

MONTHLY MARKET UPDATE  
FOR  
AUGUST 2022

SIMI VALLEY STATS & INFORMATION

# Are We in a Recession?

With the onset of Covid-19, everyone forecasted that the entire economy would tank. The real estate market looked as if it would cease to exist. Everyone was locked up inside their home, fearing the freeze of all real estate activity. No open houses, no listing appointments, no showings, no offers.

Instead, it lead to a period of high home price inflation coupled with a high rate of sales. I am not talking about the inflation figures that the Bureau of Labor Statistics publishes, but inflation of home values. The Fed noticed inflation climbing in the past few months. Our real estate inflation has already taken place, and most of it happened before the start of this year.

CAR Chief Economist Jordan Levine, gave a market update on July 7. His forecast is that prices may decline by as much as 7% next year. That seems realistic. After the rambunctious market of the past two years, it is time for the market to pause, to take a breather.

And the 7% price drop comes with some good news attached. Affordability will go up, enabling more people to buy a home, creating more demand.

Buyers are hesitant to buy when the market is declining, waiting for it to balance out. We'll see a short period of time during which the market will see a slowdown. But when that market begins to level out, buyers will come roaring back. We have a shortage of homes. We have millennials making excellent salaries, and they are saving up for a down payment. The market will not cease to exist, it will just be less active for a short while.

## Impact of COVID on Pricing

Covid hit in March 2020, and due to the 60-day escrow cycle, we reported the drop-off in sales 60 days later, in May 2020.

During the roughly three years from January 2017 until May 2020, median home prices increased from \$515,000 to \$610,000, a total increase of \$95,000 or 6% a year. A realistic number, considering the absolute shortage of homes.

What happened after Covid hit? Median home prices in May 2020 were \$840,000, versus last month's price of \$610,000, an increase over those two years of \$230,000 or an average of 18% per year (36% over two years). Almost triple the inflation rate of the prior three years.

STATS SIMI MOORPARK	8/3/2022		
	2022	2021	Versus Same Period Last Year
	5/1/2022-7/31/2022	5/1/2021-7/31/2021	
Total Active Residential Listings	282	129	Up 119%
Median Sold Price	\$ 830,000	\$ 750,000	Up 11%
Average Sold Price	\$ 898,424	\$ 792,696	Up 13%
Average Days On MLS	21	16	3 weeks to sell
Number of sales	489	697	Down 30%
Total Dollar Value of Solds	\$ 439,329,336	\$ 552,509,112	Down 20%
Months of Inventory	1.7	0.6	Sales -30%, Inventory +119%

Listings under \$750,000 93  
 Avg Monthly Sales under \$750,000 53  
**Months of under \$750,000 Inventory 1.74**

