

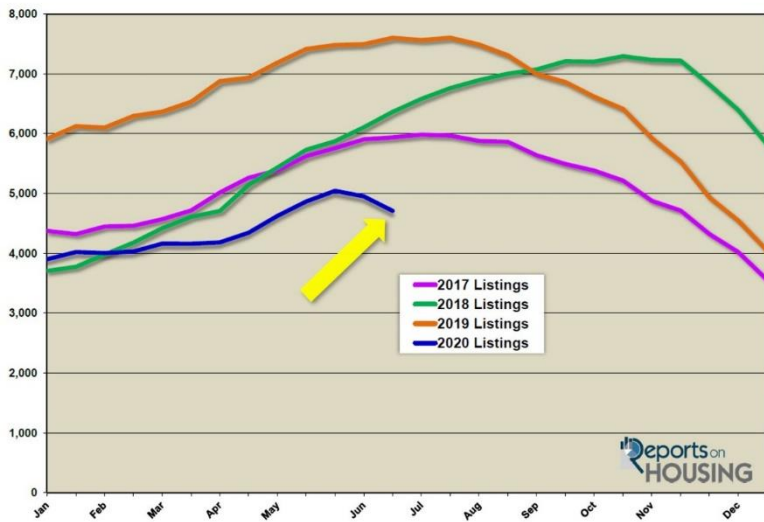


## Orange County Housing Report: Luxury Returns

June 29, 2020

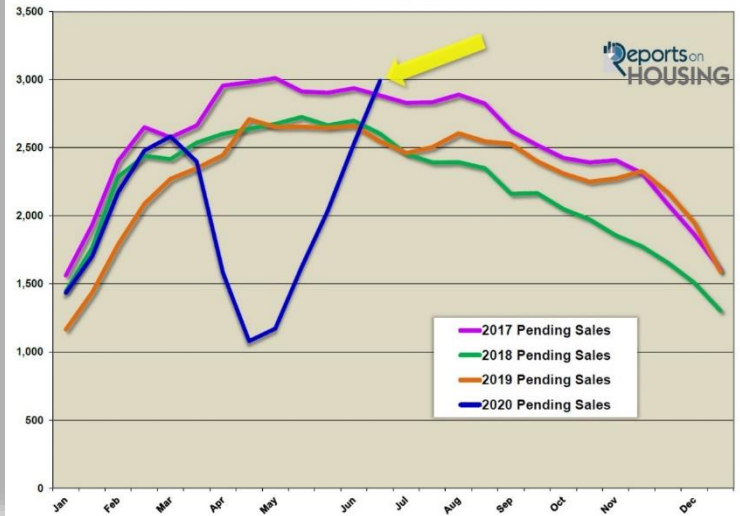
After grinding to a complete halt, the luxury market is pumping on all cylinders.

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	32 Days	34%	50%	64 Days
O.C. \$750k-\$1m	34 Days	18%	25%	74 Days
O.C. \$1m-\$1.25m	53 Days	10%	9%	86 Days
O.C. \$1.25m-\$1.5m	80 Days	8%	5%	137 Days
O.C. \$1.5m-\$2m	83 Days	8%	5%	192 Days
O.C. \$2m-\$4m	128 Days	14%	5%	250 Days
O.C. \$4m+	239 Days	8%	2%	667 Days



## Orange County Housing Market Summary:

- The active listing inventory decreased by 239 homes in the past two-weeks, down 5%, and now totals 4,710. In the past four-weeks, 21% fewer homes were placed on the market compared to the prior 5-year average; thus, COVID-19 is still suppressing the inventory. Last year, there were 7,600 homes on the market, 2,890 more than today, a 61% difference.
- Demand, the number of pending sales over the prior month, increased by 446 pending sales in the past two-weeks, up 18%, and now totals 2,975, the highest level for an end to June since 2013. It has grown by 46% in only 4 weeks. COVID-19's effect on demand has vanished. Last year, there were 2,548 pending sales, 14% fewer than today.
- The Expected Market Time for all of Orange County decreased from 59 days to 47, a Hot Seller's Market (less than 60 days). The drop was due to the surge in demand and a subsequent drop in the supply. It was at 89 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 32 days. This range represents 34% of the active inventory and 50% of demand.
- For homes priced between \$750,000 and \$1 million, the expected market time is 34 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 53 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 89 to 80 days. For homes priced between \$1.5 million and \$2 million, the Expected Market Time decreased from 96 to 83 days. For luxury homes priced between \$2 million and \$4 million, the Expected Market Time decreased from 175 to 128 days. For luxury homes priced above \$4 million, the Expected Market Time decreased from 315 to 239 days.
- The luxury end, all homes above \$1.25 million, accounts for 38% of the inventory and only 17% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.6% of all listings and 0.7% of demand. There are only 12 foreclosures and 17 short sales available to purchase today in all of Orange County, 29 total distressed homes on the active market, up 5 from two-weeks ago. Last year there were 55 total distressed homes on the market, slightly more than today.
- There were 1,386 closed residential resales in May, 53% fewer than April 2019's 2,941 closed sales. This is entirely due to COVID-19 suppressing both supply and demand. May marked a 19% drop compared to April 2020. The sales to list price ratio was 95.4% for all of Orange County. Foreclosures accounted for just 0.6% of all closed sales, and short sales accounted for 0.4%. That means that 99% of all sales were good ol' fashioned sellers with equity.