

A close-up photograph of a person's hands interacting with a tablet. The person is wearing a blue and white striped shirt and a silver watch. The tablet screen displays a real estate dashboard with various charts, including a bar chart, a pie chart, and a table. In the background, another person is writing on a notepad with a pencil. The scene is brightly lit by natural light from a window, creating a warm, professional atmosphere.

# Orange County 2021 Forecast & Housing Update



A scenic winter landscape featuring snow-covered evergreen trees in the foreground and middle ground. The ground is covered in a thick layer of snow, with soft shadows cast by the trees. In the background, more snow-covered hills and mountains are visible under a clear, bright blue sky. The overall atmosphere is peaceful and serene.

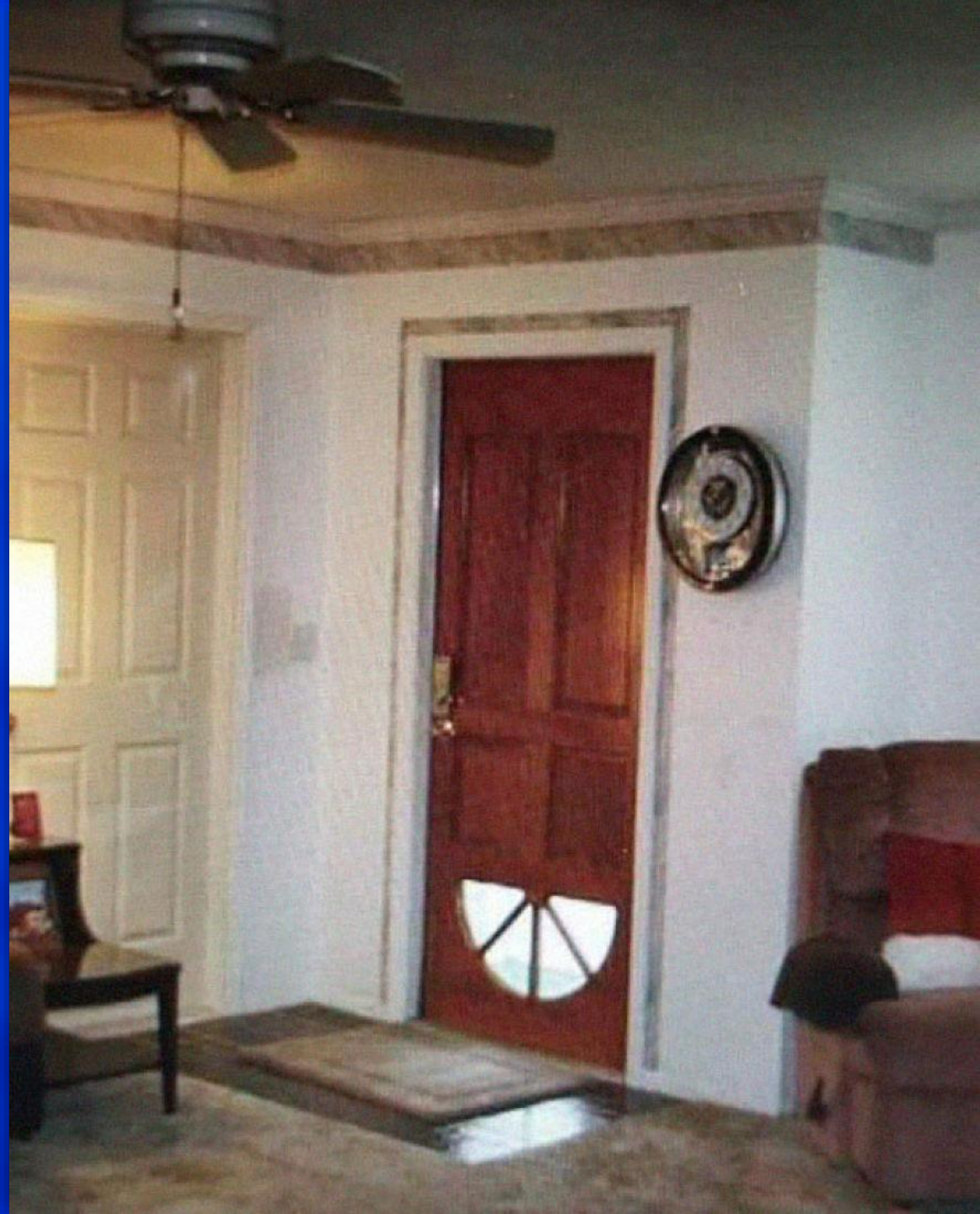
# Winter Fun Photos





bright MLS









12 of 40

CarolinaMLS 2020







































# My Background



- **Quantitative Economics & Decision Sciences**
  - **UCSD**
- **30 Years in Business**
- **OC Native**
- **Capo Valley HS Grad**
- **9 kids!**
- **Avid runner**





# The Thomas Bunch





# My Background

Forbes

Bloomberg



FORTUNE

The New York Times



THE WALL STREET JOURNAL.

Los Angeles Times



inmanNEWS



ORANGE COUNTY  
BUSINESS JOURNAL





# Reports on HOUSING

Your Local Real Estate Snapshot











**PRICE  
REDUCED**

**FOR SALE**









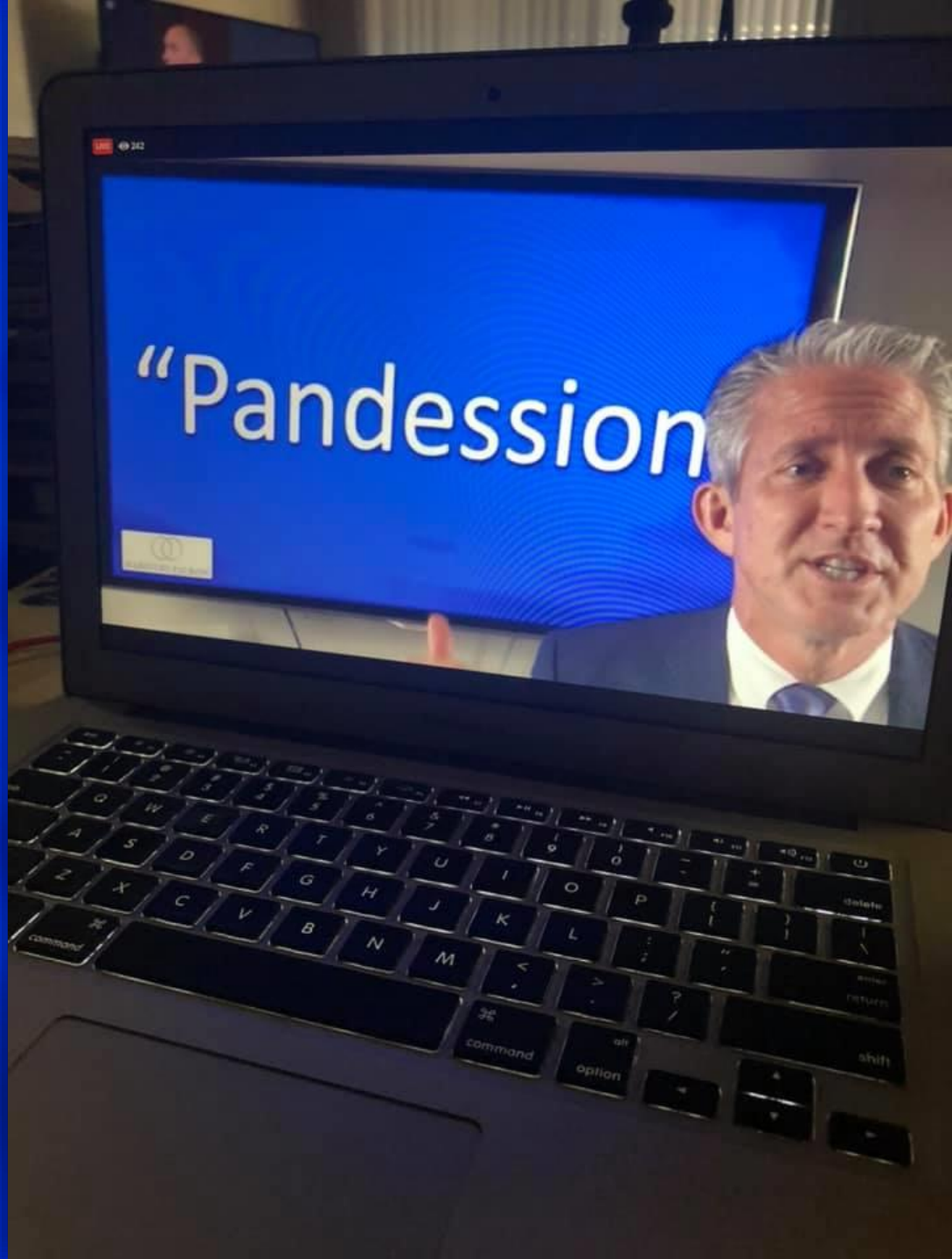
# Expectations







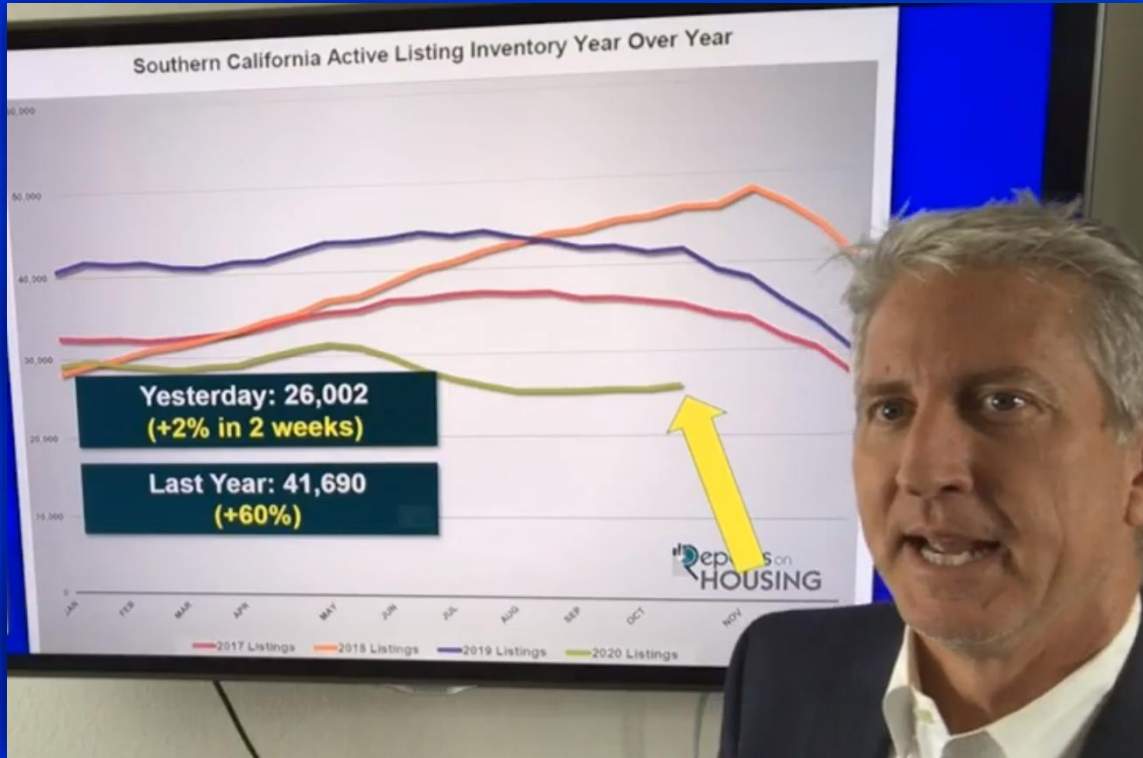




From OC to Everyone:  
You got my client an  
extra 35k by showing  
the buyers and their  
agent your last report.  
Thanks Steven!!!!!!!!!!!!!!

To: Everyone ▼





Larry Aguilar · 0:00

Thanks Steven, My clients love getting the housing report. Help me get three deals accepted on Saturday, opening escrow on Monday.

Love · Reply · 21h



1

## THE LOS ANGELES HOUSING REPORT

Reports on  
HOUSING  
Your Local Real Estate Snapshot

### It's THE Right Time

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.  
April 22, 2019

## THE SAN DIEGO HOUSING REPORT

Report on  
HOUSING  
Your Local Real Estate Snapshot

### The Price is Right

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.  
May 27, 2019

## THE Orange County HOUSING REPORT

Reports on  
HOUSING  
Your Local Real Estate Snapshot

### Green Shoots

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.  
September 9, 2019

Even though the housing market has been in a downturn for several years, trends have started to change that it is starting to heat up.

**Green Shoots:** Trends are beginning to heat up. Headlines are the same, but it's a lot longer to sell a home than a couple of years ago. Prices are considerably higher as mortgage rates have unexpectedly dropped.

Ever since the housing market comparison to the hot market, limited inventory and slow sales have been boosted by falling mortgage rates dipping below 4% in January, the lowest level since October 2010.

As a result of the return to a normal marketplace that is heating up, the market is starting to show signs of recovery.

### Over the Peak

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.  
May 19, 2019

Afternoon!

The demand in San Diego County has peaked, meaning the market will slow down.

**Peak:** With a slight rise in interest rates since dropping to 4% at the end of the year, the market has cooled.



Sellers have until now, but homes into escrow better be right.

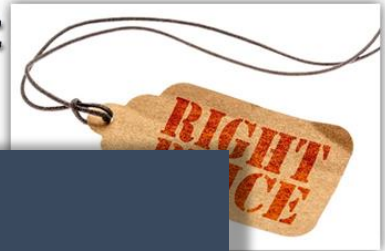
**Pricing:** Expired listings are a year to avoid becoming a statistic. Spring is in the air, and successful garage sales often overprice an item by two hours. Every buyer has a story. This emotional attachment is why buyers because of the emotional attachment, buyers have a story.

## THE San Bernardino HOUSING REPORT

Reports on  
HOUSING  
Your Local Real Estate Snapshot

### The Price is Right

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.  
May 20, 2019



pricing is this

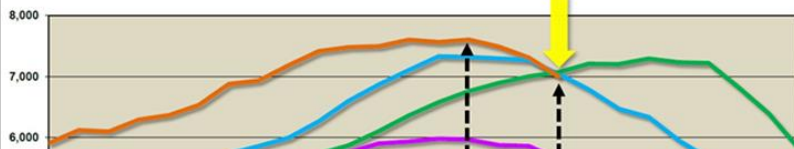
Why behind a house sale, the first step is to sell the house. If you are a seller, you need to be prepared for a wave of initial offers to sell, the house and attic.

They frequently ignore the house or what they need for maintenance, lack of a home is where the Fairy, first day of the house that tug at our heart.

# Los Angeles, Orange County, Riverside, San Bernardino, and San Diego Reports

### Expired Listings January through April

	2019	2018	YOY
Los Angeles County	9,516	6,551	+45%





# THE LOS ANGELES HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Bone-Dry: A Supply Problem

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

January 13, 2020

For years, there have not been enough homes on the market, and the start to 2020 is especially pronounced.



**Low Supply:** The active inventory is extremely low to start the year, down 29% compared to the start to 2019.

Life is a time crunch. Inevitably, important errands are left to the last minute. It's happened to everybody at one time or another. With Valentine's Day on the horizon, it will happen again. Many will head to the grocery store on February 13th and make a bee line to the greeting card aisle, only to find twenty other procrastinators hurriedly looking for the best card. Squeezing between the crowd reveals a half empty shelf with the best cards undoubtedly already taken. The whole ordeal is frustrating.

Similarly, buyers this year are just as frustrated. The Los Angeles County housing shelves are half empty. It is tough being a buyer looking for a home in today's market. The year started with 8,025 homes, the third lowest start in decades behind 2013 and 2018. There were 11,350 homes to start 2019, 41% more than January 1, 2020. There were a lot more choices a year ago, but not today.

	# Homes Placed on the Market*	Compared to 2019	Difference Per Month Compared to 2019
2019	88,474		
2018	93,054	5%	382
2017	90,021	2%	129
2016	93,319	5%	40
2015	94,503	7%	502
2014	92,000	5%	261

# THE LOS ANGELES HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Temperature's Rising!

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

February 10, 2020

The Los Angeles County housing market is officially a HOT Seller's Market.



### Getting Hot: The market is getting crazy hot below \$1 million.

Mother Nature's seasons do not matter. Sitting outside, watching one of the kid's games from the sidelines can get really hot when there are no clouds in the sky. Wearing jeans is often a mistake that is made, a natural target for the sun's incredible intensity while sitting in a folding chair. The darker the jean, the quicker the temperature rises.

With interest rates at lows not seen since October 2016, there are no clouds in the sky and housing is already really hot. The Spring Market has officially arrived in Los Angeles County. Some price ranges are really feeling the intense heat of blistering buyer demand. Housing has not been this hot since May 2018, nearly two years ago.

Once again buyers are tripping over themselves to purchase. Homes that are priced well according to their condition, location, and upgrades, are fetching multiple offers within the first couple of days. The bidding war days are back. When a home generates 15 offers to purchase, there is only one winner, meaning 14 buyers need to go back to the drawing board. After a couple of failed attempts, many buyers sharpen their pencils and write extremely aggressive offers, willing to stretch the price a little bit, even if it means paying more than the most recent comparable sale. This market can be extremely frustrating for a buyer. It is all due to hot buyer demand fueled by low mortgage rates. Patience and a comprehensive strategy are a buyer's bet in finding success.

### Expected Market Time

Detached		% of Inventor	% of Demand	Attached		% of Inventor	% of Demand
All of L.A.	60 Days	100%	100%	All of L.A.	50 Days	100%	100%
L.A. \$0-\$500k	36 Days	13%	22%	L.A. \$0-\$500k	36 Days	43%	59%
L.A. \$500k-\$750k	34 Days	21%	36%	L.A. \$500k-\$750k	53 Days	30%	28%



# THE *Orange County* HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Housing and the Coronavirus

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.

March 9, 2020

Currently, COVID-19 is not having a significant impact on the housing market, yet its effects will eventually be felt in the real estate trenches.



**The Coronavirus and Housing:** Despite all the news swirling about the Coronavirus, the Orange County real estate market is still rocketing forward with an Expected Market Time of 48 days.

At first, news of the Coronavirus seemed like a distant crisis on the other side of the world. Then, at the end of January, the first case on U.S. soil was announced. It was not until the end of February when top federal health officials warned that the virus would spread in the United States.

Since then, everyone has been confronted with a deluge of information and misinformation. Many mistakenly ran to purchase N95 face masks and now they are nowhere to be found. Others are stockpiling water, toilet paper, canned goods and everyday essentials. The response has been similar to Y2k when the banking system and world economy was supposed to crash due to a computer glitch in ringing in the year 2000, which never materialized.

The Coronavirus is beginning to interrupt daily life. There are no more samples at Costco. After the kids' soccer matches, the handshake has been replaced with a fist bump. Parishioners are no longer holding hands or offering a hand in peace. Starbucks no longer allows reusable cups. There are signs in the grocery store limiting the number of certain items.

### Low Rate Environment Boosts Affordability

	Today	Last Year	11/15/2018	2007 - Prior to Recession
Mortgage Amount	2.75%	3%	3.25%	4.4%
\$500,000	\$2,041	\$2,108	\$2,176	\$2,504

# THE LOS ANGELES HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## COVID-19 Cracks

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

March 23, 2020



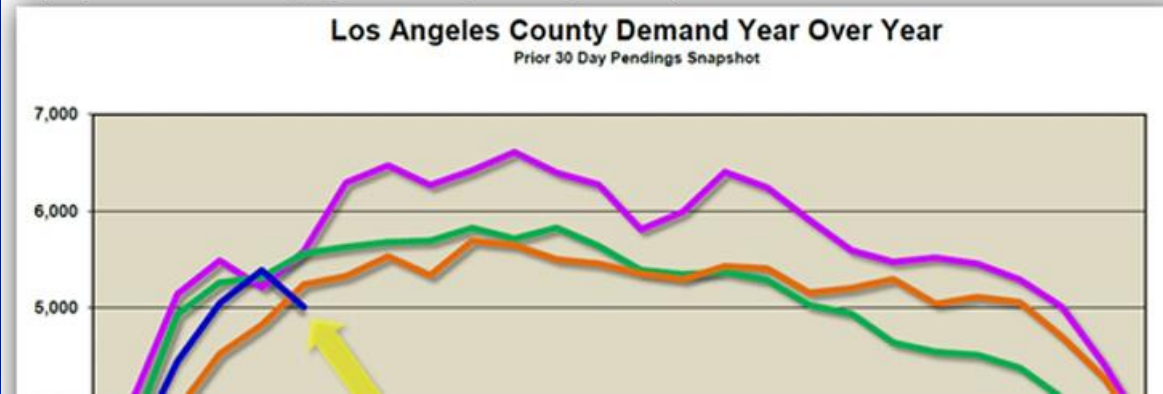
Even though the housing market has been hot, trends have emerged that confirm that it is rapidly cooling.

**Cracks Appearing:** Trends have developed which demonstrate that the hot housing market is cooling due to the Coronavirus.

The Coronavirus has quickly evolved from bumping elbows and not holding hands at church to social distancing and a mandatory "stay at home" order from Governor Gavin Newsom for the entire state of California. Shopping malls have closed, schools have moved to electronic learning, restaurants now only allow take-out or delivery. Life as everybody knows it has been turned on its head.

Prior to the outbreak, Los Angeles County housing was pumping on all cylinders. It was the hottest Spring Market since 2013. Multiple offers were the norm, home values were on the rise, and there simply were not enough homes on the market to satisfy the voracious appetite of buyers. The low mortgage rate environment with rates remaining in the 3's was propelling housing upward.

Just as COVID-19 changed "business as usual" for everyone across the nation, trends have rapidly surfaced that highlight a cooling housing marketplace.





## The Showdown

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

April 6, 2020

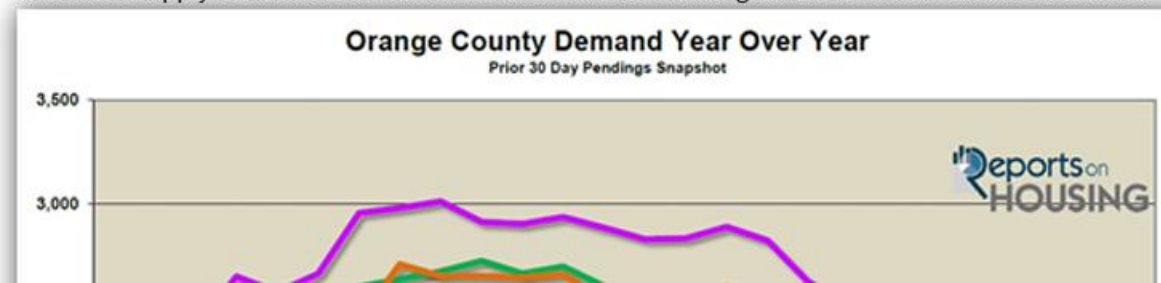
**There has been a “supply problem” for quite a while, and now there is a “demand problem” at the same time.**



### Supply and Demand: A low supply is confronted with low demand.

There are a lot of people that assume the worst. Because of COVID-19 and the “stay at home” order across the United States, the economy has come to a complete halt and it has been thrown into an instant recession (better described as a “pandession”). As a result, the minds of so many immediately gravitate to the last recession, the Great Recession. That is when housing took a giant hit, and in Orange County values dropped 30%. Everyone was either impacted by the freefall of values or knew someone that was hurt by the unprecedented real estate slump. Since this is another recession, values will certainly drop, correct? Not so fast, it all boils down to supply and demand.

Here’s a quick history lesson as to what happened leading up to the Great Recession. In March of 2007, the subprime lending industry collapsed. Demand instantly dropped to levels that were much like today. Yet, there were over four times the number of homes on the market compared to today, reaching nearly 18,000 homes. With very low demand and a huge supply of homes, the housing market ground to a halt and home values plunged. The presence of so many risky subprime loans, pick-a-payment loans, and zero down payment loans in the system, the collapse in the credit and housing market was followed by a tsunami of distressed properties. The overly abundant supply and unstable credit foundation of the housing stock led to the tumble in values.



# THE San Bernardino HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Demand Rises

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

May 11, 2020

**Buyer demand reached a bottom a couple of weeks ago, and now it is on the rise.**



**Rising Demand:** Demand rose 19% even though “stay at home” orders have not yet been lifted

After eight weeks of staying at home, everybody is figuring out ways to make life feel a bit more normal again. DoorDash is on the go delivering food from local favorite restaurants. Church service is now streaming live with the ability to hit pause if the two-year old is acting up. With Zoom meetings all week long, working from home in t-shirts and shorts is not a bad way to get a lot accomplished. The kids are busy cyber learning in their online classrooms. Everybody is adapting to a new way of life. Buyers are adapting as well and are looking for homes again, the market is waking up.

After reaching a low two weeks ago, San Bernardino County had dropped to inherent, natural demand last seen during the start to the Great Recession. Yet, in the past couple of weeks a change was afoot. Reports from the real estate trenches of increased showings and buyers writing offers again were repeated all over the county. Buyers are figuring out that they can still purchase a home in the middle of California’s “stay at home” order.

**San Bernardino County Demand Year Over Year**

Prior 30 Day Pendings Snapshot





# THE *Orange County* HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## V-Shaped Recovery

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.

