



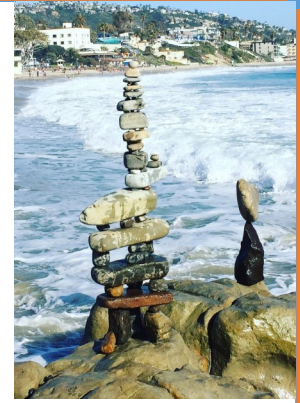
Laguna Beach Real Estate

November 2016 Sales Report

Boyd Roberts

Gallery Real Estate

YouTube: Boyd Roberts Laguna Beach 2016



Summary Take: As a baseline, the highest annual median price in Laguna was \$1,785,000 in 2014. November 2016's median closing price was an even \$1,900,000. The most recent 12 months was an even 1,800,000. Based on these three facts, one might conclude that 2016 is going to be a record breaking year. There are two problem with this analysis. One, the median price of pending sales just dropped by almost half a million dollars; and two, current sellers want \$1M more for their homes than buyers are willing to pay. Buyers seem to be focused on the well-priced, lower end homes. More on overpricing below.

Long Term Outlook: So how will all of this play out, long term? Of course, no one knows. My personal opinion is that high end, coastal real estate, is going way up. Since 2008 the Federal Reserve has printed more fiat money than in the entire history of mankind before that point. As an Economics major in college I was taught that inflation equals the money supply times the velocity, or turnover, of that money. Our economy has been sluggish with very low turnover since 2000. With the election of Trump, one could argue that this velocity will go up. Since 2008 we have only seen inflation in the real estate, stock, and bond markets. With interest rates so low, the bond market certainly has limited upside. I think interest rates are going up, if that happens the bond market will not benefit. In my opinion with that enormous amount of money sloshing around and turning over faster, the two remaining up trending markets – real estate and stocks – will rise to unprecedented heights. Forget valuation and affordability arguments, these puppies are going up. No guarantees.

Transaction of the Month: Back to over pricing, the two units on 220 San Joaquin Street – 3 bedrooms and 2.5 baths in the back and 2 bedrooms, 2 baths on a single level in the front was originally listed at \$2,395,000 on May 2, 2016. After a 23% price reduction, it sold for \$1,825,000 on November 17, 2016. Question: what can go wrong when a home is listed to high? Possibly, it will take longer to sell and likely sell for less than if the seller had started at a lower listing price.

Call, text, or email me if you have any questions or would like to be put on my distribution list.

ACTIVEs (As of December 1, 2016)

Total	205 Listings
Median Price	\$ 2,895,000
Median CDOM	117 Days
Median Price per Square Foot	\$ 1,175

PENDINGs/BACKUPs (P/B) (As of December 3, 2016)

Total	41 Listings
Median Price	\$ 1,675,000
Median CDOM	104 Days
Median Price per Square Foot	\$ 838

SOLDs (November, 2016)

Total	29 Closings
Total Requiring a Price Reduction	25 Closings
% of Closings at a Reduced Price	86%
Average Price Reduction	\$ 207,472
Average Price Reduction as a %	6.1 %
Median Price	\$ 1,900,000
Median CDOM	109 Days
Median Price per Square Foot	\$ 1,041

Total Supply of Actives at this Rate of Sales	7.06 Months
Difference Between Active Median Price and P/B Median Price	+ \$ 1,220,000
Difference Between Active Median Price and Sold Median Price	+ \$ 995,000
Difference Between P/B Median Price and Sold Median Price	- \$ 225,000

More SOLDs (Most Recent 3 Full Months: 9/1/2016 – 11/30/2016)

Total	84 Closings
Total Requiring a Price Reduction	65 Closings
Median Price	\$ 1,850,000
Median CDOM	88 Days
Median Price per Square Foot	\$ 1,034
Total Supply of Actives at this Rate of Sales	7.32 Months

More SOLDs Median Price History (Full Calendar Months)

<u>Month/Year</u>	<u>Median Price</u>	<u># of Sales</u>
Last 6 Full Months (6/1/2016 – 11/30/2016)	\$1,750,000	190
Last 12 Full Months (12/1/2015 – 11/30/2016)	\$1,800,000	374

More Median Price History (Full Calendar Years)

<u>Year</u>	<u>Median Price</u>	<u># of Sales</u>	<u>Year</u>	<u>Median Price</u>	<u># of Sales</u>
2000	\$ 665,000	562	2008	\$1,535,000	204
2001	\$ 775,000	437	2009	\$1,185,000	274
2002	\$ 785,000	527	2010	\$1,200,000	334
2003	\$ 971,000	542	2011	\$1,100,000	329
2004	\$1,275,000	514	2012	\$1,250,000	435
2005	\$1,505,000	428	2013	\$1,525,000	422
2006	\$1,625,000	322	2014	\$1,785,000	411
2007	\$1,629,000	281	2015	\$1,700,000	384

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