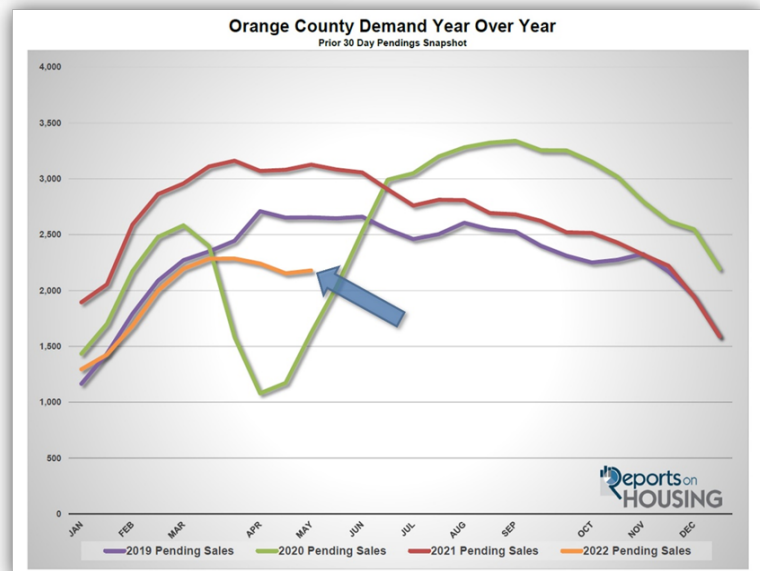
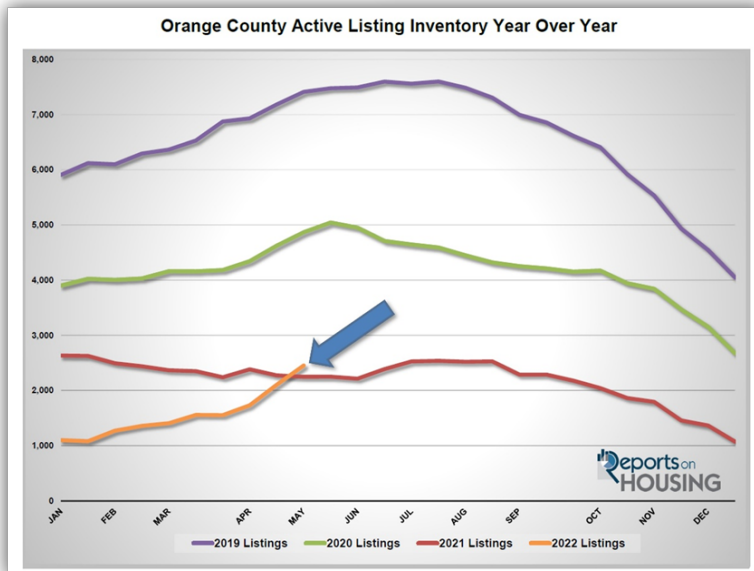
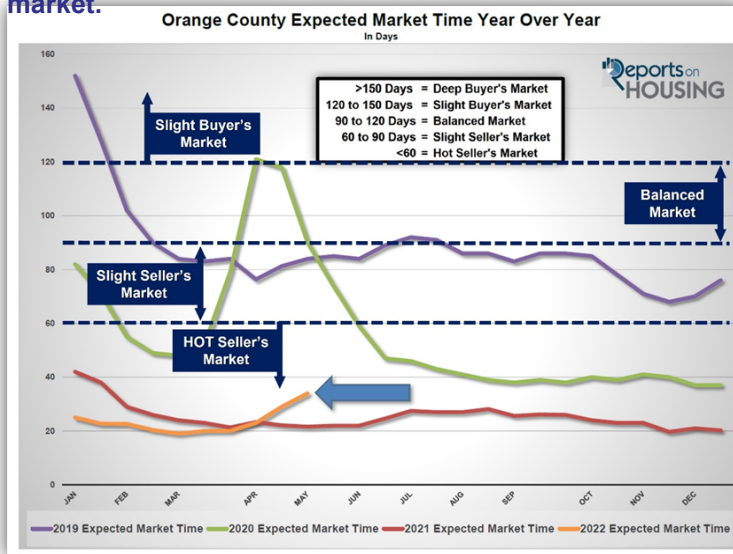




Orange County Housing Report: The Sky: NOT Falling

May 16, 2022

Many are jumping to extreme conclusions about the impact of higher rates, high inflation, and a potential recession on the housing market.