May 18, 2020

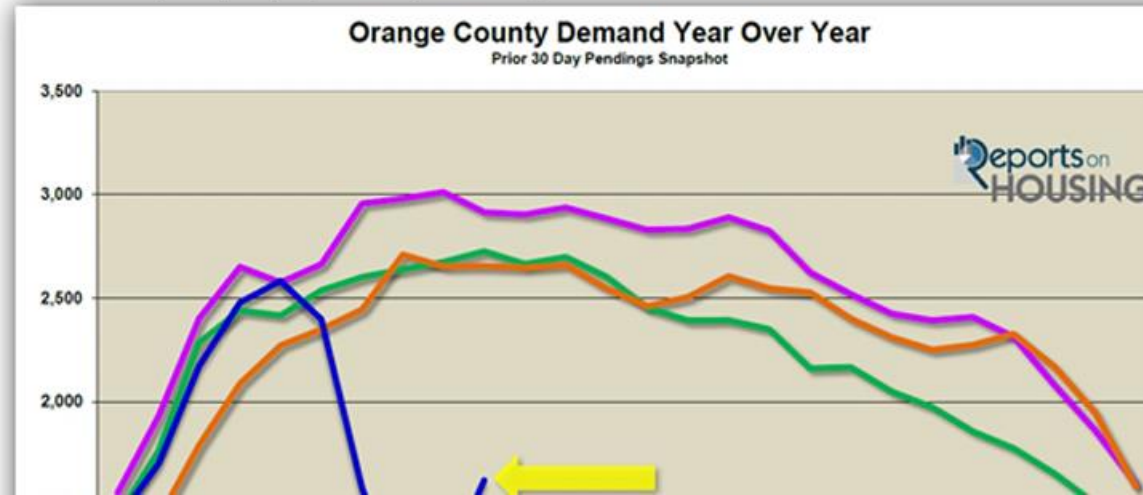
Propelled by record low mortgage rates, buyers are jumping back into the housing market.



**Demand Spikes:** Demand surged in the past couple of weeks with a 38% rise.

COVID-19 has impacted the economy across the board. The economic data prior to the Coronavirus was pumping on all cylinders. Consumer confidence, consumption, unemployment, housing, stocks, leading economic indicators, everything was pointing to a phenomenal 2020. After the virus broke, every chart was impacted severely. Housing was no exception.

Experts have been debating what the economic recovery will look like. Initially, some experts were calling for a quick rebound, a "V-Shaped" bounce. That is when the economy rises nearly as fast as it falls. Yet, with more time to reflect on all the data, most experts now agree that it will be a "U-Shaped" recovery, one that after hitting a bottom will slowly but surely turn upward. The best analogy is a dimmer switch. As the dial is slowly turned, the economy will continue to accelerate until one day it is pumping on all cylinders again.



# THE Riverside County HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Hotter Than Last Year

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

June 8, 2020

Housing demand is surging and now the market is stronger than last year's spring selling season.



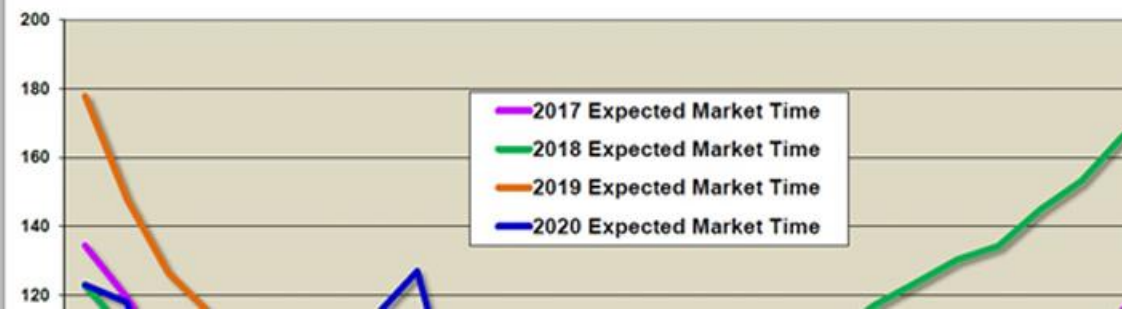
**Getting Hotter:** The Expected Market Time for sellers is dropping like a rock as demand expands.

Eagerly digging through a newly opened box of Cracker Jacks to isolate the treasured prize only to find two prizes, that is unexpected. Standing at the Starbucks cash register ready to pay for a Venti® coffee and the barista explains it has already been paid for by the prior customer, that is unexpected. Receiving a love note from a spouse, or significant other, yet it is not a birthday, anniversary, or holiday, that is unexpected. Surging housing demand amid a pandemic where the overall economy is struggling to come back online, that is unexpected.

In mid-April, the Expected Market Time (the amount of time from hammering in the FOR-SALE sign to opening escrow) was at 127 days, a slight Buyer's Market (between 120 and 150 days). Since then, it has dropped by 61% and now the Expected Market Time sits at 50 days, a Hot Seller's Market (less than 60 days), totally unexpected. On average, in the past five years, it has remained unchanged in the same time period. Last year, the Expected Market Time was at 87 days, slower than today.

Riverside County Expected Market Time Year Over Year

In Days





# THE Riverside County HOUSING REPORT

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Luxury Returns

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

July 6, 2020

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



**Luxury Strength:** The upper end of the housing market is strong with plenty of demand.

In Batman v Superman, in order for Superman to kill Doomsday, a gigantic monster that is also from the planet Krypton, he sacrifices himself by taking a krypton spear (his only weakness) and launches it into Doomsday. Both Superman and Doomsday die. Many moviegoers left the movie theater in disbelief, the ultimate superhero had perished. Yet, in Justice League (2017), through the power of the Mother Box and a giant electric spark from The Flash, Superman was revived to help save Earth from the evil Apokoliptian general Steppenwolf and his army of Parademons. Superman returned, was unstoppable, and helped defeat the villain.

The luxury housing market in Riverside County came to screeching halt in mid-April. It appeared as if luxury housing had perished in 2020 and would not be revived until 2021 at the earliest. The Expected Market Time (the amount of time between hammering in the FOR-SALE sign to opening escrow) increased to 453 days for all homes priced above \$650,000. Fear and uncertainty shrouded the upper end amidst the COVID-19 pandemic and California's "stay at home" order. It left many luxury sellers in disbelief, wondering if they would ever be able to sell their homes without major price cuts.

### Market Time (In Days)

	2019 Best 8/15/2019	Last Year 7/3/2019	Prior 2020 Best 3/12/2020	COVID-19 Height 4/23/2020	Today 7/2/2020
\$650k-\$800k	155 Days	160 Days	84 Days	272 Days	43 Days
\$800k-\$1m	219 Days	264 Days	240 Days	387 Days	70 Days

# THE SAN DIEGO HOUSING REPORT

## A WAVE OF FORECLOSURES?

August 11, 2020

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

**Foreclosures and short sales have played an exceedingly small part in the housing market for years, yet many feel that is about to change.**



Copyright 2020- Steven Thomas,  
Reports On Housing - All Rights Reserved.

This report may not be reproduced in whole or part without express written permission by author.

Reports on  
HOUSING  
Your Local Real Estate Snapshot

## The Distressed Market

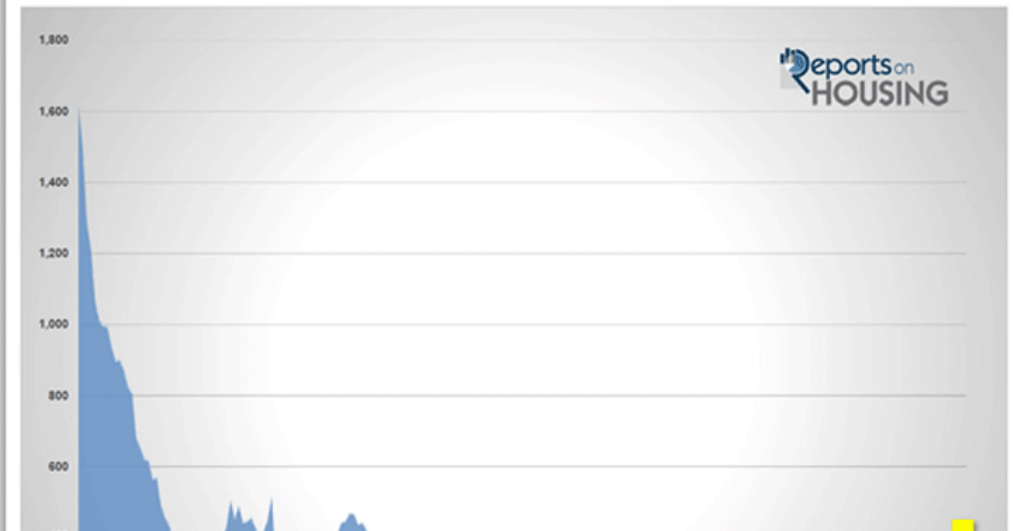
**Foreclosures and short sales make up less than half a percent of the listing inventory and demand.**

Parents worry about their kids all the time. Often, their minds jump to the worst-case scenario. As their newly licensed teenager drives down the street solo for the first time, mom and dad are concerned that their inexperience could result in a devastating accident. Hiking as a family on one of Southern California's many hilly trails often leads to unexpected sheer cliffs just feet away. Many parents visualize the potential for one of their children to lose their footing and slip to their peril. Parenting is full of anguish. To keep their kids safe, they, unfortunately, must consider the most severe outcome that can reasonably be projected to occur in every situation. Similarly, due to the recession, everybody is jumping to the worst-case scenario for housing, the inevitable wave of foreclosures to come.

It is crucial to immediately point out the simple fact that just because the economy is in the midst of a recession does not mean that the housing market will tank, values must go down, and many homeowners will lose their homes due to foreclosures or short sales. In fact, in the past five recessions, only two have led to declines in real estate values, the recession that began in 1991 and the Great Recession that started in 2008. Both were fueled by asset bubbles in housing that eventually popped. The recession in 1991 was powered by the savings and loan crisis. The Great Recession was driven by subprime lending and risky investments in mortgage securities. Thus, a wave of foreclosures ensued.

Today, there are only 11 foreclosures and 5 short sales to purchase in all of San Diego County, that is 16 total distressed listings, the lowest level since initially tracking distressed listings back in 2012. It represents only 0.4% of the active listing inventory and 0.8% of demand. Compare that to January 2012 when there were 1,613 distressed listings, 23% of the active listing inventory, and demand (the last 30-days of pending sales) was at 2,945 pendings, 56% of total demand.

San Diego County Distressed Listing





# THE *Orange County* HOUSING REPORT

## DANGERS OF OVERPRICING

September 21, 2020

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

**In initially coming on the market, sellers who do not accurately price their homes will likely net less at the closing table.**



Copyright 2020- Steven Thomas,  
Reports On Housing - All Rights Reserved.

This report may not be reproduced in whole or part without express written permission by author.

**Reports on  
HOUSING**  
Your Local Real Estate Snapshot

### Pricing

**A key factor in selling a home quickly and for top dollar is to avoid price reductions.**

A house is not just a building with rooms; it is a home where so many memories are made. It is where a baby takes its first steps, kids learn to ride their bikes, and numerous birthday celebrations and family gatherings occur. A home is where life transpires and is a special piece of a family's history. A home is emotional, more than just a dwelling.

In pricing a home, many sellers have an extremely difficult time pulling the emotion out of the equation. After all, it is worth so much more in factoring in the memories. Unfortunately, when it comes to selling a home, none of this factors into the price.

Ultimately, when a home initially comes on the market, the price will determine a seller's success. One of the most crucial steps in being able to sell quickly, open escrow, and obtain the highest possible net proceeds from the sale of a home is to carefully arrive at its Fair Market Value. Yes, the current market is a sizzling Hot Seller's Market where homeowners are obtaining multiple offers that are remarkably close to their asking prices. In many cases, they are even able to get more than the asking price. Yet, in every price range, homes sit without success, leaving these sellers wondering what in the world they are doing wrong. 33% of all homes in Orange County have been on the market for over two months.

Despite the hot market, buyers really do not want to pay much more than the most recent closed sale. Given that there is a shortage of homes on the market and that demand is exceptionally strong, buyers are willing to stretch a little bit, but not a lot. Accurate pricing is still fundamental regardless of the temperature of housing. Throwing a price out there just to test the market is not a wise strategy. Ultimately, when the asking prices of homes must be reduced in order to secure offers to purchase, it not only takes longer to sell, sellers sell for less. The net proceeds check at the close of escrow is less if a price reduction is required.

It is very telling to look at the sales price to last list price ratio. This refers to the final list price prior to opening escrow. These are averages, meaning there are exceptions, but the overall trend is stunning. In Orange County, 76% of all closed sales in August did not reduce the asking price at all. The sales price to last list price ratio for these homes was 99.6%, meaning, on average, a home sold within 0.4% of the asking price. A home listed at \$700,000 sold for \$697,200. In addition, 15% of all closed sales reduced their asking prices between 1% and 4%. The sales to last list price ratio for these homes was 97.8%, and, on average, it took 65 days to open up escrow. A home listed at \$700,000 sold for \$684,600, \$12,600 less than homeowners with no reduction. For homes that reduced their asking prices by 5% or more, 9% of closed sales in August, the sales to last list price ratio was 94.7%, after being on the market for months. A home listed at \$700,000 sold for \$662,900. Everybody would agree that closing at \$697,200 is a whole lot better than \$662,900.

#### Orange County - August 2020

Reduction	% of Sales	Sales to Last Price Ratio	Sales to Original List	Median	Avg DOM
			Price Ratio	Sales Price	
5% or more	9%	94.7%	85.3%	\$995,000	125 Days



# THE SAN DIEGO HOUSING REPORT

## LOCK IT IN!

December 15, 2020

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

**Mortgage rates may be at record lows, but they are poised to increase next year.**



Copyright 2020- Steven Thomas,  
Reports On Housing - All Rights Reserved.

This report may not be reproduced in whole or part without express written permission by author.

Reports on  
HOUSING  
Your Local Real Estate Snapshot

## Interest Rates

The current 30-year mortgage rate is at 2.7%, a 14th record low since March.

Black Friday, Cyber Monday, Amazon Prime Day are all days that countless Americans look forward to cashing in on the very best deals of the year. From flatscreen televisions to blenders to puffy winter jackets, prices are slashed, and eager shoppers line up to take advantage of the mind-blowing discounts. Many stores carry a limited quantity, so if "you snooze, you lose." For 2020, those days are in the past and it will not be until the end of 2021 when they return.

Today's mortgage rates are at a record low and they offer the very best deal of the year. Soon, that deal will vanish, and rates will rise, which will impact monthly payments and affordability. Many think the Federal Reserve is in charge of setting mortgage rates, but that is not true. Instead, they set the short term fed funds rate, currently at zero. This rate affects automobile loans, credit card rates, and small business loans, also known as "short term debt." Long term debt, or 30-year fixed mortgages, are tied closer to long term bonds. Watching any movement in U.S. 10 Year Treasury bonds will indicate where mortgage rates are headed. Prior to this year, the 10-Year has never been below 1% (it is at 0.896% today). Similarly, prior to this year, mortgage rates have never been below 3% (they are at 2.7% today).

Bad economic news drives the 10-Year down and good economic news pushes it higher. COVID-19 and the economic recession due to the forced shutdown of the economy drove the 10-Year below 1% for the first time ever. There is a "spread" between the 10-Year bond and the 30-year mortgage rate that is fairly uniform over time. Capacity constraints and risk aversion prevented mortgage rates from immediately plunging below 3%, but they eventually got there in July.

The United States economy has been on the mend. Retail sales have rebounded. New home sales and residential resales have rebounded. Consumers are consuming again. Manufacturing has returned. And, there is light at the end of the tunnel, the Coronavirus Pfizer vaccine has been approved by the FDA and distribution to all of the states started on Sunday. A second vaccine, Moderna, is scheduled to be approved at the end of the week as well. By mid-2021, the bulk of the U.S. population will be inoculated from the virus. The economy will undoubtedly improve. With all this good news, the 10-Year has improved from 0.645% in September to 0.896% today. In 2021, over the coming months, there will be more good news to follow: a congressional relief package, more positive vaccine news, positive jobs reports, and positive economic reports. It will not be long before the 10-Year pops above 1%. **As a result, expect mortgage rates to increase from today's exceptional 2.7% level to 3.5% by the end of 2021.**

### Interest Rates Impact on Payment

Mortgage Amount	2.7% (Today)	3%	3.25%	3.5%	3.75%	4%	5%
\$500,000	\$2,028	\$2,108	\$2,176	\$2,245	\$2,316	\$2,387	\$2,684
\$750,000	\$3,042	\$3,162	\$3,264	\$3,368	\$3,473	\$3,581	\$4,026
\$1,000,000	\$4,055	\$4,216	\$4,352	\$4,490	\$4,631	\$4,774	\$5,368

SAN DIEGO COUNTY HOUSING REPORT | Lock It In!

For a \$750,000 mortgage, today's 2.7% payment of \$3,042 per month would rise to \$3,368 at 3.5%. That is a difference of \$326 per month, or \$3,912 per year. 3.5% is still a great rate, yet



# THE *Orange County* HOUSING REPORT A 2021 FORECAST

December 28, 2020

By Steven Thomas

Quantitative Economics and Decision Sciences, B.A.

**HAPPY NEW YEAR!!!** Now, what does that mean for  
Orange County real estate?

First, let us look back at what happened in 2020 in terms  
of the inventory, demand, luxury properties, and the  
Expected Market Time.



Copyright 2020- Steven Thomas,  
Reports On Housing - All Rights Reserved.

This report may not be reproduced in whole or part without express written permission by author.

Reports on  
HOUSING  
Your Local Real Estate Snapshot

## Active Inventory

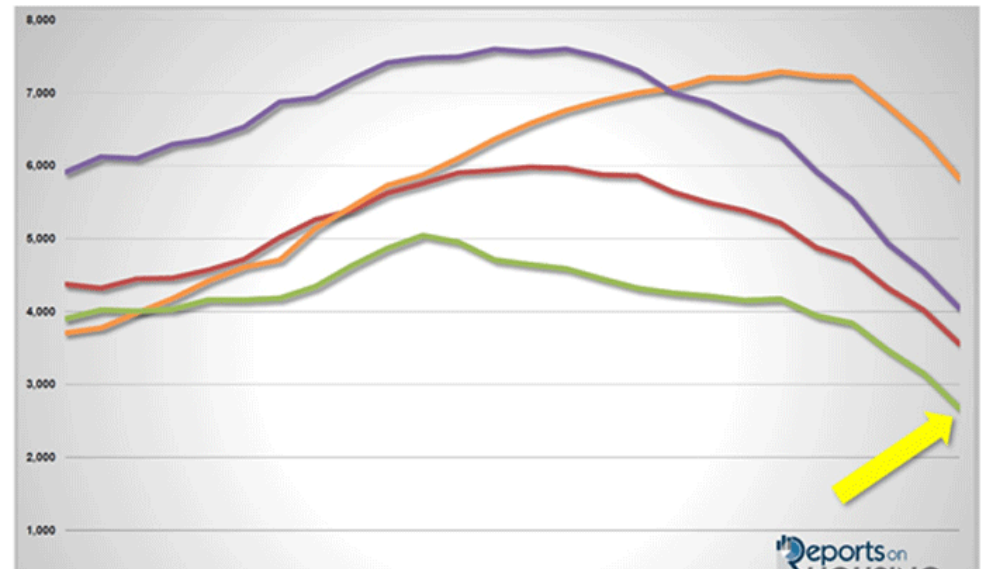
After starting the year with very few available homes to purchase, the inventory only grew slightly, plunging to unbelievably low levels during the second half of the year.

The year started with an active inventory of 3,692 homes, only the third time it dropped below the 4,000-home threshold to start a year since 2004. Typically, the inventory continuously climbs until peaking between July and August, but not this year. After adding only 1,352 homes, it peaked at the end of May at 5,044 homes, its lowest peak since reporting began in 2004. The average peak since 2004 is 7,241.

COVID-19 suppressed the inventory in Orange County. Many homeowners simply did not want to place their homes on the market amid a pandemic. From March through June, there were 4,655 fewer home placed on the market compared to the five-year average, 29% less. The Coronavirus lost its grip on preventing homes from coming on the market from July through November. In those five months, there were 1,694 additional homes that came on the market compared to the five-year average, an extra 11%. Nonetheless, from January through November, there were still 3,150 overall missing FOR-SALE signs, 8% fewer than the five-year average.

With fewer homes coming on the market during the first half of the year and soaring demand (prior 30-days of new escrows), the active listing inventory dropped from the end of May through year's end, shedding 2,369 homes, or 47%. It dropped below 4,000 homes in October for the first time since February 2018, and then dropped below 3,161, the lowest level since tracking began in 2004, which occurred on January 1, 2013. But it did not stop there. In the past two-weeks, the inventory plunged an additional 477 homes, or 15%, its largest drop of the year. Today it sits at 2,675 homes, an unprecedented, low level of homes to start 2021. There were 51% more homes on the market last year at this time, an additional 1,374 homes.

Orange County Active Listing Inventory Year Over Year



Reports on  
HOUSING



# THE *Orange County* HOUSING REPORT BLAZING BEGINNING

January 11, 2021

By Steven Thomas  
Quantitative Economics and Decision Sciences, B.A.

To go along with record low mortgage rates, it is the hottest start to a year since tracking began in 2004.



Copyright 2020- Steven Thomas,  
Reports On Housing - All Rights Reserved.

This report may not be reproduced in whole or part without express written permission by author.

Reports on  
**HOUSING**  
Your Local Real Estate Snapshot

## Hot Seller's Market

With a record low supply of homes available to purchase and staggering demand, the market is extremely hot.

The unveiling of the new Star Wars: Galaxy's Edge at the Disneyland Resort in Anaheim was met with throngs of eager parkgoers and the line for the Millennium Falcon on opening day was 5 hours long. Movie tickets for the initial release of Avengers: Endgame in April 2019 were extremely hard to come by. It ultimately became the number one box office hit of all time. In December 2015, Adele placed all 50 shows of her Adele Live 2016 international tour on sale at the same time, 750,000 tickets, and they sold out in just 20 minutes. These are all examples of an overpowering demand met with an exceptionally limited supply.

That is precisely what is occurring in the San Diego County housing market today. There is an imbalance in supply and demand. The supply of homes is at a record low and demand is off the charts. As a result, the market has been hot from day one of 2021. The only other time that occurred was back in 2013. What 2013 and 2021 have in common are record low mortgage rates. On January 3, 2013, mortgage rates were at 3.34%, slightly higher than the record low 3.31% achieved on November 21, 2012. On January 7, 2021, according to the Primary Mortgage Market Survey conducted by Freddie Mac for the past 50-years, mortgage rates hit a 17th record low since March, dropping to 2.65%. In the past 10-months, mortgage rates continued to drop to record low territory, dropping below 3% in July for the first time ever. The further rates dropped, the more demand soared, and the hotter the market became.

Today, there are 2,556 homes available to purchase, an ultra-low supply of homes that shattered the prior record low achieved in January 2013, at 4,329. That is 41% lower. To put it into proper perspective, last year there were 4,744 homes, 86% more. Two years ago, there were 6,674, 161% more. Current demand (a snapshot of the last 30-days of new escrows) is at 2,144 pending sales, a bit lower than 2013's 2,693. Yet, it is 17% higher than last year's 1,838 level, and 32% higher than the 1,619 pending sales reached in 2019.

The imbalance of an overpowering housing demand and an exceptionally low supply of available homes has resulted in an Expected Market Time (the time between hammering in the FOR-SALE sign to opening escrow) of 36 days, the lowest level since tracking began in 2012. Only 2013 came close at 48 days. At 36 days it is a Hot Seller's Market (less than 60 days), where sellers call the shots, multiple offers and bidding wars are the norm, and home values are on the rise. Last year started with an Expected Market Time of 77 days, a Slight Seller's Market (between 60 and 90 days), where sellers get to call more of the shots, but there are fewer multiple offers and home values are not appreciating much at all. It was at 124 days to start 2019, a Buyer's Market that quickly evaporated by the end of January with dropping mortgage rates.

Expected Market Time & Mortgage Rates to Start the Year

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expected Market Time	36 Days	77 Days	124 Days	69 Days	66 Days	82 Days	88 Days	79 Days	48 Days
Mortgage Rates	2.65%	3.72%	4.51%	3.95%	4.20%	3.97%	3.73%	4.53%	3.34%





[HOME](#)

[ABOUT](#)

[MISSION](#)

[SPEAKING](#)

[SUBSCRIBE](#)

[TESTIMONIALS](#)

[CONTACT](#)

# Go to: [ReportsOnHousing.com](https://ReportsOnHousing.com)

## YOUR LOCAL REAL ESTATE SNAPSHOT

SUBSCRIBE TO REPORTS ON HOUSING TODAY!



[SUBSCRIBE](#)

[CONTACT](#)

RE: Orange County Housing Report: Q1 - OC Housing is Resilient - Message (HTML)

File Me Tell me what you want to do...

Delete Delete

Snapshot Edge Personal Create New

Move Mark Unread Categorize Follow Up Translate Zoom Zoom DocsToFAST v1.0.1.19

PDF

W

4/14/2016

# Every 2 Weeks!!!

Copyright 2016 Steven Thomas, www.ReportsOnHousing.com  
without express written permission by author.


