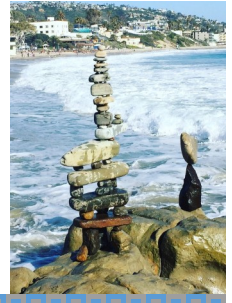




# Laguna Beach Real Estate Magazine



March 2020 | [Edition #57]

**SOLD MEDIAN** \$1,750,000 - 245,000 | **\$ PER SQ FT** \$938 - 65 | **SUPPLY** 5.4 MONTHS - 1.1 | **30-YEAR JUMBO** 4.00% + .35

## Covid-19 Strikes | Recession Looms | Price Falls \$245,000

### Weakness in Mortgage Market | Broker Outlook Changed

It is not apparent in the monthly numbers yet, but I am now bearish. First the numbers.

The median sold price dropped \$245,000 to \$1,750,000. The median \$ per square foot fell \$60 to \$943.

With 173 active listings as of April 1st and 31 closings in March, the March supply came in low, at 5.5 months. Even adding the 48 listings recently put on hold, the March supply would still be decent at 7.1 months.

Short term with the pending median at \$1,998,000 -- if the corresponding escrows close, I would not be surprised to see prices rise in April. Pretty normal Laguna Beach real estate activity, correct? Why am I bearish?

Four reasons: COVID-19, recession, the decline in open escrows, and the relative illiquidity in the mortgage market. The first two are obvious and I do not think I need to speak to them here.

Any follower of my Laguna Beach real estate reporting knows that I place a premium on the volume of transactions taking place. I am concerned about the number of open escrows declining from 54 to 36 in just one month. Watch this space.

I will never forget August 2007, when the mortgage backed security market seized up. The stock market peaked a couple of months later. The 2008 Financial Crisis followed. Lending slowed. The housing market crashed.

I was not a finance major, but a tenant of modern finance theory holds that when you make something more liquid, its price will rise. If you make it less liquid, its price will drop. Lenders have told me that the non-qualified mortgage market, the self-employed jumbo market, and the cash out jumbo market, have largely disappeared or have dramatically been scaled back. High end, luxury market borrowers are more likely more likely to be self-employed and utilize non-qualified and jumbo financing. They will be disproportionately affected. The bottom line: real estate markets - especially high-end real estate markets - are now less liquid. Prices should fall.

The world has changed. Call me on how to best navigate this market. Go to my website [www.LagunaGalleryRealEstate.com](http://www.LagunaGalleryRealEstate.com) for all my charts, reports, and videos. Stay safe and have an excellent April.

