 3,495,000	\$ 3,850,000	\$ (355,000)	-10.2%	\$ 3,038	3
22	1594 Via Capri Unit#9, Laguna Beach, CA 92651	4/19/2022	\$ 1,199,000	\$ 977,000	\$ 222,000	18.5%	\$ 1,017	35
23	11 Camel Point Drive, Laguna Beach, CA 92651	4/19/2022	\$ 11,995,000	\$10,700,000	\$ 1,295,000	10.8%	\$ 3,126	236
24	31560 Eagle Rock Way, Laguna Beach, CA 92651	4/20/2022	\$ 2,795,000	\$ 2,895,000	\$ (100,000)	-3.6%	\$ 1,600	42
25	889 Summit Drive, Laguna Beach, CA 92651	4/21/2022	\$ 2,995,000	\$ 2,850,000	\$ 145,000	4.8%	\$ 770	144
26	867 Tia Juana Street, Laguna Beach, CA 92651	4/22/2022	\$ 2,495,000	\$ 2,450,000	\$ 45,000	1.8%	\$ 1,353	13
27	2855 Park Place, Laguna Beach, CA 92651	4/22/2022	\$ 2,995,000	\$ 2,800,000	\$ 195,000	6.5%	\$ 1,000	25
28	858 Gainsborough Drive, Laguna Beach, CA 92651	4/25/2022	\$ 3,495,000	\$ 3,495,000	\$ -	0.0%	\$ 1,747	0
29	31004 Aliso Circle, Laguna Beach, CA 92651	4/25/2022	\$ 3,495,000	\$ 3,450,000	\$ 45,000	1.3%	\$ 1,422	4
30	31732 4th, Laguna Beach, CA 92651	4/26/2022	\$ 2,280,000	\$ 2,400,000	\$ (120,000)	-5.3%	\$ 1,023	4
31	31332 Holly Drive, Laguna Beach, CA 92651	4/26/2022	\$ 4,450,000	\$ 3,850,000	\$ 600,000	13.5%	\$ 1,149	306
32	535 Through Street, Laguna Beach, CA 92651	4/27/2022	\$ 1,995,000	\$ 2,355,000	\$ (360,000)	-18.0%	\$ 2,507	6
33	855 Coast View Drive, Laguna Beach, CA 92651	4/27/2022	\$ 5,750,000	\$ 5,250,000	\$ 500,000	8.7%	\$ 1,166	19
34	1076 Baja Street, Laguna Beach, CA 92651	4/27/2022	\$ 1,999,999	\$ 2,215,000	\$ (215,001)	-10.8%	\$ 1,130	23
35	31561 Table Rock Drive Unit#201, Laguna Beach, CA 92651	4/28/2022	\$ 2,650,000	\$ 2,750,000	\$ (100,000)	-3.8%	\$ 2,383	3
36	21801 Ocean Vista Drive Unit#24, Laguna Beach, CA 92651	4/29/2022	\$ 1,589,000	\$ 1,740,000	\$ (151,000)	-9.5%	\$ 1,001	8
37	617 San Nicholas Court Unit#617, Laguna Beach, CA 92651	4/29/2022	\$ 875,000	\$ 890,000	\$ (15,000)	-1.7%	\$ 582	11
38								
Not used in calculations			Median	\$ 3,000,000	\$ 45,000	1.0%	\$ 1,422	11



April 2022 Sales Data

Active Median (As of 5/1/2022)	\$ 4,195,000	63 Listings
\$ per Square Foot Median		\$ 1,733
Pending Median (As of 5/1/2022)	\$ 2,425,000	38 Listings
\$ per Square Foot Median		\$ 1,305
Sold Median April 2022	\$ 3,000,000	37 Sales
Price Reduction Median	\$ 45,000	1 %
\$ Per Square Foot Median		\$ 1,422
Sold 3 Month Median	\$ 3,000,000	116 Sales
\$ Per Square Foot Median		\$ 1,522
Sold 6 Month Median	\$ 3,045,000	221 Sales
Sold 12 Month Median	\$ 2,825,000	534 Sales
Price Reduction Median	\$ 80,000	3 %
\$ Per Square Foot Median		\$ 1,321
Sold 2021 Median	\$ 2,650,000	568 Sales
PENDING INDICATOR (Pending - Sold)		- \$ 575,000
SPREAD (Active - Sold)		+ \$ 1,195,000
April Absorption (Sold to Active Ratio)		53 %
April Pending Absorption (Pending to Active Ratio)		55 %
April Closing Ratio (Pending to Sold)		97 %
April Supply	1.8 Months	Seller's Market
April 3 Month Supply	1.7 Months	Seller's Market
\$1,499,999 -	.7 Months	Seller's Market
\$1,500,000 - \$1,999,999	1.6 Months	Seller's Market
\$2,000,000 - \$2,999,999	1.3 Months	Seller's Market
\$3,000,000 - \$4,999,999	1.9 Months	Seller's Market
\$5,000,000 - \$9,999,999	1.5 Months	Seller's Market
\$10,000,000 +	7.2 Months	Balanced Market