Excel

If you want to view the Orange County Ranges Report as an Excel spreadsheet, click on the following:  
<http://www.reportsonhousing.com/docs/UCHousing-Apr-BRK-16.xls>

If you want to view the Orange County Ranges Report as an Excel spreadsheet, click on the following:  
<http://www.reportsonhousing.com/docs/UCHousingRanges-Apr-BRK-16.xls>

If you want to view the Orange County Sold Report as an Excel spreadsheet, click on the following:  
<http://www.reportsonhousing.com/docs/UCHousingSold-Apr-BRK-16.xls>

If you want to view the Orange County Foreclosure Report as an Excel spreadsheet, click on the following:  
<http://www.reportsonhousing.com/docs/UCHousingForeclosure-Apr-BRK-16.xls>





**Subscribe at  
ReportsOnHousing.com**

**\$15 per month  
or  
\$150 per year**





**Coupon Code:**

**2021NB**



# United States Economic Outlook



# CORONAVIRUS



**American  
Public**



# Fatigued









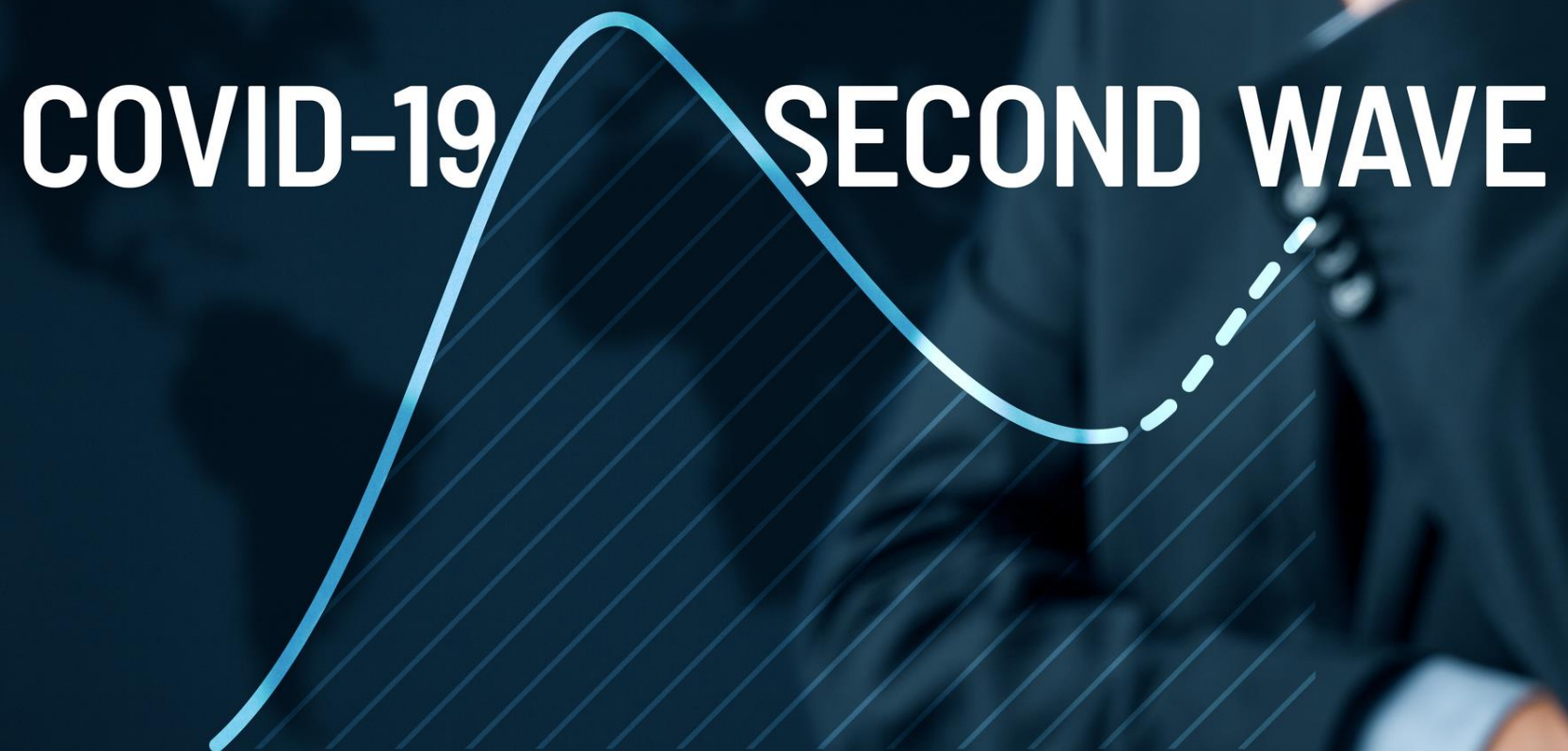



# THE **ONE TWO** **PUNCH**









Four red, spiky virus-like particles are positioned in the corners of the image: top-left, top-right, bottom-left, and bottom-right. They have a spherical shape with many small, pointed protrusions.

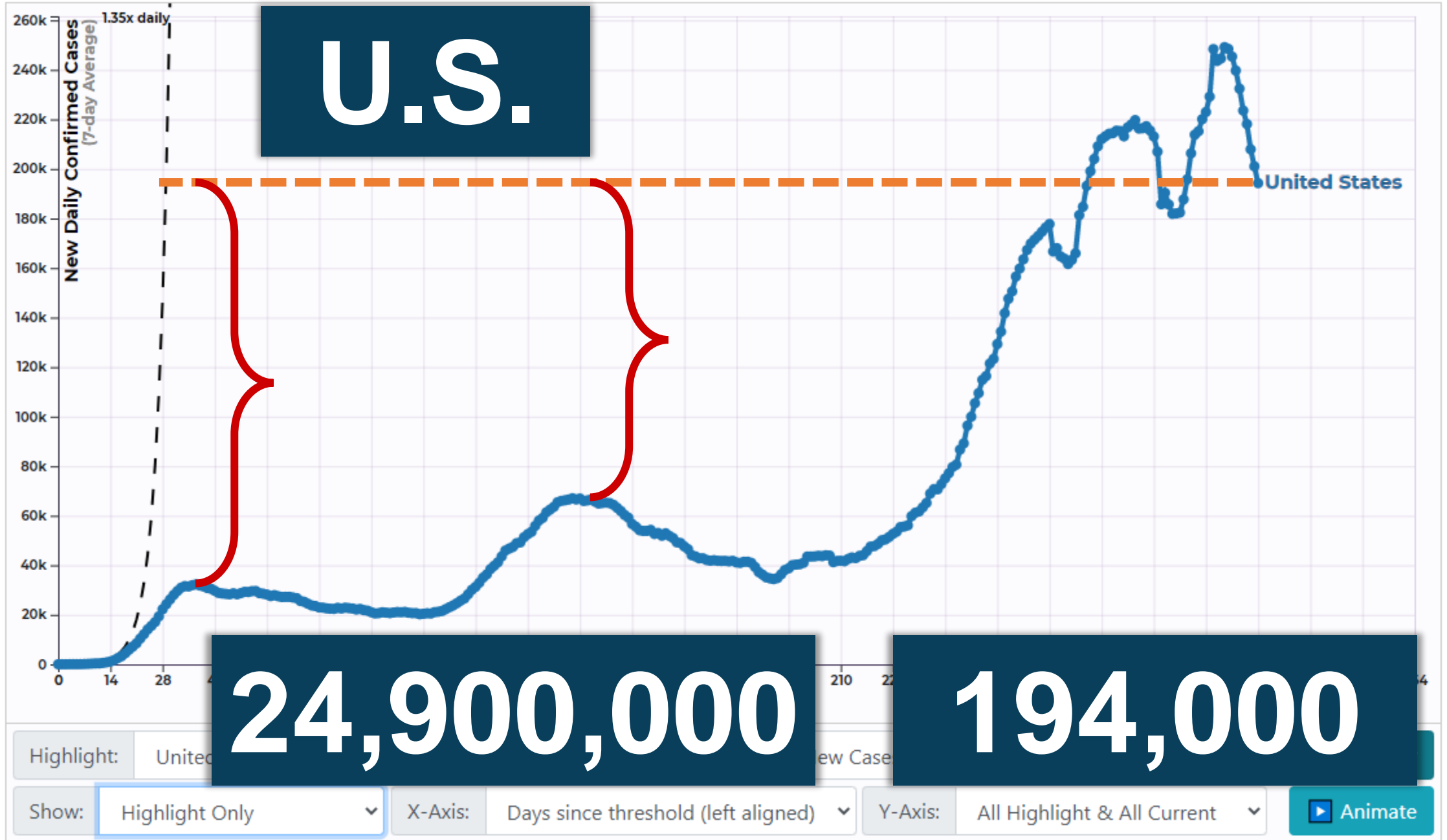
**“The path of the  
economy will depend  
significantly on the  
course of the virus”**

**~ Federal Reserve**



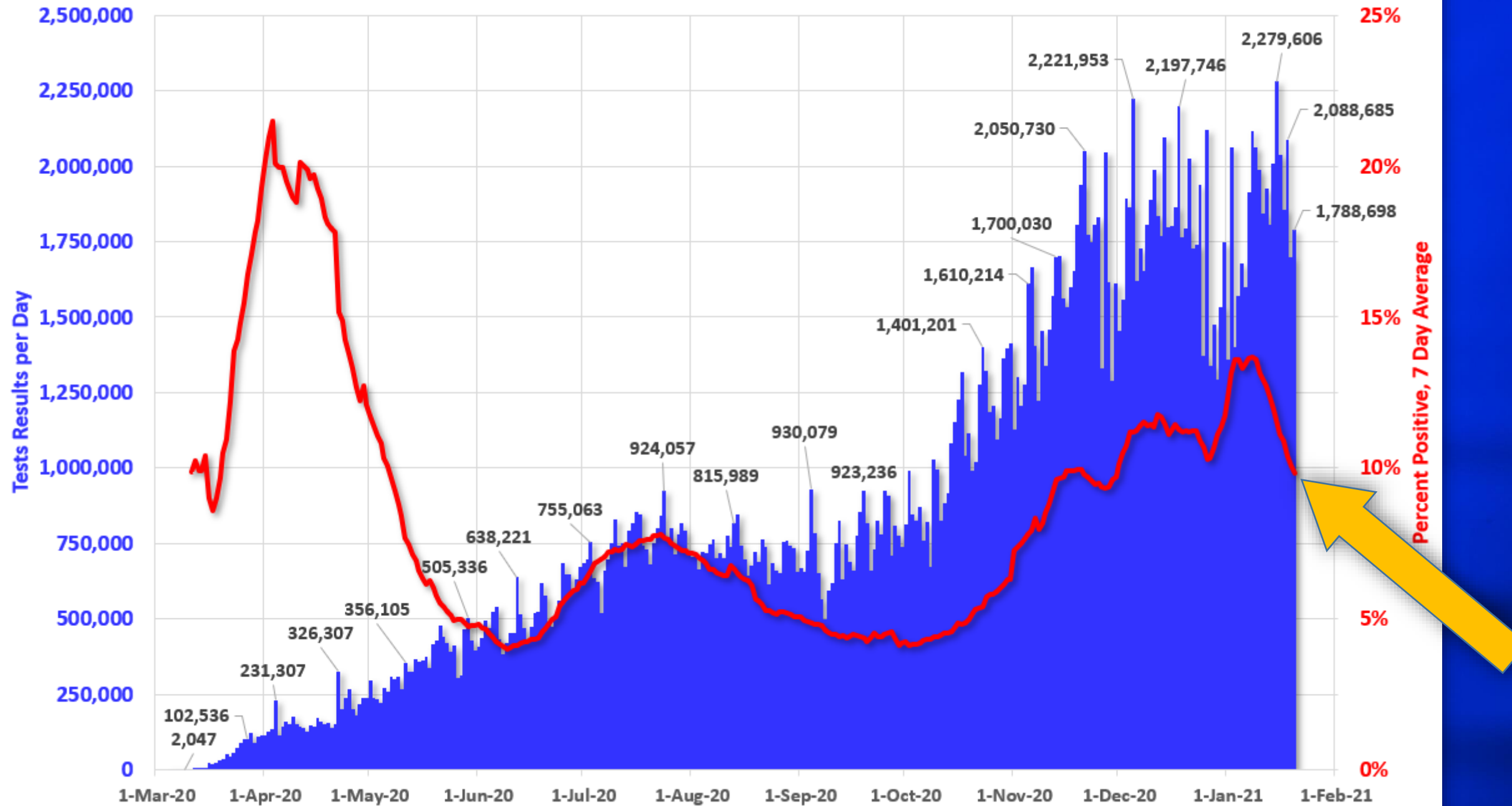


## New Confirmed COVID-19 Cases per Day





US COVID-19 Tests Results Per Day

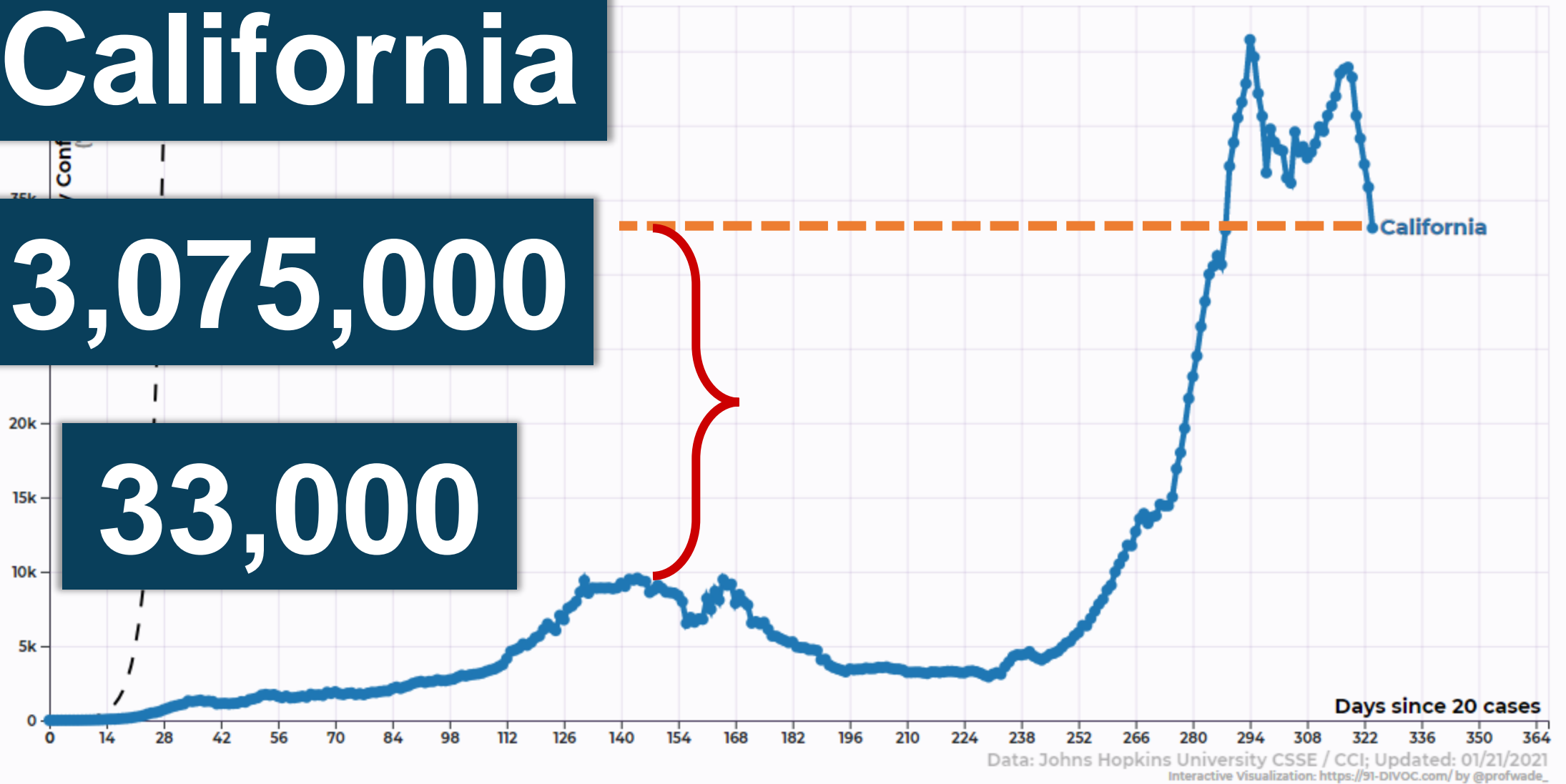


# New Confirmed COVID-19 Cases per Day by States/Territories

# California

## 3,075,000

## 33,000



Highlight: California

Data: New Cases, 1 Wk. Avg.

Scale: Log Linear

Show: Highlight Only

X-Axis: Days since threshold (left aligned)

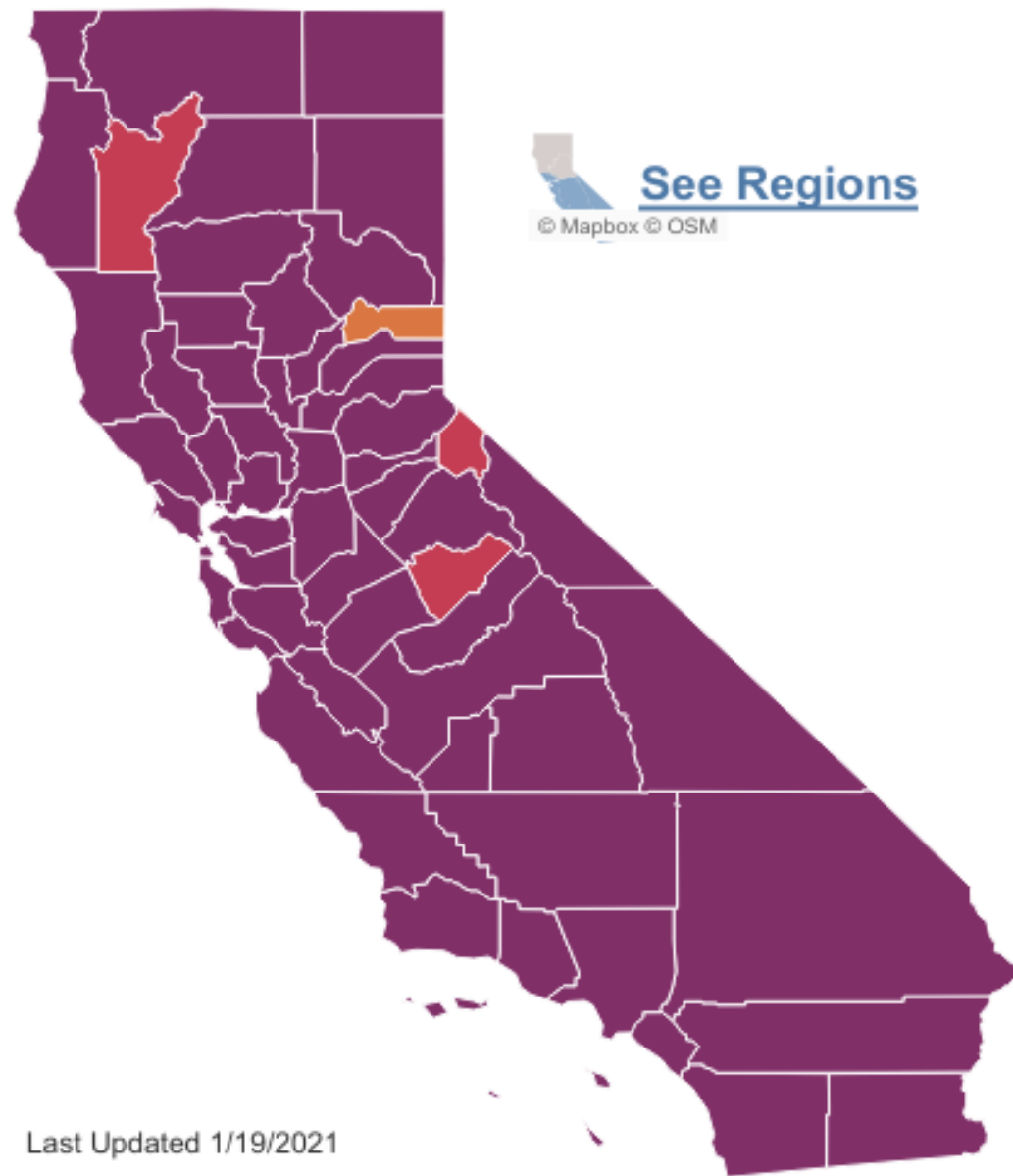
Y-Axis: All Highlight & All Current

Animate









[See Regions](#)

© Mapbox © OSM

### STATEWIDE METRICS

**105.4** New COVID-19 positive cases per day per 100K

**15.2%** Positivity rate (7-day average)

**0.0%** ICU availability

Find a county

No items highlighted



Click on the map for updated metrics

### COUNTY RISK LEVELS

	Counties	Population	
Widespread	54	40,093,779	99.9%
Substantial	3	32,266	0.1%
Moderate	1	3,115	0.0%

Last Updated 1/19/2021



#### STATEWIDE METRICS

105.4 New COVID-19 positive cases per day per 100K

15.2% Positivity rate (7-day average)

0.0% ICU availability



[See Counties](#)

© Mapbox © OSM

Northern  
California

**ICU Availability  
= 0%**

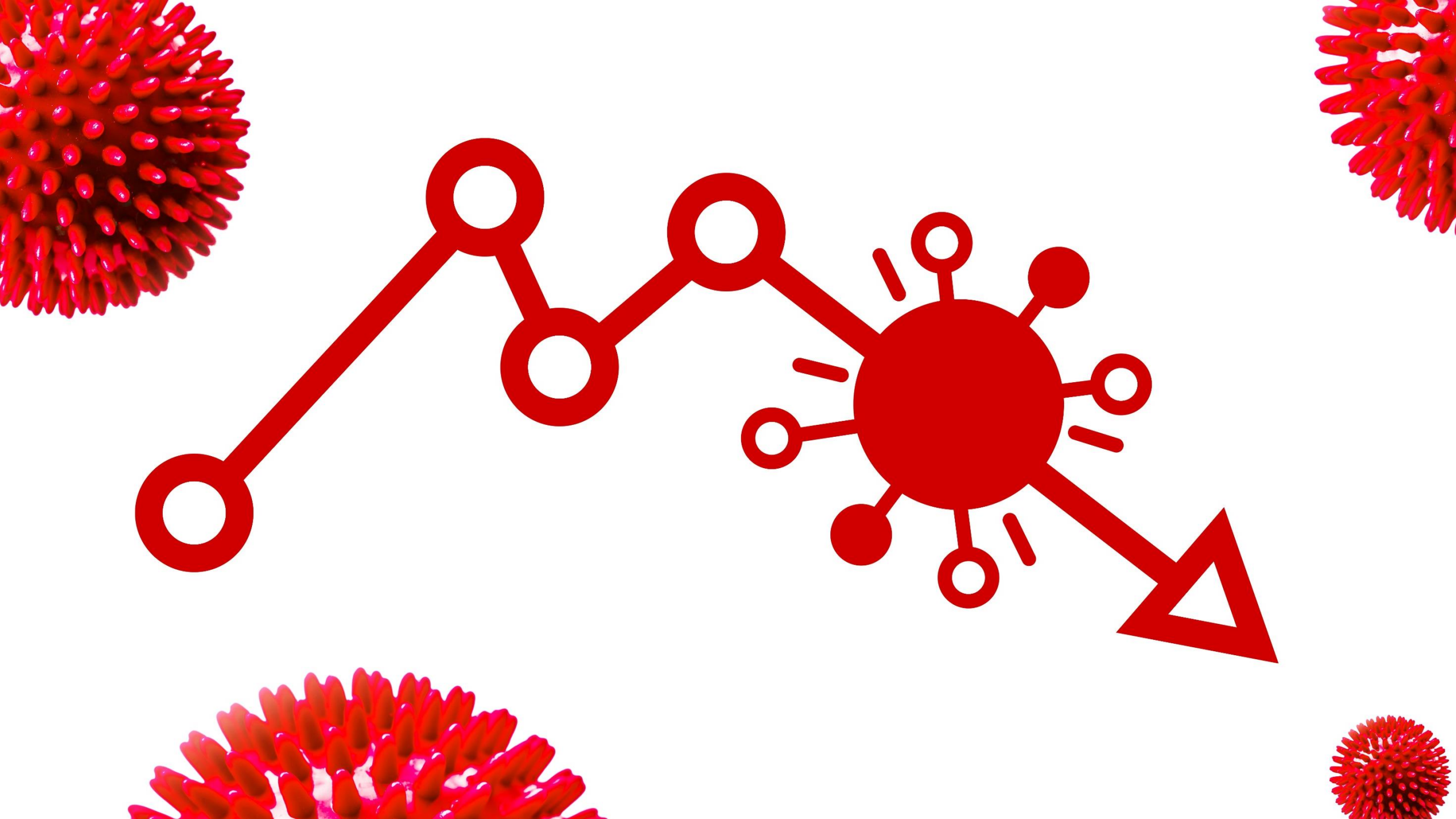
9.1%

90.9%

Last Updated 1/20/2021

© 2021 Mapbox © OpenStreetMap

Southern  
California



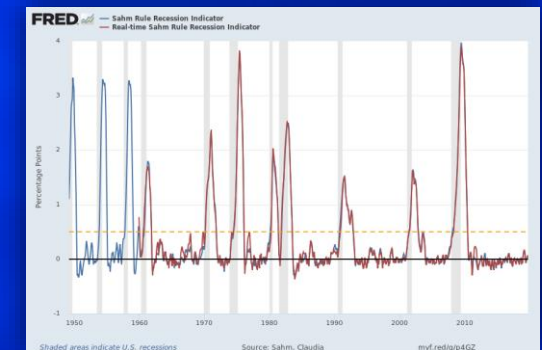
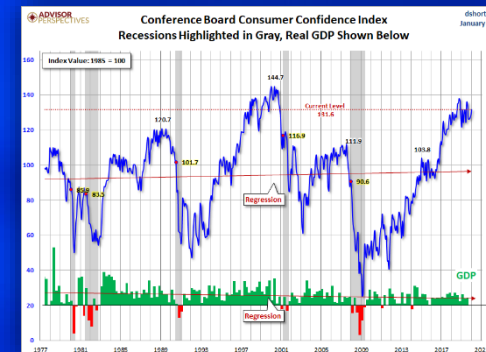
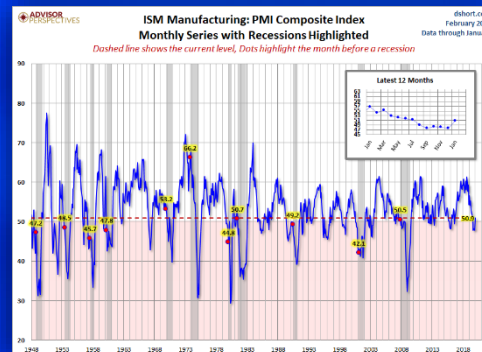
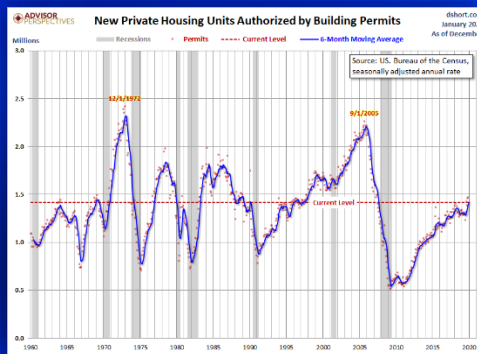
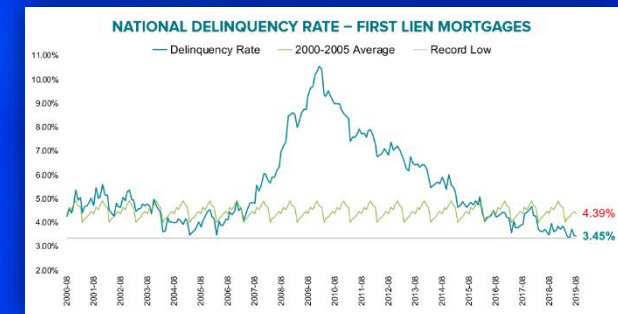
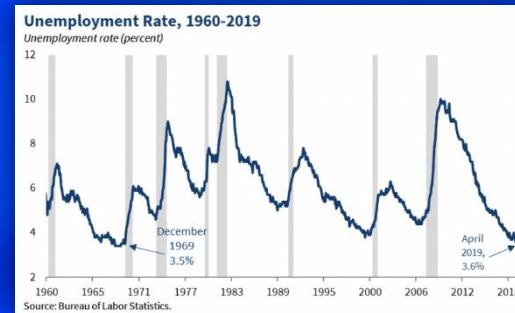
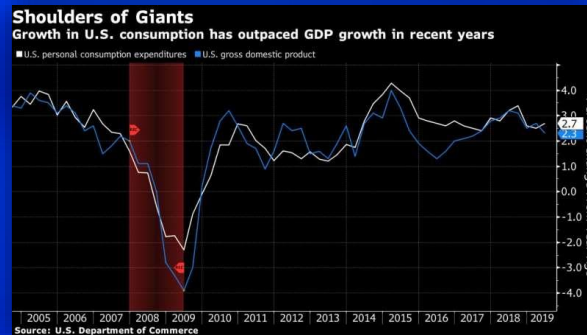
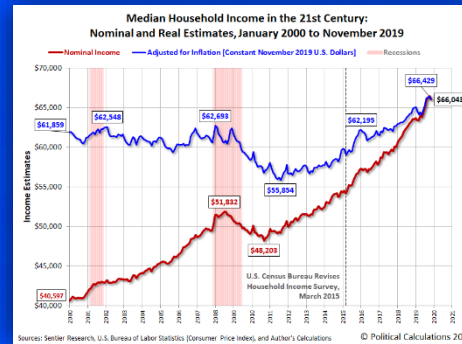
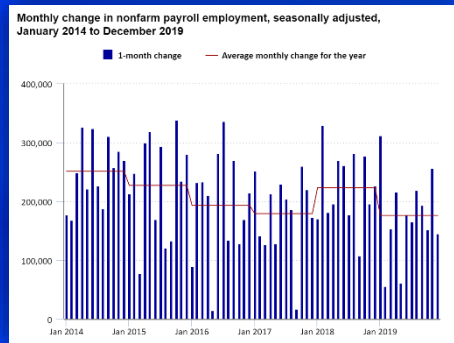