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## Laguna Beach Real Estate

### March Closing Detail

Address	Date	Original Price	Closing Price	Reduction	% Reduct	\$ Sq Ft	DOM
21682 Ocean Vista Dr. #A	3/2/2020	\$ 700,000	\$ 690,000	\$ 10,000	1.4%	\$ 690	8
31865 8th Avenue	3/2/2020	\$ 1,295,000	\$ 1,100,000	\$ 195,000	15.0%	\$ 733	105
2065 San Remo Drive	3/2/2020	\$ 2,348,000	\$ 1,980,000	\$ 368,000	15.6%	\$ 1,090	200
1594 Via Capri Unit #9	3/6/2020	\$ 785,000	\$ 730,000	\$ 55,000	7.0%	\$ 760	228
1391 Dunning Drive	3/6/2020	\$ 1,590,000	\$ 1,600,000	\$ (10,000)	-0.6%	\$ 1,066	9
950 Acapulco Street	3/6/2020	\$ 1,300,000	\$ 1,600,000	\$ (300,000)	-18.7%	\$ 646	299
274 Upland Road	3/6/2020	\$ 1,859,000	\$ 1,859,000	\$ -	0.0%	\$ 1,422	18
950 Canyon View Drive	3/9/2020	\$ 2,795,000	\$ 2,425,000	\$ 370,000	13.2%	\$ 1,154	311
1810 Ocean Way	3/9/2020	\$ 4,575,000	\$ 4,575,000	\$ -	0.0%	\$ 1,633	3
258 Emerald Bay	3/9/2020	\$ 4,250,000	\$ 3,555,000	\$ 695,000	16.3%	\$ 1,290	322
554 Vista Lane	3/10/2010	\$ 2,141,150	\$ 2,141,150	\$ -	0.0%	\$ 850	0
528 Poplar Street	3/10/2020	\$ 2,495,000	\$ 2,375,000	\$ 120,000	4.8%	\$ 2,109	90
916 Emerald Bay	3/10/2020	\$ 7,295,000	\$ 6,627,500	\$ 667,500	9.1%	\$ 1,365	38
31728 4th Avenue	3/10/2020	\$ 2,115,000	\$ 1,433,944	\$ 681,056	32.2%	\$ 623	308
3 S Portola	3/10/2020	\$ 3,300,000	\$ 2,999,999	\$ 300,001	9.0%	\$ 1,519	309
601 San Nicholas Ct #601	3/11/2020	\$ 635,000	\$ 628,000	\$ 7,000	1.1%	\$ 473	42
2210 Hillview Drive	3/11/2020	\$ 2,400,000	\$ 2,072,500	\$ 327,500	0.1%	\$ 599	865
31312 Pedro Street	3/11/2020	\$ 1,995,000	\$ 1,750,000	\$ 245,000	12.2%	\$ 1,228	194
758 Barracuda Way	3/12/2020	\$ 1,999,999	\$ 1,985,000	\$ 14,999	0.7%	\$ 842	1
386 Cliff Drive	3/12/2020	\$ 2,965,000	\$ 2,837,500	\$ 127,500	4.3%	\$ 1,417	87
959 Quivera Street	3/13/2020	\$ 1,289,000	\$ 1,245,000	\$ 44,000	3.4%	\$ 755	31
1085 La Mirada Street	3/17/2020	\$ 1,295,000	\$ 1,270,000	\$ 25,000	1.9%	\$ 741	27
945 Katella Street	3/18/2020	\$ 1,300,000	\$ 1,400,000	\$ (100,000)	-7.6%	\$ 938	74
545 Center Street	3/19/2020	\$ 3,495,000	\$ 2,995,000	\$ 500,000	14.3%	\$ 1,277	185
1028 Santa Ana Street	3/20/2020	\$ 1,595,000	\$ 1,650,000	\$ (55,000)	3.4%	\$ 943	2
2020 Cortez Avenue	3/26/2020	\$ 1,750,000	\$ 1,650,000	\$ 100,000	5.7%	\$ 581	139
484 Linden Street	3/26/2020	\$ 3,395,000	\$ 3,120,000	\$ 275,000	8.1%	\$ 1,216	70
21701 Wesley Drive #A	3/27/2020	\$ 748,000	\$ 743,000	\$ 5,000	0.6%	\$ 859	14
120 Irvine Cove Circle	3/30/2020	\$ 9,995,000	\$ 6,900,000	\$3,105,000	31.0%	\$ 1,080	171
3024 Cresta Way	3/31/2020	\$ 1,459,000	\$ 1,451,000	\$ 8,000	0.5%	\$ 849	6
388 Hawthorne Road	3/31/2020	\$ 1,795,000	\$ 1,650,000	\$ 145,000	8.0%	\$ 1,501	2
Not used in all calculations		Median	\$ 1,750,000	\$ 120,000	4.8%	\$ 938	87

**Licensed as a salesperson in 2002 and as a broker in 2004, Boyd Roberts, individually and as a broker has closed or overseen the closings of over 800 real estate and mortgage transactions totaling more than a \$1/4 Billion.**