Balanced Market 5 to 7.9 Months

Price Forecasts

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

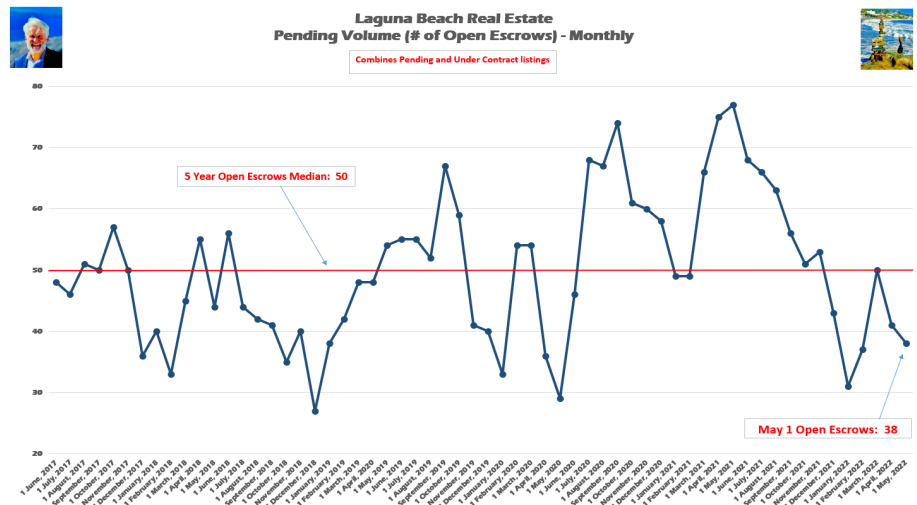
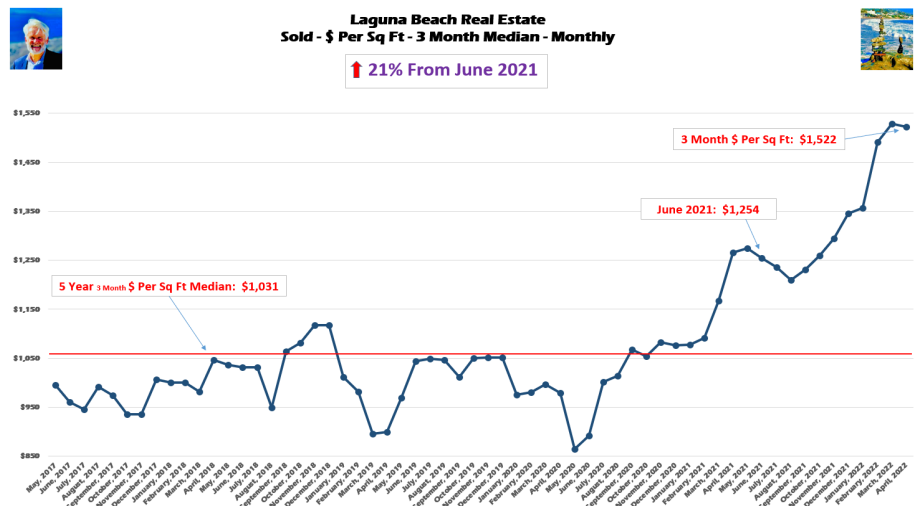
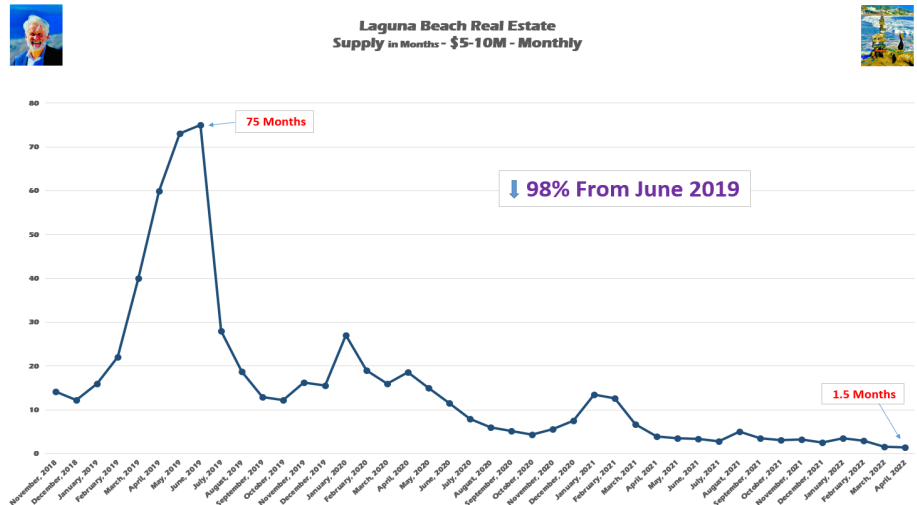
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sold listings has surged 605% since the shutdown. Pending absorption, the ratio of active listings to open escrows is up 162% in the same time frame.