# United States Economic Outlook

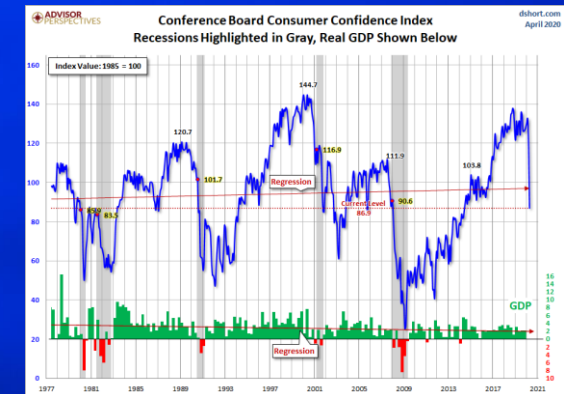
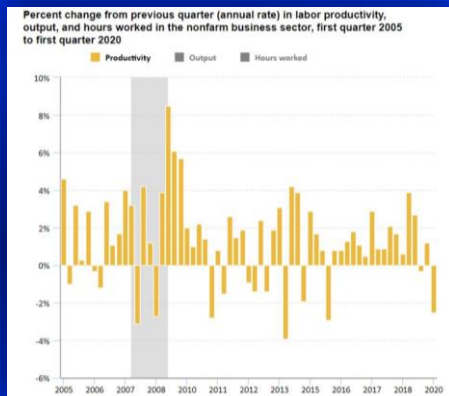
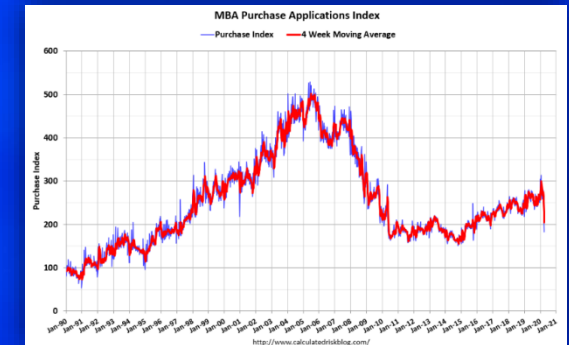
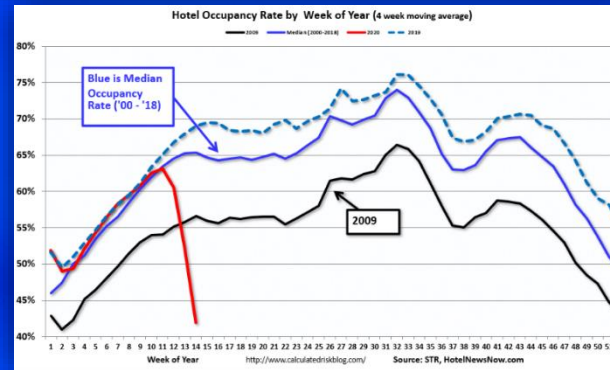
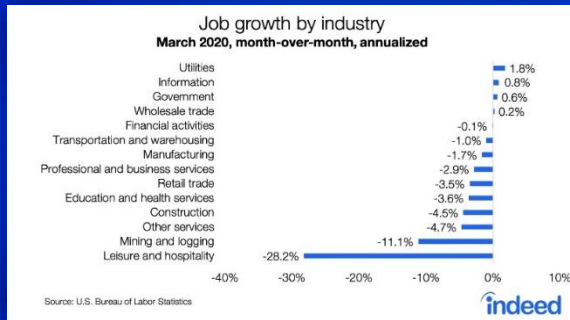
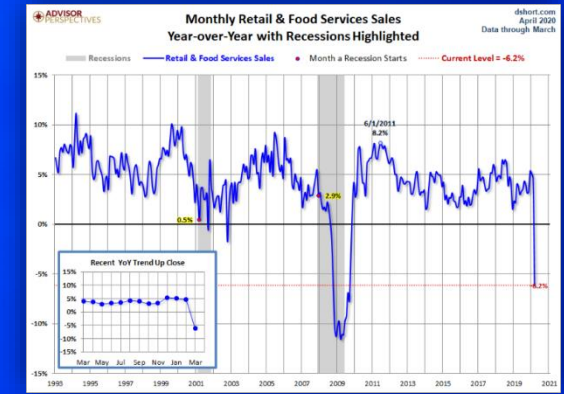
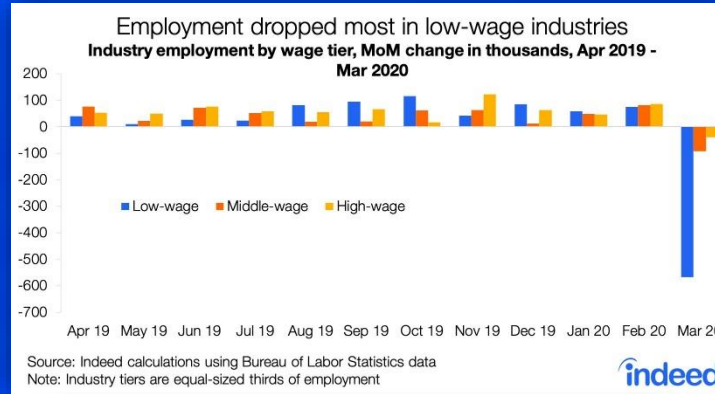
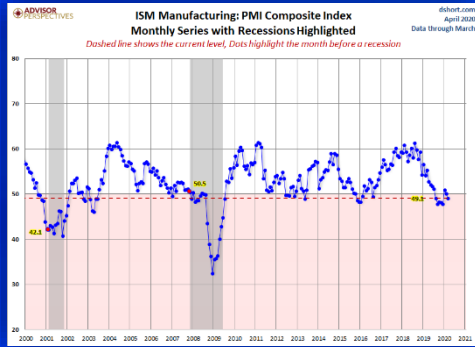


# Macro Charts – B.C.





# Macro Charts – A.D.



# PANDESSION





SafeHaven





---

# BONDS

Day's  
change

+5.50

-0.10

-0.28



# U.S. 10 Year Treasury

US10Y:U.S.

RT Quote | Exchange



Yield | 9:54 AM EST

1.111% ▲ +0.021

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

+ Comparison

1M Display Studies









# Primary Mortgage Market Survey<sup>®</sup>

U.S. weekly average mortgage rates as of 01/21/2021





FEDERAL RESERVE



**Unlimited  
Quantitative  
Easing**

**MBS  
Commercial**

**Fed Fund Rate to  
Zero**

**Alphabet Soup  
Credit  
Facilities**



# Relief Packages



- 1) March 6<sup>th</sup> – Coronavirus Preparedness & Response Supplemental Appropriations Act \$8.3B
- 2) March 18<sup>th</sup> – Families First Response Act - \$192B
- 3) March 27<sup>th</sup> – CARES Act - \$2.2T
- 3.5) April 24<sup>th</sup> – Paycheck Protection Program and Health Care Enhancement Act - \$310B
- 4) December 27<sup>th</sup> – Consolidated Appropriations Act - \$900B







I  
VOTED





# UNEMPLOYMENT







# EVICT

## NOTICE TO QUIT

You are hereby notified that you currently owe \$2480.00 in past due rent and late charges.  
rent due on this date is in the amount of \$800.  
The rent due covers the period from 1 April until 30 June.



# LANDLORDS

A photograph of a row of multi-story townhouses with a red-tiled roof and a large 'LANDLORDS' text overlay. The townhouses are light-colored with white window frames and dark shutters. Some units have small balconies with black railings. The buildings are set back from a street by a sidewalk and a landscaped area with greenery, including tall, thin evergreen trees and low hedges. A street lamp is visible on the sidewalk. The sky is clear and blue.



5

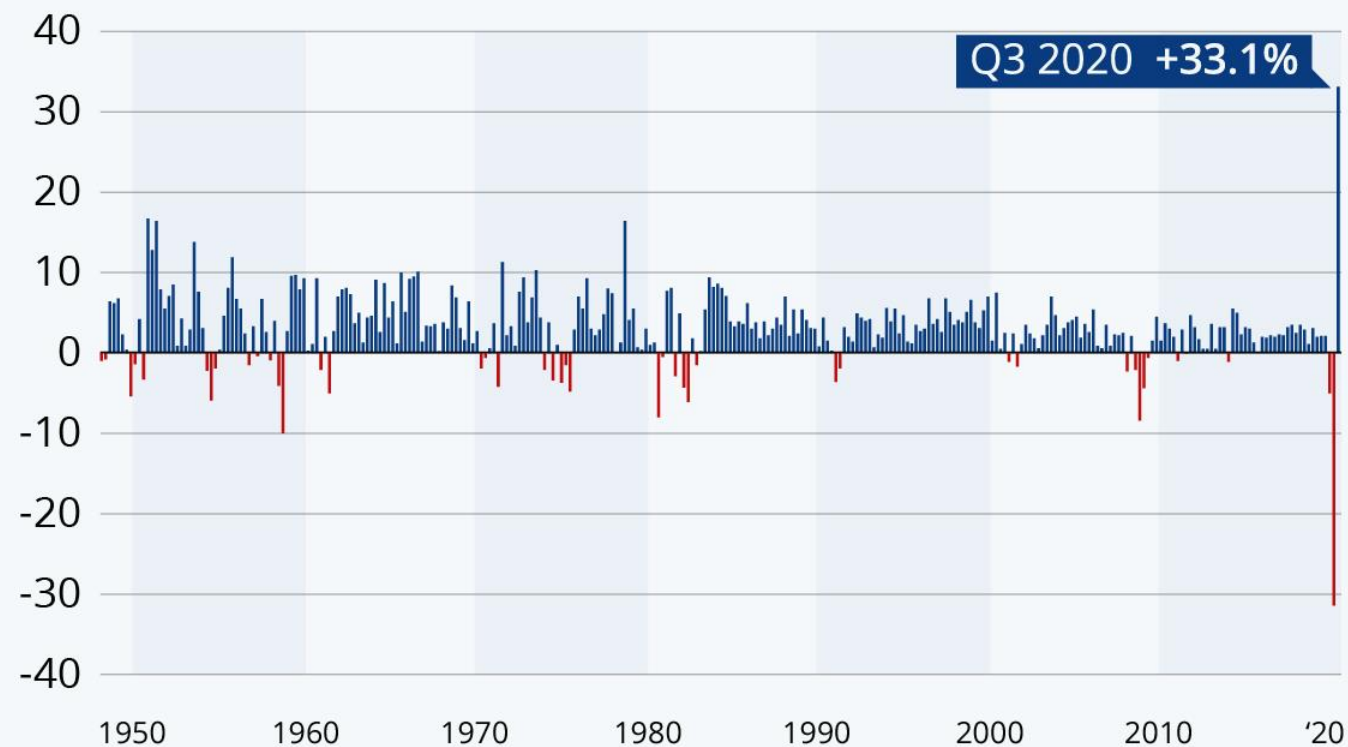






# Quarter-on-Quarter GDP Growth Jumps up in the U.S.

Quarterly real GDP growth in the United States\*



\* percent change from preceding quarter; seasonally adjusted at annual rates

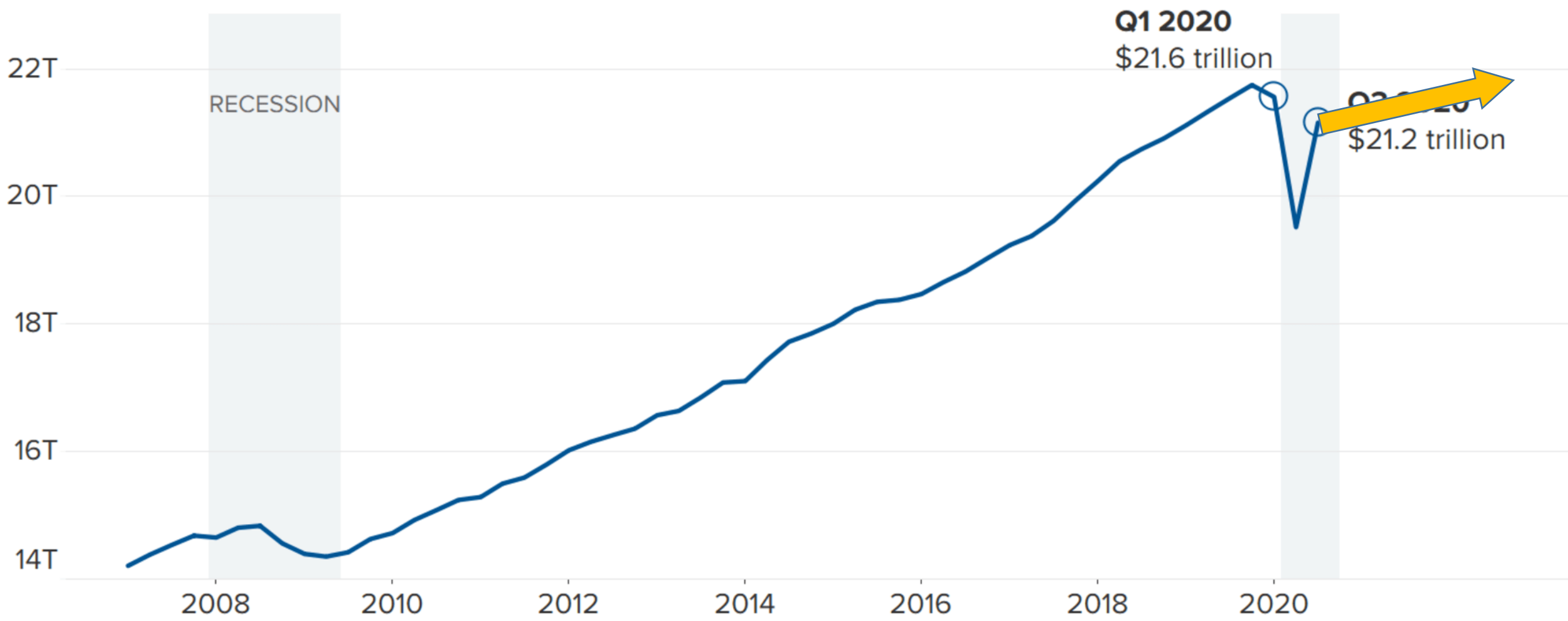
Source: U.S. Bureau of Economic Analysis





# U.S. gross domestic product (GDP)

Total value in current U.S. dollars, seasonally adjusted



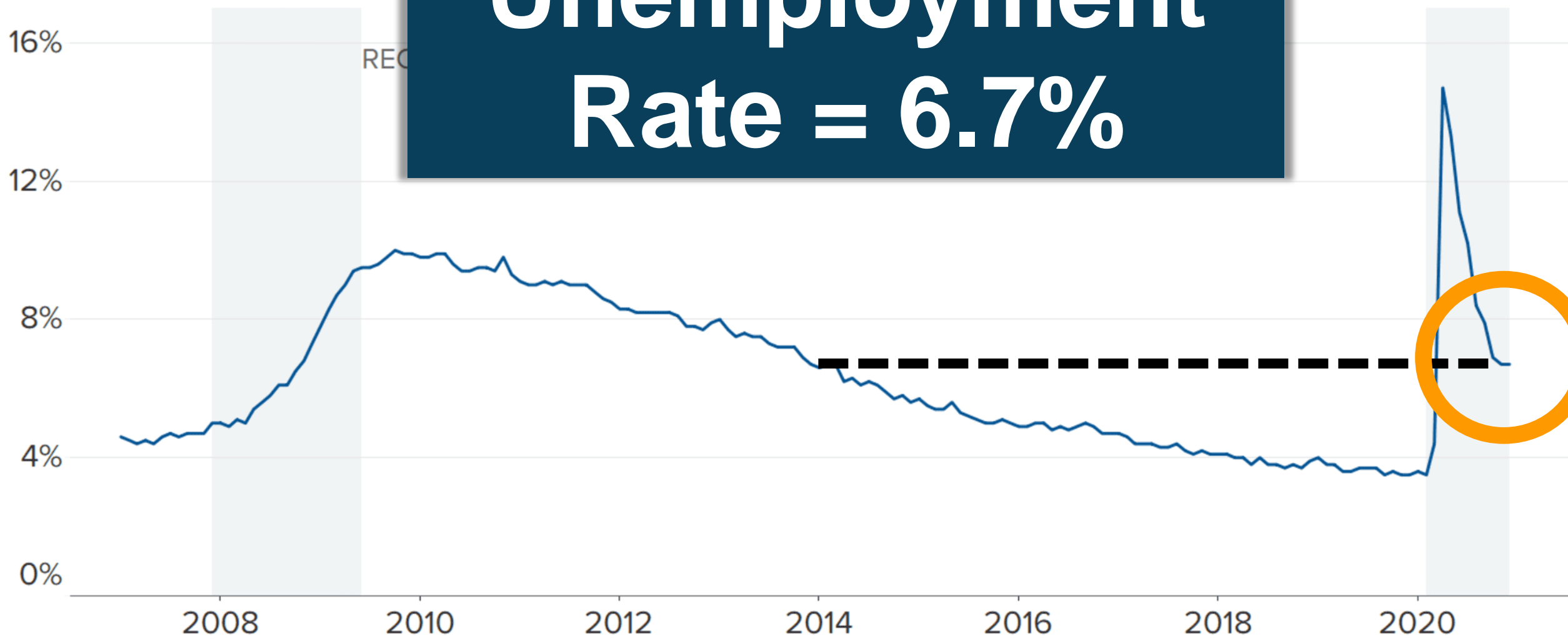
SOURCE: Bureau of Economic Analysis. Data is seasonally adjusted.



**Jobless rate remains at 6.7% in December**

Monthly unemployment rate

**Unemployment  
Rate = 6.7%**



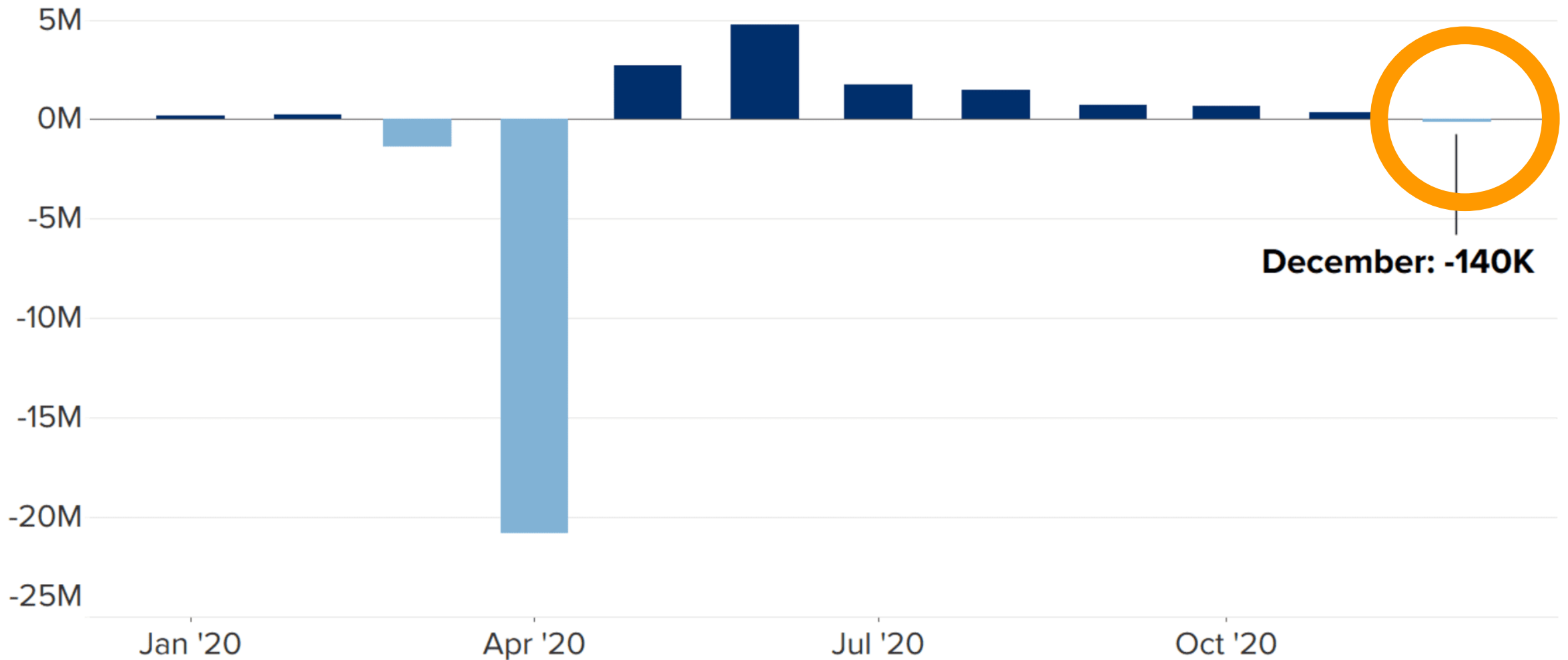
SOURCE: Bureau of Labor Statistics. Data is seasonally adjusted.





# Monthly job growth

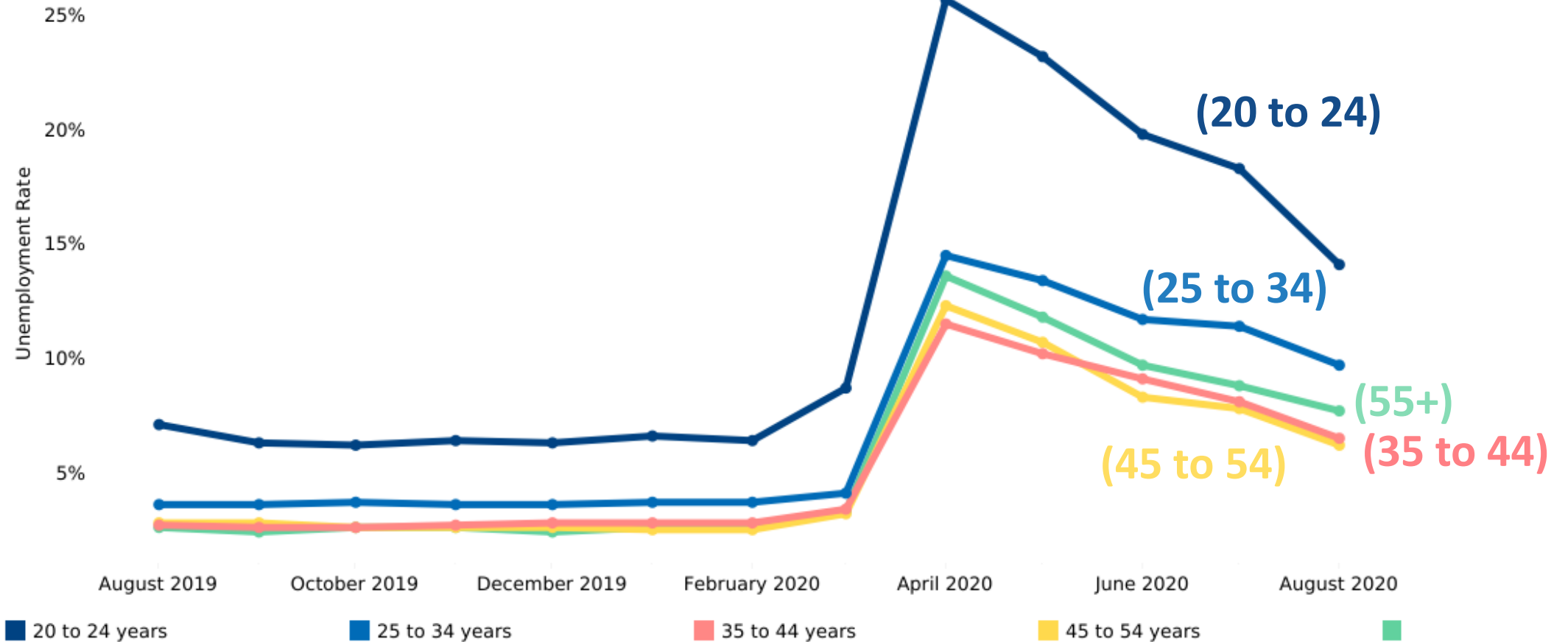
Total nonfarm payrolls, change from previous month



SOURCE: Bureau of Labor Statistics. Data is seasonally adjusted.