## March 2020 Sales Data

<b>Active Median</b> (As of 4/1/2020)	<b>\$ 2,795,000</b>	<b>173 Listings</b>
<b>Days on Market (DOM) Median</b>		<b>69 Days</b>
<b>\$ per Square Foot Median</b>		<b>\$ 1,165</b>
<b>Pending Median</b> (As of 4/1/2020)	<b>\$ 1,998,000</b>	<b>36 Listings</b>
<b>DOM Median</b>		<b>72 Days</b>
<b>\$ per Square Foot Median</b>		<b>\$ 934</b>
<b>Hold Median</b>	<b>NEW \$ 2,995,000</b>	<b>48 Listings</b>
<b>Sold Median March 2020</b>	<b>\$ 1,750,000</b>	<b>31 Sales</b>
<b>Price Reduction Median</b>	<b>\$ 120,000</b>	<b>4.8 %</b>
<b>DOM Median</b>		<b>87 Days</b>
<b>\$ Per Square Foot Median</b>		<b>\$ 943</b>
<b>Sold 3 Month Median</b> (1/1/2020 – 3/31/2020)	<b>\$ 1,885,000</b>	<b>80 Sales</b>
<b>\$ Per Square Foot Median</b>		<b>\$ 997</b>
<b>Sold 6 Month Median</b> (10/1/2019 – 3/31/2020)	<b>\$ 1,801,000</b>	<b>175 Sales</b>
<b>Sold 12 Month Median</b> (4/1/2019 – 3/31/2020)	<b>\$ 1,850,000</b>	<b>387 Sales</b>
<b>Price Reduction Median</b>	<b>\$ 195,000</b>	<b>9.1 %</b>
<b>DOM Median</b>		<b>80 Days</b>
<b>\$ Per Square Foot Median</b>		<b>\$ 1,027</b>
<b>Sold 2018 Median</b>	<b>\$ 1,835,000</b>	<b>354 Sales</b>
<b>Sold 2019 Median</b>	<b>\$ 1,895,000</b>	<b>383 Sales</b>
<b>The Spread (Active - Sold)</b>		<b>+ \$ 1,045,000</b>
<b>The Pending Indicator (Pending - Sold)</b>		<b>+ \$ 248,000</b>
<b>March Supply</b>	<b>5.5 Months</b>	<b>Buyer's Mkt</b>
<b>March Adjusted Supply</b> (1/1/2020 – 3/31/2020)	<b>6.4 Months</b>	<b>Neutral Mkt</b>
<b>\$1,499,999 -</b>	<b>4.3 Months</b>	<b>Seller's Mkt</b>
<b>\$1,500,000 - \$1,999,999</b>	<b>3.6 Months</b>	<b>Seller's Mkt</b>
<b>\$2,000,000 - \$2,999,999</b>	<b>6.3 Months</b>	<b>Neutral Mkt</b>
<b>\$3,000,000 - \$4,999,999</b>	<b>9.6 Months</b>	<b>Neutral Mkt</b>
<b>\$5,000,000 - \$9,999,999</b>	<b>16 Months</b>	<b>Buyer's Mkt</b>
<b>\$10,000,000 +</b> (12/27/2019 – 3/31/2020)	<b>43 Months</b>	<b>Buyer's Mkt</b>

## Current Price Projections

<b>Short-Term Pending Indicator</b> (As of 4/1/2020) <b>Projection for Short Term</b>	<b>No Signal</b>
<b>Long-Term Price Indicator</b> (As of 1/1/2020) <b>Projection for 2020</b>	<b>Up</b>