Until a sale is recorded, demand is hard to quantify. One way to track demand before the close, is the number of open escrows. I call this pending volume. Year to date pending volume is 21% below the 5-year median. So why is closing volume 4% above the 5-year median? What could account for this 25% discrepancy? I can see two possible reasons. Numerous properties are closing off market. 8 of the 37 closings in April sold with 0 days on market. They were not reported as pending in real time. Also, the closing ratio – the ratio of pending escrows to closed sales – was 97 percent in April, a record. Interesting fact: the median post covid closing ratio is 26% higher than the pre covid closing ratio. Clearly, buyers – once in escrow – are not messing around.

Make no mistake, high mortgage rates impede buyer affordability. Marginal buyers are precluded from buying. That said, pundits claiming that higher rates will lead to lower real estate prices do not know what they are talking about. In fact, higher rates, historically correlate with higher – not lower – California real estate prices. Using data compiled by the St. Louis Federal Reserve Bank,

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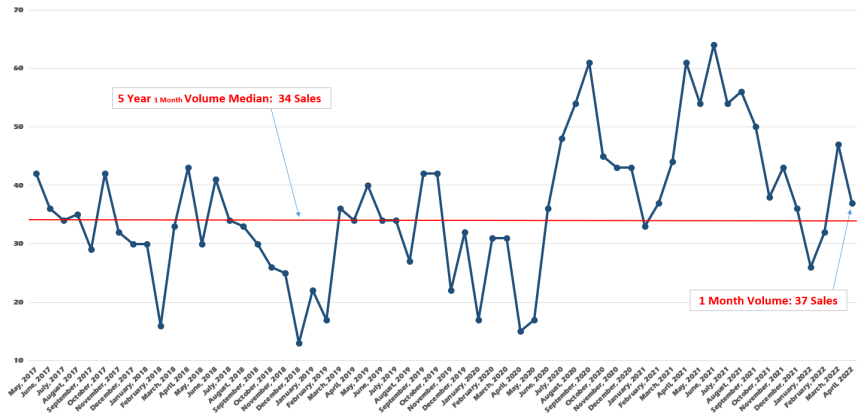
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going back to 1975, there have been 7 periods of rising mortgage rates. The California Home Price Index was up in 6 of those 7 periods. Who knew?

If you like data, check out LagunaGalleryRealEstate.com for insightful videos, reports, and charts. Have an excellent May and call me to take advantage of this market.



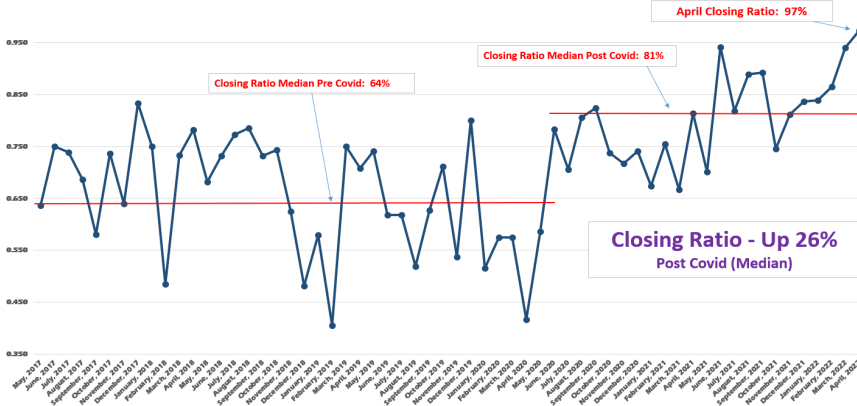
Laguna Beach Real Estate
Sold - 1 Month Volume (# of Sales) - Monthly



Laguna Beach Real Estate
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.



Thinking about selling?
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for a confidential analysis

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

Shading = Periods of Rising Rates

Period	Begin Rate	End Rate	Change	% Rate Change	% HPI Change	Rates Up HPI Down		Rates Down HPI Up	
						Yes	No	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			Yes
04/11/1980 - 07/04/1980	16.35%	12.18%	-4.17%	-25.50%	3.59%		No		Yes
07/04/1980 - 10/09/1981	12.18%	18.63%	6.45%	52.96%	10.31%		No		Yes
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			Yes
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			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			Yes
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			Yes
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			Yes
11/08/2018 - 01/27/2021	4.94%	2.65%	-2.29%	-46.36%	11.97%			Yes	

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