# Unemployment Rate

## Age

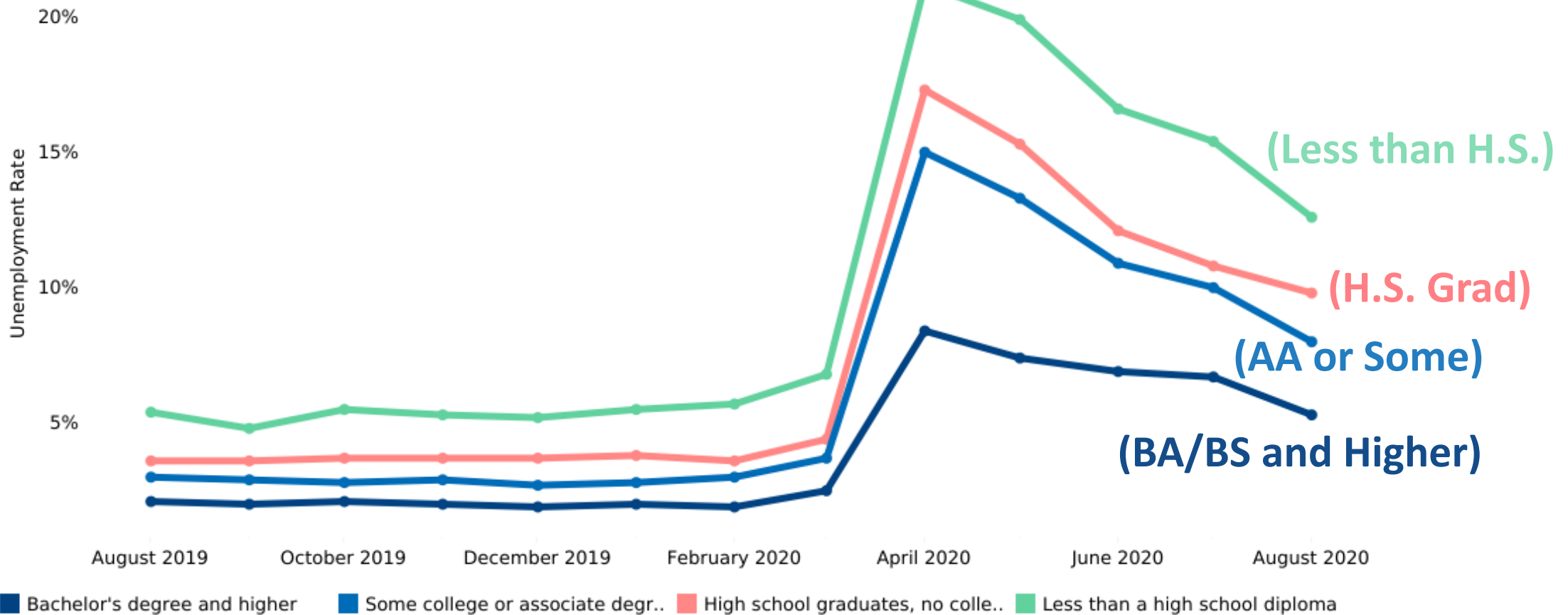


Sources: NAR Calculations of CPS data, U.S. Census Bureau



# Unemployment Rate

## Education

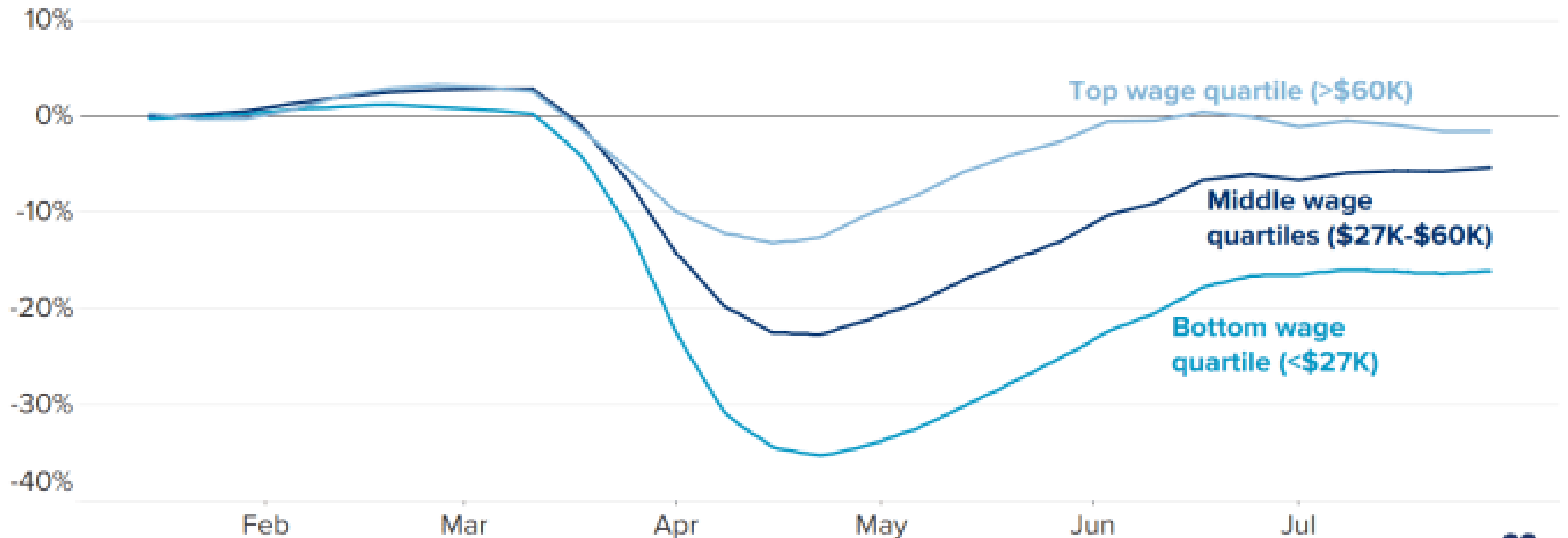


Sources: NAR Calculations of CPS data, U.S. Census Bureau

# Unemployment Rate

## Employment by income level

Change in employment rates, indexed to January 4-January 31, 2020



SOURCE: Opportunity Insights. Based on payroll data from Paychex and Intuit, employment and earnings data from Earnin, and timesheet data from Kronos.







**FOR  
RENT**



# Job Gains Slow to a Trickle in Long Climb Back

Total nonfarm employment in the United States  
(seasonally adjusted)\*



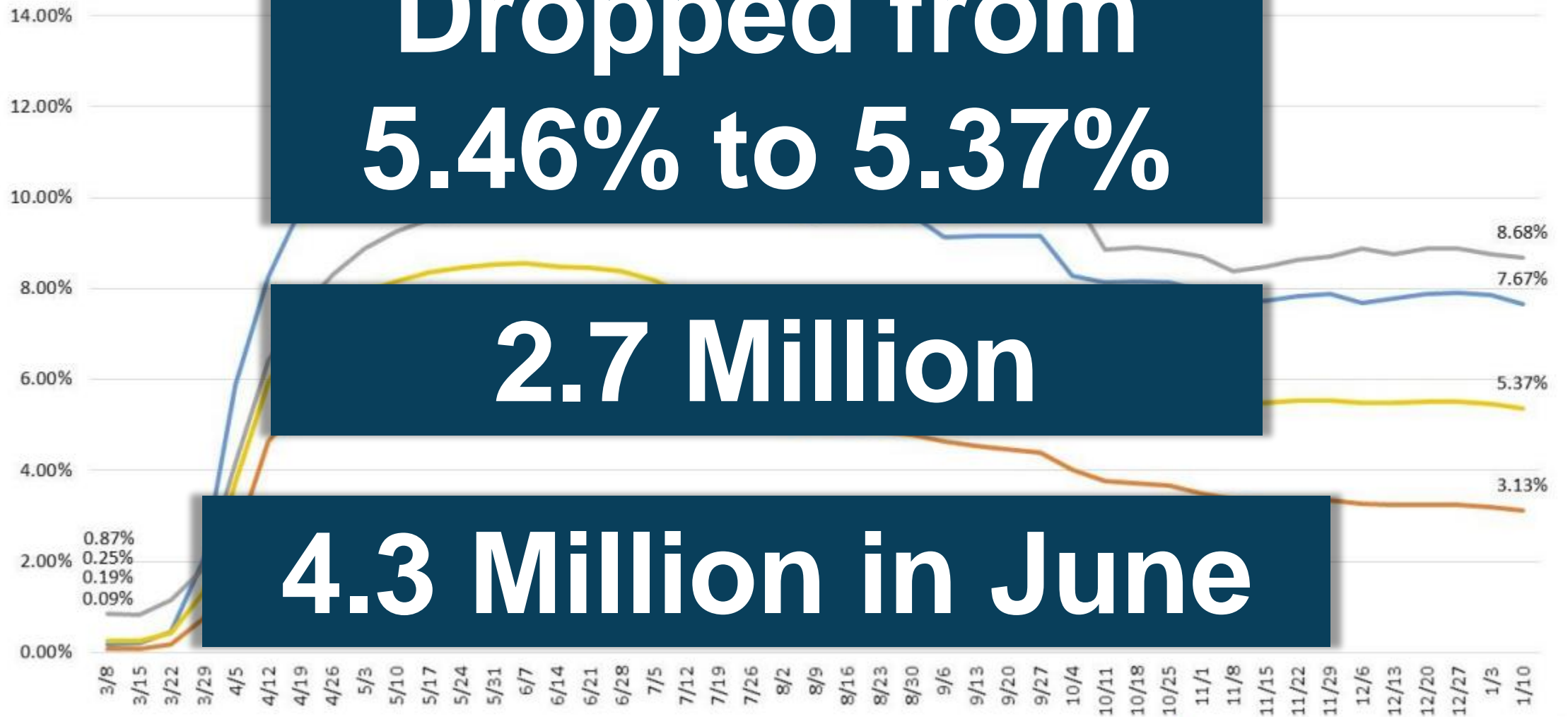
\* excludes proprietors, private household employees, unpaid volunteers, farm employees, and the unincorporated self-employed

Source: Bureau of Labor Statistics



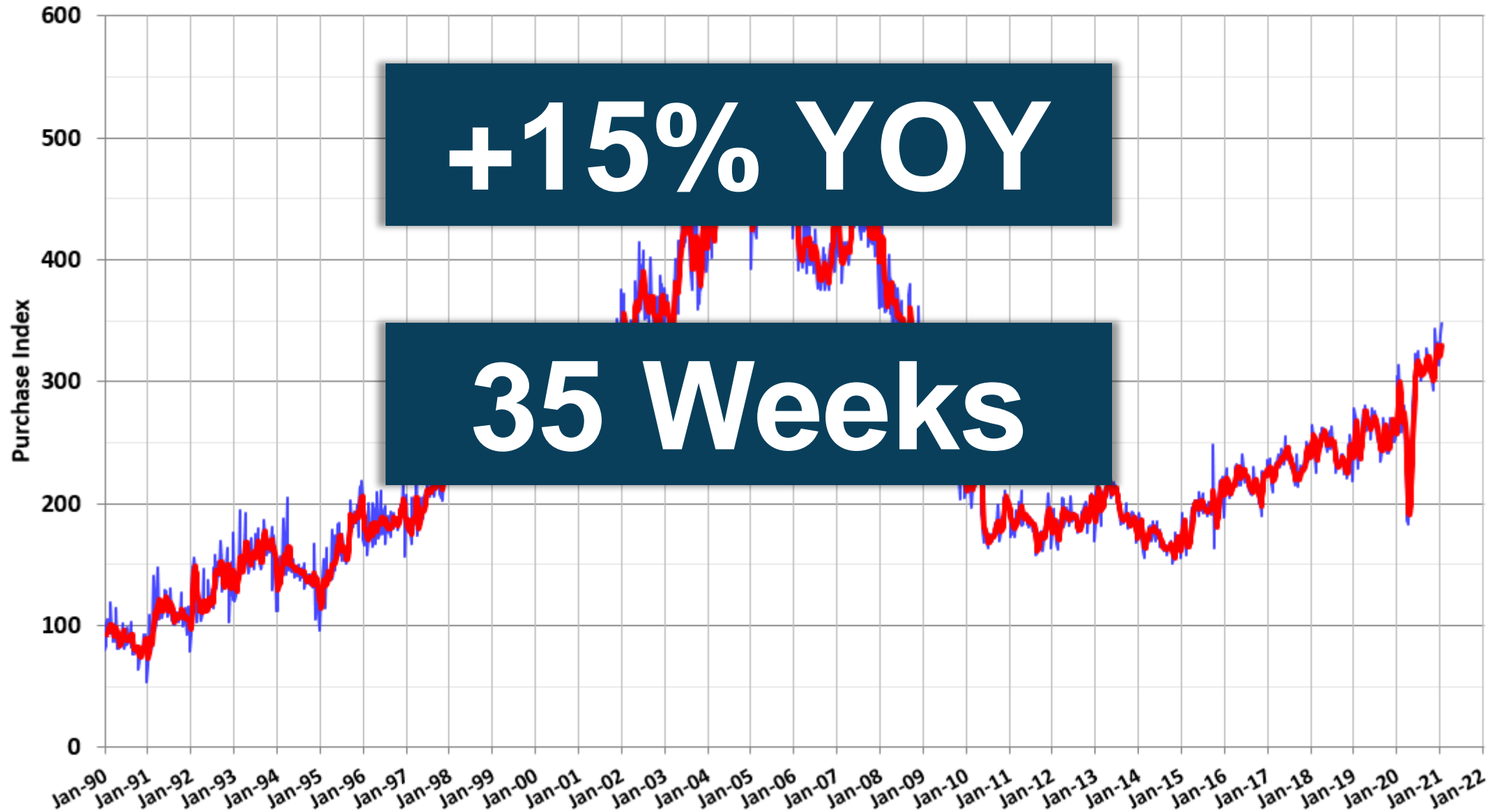


# % of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)



## MBA Purchase Applications Index

Purchase Index 4 Week Moving Average









# America is Back?



## What to Look For:

1. **COVID-19**
2. **Unemployment**
3. **Hard Hit Industries**
4. **Core Retail Sales**
5. **PMI Data**
6. **New Home Sales**
7. **Consumption**







moderna™

---

messenger therapeutics



# Tracking America's Vaccine Rollout

Covid-19 vaccine doses administered



Total doses distributed across the U.S.

36,000,000

1,200,000

900,000

People who received the first dose

16,500,000



Source: Bloomberg



## New Home Sales and Recessions





# The Orange County Market



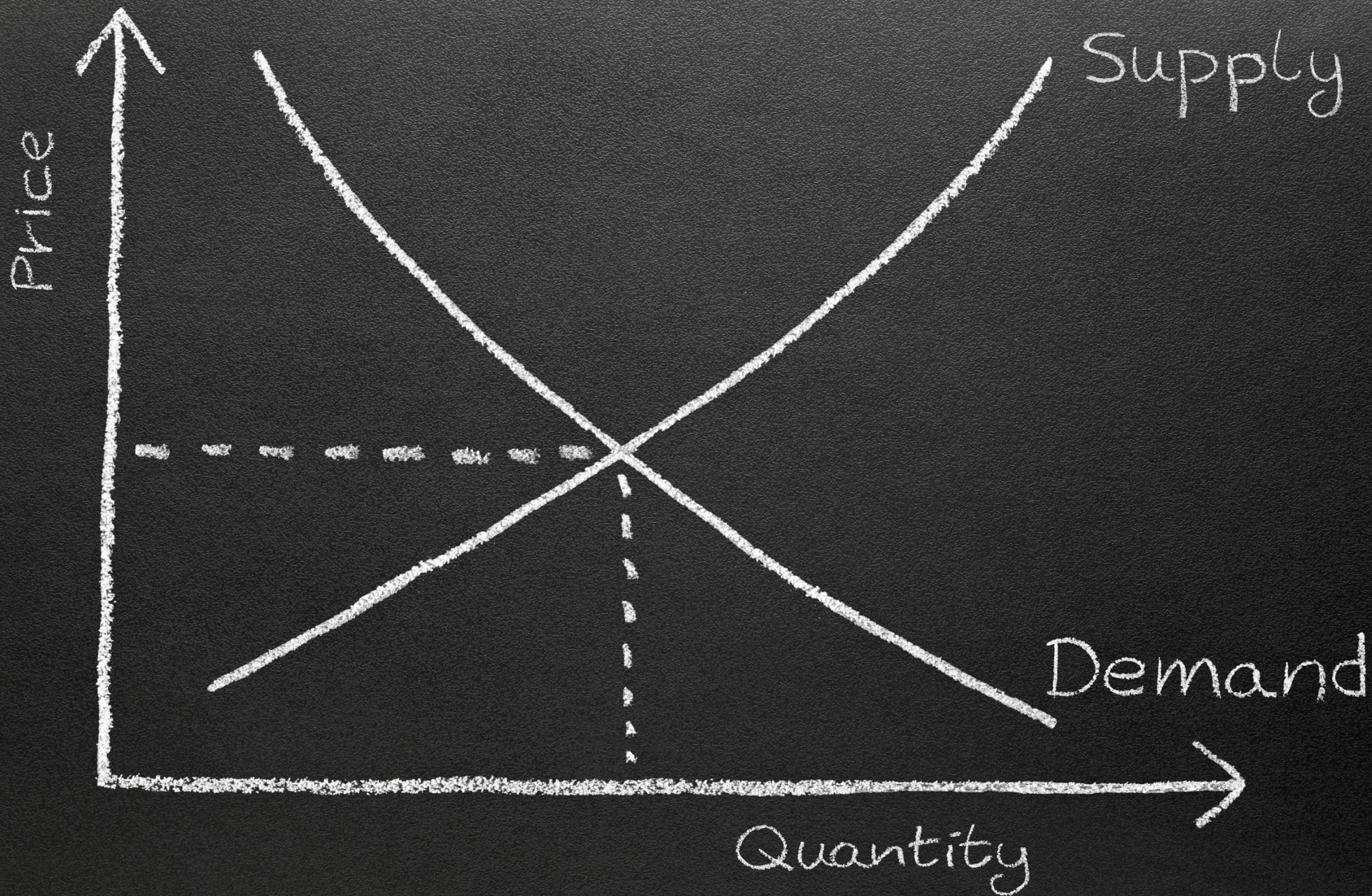
HOLSEN



A photograph of a beach at sunset. The sky is filled with warm, orange and yellow clouds, with the sun low on the horizon. The beach in the foreground is wet and reflective, showing the silhouettes of small plants and the shimmering water. Overlaid on the center of the image is a dark grey rectangular box containing the year '2013' in large, bold, yellow sans-serif font.