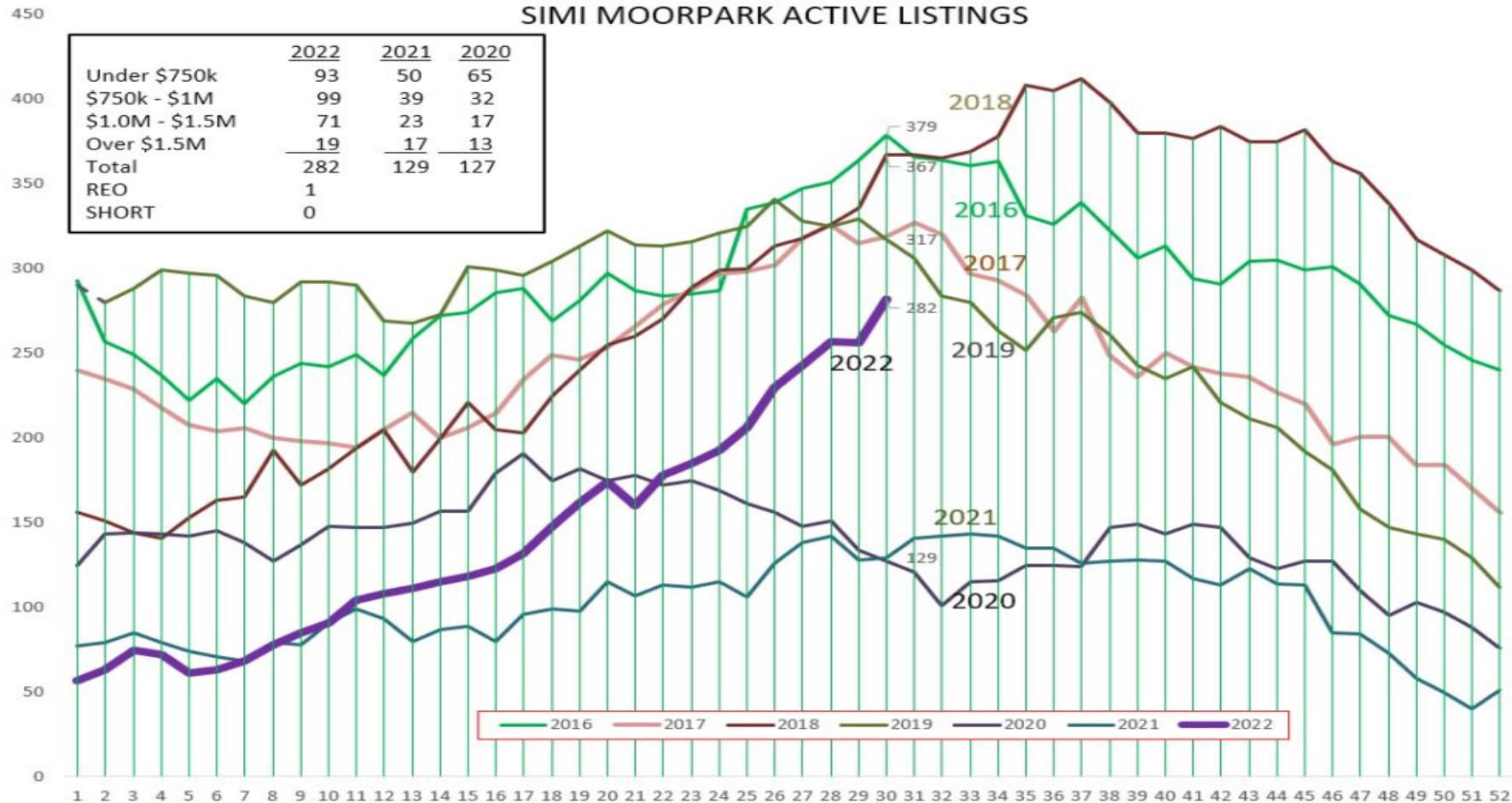
**SALES DECLINING**  
**INVENTORY GROWING**

Bracket Sales for Last 3-Month Period	2022	2021	
Total Number of Sales	489	697	Down 30%
Under \$750,000	154	355	Down 57%
\$750,000 - \$1,000,000	214	234	Down 9%
\$1,000,000 - \$1,500,000	97	93	Up 4%
Over \$1,500,000	24	15	Up 60%

