



Orange County Housing Report: Unexpected Slump in Demand

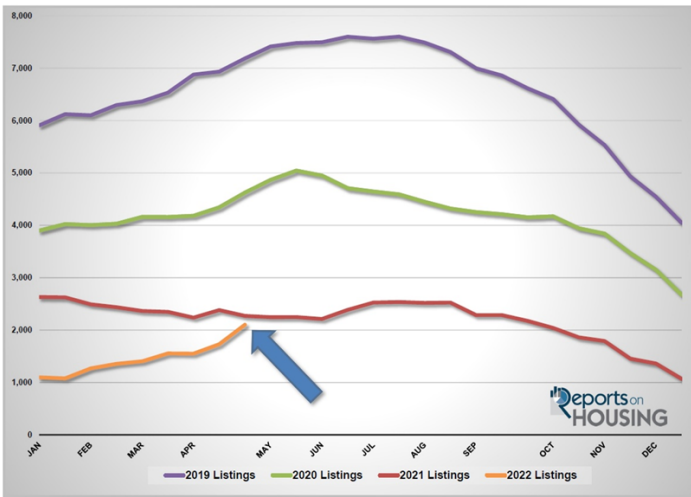
May 2, 2022

Higher 30-year mortgage rates are having a major impact on Orange County demand, now at levels far below typical spring averages.

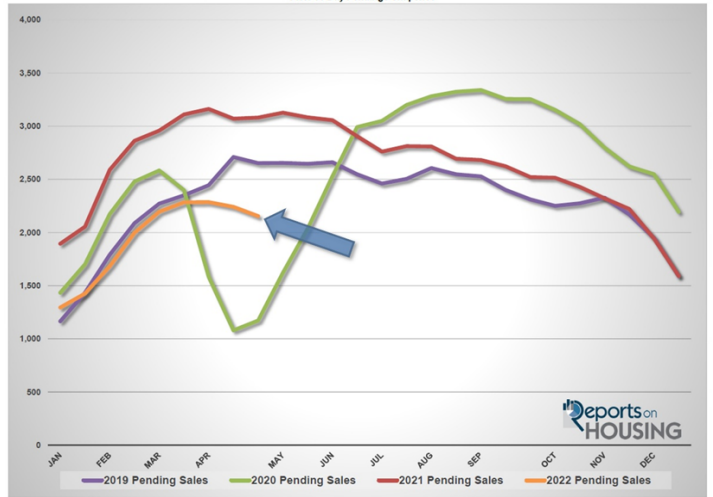
Demand (Last 30 Days Pendings) 4/28/2022	Demand Last Year 4/29/2021	Year Over Year %	Year Over Year #	Demand (Last 30 Days Pendings) 4/28/2022	Demand 3-Year Average (2017 to 2019)	Today vs. 3-Year Average %	Today vs. 3-Year Average #
2,154	3,081	-30%	-927	2,154	2,780	-23%	-626



Orange County Active Listing Inventory Year Over Year



Orange County Demand Year Over Year
Prior 30 Day Pendings Snapshot



Price Ranges	Expected Market Time	Market Speed	Share of Housing Inventory	Share of Current Demand	Last Year
O.C. \$0-\$750k	19 Days		18%	28%	16 Days
O.C. \$750k-\$1m	23 Days		21%	27%	15 Days
O.C. \$1m-\$1.25m	25 Days		12%	14%	20 Days
O.C. \$1.25m-\$1.5m	30 Days		10%	10%	23 Days
O.C. \$1.5m-\$2m	31 Days		12%	11%	22 Days
O.C. \$2m-\$4m	61 Days		15%	7%	46 Days
O.C. \$4m-\$8m	107 Days		7%	2%	137 Days
O.C. \$8m+	201 Days		4%	1%	238 Days





Orange County Housing Summary

- The active listing inventory surged higher by 372 homes, up 21%, and now totals 2,104 homes, its largest two week gain since April 2018. Yet, it is still the lowest level for this time of the year since tracking began 18 years ago. In April, there were 17% fewer homes that came on the market compared to the 3-year average prior to COVID (2017 to 2019), 695 fewer. Last year, there were 2,274 homes on the market, 170 additional homes, or **8% more**. The 3-year average prior to COVID (2017 to 2019) was 6,002, or 185% more.
- Demand, the number of pending sales over the prior month, decreased by 87 pending sales in the past two weeks, down 4%, and now totals 2,154, the largest drop for an April since 2011 (ignoring the COVID lockdown months of 2020). Last year, there were 3,081 pending sales, **43% more than today**. The 3-year average prior to COVID (2017 to 2019) was 2,780, or **29% more**.
- With supply surging higher and demand dropping, the Expected Market Time, the number of days to sell all Orange County listings at the current buying pace, surged higher from 23 to 29 days in the past couple of weeks, still an insanely Hot Seller's Market (less than 60 days), but rapidly cooling. It was at 22 days last year, stronger 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 19 days. This range represents 18% of the active inventory and 28% of demand.
- For homes priced between \$750,000 and \$1 million, the Expected Market Time is 23 days, a Hot Seller's Market. This range represents 21% of the active inventory and 27% of demand.
- For homes priced between \$1 million to \$1.25 million, the Expected Market Time is 25 days, a Hot Seller's Market. This range represents 12% of the active inventory and 14% of demand.
- For homes priced between \$1.25 million to \$1.5 million, the Expected Market Time is 30 days, a Hot Seller's Market. This range represents 10% of the active inventory and 10% of demand.
- For homes priced between \$1.5 million to \$2 million, the Expected Market Time is 25 days, a Hot Seller's Market. This range represents 11% of the active inventory and 10% of demand.
- For homes priced between \$2 million and \$4 million, the Expected Market Time in the past two weeks increased from 40 to 61 days. For homes priced between \$4 million and \$8 million, the Expected Market Time increased from 84 to 107 days. For homes priced above \$8 million, the Expected Market Time increased from 157 to 201 days.
- The luxury end, all homes above \$2 million, accounts for 29% of the inventory and 10% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.2% of all listings and 0.2% of demand. There are only 3 foreclosures and 1 short sales available to purchase today in all of Orange County, 4 total distressed home on the active market, up 3 from two weeks ago. Last year there were 12 total distressed homes on the market, similar to today.
- There were 2,645 closed residential resales in March, 18% less than March 2021's 3,212 closed sales. March marked a 49% increase compared to February 2022. The sales to list price ratio was 106.9% for all of Orange County. Foreclosures accounted for just 0.2% of all closed sales, and short sales accounted for 0.1%. That means that 99.7% of all sales were good ol' fashioned sellers with equity.