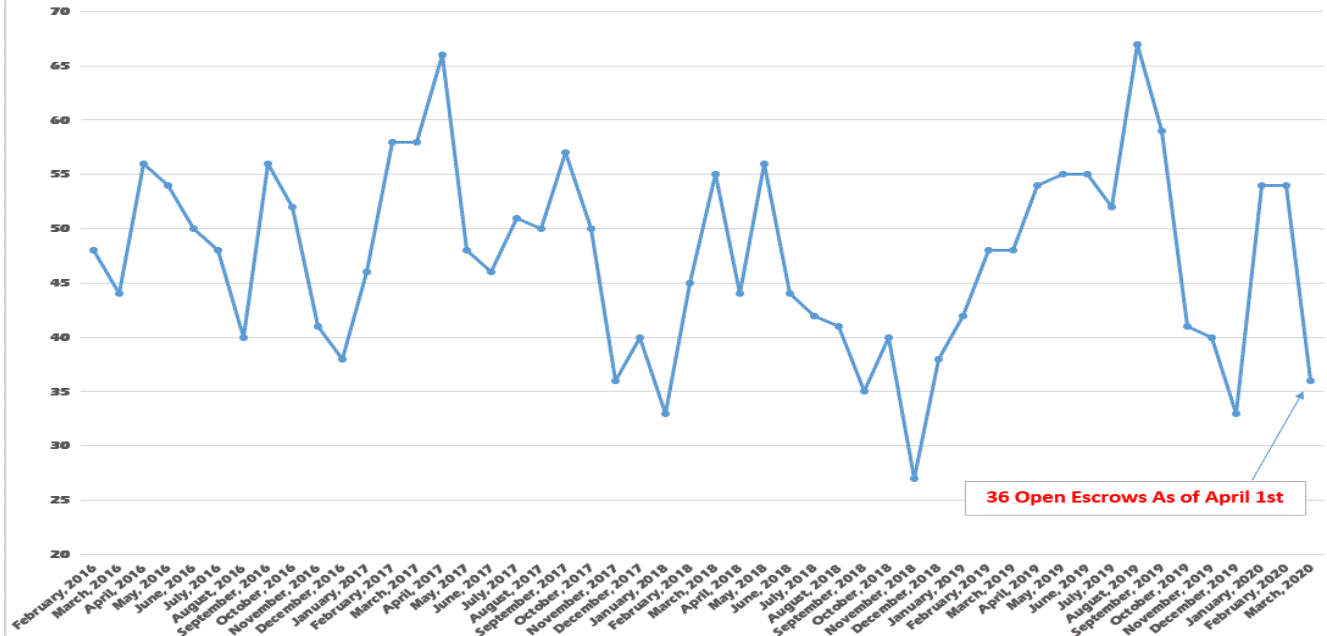


# Chart of the Month

## # of Escrows Declines to 36

**Laguna Beach Real Estate Chart  
Pending Volume - Monthly**

Data points include "under contract" listings and are as of the first of the month.



36 Open Escrows As of April 1st

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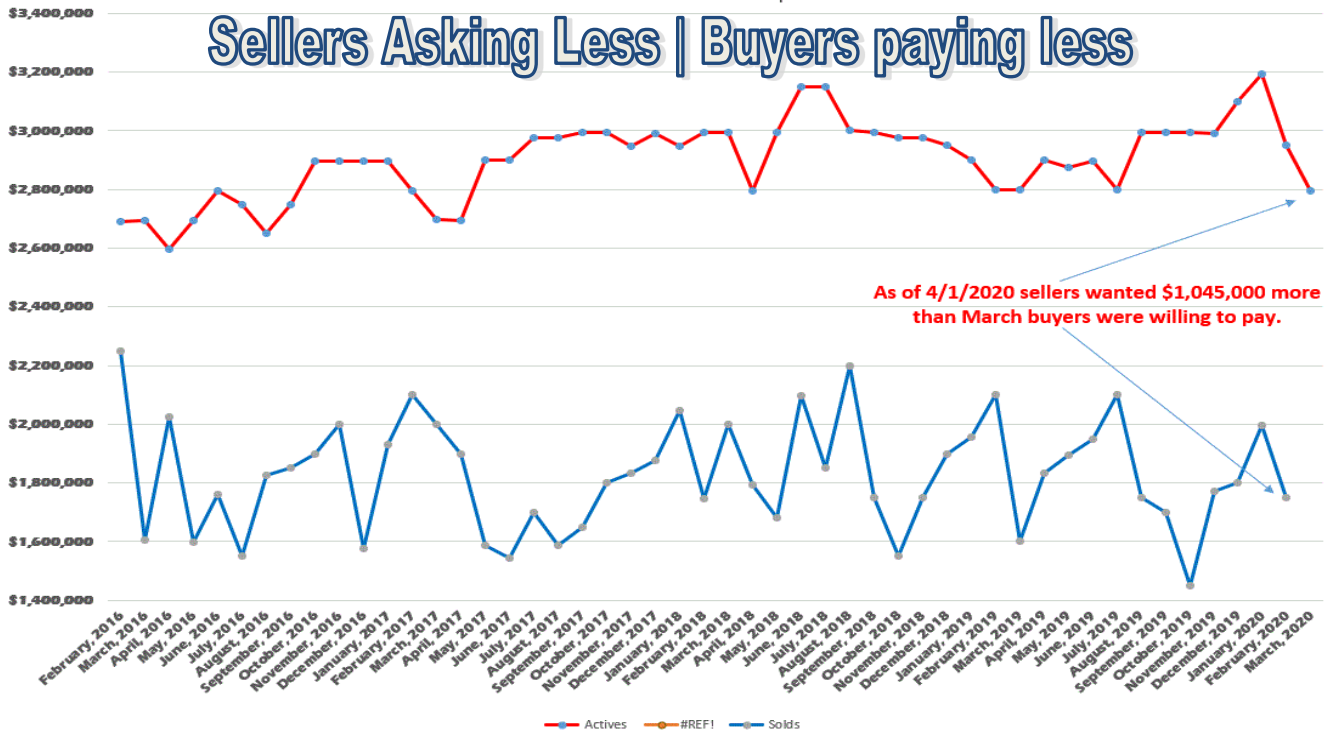
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### Laguna Beach Real Estate Chart The Spread: Active v Sold - Median Monthly