2013







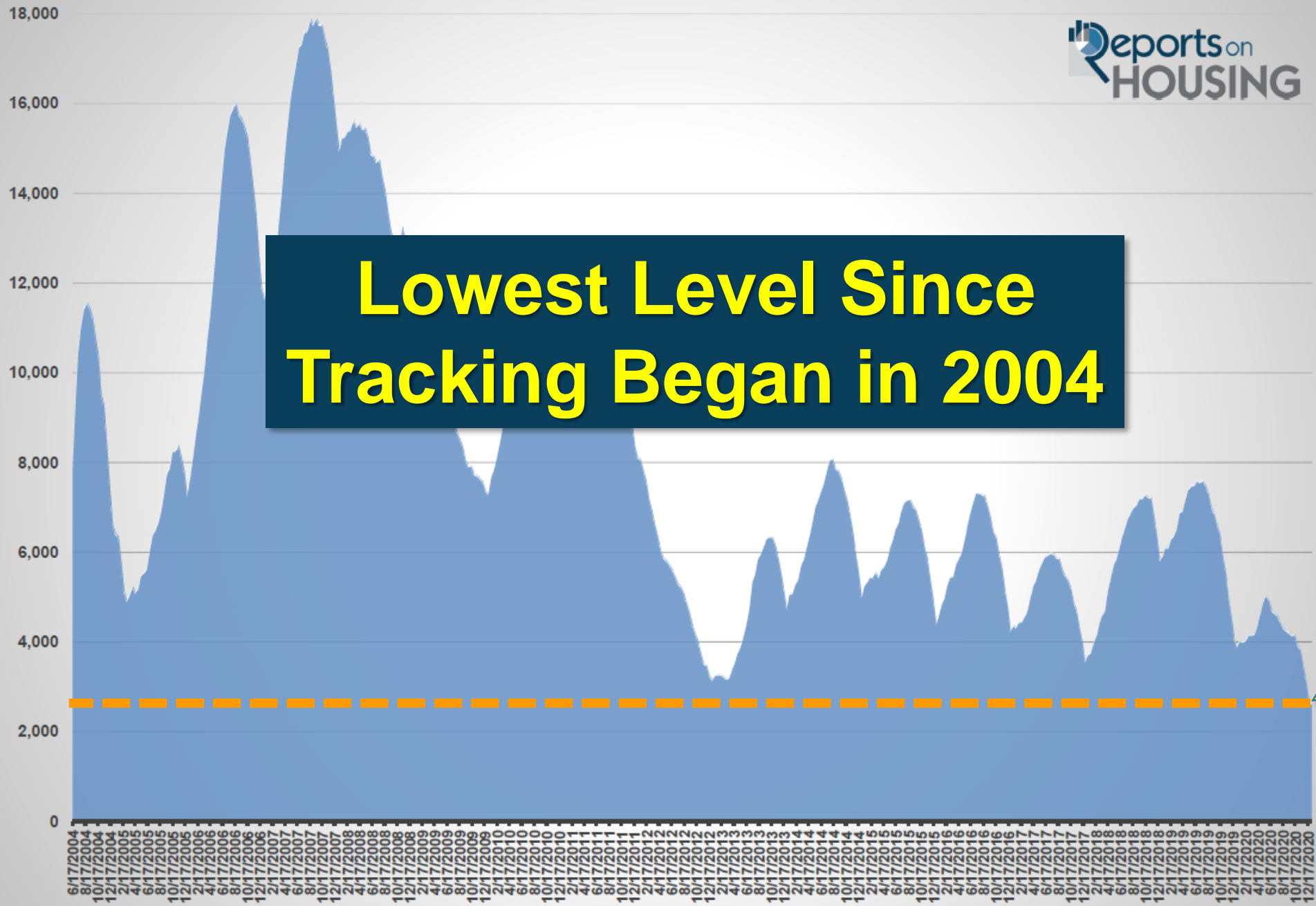
# Orange County Housing Supply



# Orange County Active Listing Inventory

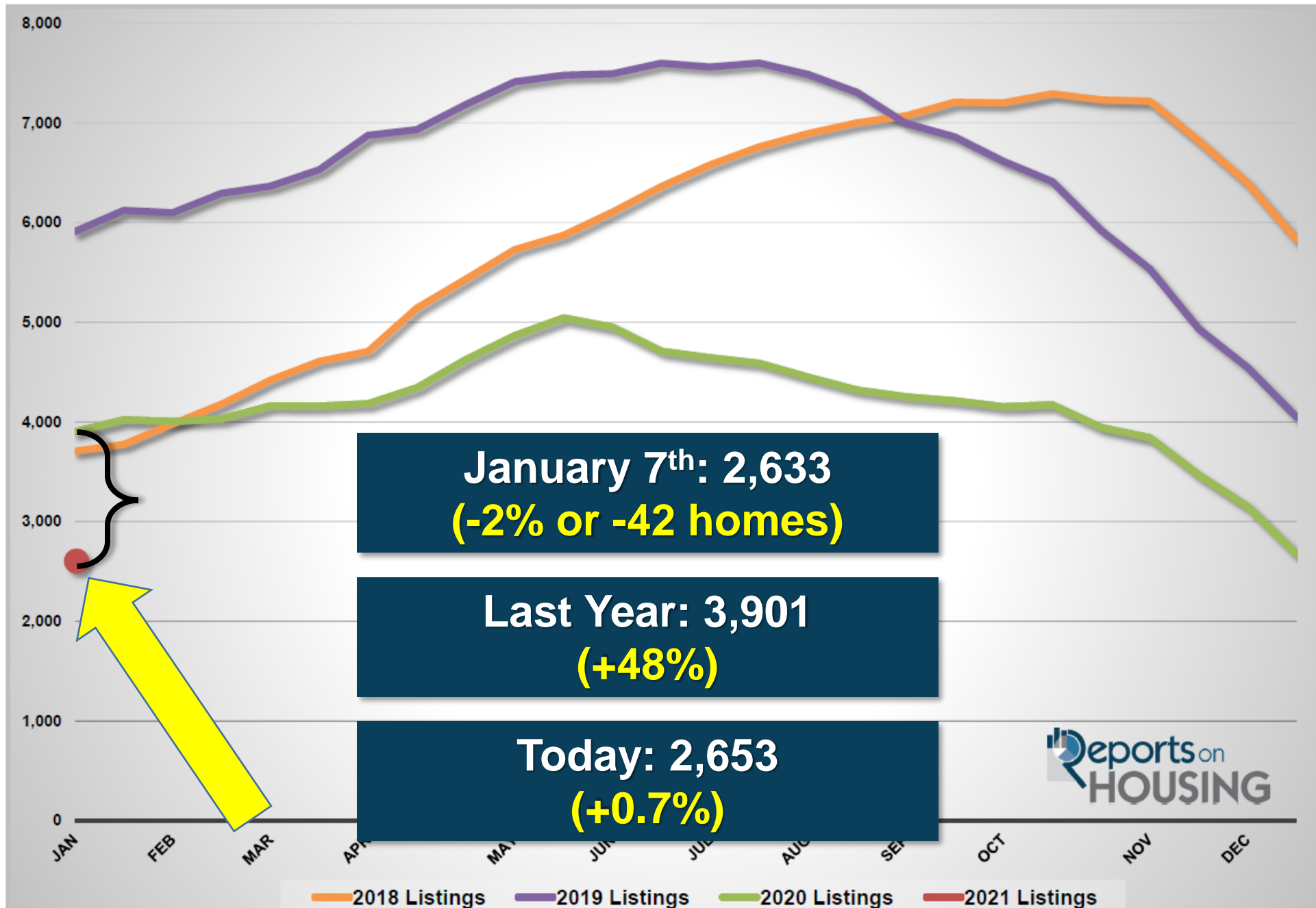


**Lowest Level Since  
Tracking Began in 2004**





## Orange County Active Listing Inventory Year Over Year



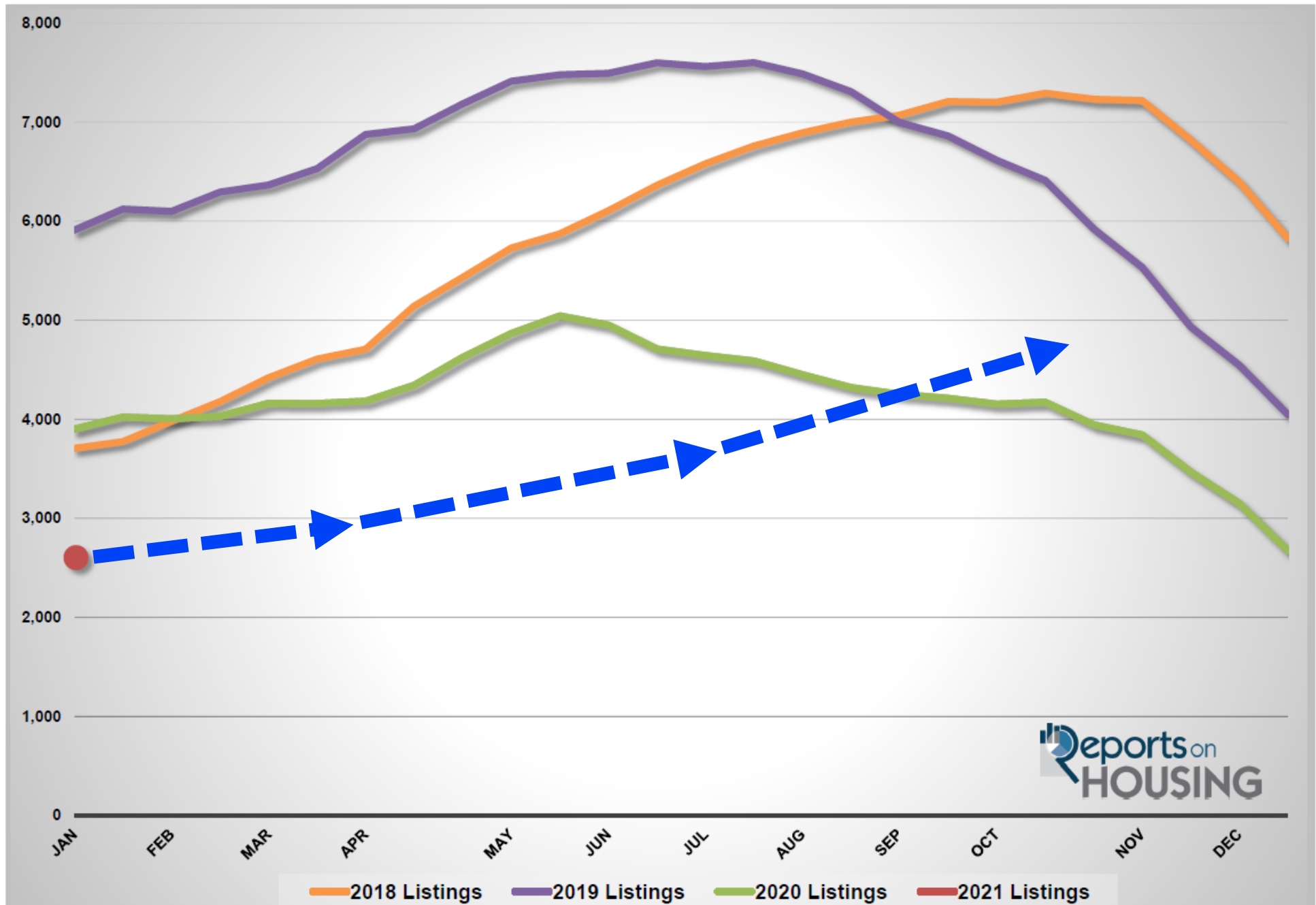


A scenic photograph of a winter mountain landscape. The foreground is a smooth, snow-covered slope with soft shadows cast by the trees. Several evergreen trees, heavily laden with snow, are scattered across the scene. In the background, more snow-covered mountains are visible under a clear, bright blue sky. The overall atmosphere is peaceful and serene.

**Supply  
Slightly Rises**



# Orange County Active Listing Inventory Year Over Year





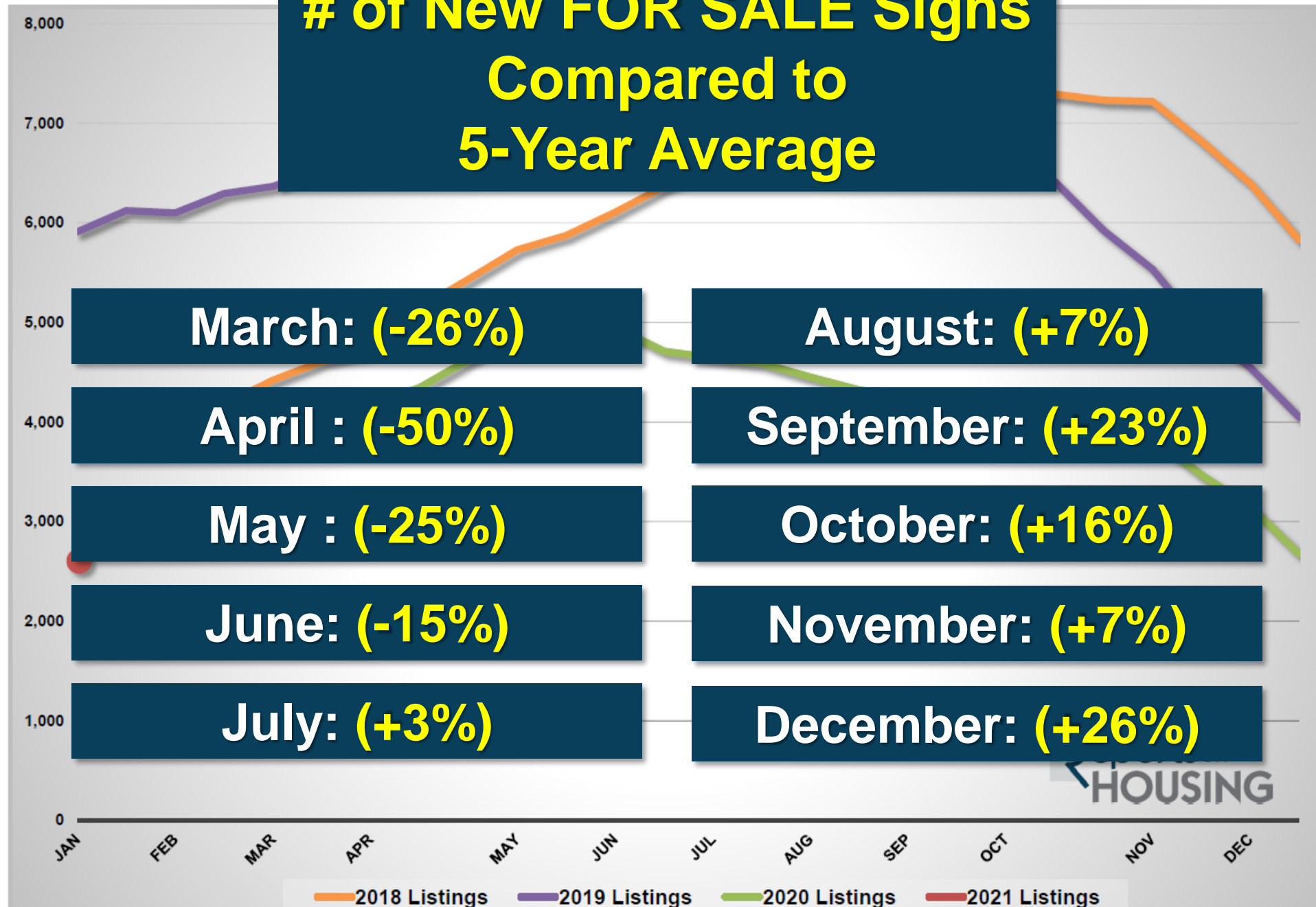


COVID19,

is it *STILL*

Suppressing Supply?

# # of New FOR SALE Signs Compared to 5-Year Average









# COVID 19

Is ***NO LONGER***

Suppressing Supply





# # of Missing FOR-SALE Signs in Orange County

March to June:  
**-4,655**

All of 2020:  
**-2,725 or -7%**



# Year Over Year Inventory

	Current Actives 1/7/2021	Active Inventory 1/9/2020	Year Over Year
Los Angeles County	7,688	8,418	-9%
Orange County	2,633	3,901	-33%
Riverside County	3,163	7,225	-56%
San Bernardino County	1,791	4,857	-63%
San Diego County	2,556	4,744	-46%
<b>SOCAL TOTALS</b>	<b>17,831</b>	<b>29,145</b>	<b>-39%</b>





× Potential buyer: "Hi,  
× I'm looking to buy a  
× house. How's the market?"

× Me: "Remember back  
× in May when you were  
× looking for toilet paper?  
× Yeah... just like that."

# Orange County Housing Demand











# COVID 19

**Is NOT**

Suppressing Demand





LEMONADE

GENERATIONS

ESCROW



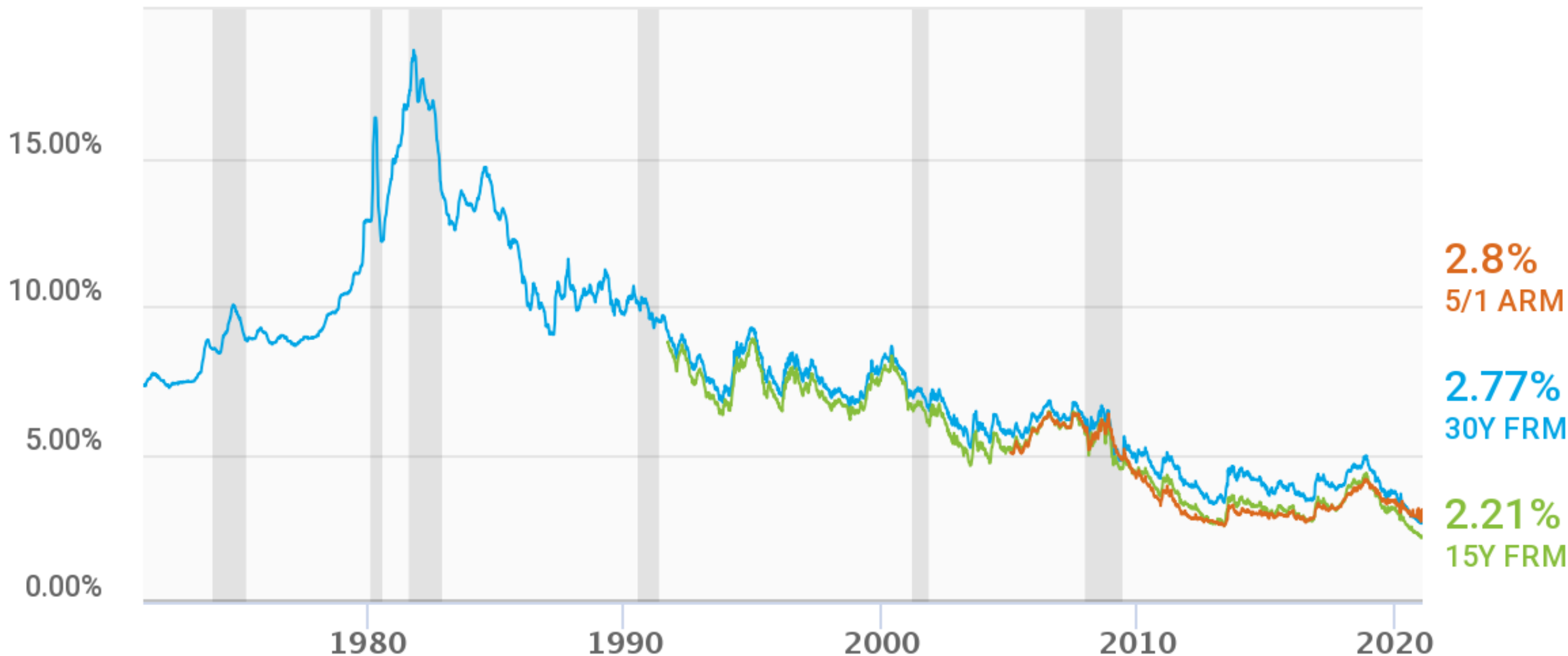


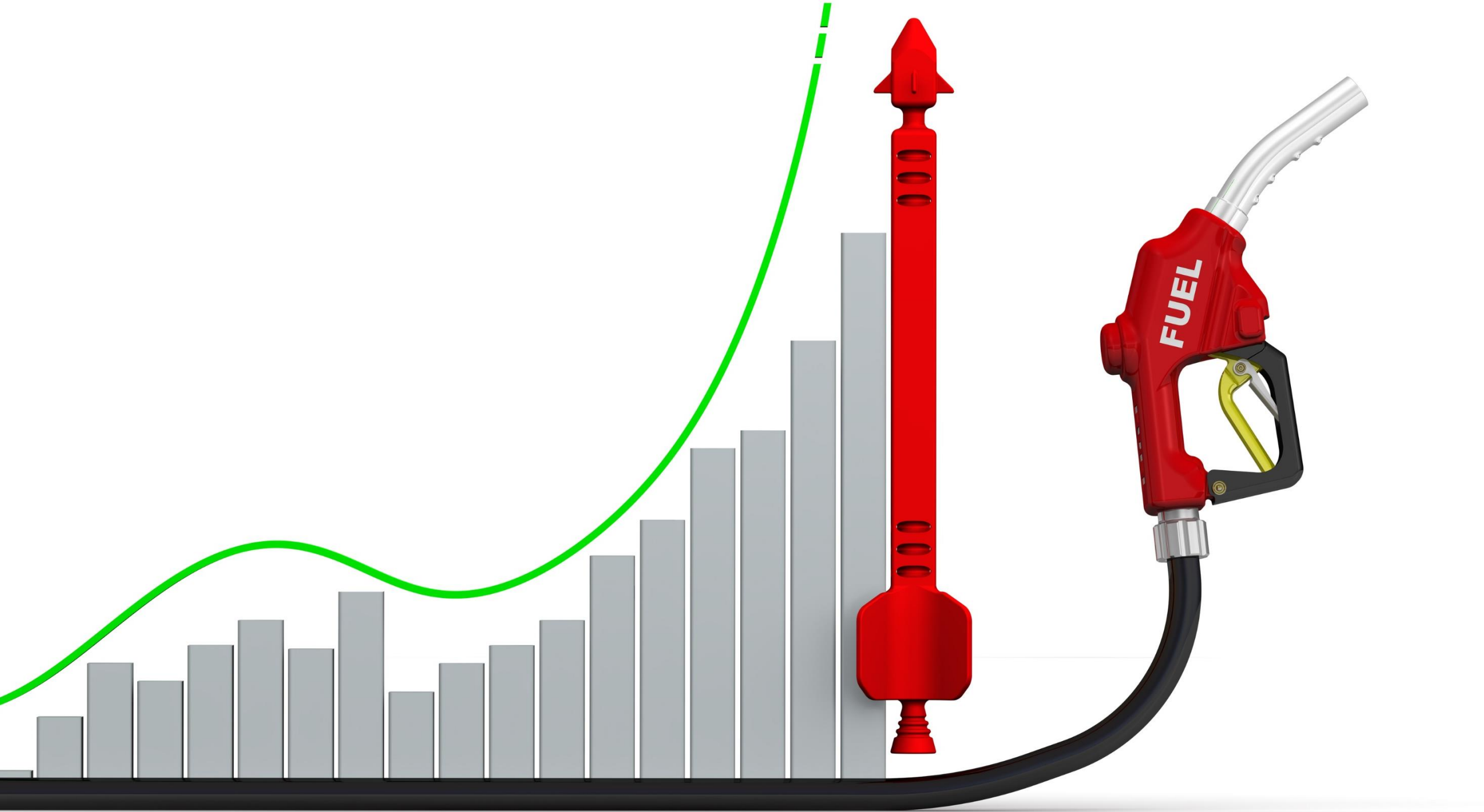




## Primary Mortgage Market Survey<sup>®</sup>

U.S. weekly average mortgage rates as of 01/21/2021







A large crowd of people is gathered outside a building entrance, mostly seen from behind. They are wearing various winter items like jackets, hats, and scarves. A person in a bright blue hooded jacket is prominent on the right, reaching towards the door. The scene suggests a busy public event or a queue for entry.

# Fair Market Value





01

02

08

05

**FOR  
SALE**





FOR  
SALE



**SOLD** OVER  
ASKING

**FOR  
SALE**

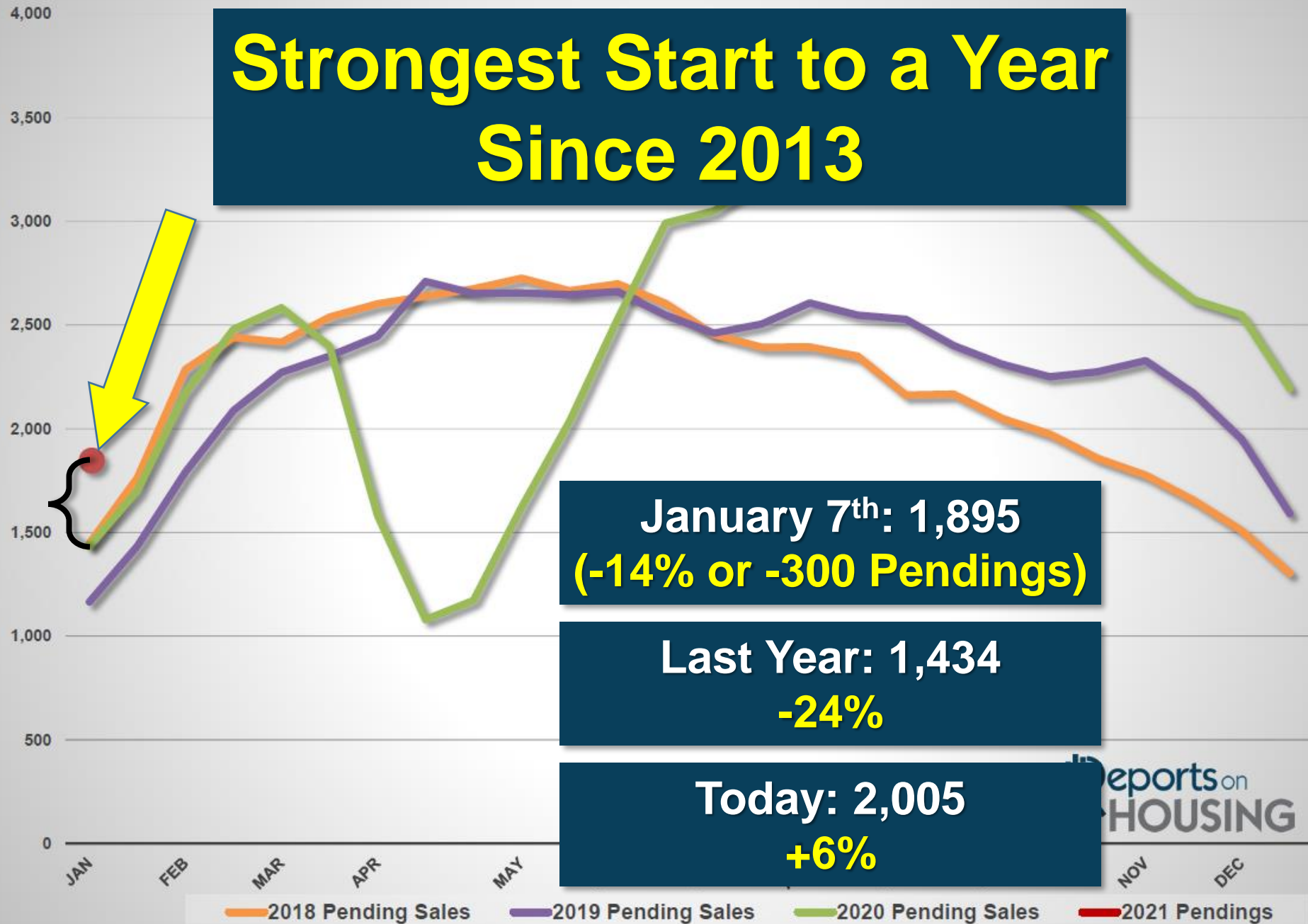




# Orange County Demand Year Over Year

Prior 30 Day Pending Sales Snapshot

## Strongest Start to a Year Since 2013





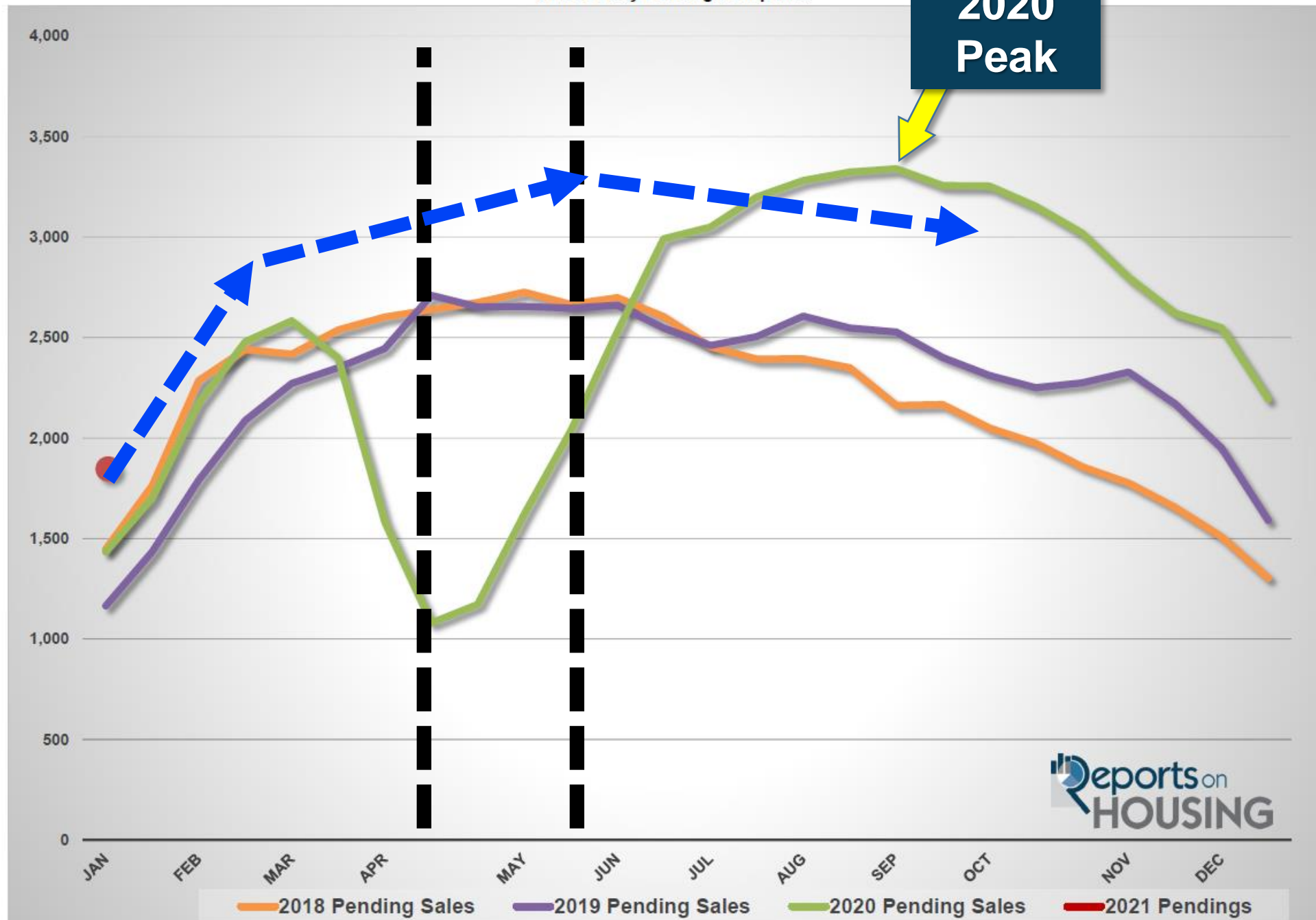
A scenic photograph of a winter mountain landscape. The foreground is covered in a thick, smooth layer of snow, with soft shadows cast by the trees. Several evergreen trees, heavily laden with snow, are scattered throughout the scene. In the background, a range of snow-capped mountains stretches across the horizon under a clear, pale blue sky. The overall atmosphere is serene and cold.

