



Orange County Housing Report: Is Housing Unaffordable?

June 1, 2021

As home values rocket upwards, affordability weakens, yet homes are still not too far out of reach for most buyers because of low mortgage rates.

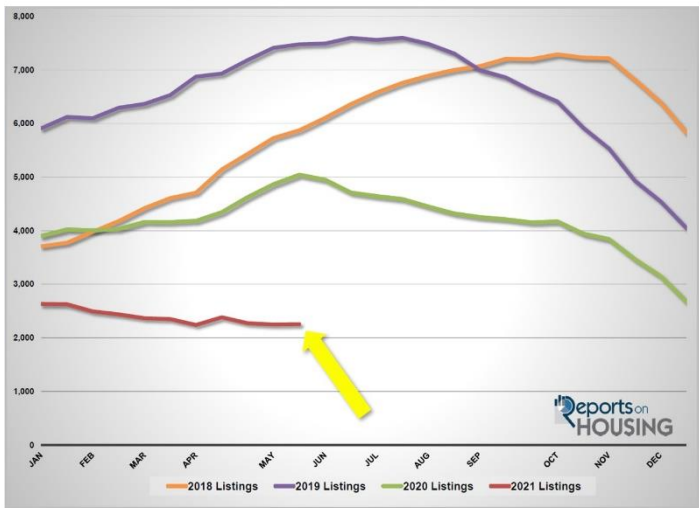
Orange County Affordability Over Time

	Average 30-Year Rate	Median Detached Sales Price	Median Income*	Payment as % of Income
1980	13.75%	\$108,000	\$22,000	55%
1990	10%	\$239,000	\$41,000	50%
2000	8%	\$317,000	\$56,000	40%
2007	6.34%	\$728,000	\$73,000	59%
2012	3.66%	\$543,000	\$72,000	33%
2020	3.11%	\$900,000	\$99,000	37%
2021	3%	\$1,100,000	\$101,000	44%

*2020 and 2021 are projected

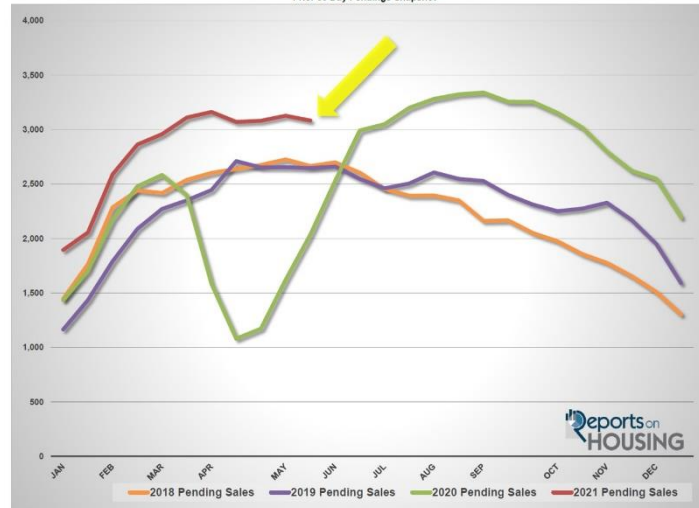
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Orange County Active Listing Inventory Year Over Year



Orange County Demand Year Over Year

Prior 30 Day Pending Sales Snapshot



Price Ranges	Expected Market Time	Market Speed	Share of Housing Inventory	Share of Current Demand	Last Year
O.C. \$0-\$750k	16 Days		28%	38%	53 Days
O.C. \$750k-\$1m	17 Days		20%	26%	56 Days
O.C. \$1m-\$1.25m	16 Days		8%	11%	83 Days
O.C. \$1.25m-\$1.5m	21 Days		8%	9%	98 Days
O.C. \$1.5m-\$2m	28 Days		9%	7%	116 Days
O.C. \$2m-\$4m	41 Days		14%	7%	258 Days
O.C. \$4m+	126 Days		13%	2%	455 Days

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Orange County Housing Summary

- The active listing inventory added 8 homes in the past two-weeks, nearly unchanged, and now totals 2,255. From May 1st to May 15th, there were 20% fewer homes that came on the market compared to 5-year average between 2015 to 2019 (2020 was skewed do to COVID-19), 424 less. Last year, there were 5,044 homes on the market, 2,789 additional homes, or 123% more.
- Demand, the number of pending sales over the prior month, decreased by 44 pending sales in the past two-weeks, down 1%, and now totals 3,083. Rates remain below 3%, maintaining demand's current brisk pace. Last year, there were 2,035 pending sales, 34% fewer than today. Keep in mind, housing was thawing out rapidly in May and June as rates dropped to historically low levels.
- The Expected Market Time, the number of days to sell all Orange County listings at the current buying pace, remained unchanged at 22 days in the past couple of weeks, an extremely Hot Seller's Market (less than 60 days). It was at 74 days last year, 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 16 days. This range represents 28% of the active inventory and 38% of demand.
- For homes priced between \$750,000 and \$1 million, the Expected Market Time is 17 days, a Hot Seller's Market. This range represents 20% of the active inventory and 26% of demand.
- For homes priced between \$1 million to \$1.25 million, the Expected Market Time is 16 days, a Hot Seller's Market.
- For homes priced between \$1.25 million to \$1.5 million, the Expected Market Time is 21 days, a Hot Seller's Market.
- For homes priced between \$1.5 million and \$2 million, the Expected Market Time increased from 22 to 28 days. For homes priced between \$2 million and \$4 million, the Expected Market Time remained unchanged at 41 days. For homes priced above \$4 million, the Expected Market Time increased from 114 to 126 days.
- The luxury end, all homes above \$1.5 million, accounts for 36% of the inventory and 16% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.4% of all listings and 0.5% of demand. There are only 5 foreclosures and 5 short sales available to purchase today in all of Orange County, 10 total distressed homes on the active market, down 4 from two-weeks ago. Last year there were 39 total distressed homes on the market, more than today.
- There were 3,470 closed residential resales in April, 103% more than April 2020's 1,712 closed sales. March marked an 8% rise over March 2021. It was the strongest closing month since 2005. The sales to list price ratio was 100.3% for all of Orange County. Foreclosures accounted for just 0.1% of all closed sales, and short sales accounted for 0.1%. That means that 99.8% of all sales were good ol' fashioned sellers with equity.