Price Ranges	Expected Market Time	Market Speed	Share of Housing Inventory	Share of Current Demand	Last Year
O.C. \$0-\$750k	22 Days		18%	28%	16 Days
O.C. \$750k-\$1m	30 Days		22%	25%	16 Days
O.C. \$1m-\$1.25m	33 Days		13%	13%	15 Days
O.C. \$1.25m-\$1.5m	34 Days		11%	11%	22 Days
O.C. \$1.5m-\$2m	30 Days		10%	12%	26 Days
O.C. \$2m-\$4m	54 Days		14%	9%	41 Days
O.C. \$4m-\$8m	106 Days		7%	2%	114 Days
O.C. \$8m+	401 Days		4%	1%	248 Days



Orange County Housing Summary

- The active listing inventory continued to surge higher by 348 homes, up 17%, and now totals 2,452 homes, its highest level since August and the first time that there are more homes than the prior year since 2019. 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 2,247 homes on the market, **206 fewer homes, or 8% less**. The 3-year average prior to COVID (2017 to 2019) was 6,255, or 155% more.
- Demand, the number of pending sales over the prior month, increased by 25 pending sales in the past two weeks, up 1%, and now totals 2,179, the first rise since March. Intentionally ignoring the COVID lockdowns of 2020, this is the lowest level at this time of year since 2007. Last year, there were 3,127 pending sales, **44% more than today**. The 3-year average prior to COVID (2017 to 2019) was 2,765, or **27% more**.
- With supply surging faster than the small rise in demand, the Expected Market Time, the number of days to sell all Orange County listings at the current buying pace, surged higher from 29 to 34 days in the past couple of weeks, still an insanely Hot Seller's Market (less than 60 days), but rapidly cooling and the highest since January of last year. 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 22 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 30 days, a Hot Seller's Market. This range represents 22% of the active inventory and 25% of demand.
- For homes priced between \$1 million to \$1.25 million, the Expected Market Time is 33 days, a Hot Seller's Market. This range represents 13% of the active inventory and 13% of demand.
- For homes priced between \$1.25 million to \$1.5 million, the Expected Market Time is 34 days, a Hot Seller's Market. This range represents 11% of the active inventory and 11% of demand.
- For homes priced between \$1.5 million to \$2 million, the Expected Market Time is 30 days, a Hot Seller's Market. This range represents 10% of the active inventory and 12% of demand.
- For homes priced between \$2 million and \$4 million, the Expected Market Time in the past two weeks decreased from 61 to 54 days. For homes priced between \$4 million and \$8 million, the Expected Market Time decreased from 107 to 106 days. For homes priced above \$8 million, the Expected Market Time increased from 201 to 401 days.
- The luxury end, all homes above \$2 million, accounts for 25% of the inventory and 12% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.1% of all listings and 0.1% of demand. There are only 2 foreclosures and 1 short sale available to purchase today in all of Orange County, 3 total distressed home on the active market, down 1 from two weeks ago. Last year there were 14 total distressed homes on the market, similar to today.
- There were 2,565 closed residential resales in April, 26% less than April 2021's 3,470 closed sales. April marked a 3% decrease compared to March 2022. The sales to list price ratio was 107.2% for all of Orange County. There were no foreclosure sales, and short sales accounted for 0.1% of all closed sales. That means that 99.9% of all sales were good ol' fashioned sellers with equity.