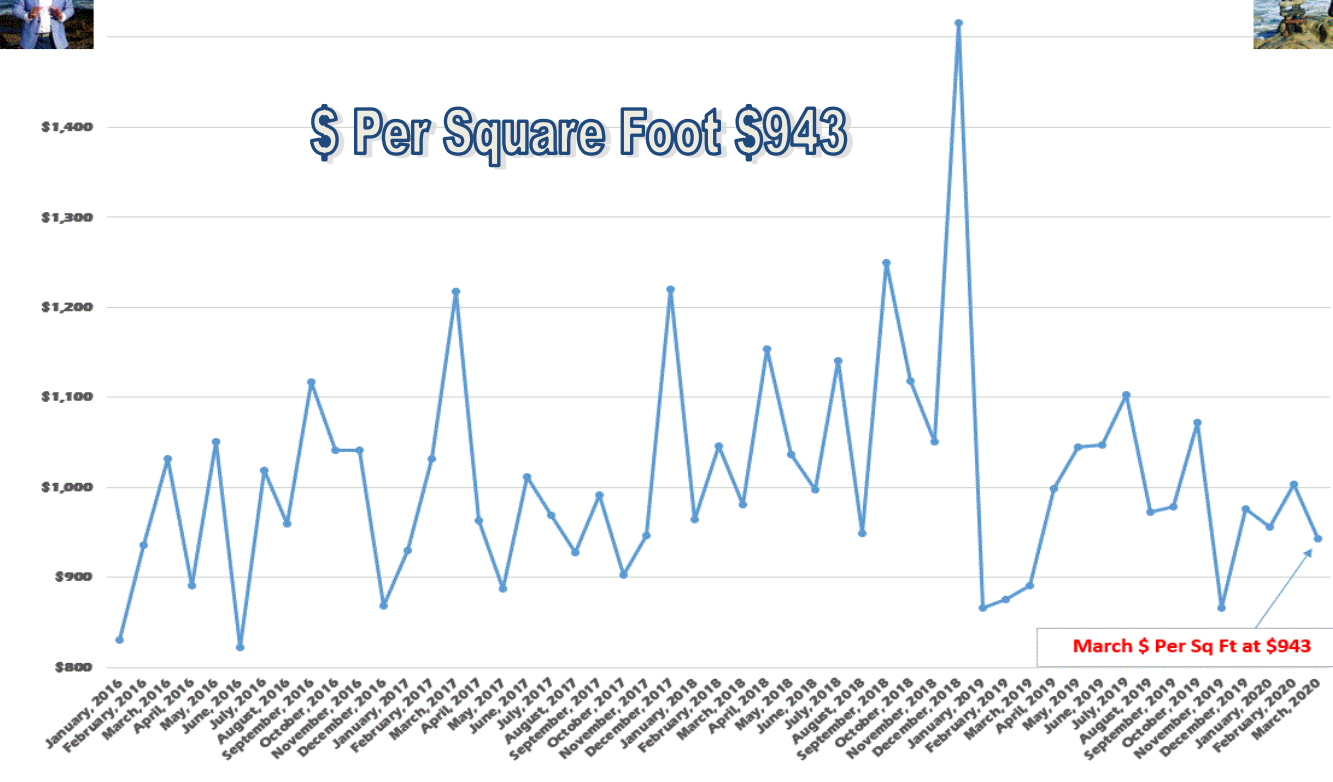
The Spread. This chart illustrates the divide between homes listed for sale and homes purchased. The red line is the median price of actively listed homes as of the first of the month. The blue line is the recent month's median sold price.



