



Laguna Beach Real Estate Magazine

August 2023 | [Edition #97]



SOLD MEDIAN \$2,810,000 + 310,000 | **\$ PER SQ FT** \$1,595 + 397 | **SUPPLY** 6.8 MONTHS + .6 | **CLOSING RATIO** 79% + 4

Laguna Up \$560,000 Since May

Pending \$PSF At All Time High | Higher Prices in Forecast

As predicted, Laguna Beach prices rose in July. The sold median was up \$310,000, finishing at \$2,810,000. The sold dollars per square foot surged \$397 to \$1,595. Days on market was relatively low at just 27 days. Charts pages 5,7

The 2020 sold median was \$2,000,000. 2021 was \$2,650,000. 2022 was \$3,005,000. Year-to-date Laguna is at \$2,800,000. Chart page 5

Prices, with a 94% probability, likely will be up again this month. The short term Spread Indicator is issuing a strong up signal. Dollars per square foot, likely, will also rise, the pending dollars per square foot was at \$1,731, a record print. In my experience pending

prices almost always lead.

The market is slow. The number of closings – by almost every measure – is quite low. There have been only 253 closing in the last 12 months. For context that is the third lowest print, well below the 590 print, August 2021 and well below the 5 year median, 387.

The market above \$10,000,000 cannot be viewed in the same lens as the market below \$10,000,000. Over \$10,000,000 the supply of homes is an unhealthy 105 months. Under \$10,000,000 the supply is a mere 4.6 months. If you are a buyer in the higher category, call me. I have a plan to secure it at the capitulation price. Charts page 6



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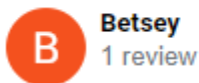


Laguna Beach Real Estate Magazine

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Betsey
1 review

3 Lagunita Drive Seller Review

★★★★★ 2 days ago **NEW**

Besides being very personable and enthusiastic, Boyd has earned 5 stars in so many ways: research-driven, knows the Laguna market, informative and realistic, reliable, hard-working, detail-oriented and thorough, as well as always giving us excellent/accurate feedback on prospects and from open houses. Boyd has a wealth of experience and knowledge which makes for a successful partnership. Thank you, Boyd! 5 stars all the way!!!

