



Laguna Beach Real Estate

March 1, 2019 | \$10M+ Report | Last 50 Closings

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My Take

Laguna Beach's ultra-high end has been ripe with billionaire activity. Mark Cuban negotiated \$7M off the original list price on his \$19M Montage home after it was on the market for close to a year. Bill Gross paid almost a million dollars over the listing price for his \$35M Irvine Cove tear down. The front row home was only on the market for 55 days. Omaha beef supplier, Henry Davis purchased the front row in Emerald Bay for \$21M – a \$14M discount after the listing had languished on the market for over two and a half years. And the Sage of Omaha, Warren Buffet got schooled in the perils of over pricing. His fourth row Emerald Bay home went without a buyer for over 18 months. Once he slashed his price by over \$3M, it quickly sold.

With an almost 2-year supply of homes, Laguna's high end is a buyer's market. As of March 1st, there are 30 \$10M+ properties listed for sale, not including off market, pocket listings. Over the last 3 months 4 have sold at the rate of 1 sale every 22 days. This means at any given time, one buyer can pit 30 sellers against each other, create a reverse bidding war, and find the one seller that wants to capitulate the most.

Looking at the last 50 sales, 4 facts stand out:

- The median price reduction was \$3.4M or 20%.
- The median days on market was 257 days.
- The highest price reductions correlated highly with the longest time on the market: 60% of sales in the highest quintile of price reductions were also in the highest quintile for the longest time on the market.
- The lowest price reductions correlated highly with the shortest time on the market: 60% of sales in the lowest quintile of price reductions were also in the lowest quintile of time on market.

Though high correlation is not proof, over pricing makes a home relatively illiquid, wastes time and nets the seller less.

\$10M+ Raw Numbers

ACTIVE (As of March 1, 2019)

Median Price	\$12,995,000
Total # of Listings	30 Listings
Median Days on Market (DOM)	217 Days
Total with DOM Greater than 365 Days	7
Median Price per Square Foot	\$ 2,536

PENDING (As of March 1, 2019)

0 Listings

SOLD | Last 50 Closings (April 15, 2014 to March 1, 2019)

Median Price Reduction	\$ 3,399,000*
Median Price Reduction %	20.0 %*
Median DOM	257 Days*
Median \$ Per Square Foot	\$ 2,597*

Rate of Sales Last 90 Days | 4 sales | 1 sale every

22 Days

Total Supply of Actives | # of Months to Sell all 30 Actives at the rate of 1 sale every 22 Days |

22 Months

Last 50 \$10M+ Closings April 15, 2014 to March 1, 2019

	Address	Date	Original Price	Closing Price	Reduction	% Reduct	\$ Per SqFt	CDOM
1	990 Ocean Front	4/15/2014	\$ 13,500,000	\$ 11,500,000	\$ 2,000,000	14.8%	\$ 3,193	469
2	2620 Riviera Drive	5/2/2014	\$ 14,500,000	\$ 11,500,000	\$ 3,000,000	20.6%	\$ 1,277	200
3	2675 Riviera Drive	6/16/2014	\$ 40,000,000	\$ 23,600,000	\$ 16,400,000	41.0%	\$ 2,013	438
4	267 Crescent Bay Drive	8/27/2014	\$ 12,750,000	\$ 10,200,000	\$ 2,550,000	20.0%	\$ 1,924	349
5	169 Emerald Bay	9/19/2014	\$ 10,500,000	\$ 10,200,000	\$ 300,000	2.8%	\$ 4,657	197
6	176 Emerald Bay	9/22/2014	\$ 20,000,000	\$ 15,075,000	\$ 4,925,000	24.6%	\$ 2,205	518
7	11 La Senda Place	10/1/2014	\$ 10,000,000	\$ 10,000,000	\$ -	0.0%	\$ 2,500	1
8	2099 Ocean Way	3/31/2015	\$ 13,700,000	\$ 10,500,000	\$ 2,200,000	16.0%	\$ 2,019	253
9	182 Emerald Bay	5/11/2015	\$ 17,850,000	\$ 15,000,000	\$ 2,850,000	15.9%	\$ 2,631	276
10	3 Emerald Bay	5/13/2015	\$ 14,999,000	\$ 11,600,000	\$ 3,399,000	22.6%	\$ 1,487	413
11	1901 Ocean Way	6/29/2015	\$ 15,400,000	\$ 14,200,000	\$ 1,200,000	7.7%	\$ 4,346	394
12	31401 Mar Vista Avenue	8/20/2015	\$ 14,400,000	\$ 10,100,000	\$ 4,300,000	29.8%	\$ 918	409
13	33 Bay Drive	9/11/2015	\$ 15,800,000	\$ 15,800,000	\$ -	0.0%	\$ 3,160	0
14	2 Rockledge Road	10/7/2015	\$ 10,500,000	\$ 10,000,000	\$ 500,000	4.7%	\$ 2,597	73
15	168 Emerald Bay	10/14/2015	\$ 20,995,000	\$ 17,200,000	\$ 3,795,000	18.0%	\$ 2,991	206
16	1379 Circle Way	10/22/2015	\$ 11,395,000	\$ 10,433,750	\$ 961,250	8.4%	\$ 2,151	238
17	2475 S. Coast Highway	11/20/2015	\$ 29,995,000	\$ 17,500,000	\$ 12,495,000	41.6%	\$ 1,750	584
18	1101 Marine Drive	2/2/2016	\$ 75,000,000	\$ 45,000,000	\$ 30,000,000	40.0%	\$ 19,497	257
19	102 Emerald Bay	3/23/2016	\$ 29,995,000	\$ 19,125,000	\$ 10,870,000	36.2%	\$ 10,013	887
20	845 Cliff Drive	5/6/2016	\$ 11,950,000	\$ 10,900,000	\$ 1,050,000	8.7%	\$ 3,303	33