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### Laguna Beach Real Estate Chart Sold - \$ Per Square Foot - Median Monthly



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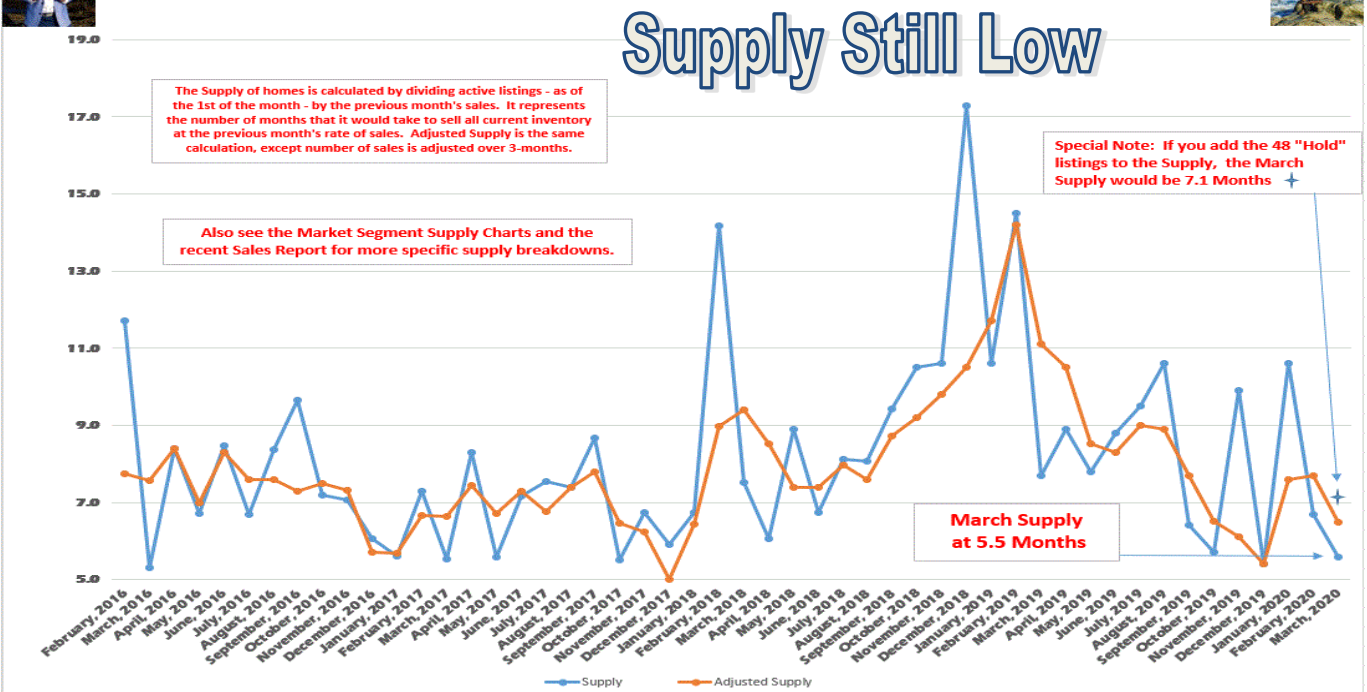
**Laguna Beach Real Estate Chart  
# of Active Listings - Monthly**



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**Laguna Beach Real Estate Chart  
Supply of Homes | 3 Month Adjusted Supply - Monthly**