July 2023 Closing Detail

	Address	Date	Original Price	Closing Price	Reduction	% Reduc	\$ Sq Ft	DOM
1	637 Virginia Park Drive, Laguna Beach, CA 92651	7/3/2023	\$ 2,795,000	\$ 2,500,000	\$ 295,000	10.6%	\$ 1,286	16
2	1425 Skyline Drive, Laguna Beach, CA 92651	7/3/2023	\$ 4,975,000	\$ 4,295,000	\$ 680,000	13.7%	\$ 1,544	56
3	480 Calliope Street, Laguna Beach, CA 92651	7/5/2023	\$ 2,700,000	\$ 2,350,000	\$ 350,000	13.0%	\$ 1,296	61
4	8 Bay Drive, Laguna Beach, CA 92651	7/5/2023	\$ 5,490,000	\$ 5,495,000	\$ (5,000)	-0.1%	\$ 5,150	3
5	249 Cypress Drive, Laguna Beach, CA 92651	7/6/2023	\$ 3,095,000	\$ 2,810,000	\$ 285,000	9.2%	\$ 1,867	27
6	508 San Nicholas Court, Laguna Beach, CA 92651	7/7/2023	\$ 789,900	\$ 795,000	\$ (5,100)	-0.6%	\$ 574	2
7	2072 Hidden Valley Canyon Road, Laguna Beach, CA	7/7/2023	\$ 1,699,000	\$ 1,699,000	\$ -	0.0%	\$ 1,070	4
8	154 Cliff Drive, Laguna Beach, CA 92651	7/7/2023	\$ 2,790,000	\$ 2,800,000	\$ (10,000)	-0.4%	\$ 1,663	1
9	202 Cypress Drive, Laguna Beach, CA 92651	7/10/2023	\$ 4,900,000	\$ 4,900,000	\$ -	0.0%	\$ 1,444	0
10	741 Marlin, Laguna Beach, CA 92651	7/11/2023	\$ 2,900,000	\$ 2,750,000	\$ 150,000	5.2%	\$ 1,033	76
11	32092 Coast Highway, Laguna Beach, CA 92651	7/11/2023	\$ 3,395,000	\$ 3,195,000	\$ 200,000	5.9%	\$ 1,084	24
12	557 Mountain Rd, Laguna Beach, CA 92651	7/12/2023	\$ 5,500,000	\$ 5,400,000	\$ 100,000	1.8%	\$ 2,277	0
13	668 Buena Vista Way, Laguna Beach, CA 92651	7/12/2023	\$ 7,195,000	\$ 6,000,000	\$ 1,195,000	16.6%	\$ 1,666	59
14	675 Wendt Terrace, Laguna Beach, CA 92651	7/14/2023	\$ 2,650,000	\$ 2,560,000	\$ 90,000	3.4%	\$ 1,595	189
15	420 Ashton Drive, Laguna Beach, CA 92651	7/14/2023	\$ 4,200,000	\$ 3,895,000	\$ 305,000	7.3%	\$ 1,413	68
16	218 Santa Rosa Court, Laguna Beach, CA 92651	7/18/2023	\$ 815,000	\$ 815,000	\$ -	0.0%	\$ 615	13
17	627 Nyes Place, Laguna Beach, CA 92651	7/19/2023	\$ 8,200,000	\$ 8,200,000	\$ -	0.0%	\$ 2,280	0
18	214 High Drive, Laguna Beach, CA 92651	7/19/2023	\$ 3,695,000	\$ 3,444,780	\$ 250,220	6.8%	\$ 2,609	78
19	31312 Pedro Street, Laguna Beach, CA 92651	7/31/2023	\$ 2,990,000	\$ 2,700,000	\$ 290,000	9.7%	\$ 1,896	431
20	31572 Bluff Drive, Laguna Beach, CA 92651	7/31/2023	\$ 3,595,000	\$ 3,564,250	\$ 30,750	0.9%	\$ 1,782	10
21								
22	Not used in calculations		Median	\$ 2,810,000	\$ 200,000	5.9%	\$ 1,595	27

PUBLISHER NOTE

Laguna Beach Real Estate Magazine has been published online, monthly, since March 2016. This issue, the 97th, is the first print issue. All past issues can be viewed from your desktop computer at www.LagunaGalleryRealEstate.com on the Video/Reports page. If you like charts you might want to check out the Charts page.

Prior to getting my broker's license, I was a commodities broker for 14 years. I was the data geek in the back pouring over the charts looking for an advantage. I love data. All of my data is compiled by hand, is proprietary, and cannot be found anywhere else in the world.

Non-Realtor prospective advertisers are welcome to contact me directly for future opportunities.

Boyd Roberts

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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 high inflation and high 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?		Rates Down HPI Up?
						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 - Present*	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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July 2023 Sales Data

Active Median (As of 8/1/2023)	\$ 4,850,000	136 Listings
\$ per Square Foot Median		\$ 1,835
Pending Median (As of 8/1/2023)	\$ 2,949,900	27 Listings
\$ per Square Foot Median		\$ 1,731
Sold July 2023 Median	\$ 2,810,000	18 Sales
Price Reduction Median	\$ 200,000	5.9 %
Days on Market Median		27 Days
\$ Per Square Foot Median		\$ 1,595
Sold 3 Month Median	\$ 2,800,000	68 Sales
\$ Per Square Foot Median		\$ 1,444
Sold 6 Month Median	\$ 2,700,000	129 Sales
Sold 12 Month Median	\$ 2,900,000	253 Sales
Price Reduction Median	\$ 224,000	6.9 %
\$ Per Square Foot Median		\$ 1,506
Sold 2022 Median	\$ 3,000,000	322 Sales
Sold 2023 YTD	\$ 2,800,000	145 Sales
PENDING INDICATOR (Pending - Sold)		+ \$ 139,900
SPREAD (Active - Sold)		+ \$2,040,000
July Absorption (Sold to Active Ratio)		14 %
July Pending Absorption (Pending to Active Ratio)		20 %
July Closing Ratio (Pending to Sold)		79%
July Supply	6.8 Months	Balanced Market
July 3 Month Supply	6.0 Months	Balanced Market
\$1,499,999 -	1.5 Months	Seller's Market
\$1,500,000 - \$1,999,999	3.4 Months	Seller's Market
\$2,000,000 - \$2,999,999	3.7 Months	Seller's Market
\$3,000,000 - \$4,999,999	5.4 Months	Balanced Market
\$5,000,000 - \$9,999,999	6.9 Months	Balanced Market
\$10,000,000 +	105 Months	Buyer's Market