# **Demand Surges**



# Orange County Demand Year Over Year

Prior 30 Day Pending Sales Snapshot



# Year Over Year Demand

	Demand (30 Days Pendings)  1/7/2021	Demand (30 Days Pendings)  1/9/2020	Year Over Year
Los Angeles County	4,347	3,146	38%
Orange County	1,895	1,434	32%
Riverside County	2,861	1,896	51%
San Bernardino County	1,911	1,446	32%
San Diego County	2,144	1,838	17%
<b>SOCAL TOTALS</b>	<b>13,158</b>	<b>9,760</b>	<b>35%</b>



**Demand  
Drops Fast  
Supply Drops  
Fast**







**Demand  
Surges  
Supply  
Slightly Rises**





**Demand  
Climbs & Peaks**

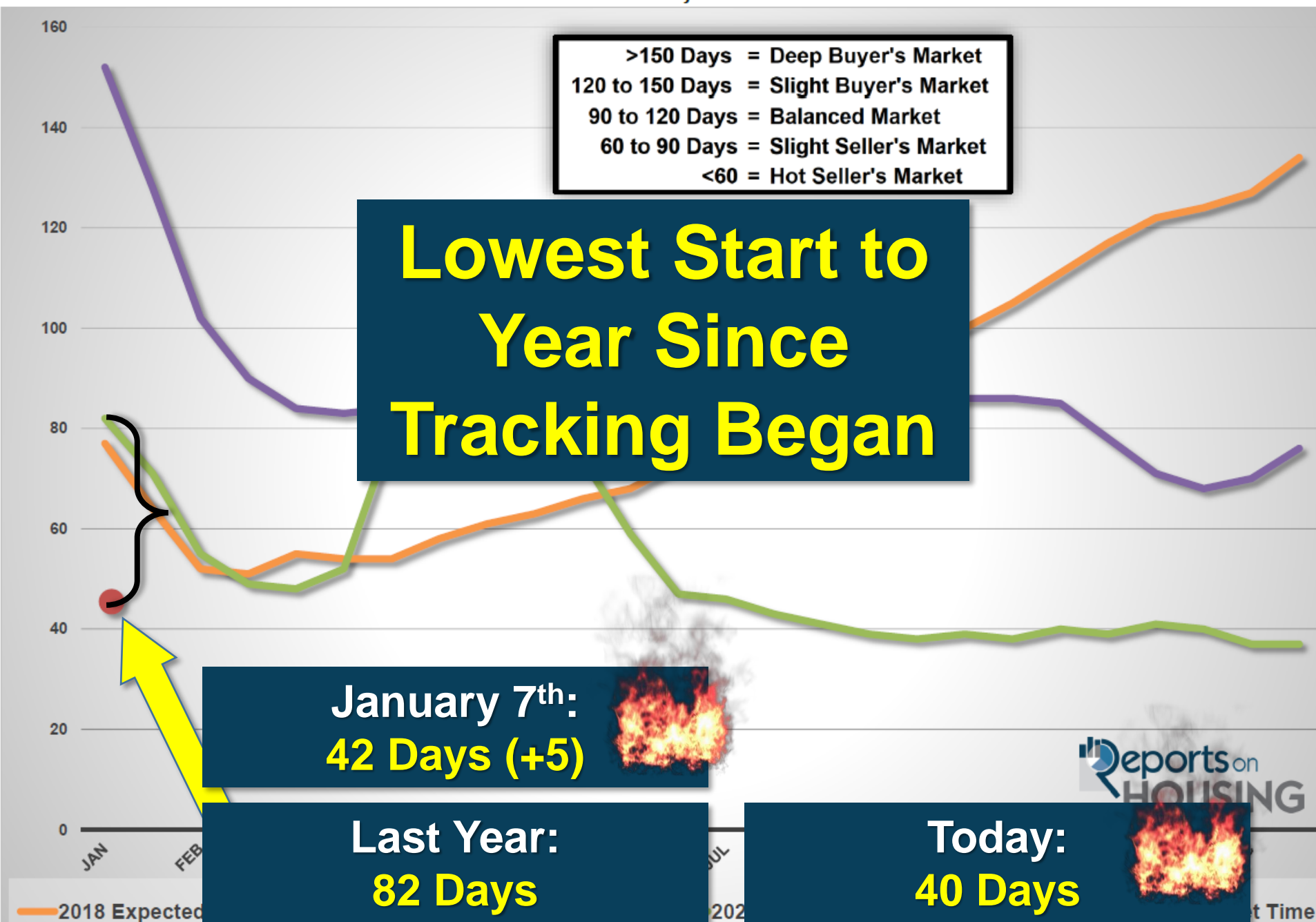
**Supply Rises**



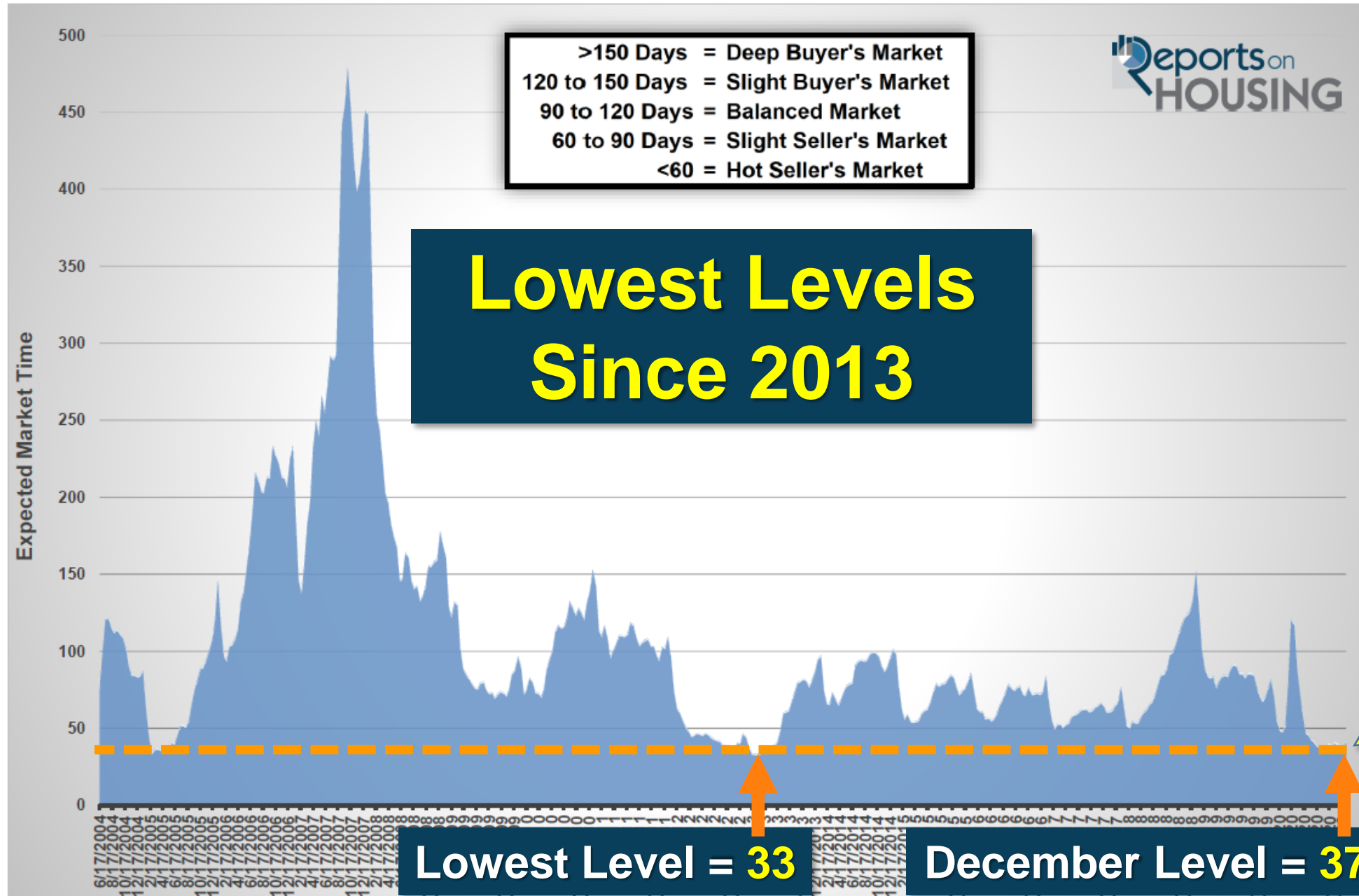


# Orange County Expected Market Time Year Over Year

In Days



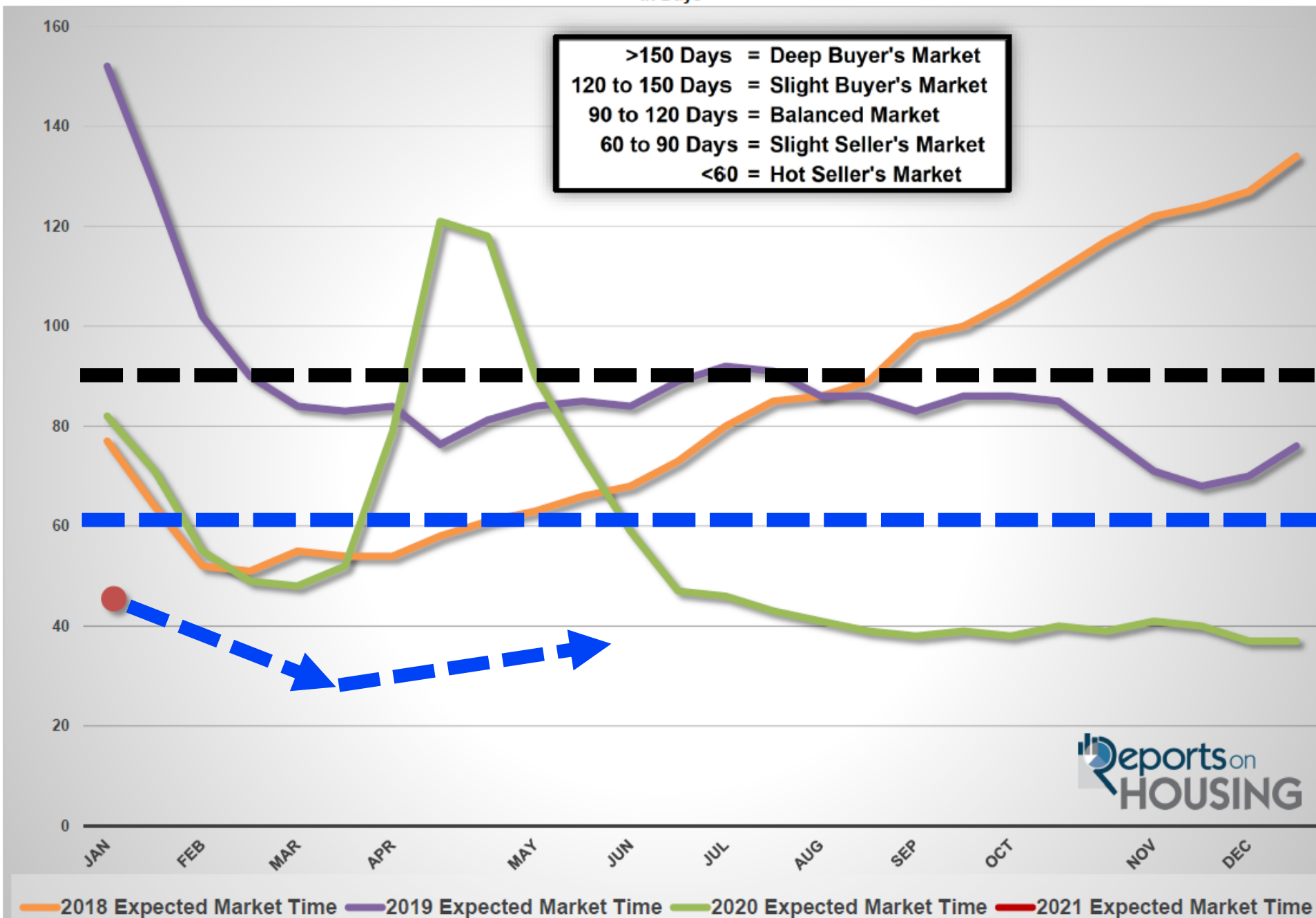
# Orange County Expected Market Time Days of Inventory





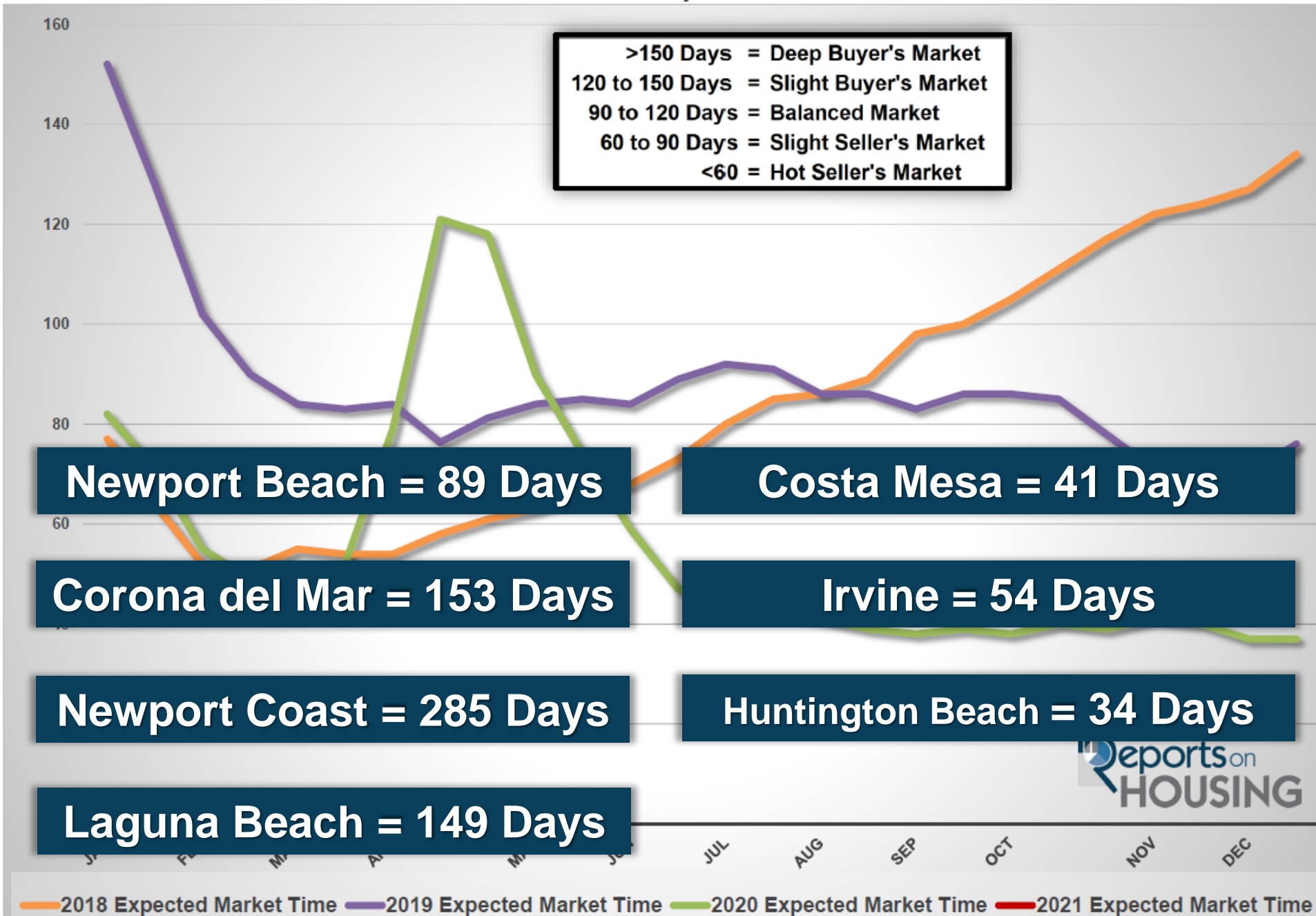
# Orange County Expected Market Time Year Over Year

In Days



# Orange County Expected Market Time Year Over Year

In Days





Home Values



# Buyers







# Low Mortgage Rates





# Low Mortgage Rate Environment

	11/15/2018	Current Rates	Monthly Savings	Annual Savings	5 Year Savings
Mortgage Amount	5%	2.7%	2.7%	2.7%	2.7%
\$500,000	\$2,684	\$2,028	\$656	\$7,872	\$39,360
\$700,000	\$3,758	\$2,839	\$919	\$11,028	\$55,140
\$1,000,000	\$5,368	\$4,056	\$1,312	\$15,744	\$78,720

# Low Mortgage Rate Environment

	Prior to Great Recession	Current Rates	Monthly Savings	Annual Savings	5 Year Savings
Mortgage Amount	6.35%	2.7%	2.7%	2.7%	2.7%
\$300,000	\$1,867	\$1,217	\$650	\$7,800	\$93,600
\$500,000	\$3,111	\$2,028	\$1,083	\$12,996	\$155,952
\$700,000	\$4,356	\$2,839	\$1,517	\$18,204	\$218,448



# Low Mortgage Rate Environment

## Interest Rates Impact on Affordability

	2.7%	3%	3.25%	3.50%	3.75%	4.0%	5.0%
\$3,000 a Month Desired Mortgage Payment	↓ Price of Home Able to Afford ↓						
	\$925,000	\$890,000	\$861,250	\$835,000	\$810,000	\$785,000	\$698,750

\*Mortgage Payment is Principal & Interest Only & 20% Down Payment











**I  
VOTED**





**FORECLOSURE**

**FOR  
SALE**









# Orange County Distressed Listing



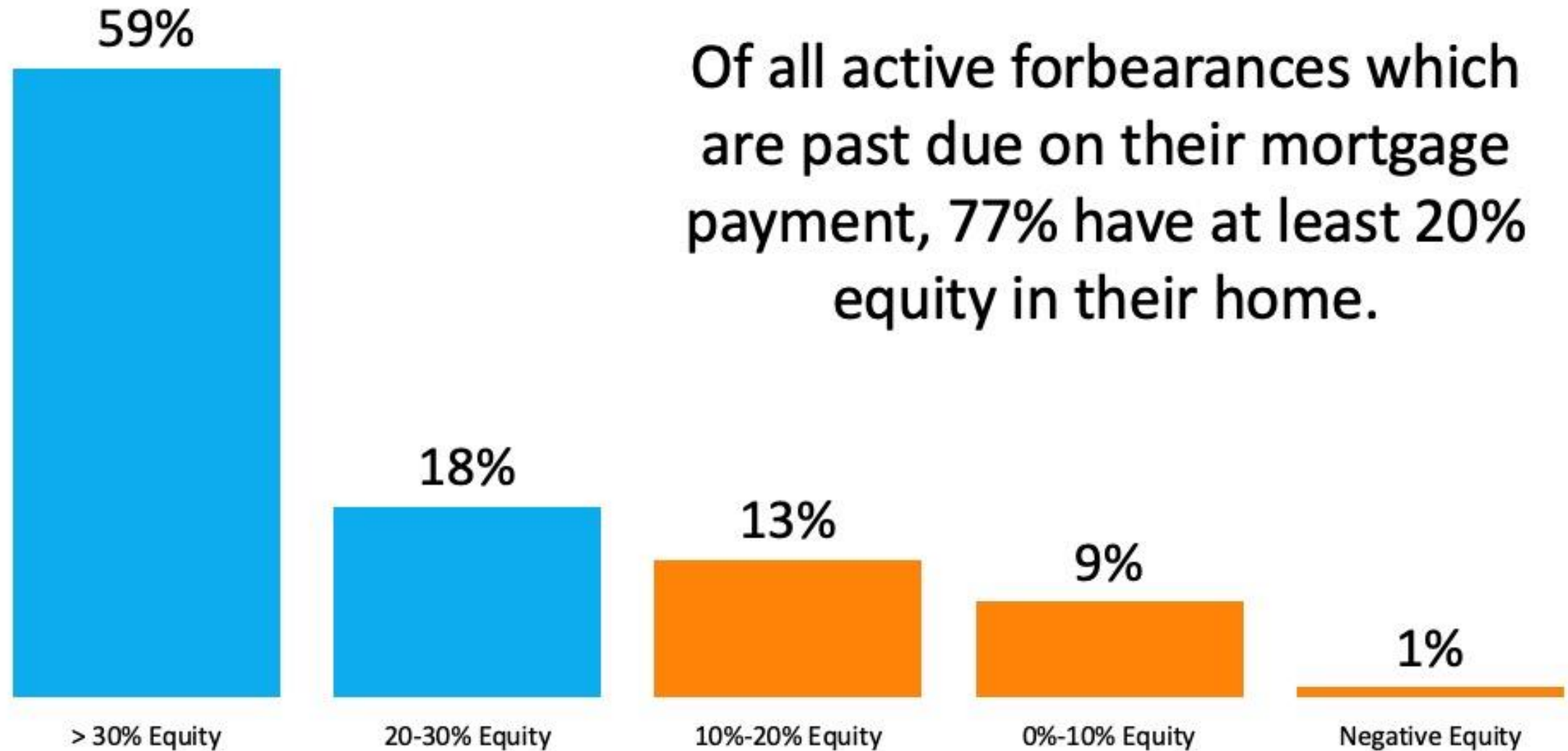
# NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES

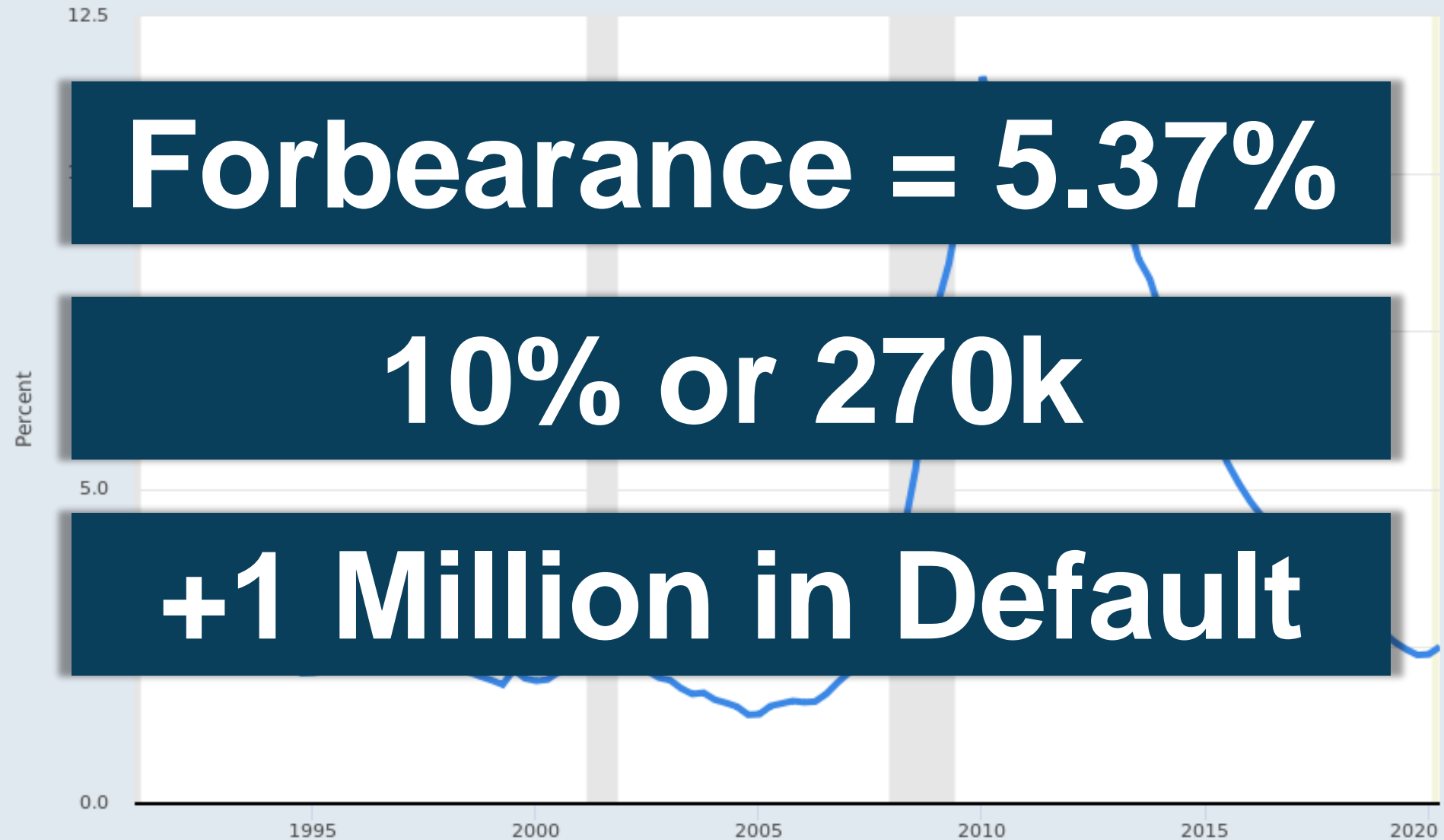
— Delinquency Rate    — 2000-2005 Average    — Record Low





Of all active forbearances which are past due on their mortgage payment, 77% have at least 20% equity in their home.