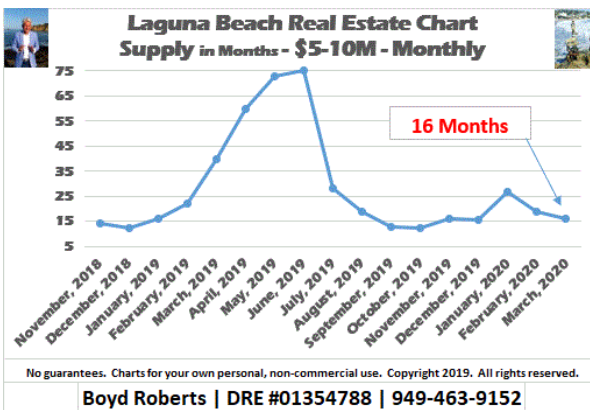
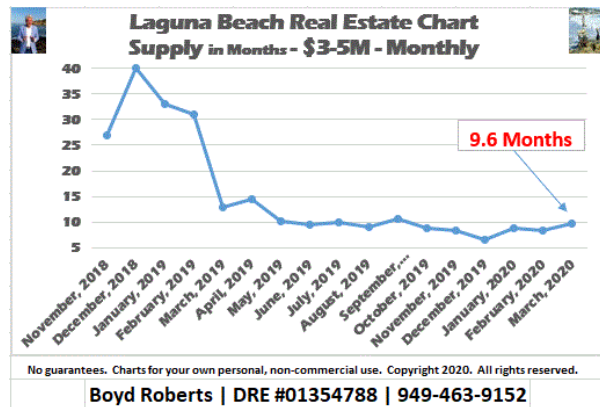
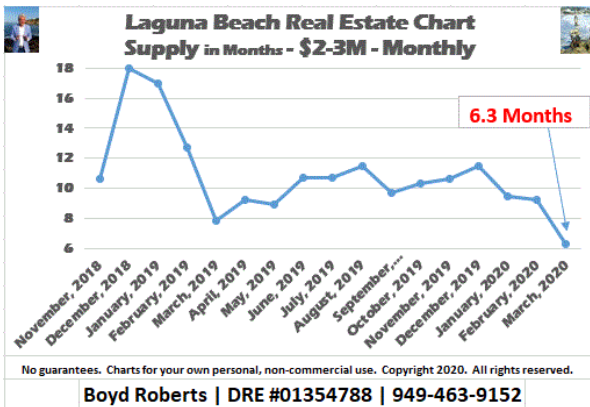
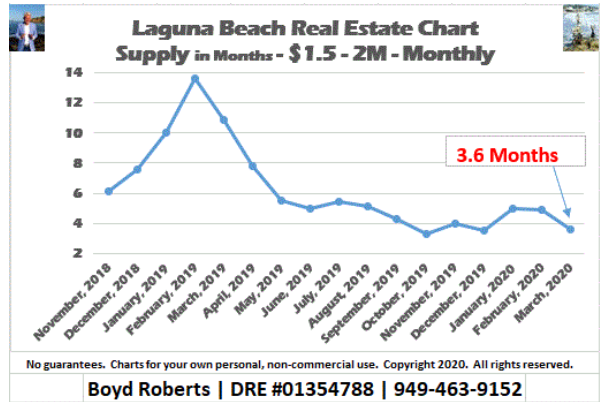
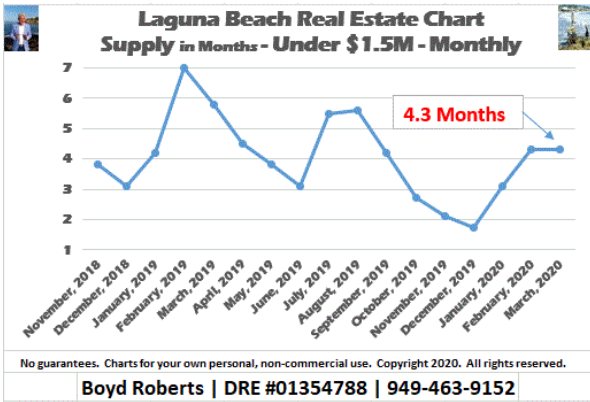


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# Market Segment Supply Charts



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