



Orange County Housing Report: Dangers of Overpricing

September 21, 2020

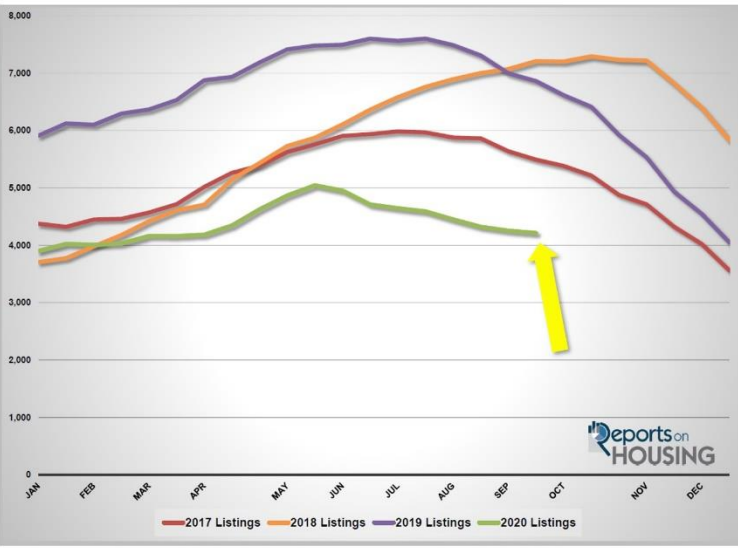
In coming on the market, sellers who don't accurately price their homes will likely net less at the closing table.

Orange County - August 2020

Reduction	% of Sales	Sales to Last Price Ratio	Sales to Original List Price Ratio	Median Sales Price	Avg DOM
5% or more	9%	94.7%	85.3%	\$995,000	125 Days
1% to 4%	15%	97.8%	95.4%	\$785,000	65 Days
No Reduction	76%	99.6%	99.6%	\$775,000	19 Days

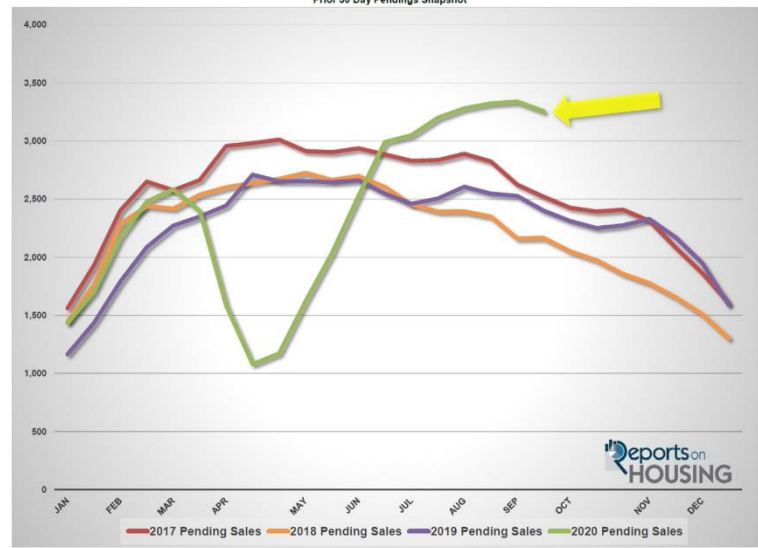
Reports on HOUSING

Orange County Active Listing Inventory Year Over Year



Orange County Demand Year Over Year

Prior 30 Day Pending Sales Snapshot



	Expected Market Time	Share of Housing Inventory	Share of Current Demand	Last Year
O.C. \$0-\$750k	27 Days	33%	48%	57 Days
O.C. \$750k-\$1m	28 Days	18%	25%	72 Days
O.C. \$1m-\$1.25m	44 Days	10%	9%	108 Days
O.C. \$1.25m-\$1.5m	47 Days	8%	7%	136 Days
O.C. \$1.5m-\$2m	63 Days	8%	5%	155 Days
O.C. \$2m-\$4m	106 Days	14%	5%	278 Days
O.C. \$4m+	234 Days	8%	1%	555 Days

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Orange County Housing Summary

- The active listing inventory decreased by 39 homes in the past 2 weeks, down 1%, now totaling 4,213, its lowest level for September since tracking began in 2004. COVID-19 is not suppressing the inventory and in the past four-weeks, there were 20% more homes that came on the market compared to last year. This could be the beginning of a new trend. Last year, there were 6,860 homes on the market, 2,647 additional homes, or 63% more.
- Demand, the number of pending sales over the prior month, decreased by 84 pending sales in the past two-weeks, down 3%, and now totals 3,256. It appears as if demand peaked two weeks ago. COVID-19 currently has no effect on demand. Last year, there were 2,401 pending sales, 26% fewer than today.
- The Expected Market Time for all of Orange County increased from 38 days to 39, a Hot Seller's Market (less than 60 days). It was at 86 days last year, **much slower than today**.
- For homes priced below \$750,000, the market is a hot Seller's Market (less than 60 days) with an expected market time of 27 days. This range represents 33% of the active inventory and 48% of demand.
- For homes priced between \$750,000 and \$1 million, the expected market time is 28 days, a hot Seller's Market. This range represents 18% of the active inventory and 25% of demand.
- For homes priced between \$1 million to \$1.25 million, the expected market time is 44 days, a hot Seller's Market.
- For luxury homes priced between \$1.25 million and \$1.5 million, in the past two weeks, the Expected Market Time decreased from 49 to 47 days. For homes priced between \$1.5 million and \$2 million, the Expected Market Time increased from 58 to 63 days. For luxury homes priced between \$2 million and \$4 million, the Expected Market Time increased from 97 to 106 days. For luxury homes priced above \$4 million, the Expected Market Time increased from 222 to 234 days.
- The luxury end, all homes above \$1.25 million, accounts for 38% of the inventory and only 18% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.3% of all listings and 0.5% of demand. There are only 5 foreclosures and 9 short sales available to purchase today in all of Orange County, 14 total distressed homes on the active market, up 1 from two-weeks ago. Last year there were 53 total distressed homes on the market, more than today.
- There were 3,153 closed residential resales in August, 12% more than August 2019's 2,823 closed sales. August marked a 5% increase compared to July 2020. The sales to list price ratio was 98.8% for all of Orange County. Foreclosures accounted for just 0.2% of all closed sales, and short sales accounted for 0.2%. That means that 99.6% of all sales were good ol' fashioned sellers with equity.