	Address	Date	Original Price	Closing Price	Reduction	% Reduct	\$ Per SqFt	CDOM
21	101 Emerald Bay	7/13/2016	\$ 14,250,000	\$ 10,500,000	\$ 3,750,000	26.3%	\$ 1,810	825
22	17 Lagunita Drive	8/10/2016	\$ 16,900,000	\$ 12,200,000	\$ 4,700,000	27.8%	\$ 2,487	191
23	1885 Ocean Way	8/31/2016	\$ 16,500,000	\$ 16,000,000	\$ 500,000	3.0%	\$ 2,831	44
24	39 Smithcliffs Road	2/6/2017	\$ 18,995,000	\$ 10,000,000	\$ 8,995,000	47.3%	\$ 1,538	643
25	33 Smithcliffs Road	3/16/2017	\$ 32,000,000	\$ 12,500,000	\$ 19,500,000	60.9%	\$ 1,236	981
26	160 Saint Anns Drive	5/19/2017	\$ 15,695,000	\$ 13,000,000	\$ 2,695,000	17.1%	\$ 1,911	210
27	1225 Cliff Drive	5/24/2017	\$ 10,350,000	\$ 10,350,000	\$ -	0.0%	\$ 3,371	0
28	2480 Monaco	7/24/2017	\$ 11,995,000	\$ 10,000,000	\$ 1,995,000	16.6%	\$ 2,380	67
29	21 Montage Way	10/16/2017	\$ 29,500,000	\$ 18,000,000	\$ 11,500,000	38.9%	\$ 2,395	744
30	114 S La Senda Drive	12/20/2017	\$ 12,495,000	\$ 10,500,000	\$ 1,995,000	15.9%	\$ 2,457	222
31	90 S La Senda Drive	1/2/2018	\$ 14,995,000	\$ 12,900,000	\$ 2,095,000	13.9%	\$ 1,871	70
32	990 Ocean Front	2/8/2018	\$ 14,000,000	\$ 12,000,000	\$ 2,000,000	14.2%	\$ 3,000	166
33	671 Sleepy Hollow Lane	4/2/2018	\$ 12,900,000	\$ 10,050,000	\$ 2,850,000	22.0%	\$ 1,675	238
34	2345/2381 S Coast Hwy	4/13/2018	\$ 17,998,000	\$ 15,500,000	\$ 2,498,000	13.8%	\$ 4,589	256
35	156 Emerald Bay	5/1/2018	\$ 35,000,000	\$ 23,000,000	\$ 12,000,000	34.2%	\$ 5,867	859
36	168 Emerald Bay	5/14/2018	\$ 19,495,000	\$ 18,333,000	\$ 1,162,000	5.9%	\$ 3,133	57
37	141 Emerald Bay	6/8/2016	\$ 12,600,000	\$ 10,750,000	\$ 1,850,000	14.6%	\$ 6,046	63
38	124 Riviera Way	6/19/2018	\$ 14,000,000	\$ 14,000,000	\$ -	0.0%	\$ 3,798	0
39	114 Riviera Way	7/19/2018	\$ 11,800,000	\$ 11,800,000	\$ -	0.0%	\$ 2,875	3
40	2475 S. Coast Highway	7/24/2018	\$ 37,500,000	\$ 32,000,000	\$ 5,500,000	14.6%	\$ 3,200	395
41	24 Lagunita Drive	7/25/2018	\$ 19,995,000	\$ 15,000,000	\$ 4,995,000	24.9%	\$ 2,753	571
42	2165 Temple Hills Drive	7/26/2018	\$ 12,750,000	\$ 10,250,000	\$ 2,500,000	19.6%	\$ 1,640	160
43	2566 Monaco Drive	7/27/2018	\$ 12,000,000	\$ 12,000,000	\$ -	0.0%	\$ 2,424	0
44	2471 Riviera Drive	8/7/2018	\$ 34,999,000	\$ 35,820,000	\$ (821,000)	-2.3%	\$ 6,512	55
45	2585 Riviera Drive	9/12/2018	\$ 38,900,000	\$ 32,700,000	\$ 6,200,000	15.9%	\$ 3,435	0
46	170 Emerald Bay	10/15/2018	\$ 19,800,000	\$ 15,554,000	\$ 4,246,000	21.4%	\$ 2,597	563
47	25 Montage Way	12/3/2018	\$ 29,995,000	\$ 17,500,000	\$ 12,495,000	41.6%	\$ 2,104	1558
48	40 N La Senda Drive	12/14/2018	\$ 19,900,000	\$ 10,147,500	\$ 9,842,500	49.4%	\$ 2,862	32
49	3 Montage Way	12/21/2018	\$ 25,995,000	\$ 19,000,000	\$ 6,995,000	26.9%	\$ 2,415	333
50	92 Emerald Way	1/15/2019	\$ 35,000,000	\$ 21,000,000	\$ 14,000,000	40.0%	\$ 3,437	926
51								
52	Sold off Mkt (Not included in all calculations)			Total	\$248,832,750			
53	Highest Quintile		Average	\$ 15,435,765	\$ 5,655,289	22.6%	\$ 3,265	381
54	Lowest Quintile		Median	\$ 12,500,000	\$ 3,399,000	20.0%	\$ 2,597	257

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Boyd Roberts was licensed as a salesperson in 2002 and as a broker in 2004. Individually and as a broker he has closed or overseen the closings of over 800 real estate and real estate loan transactions in excess of a \$1/4 billion. He has a BA in Economics and was a licensed commodities broker for 14 years.

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