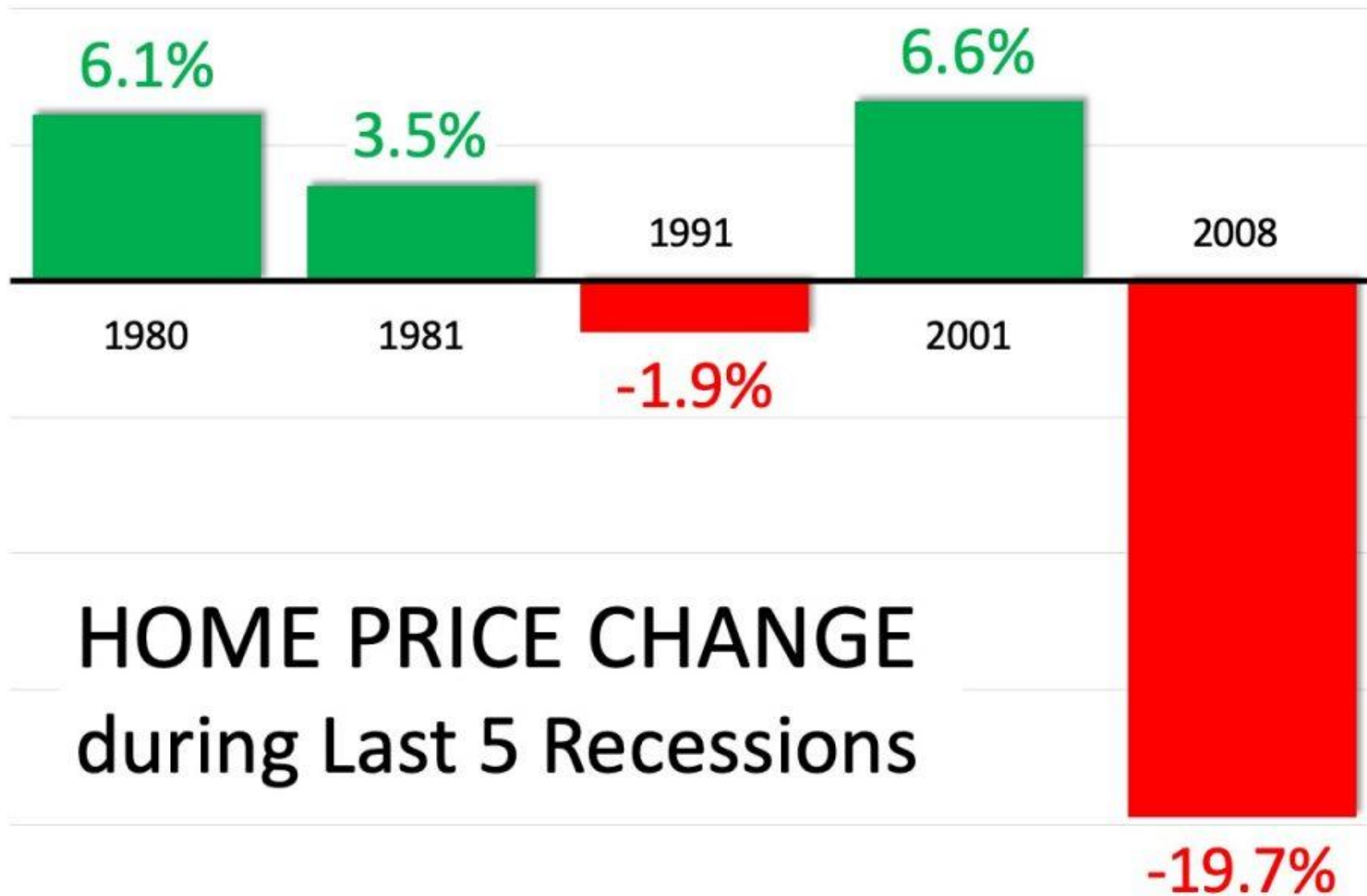


**But, It is a  
Recession!**

# PANDESSION







## HOME PRICE CHANGE during Last 5 Recessions







# UNEMPLOYMENT







**FOR  
RENT**









# Sellers

















**OVERPRICED!**

**FOR  
SALE**



## Sitting on the Market

	Current Actives	Days On Market Over 60	Percentage 60 Days Plus	Expected Market Time
O.C. \$0-\$500k	445	199	45%	35 Days
O.C. \$500k-\$750k	367	116	32%	20 Days
O.C. \$750k-\$1m	366	121	33%	22 Days
O.C. \$1m-\$1.25m	216	78	36%	29 Days
O.C. \$1.25m-\$1.5m	182	81	45%	35 Days
O.C. \$1.5m-\$2m	216	114	53%	57 Days
O.C. \$2m-\$4m	445	269	60%	120 Days
O.C. \$4m+	303	220	73%	304 Days
All of O.C.	2,540	1,198	47%	37 Days

\*January 5, 2021







VALUE  
IMPROVE  
OFFER  
ECONOMY  
PRICING  
SEGMENTATION  
TARGET  
MANAGEMENT  
MARKET  
STRATEGY  
SELL  
RELATION  
BUSINESS  
BRAND  
SERVICE  
DISTRIBUTION  
PLANNING  
RETAIL  
DEVELOPMENT  
RESEARCH  
OFFER  
ANALYTICS  
SHARE  
PLANNING

# PRICING

PRODUCT  
APPROACH  
SALES  
CUSTOMER  
COMMUNICATION  
OPEN  
SALES  
PLANNING  
CUSTOMER  
BRANDING  
MARKET  
VALUE  
SHARE  
RESEARCH  
BRAND  
SEGMENTATION  
ACTIVITY  
OPERATION  
SUCCESS  
SERVICE  
ANALYTICS  
ADVERTISING  
PRICE  
SELL  
RELATION  
ECONOMY  
PRICING





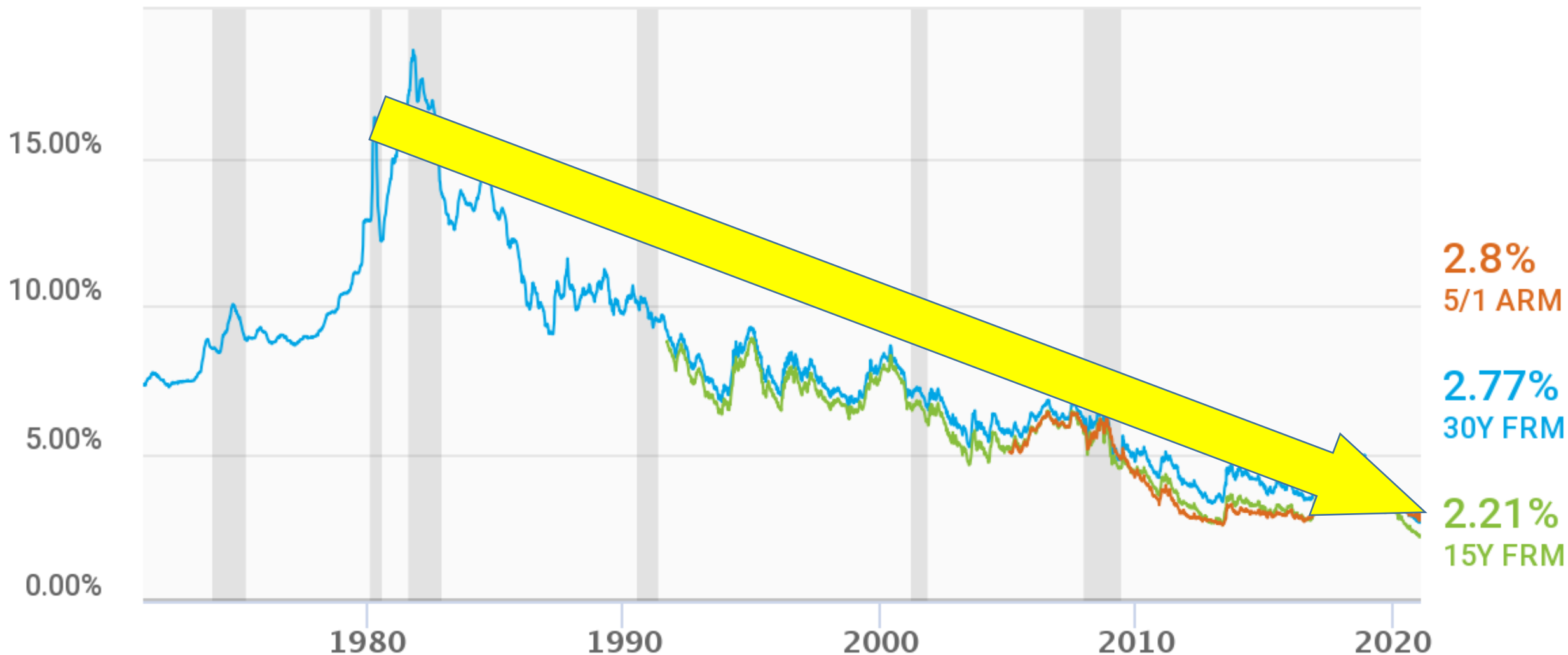
A hand is shown from the wrist up, holding a glowing, ethereal sphere of orange and yellow energy. Inside the sphere, the letters 'DO' are visible in a bright, glowing font. The background is a dark, deep blue with some wispy, smoke-like patterns. The overall image has a futuristic or magical feel.

**Where Are Rates Headed?**



# Primary Mortgage Market Survey<sup>®</sup>

U.S. weekly average mortgage rates as of 01/21/2021





# U.S. 10 Year Treasury

US10Y:U.S.

RT Quote | Exchange

Yield | 8:23 PM EST

**1.085%** ▼ **-0.005**

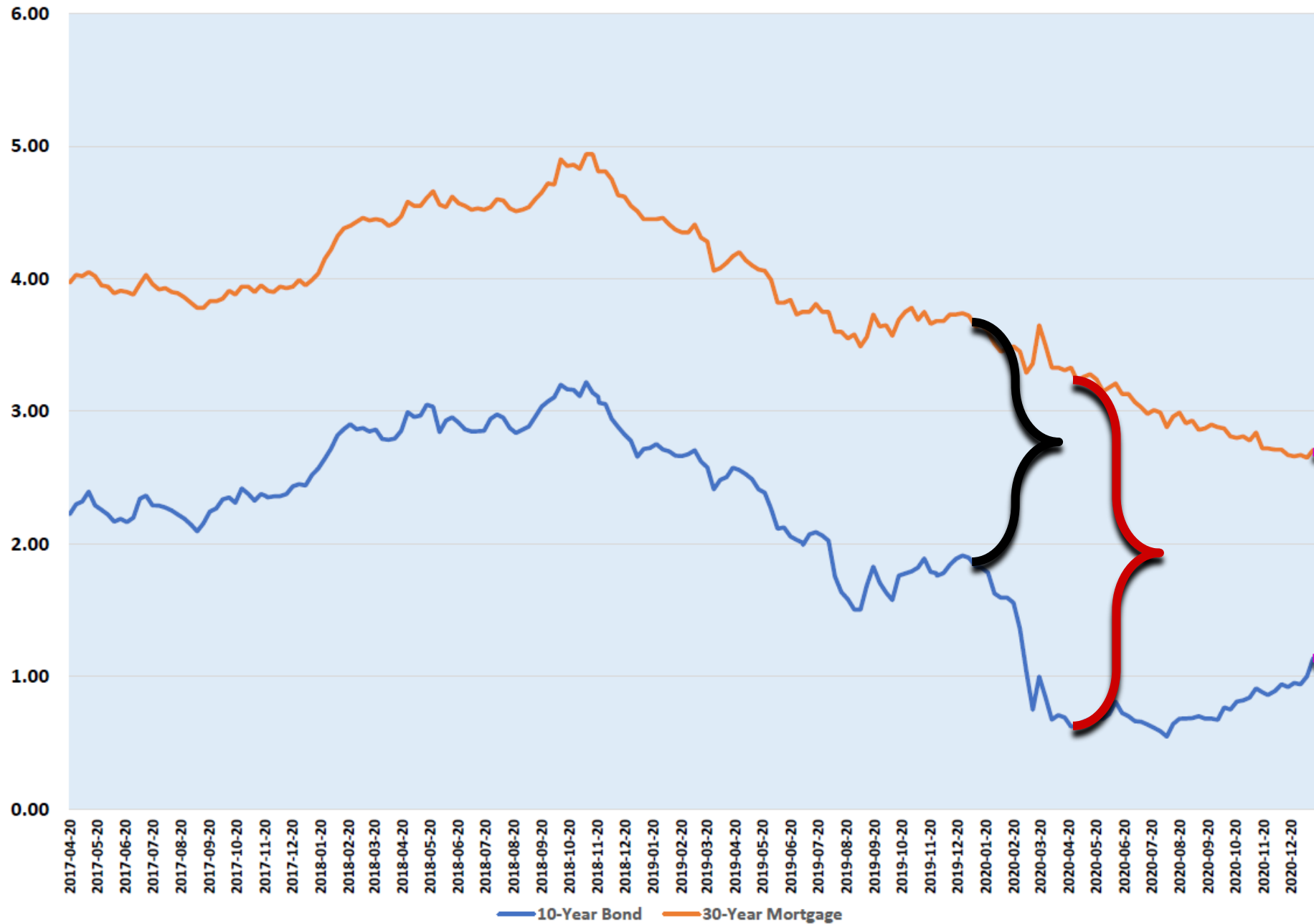
1D 5D 1M 3M 6M YTD 1Y 5Y **ALL**

+ Comparison

3M ▾ Display ▾ Studies ▾ |   



# 10-YR Bond and 30-YR Mortgage Spread





# U.S. 10 Year Treasury

US10Y:U.S.




RT Quote | Exchange

Yield | 8:23 PM EST

**1.085%** ▼ **-0.005**

1D 5D 1M 3M 6M YTD 1Y **5Y** ALL

+ Comparison

1W ▾ Display ▾ Studies ▾ |   



# U.S. 10 Year Treasury

US10Y:U.S.

RT Quote | Exchange

Yield | 8:32 PM EST

1.087% ▼ -0.003

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

+ Comparison

1D ▾ Display ▾ Studies ▾  + 









The image features a composite background. On the left, a portion of the American flag is visible, showing the blue field with white stars and the red and white stripes. On the right, a dark grey background displays a financial market data table with columns for BID, OFFER, OPEN, and HIGH, along with various numerical values and percentage changes. Overlaid on this background is a large, 3D green arrow pointing upwards and to the right. The text "Economic BOOM!!!" is centered in a bold, yellow, 3D font.

**Economic  
BOOM!!!**









# Low Mortgage Rate Environment

## Interest Rates Impact on Affordability

	2.7%	3%	3.25%	3.50%	3.75%	4.0%	5.0%
\$3,000 a Month Desired Mortgage Payment	↓ Price of Home Able to Afford ↓						
	\$925,000	\$890,000	\$861,250	\$835,000	\$810,000	\$785,000	\$698,750








\*Mortgage Payment is Principal & Interest Only & 20% Down Payment

# Market Overview



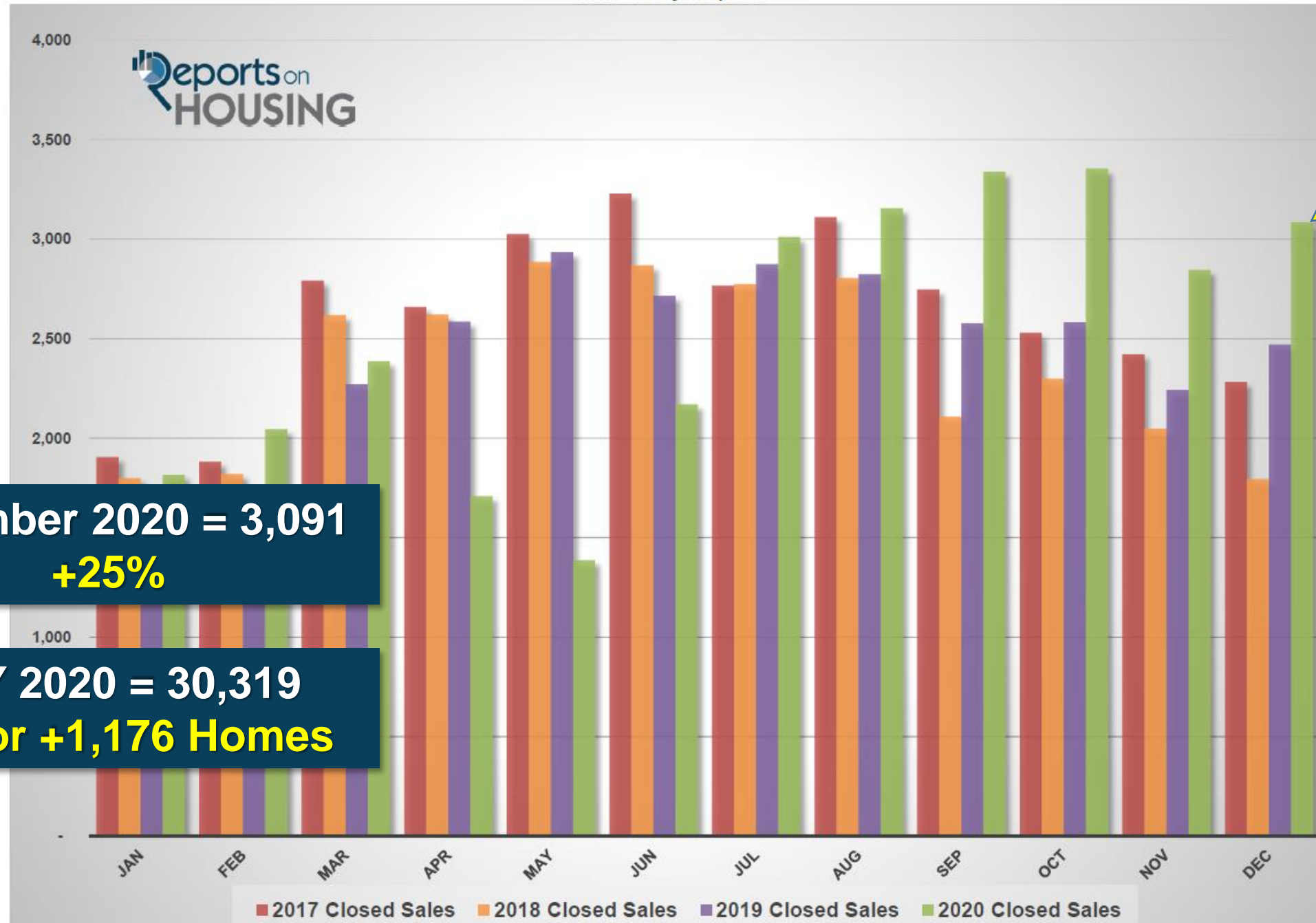


# Orange County Housing Market

Price Ranges	Expected Market Time	Market Speed	Share of Housing Inventory	Share of Current Demand	Last Year
O.C. \$0-\$750k	29 Days		32%	47%	57 Days
O.C. \$750k-\$1m	26 Days		15%	25%	58 Days
O.C. \$1m-\$1.25m	36 Days		9%	10%	84 Days
O.C. \$1.25m-\$1.5m	51 Days		7%	6%	124 Days
O.C. \$1.5m-\$2m	55 Days		8%	6%	149 Days
O.C. \$2m-\$4m	124 Days		17%	6%	199 Days
O.C. \$4m+	373 Days		12%	1%	605 Days

# Orange County Closed Sales Year Over Year

Prior 30 Day Snapshot



**December 2020 = 3,091**  
**+25%**

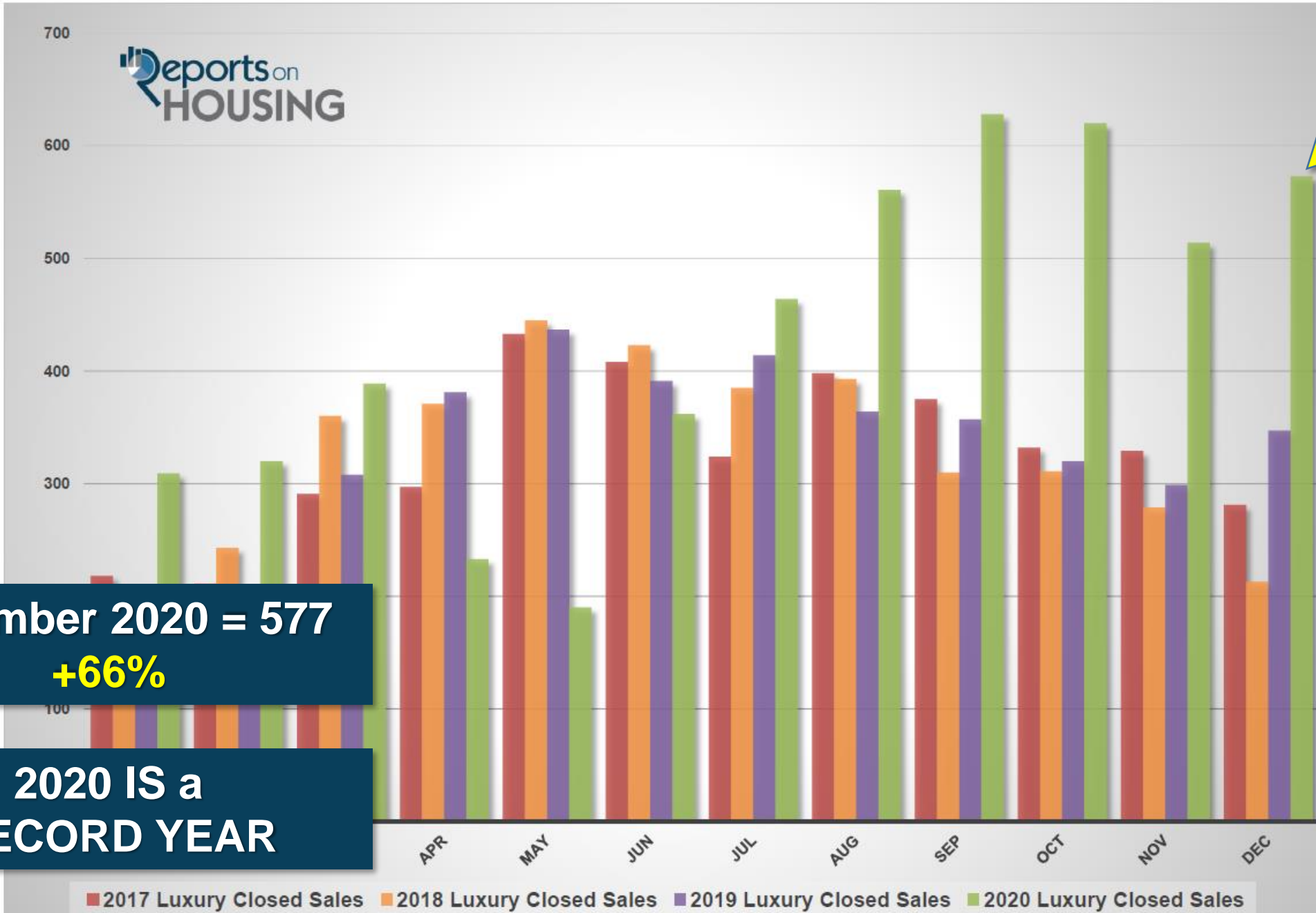
**YOY 2020 = 30,319**  
**+4% or +1,176 Homes**







# Orange County Luxury Closed Sales Year Over Year (\$1.25m+)



December 2020 = 577  
+66%

2020 IS a  
RECORD YEAR



# Luxury Home Sales

Over \$1.25 million - Jan 1 to Dec 31

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2005
5,170	4,025	3,973	3,897	3,249	2,973	2,569	2,488	1,856	1,326	1,443	1,211	2,859



# Luxury Homes

*\$1,600,000+*



# Let's Forecast











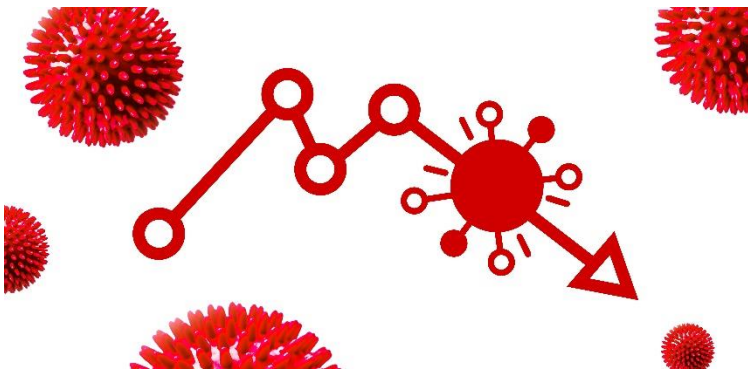
# My 2021 Concerns



**Uncertainty**



**Vaccine Timeline**



**COVID-19**



**Washington DC**



# My 2021 Concerns



**Travel  
Industry**



**Values Rise  
TOO Fast**



**Jobs**



**Unrealistic  
Sellers**

# My 2021 Forecast



- **Distressed rises slightly – NO WAVE**
- **Return of the unrealistic, overpriced seller**
- **Normal housing seasons with better activity than 2020. 1<sup>st</sup> half will be HOT!**



# My 2021 Forecast



- **Record Low to Start the Year = 2,500 (Beats 2013 Record)**
- **Rise in active inventory: 5,000-6,000**
- **Appreciation in 2021, up 6 to 8%.**

# My 2021 Forecast



- **Upper ranges thrive in spring/summer, then slow for last third.**
- **Continued increase in move-up sellers.**
- **Closed sales up 4% to 8% compared to 2020.**



# My 2021 Forecast



- **Buyers = Motivated by low rates (willing to stretch a bit)**
- **Interest rates between 2.75% to 3.5%**



[HOME](#)

[ABOUT](#)

[MISSION](#)

[SPEAKING](#)

[SUBSCRIBE](#)

[TESTIMONIALS](#)

[CONTACT](#)

# Go to: [ReportsOnHousing.com](https://ReportsOnHousing.com)

## YOUR LOCAL REAL ESTATE SNAPSHOT

SUBSCRIBE TO REPORTS ON HOUSING TODAY!



[SUBSCRIBE](#)

[CONTACT](#)





OR



**Subscribe at  
ReportsOnHousing.com**

**\$15 per month  
or  
\$150 per year**





**Coupon Code:**

**2021NB**



## SUBSCRIPTION DETAILS

The Reports On Housing subscription is delivered via email every other week. There is no need to login or remember passwords. There are 26 reports each year.

All of our subscriptions are on automatic renewal for your convenience. You do not have to worry about renewal notices or missing issues if you forget to renew.

You have complete control over your subscription and can contact us to change or cancel at any time.

 464

Total Published Reports

 2135

Subscribers

## FAQ & SAMPLE REPORTS

+ What's included in my subscription to Reports on Housing?

+ Is there a contract or commitment?

- Can I see a sample report?

You can check out a recent sample of a full report here:

- Los Angeles County Housing Report
- Orange County Housing Report
- Riverside County Housing Report
- San Bernardino County Housing Report
- San Diego County Housing Report

+ Is there a discount for subscribing to multiple counties?

+ Can I post the report to my social media account or website?

+ Can I email the report out to my clients?

+ Is there a referral program?

+ What is your cancellation/refund policy?

+ How do I change my contact/billing information?



**@ReportsOnHousing**





[Youtube.com/ReportsOnHousing](https://www.youtube.com/ReportsOnHousing)

# Q&A







*That's all Folks!*