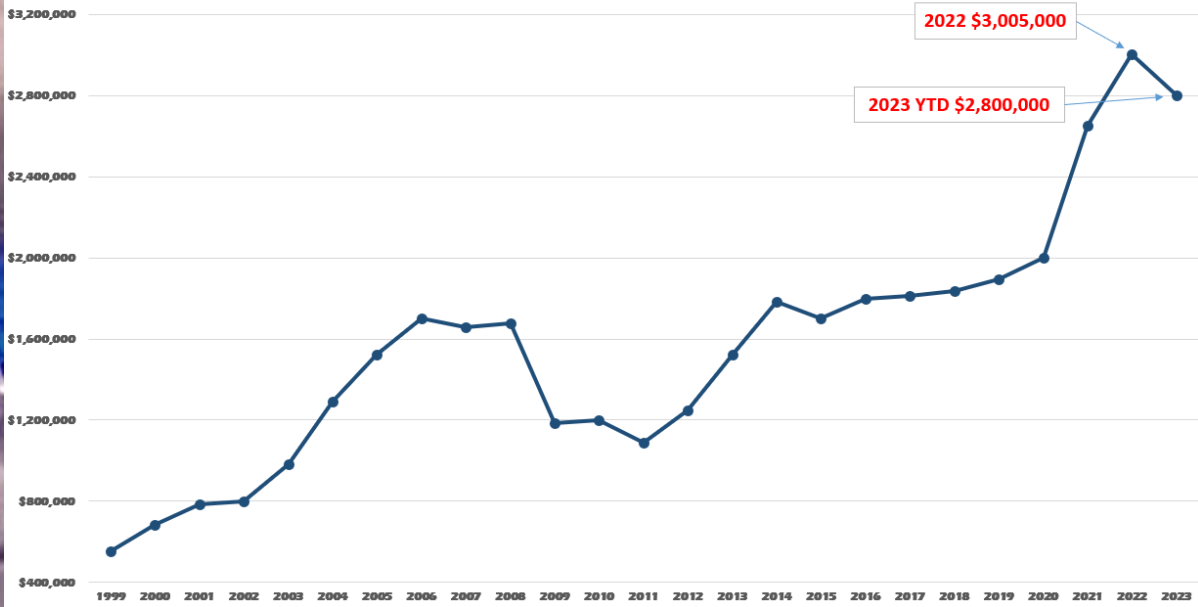
Balanced Market 5 to 7.9 Months

Price Forecasts

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



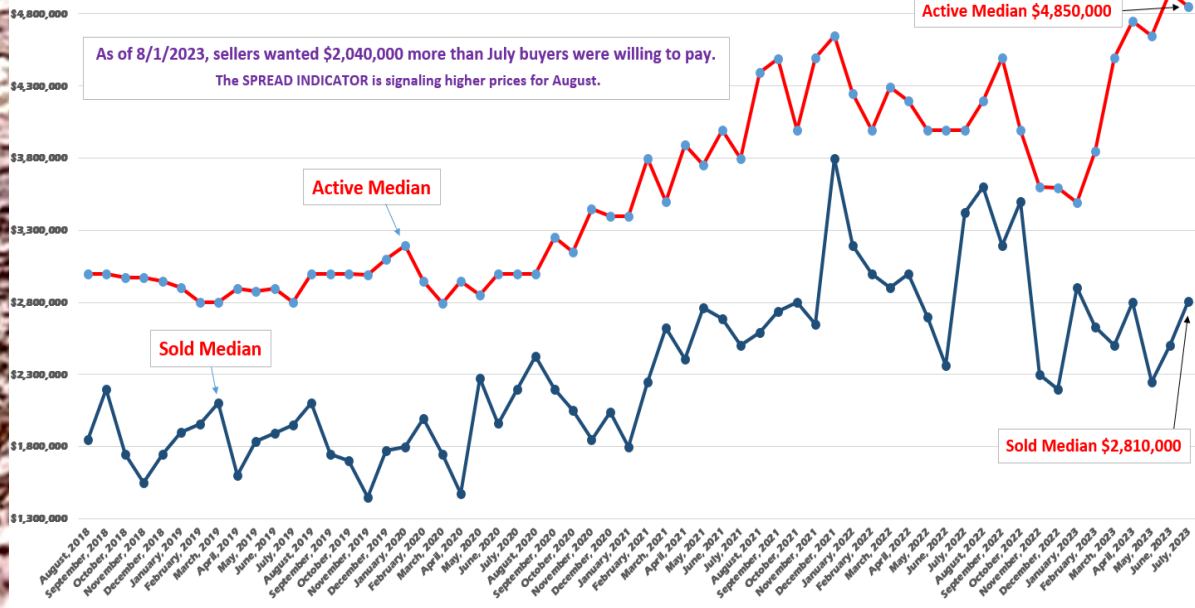
Laguna Beach Real Estate Sold Median Yearly



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



The SPREAD: active median minus 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 (80% probability); if the SPREAD exceeds \$1,400,000, the sold median should be up that month (94% probability).



As of 8/1/2023, sellers wanted \$2,040,000 more than July buyers were willing to pay.
The SPREAD INDICATOR is signaling higher prices for August.

Active Median \$4,850,000

Sold Median \$2,810,000

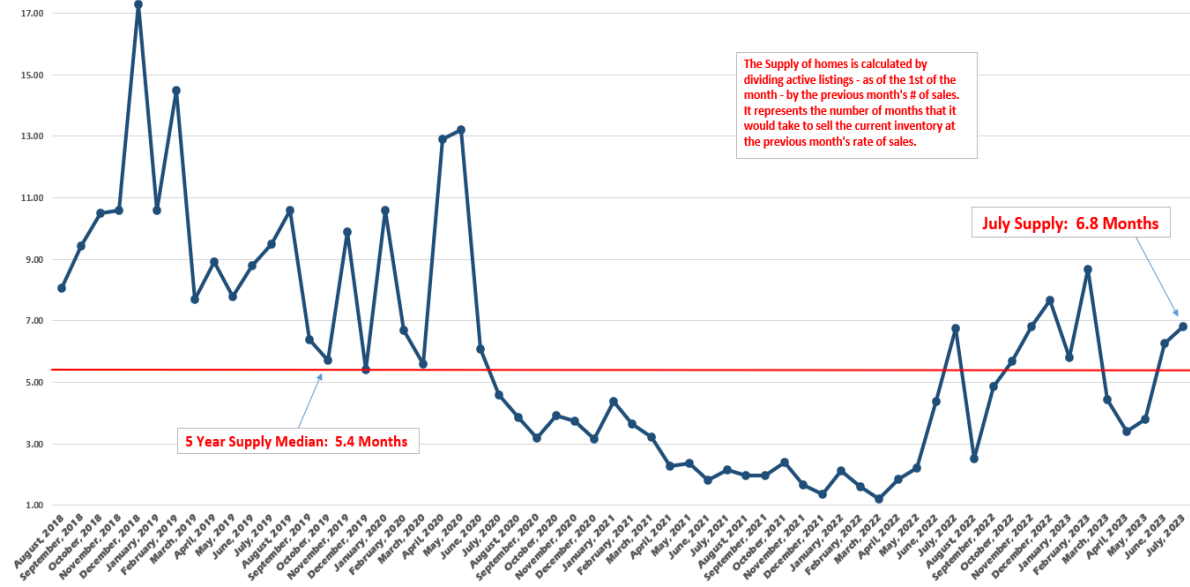


Laguna Beach Real Estate Supply of Homes - in months - Monthly

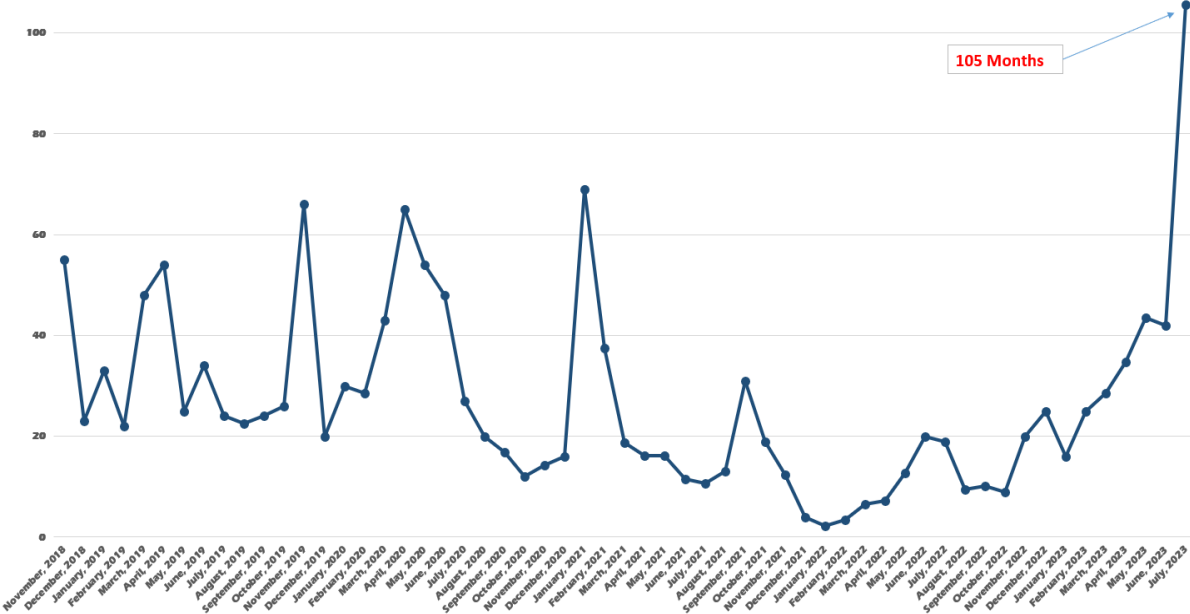


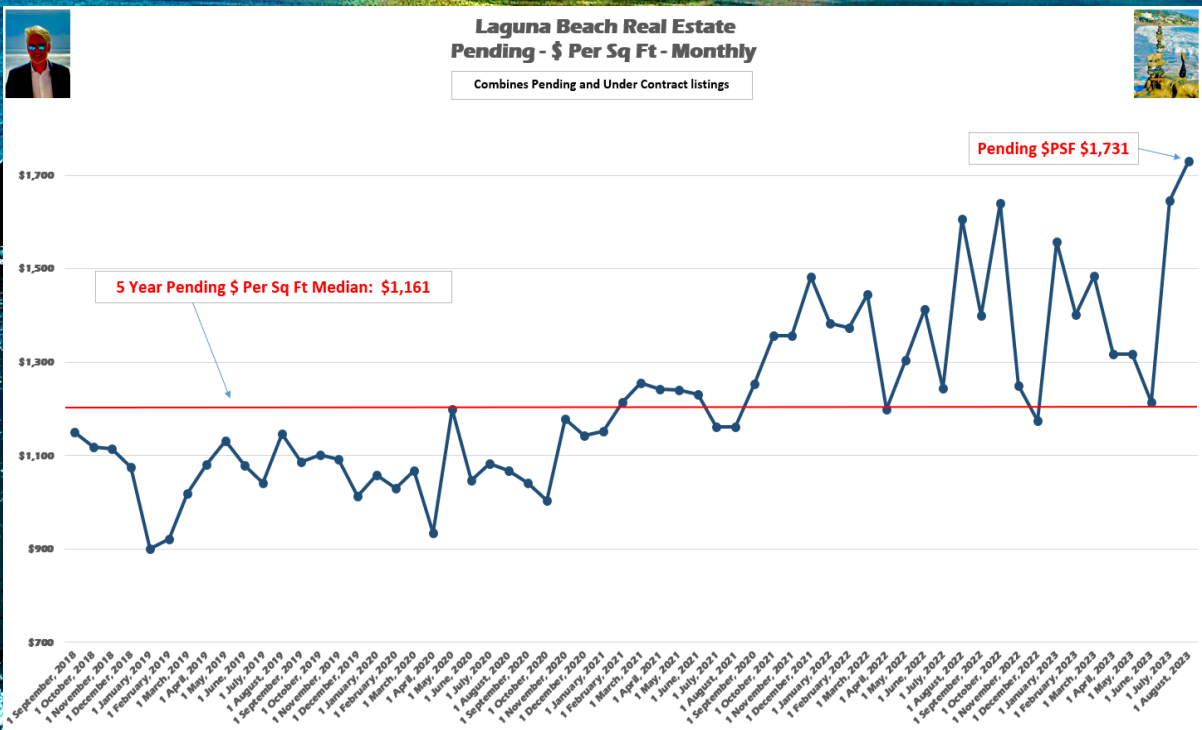
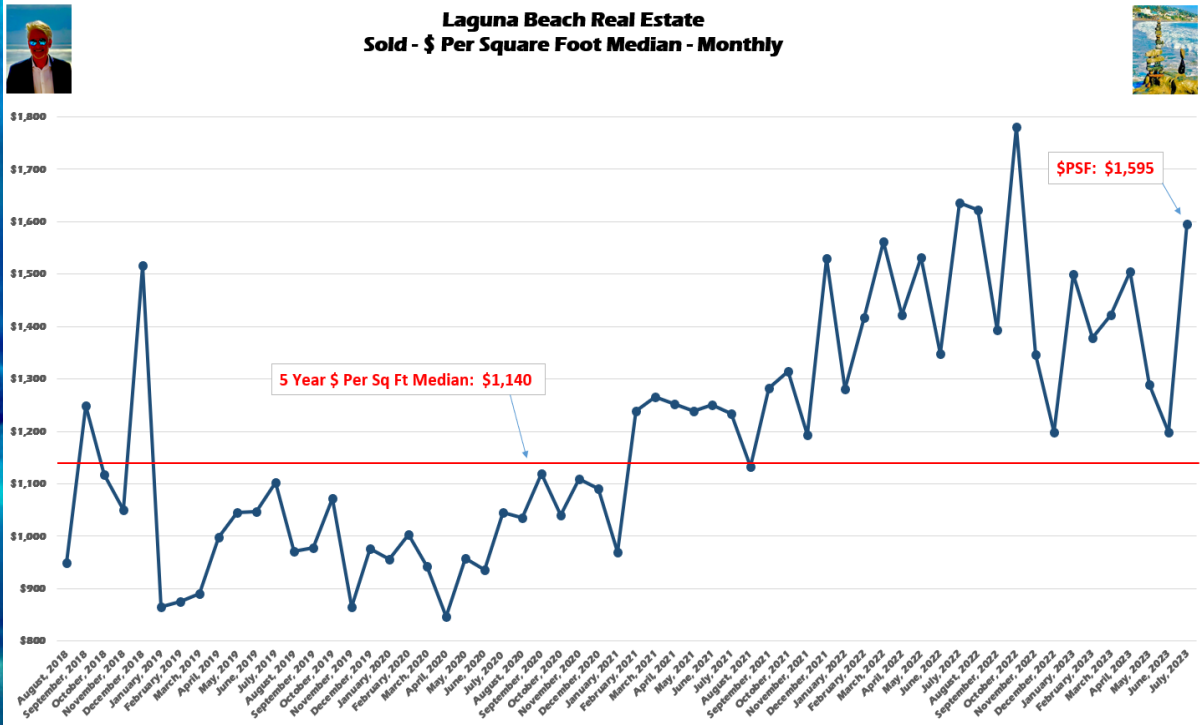
Seller's Market - Under 5 Months
Balanced Market - 5 to 8 Months
Buyer's Market - Over 8 Months

The Supply of homes is calculated by dividing active listings - as of the 1st of the month - by the previous month's # of sales. It represents the number of months that it would take to sell the current inventory at the previous month's rate of sales.



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





All charts at www.LagunaGalleryRealEstate.com/charts



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