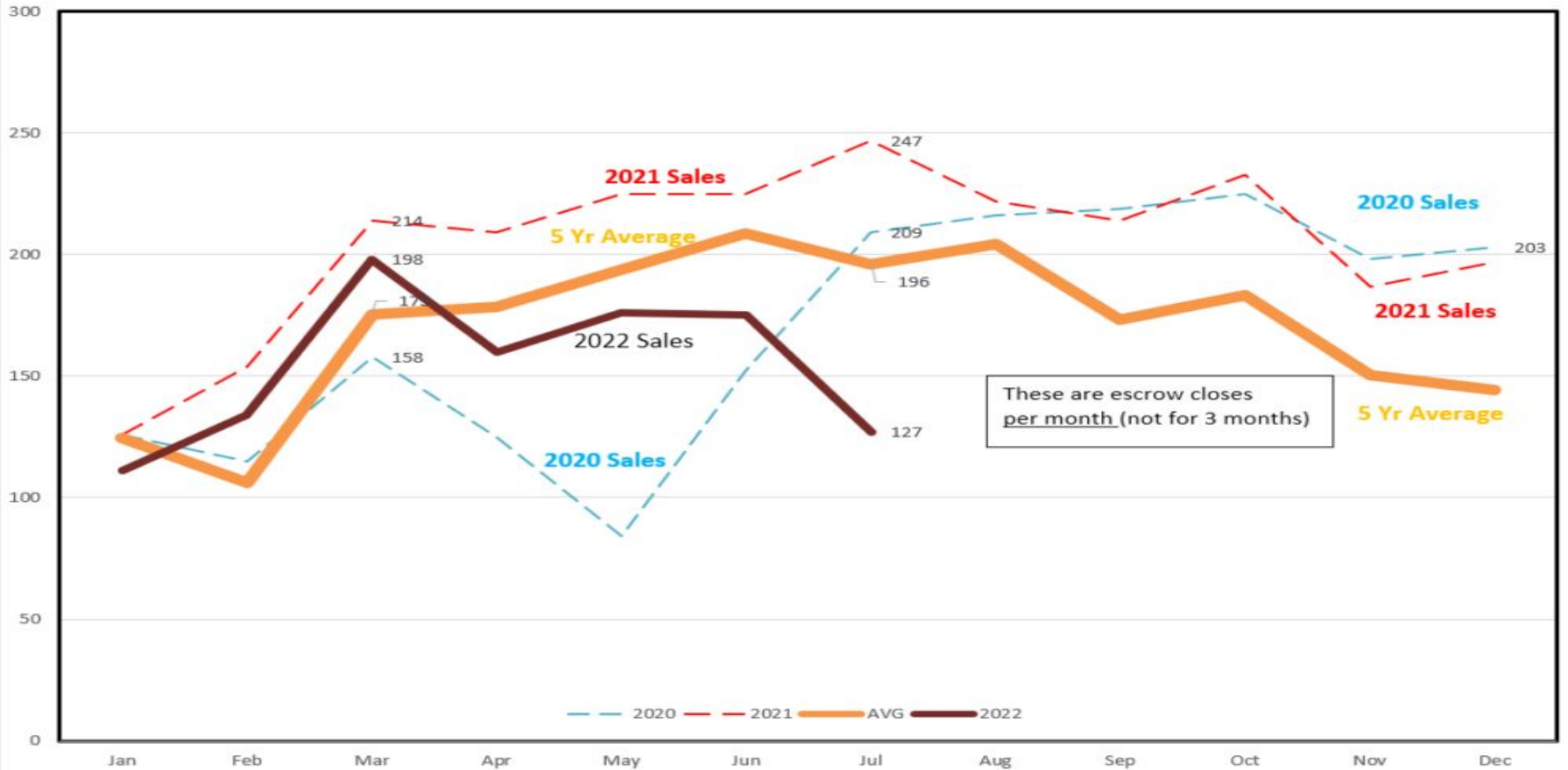
STATS CONEJO VALLEY	8/3/2022		
	2022	2021	
3-month Period	5/1/2022 - 7/31/2022	5/1/2021 - 7/31/2021	Versus Same Period Last Yr.
Total Active Residential Listings	309	214	Up 44%
Median Sold Price	\$ 1,120,000	\$ 975,000	Up 15%
Average Sold Price	\$ 1,322,318	\$ 1,211,317	Up 9%
Average Days On MLS	20	24	3 weeks to sell
Number of sales	669	838	Down 20%
Total Dollar Value of Solds	\$ 884,630,742	\$ 1,015,083,646	Down 13%
Months of Inventory	1.4	0.8	Sales -20%, inventory +44%
Listings under \$750,000	43		
Avg Monthly Sales under \$750,000	39		
<b>Months of under \$750,000 Inventory</b>	<b>1.09</b>		<b>VERY TIGHT INVENTORY</b>
Bracket Sales for Last 3-Month Period	<b>2022</b>	<b>2021</b>	
Total Number of Sales	669	838	Down 20%
Under \$750,000	115	190	Down 39%
\$750,000 - \$1,000,000	151	253	Down 40%
\$1,000,000 - \$1,500,000	229	235	Down 3%
Over \$1,500,000	174	160	Up 9%

## SIMI MOORPARK ACTIVE LISTINGS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Under \$750k	93	50	65
\$750k - \$1M	99	39	32
\$1.0M - \$1.5M	71	23	17
Over \$1.5M	<u>19</u>	<u>17</u>	<u>13</u>
<b>Total</b>	<b>282</b>	<b>129</b>	<b>127</b>
REO	1		
SHORT	0		

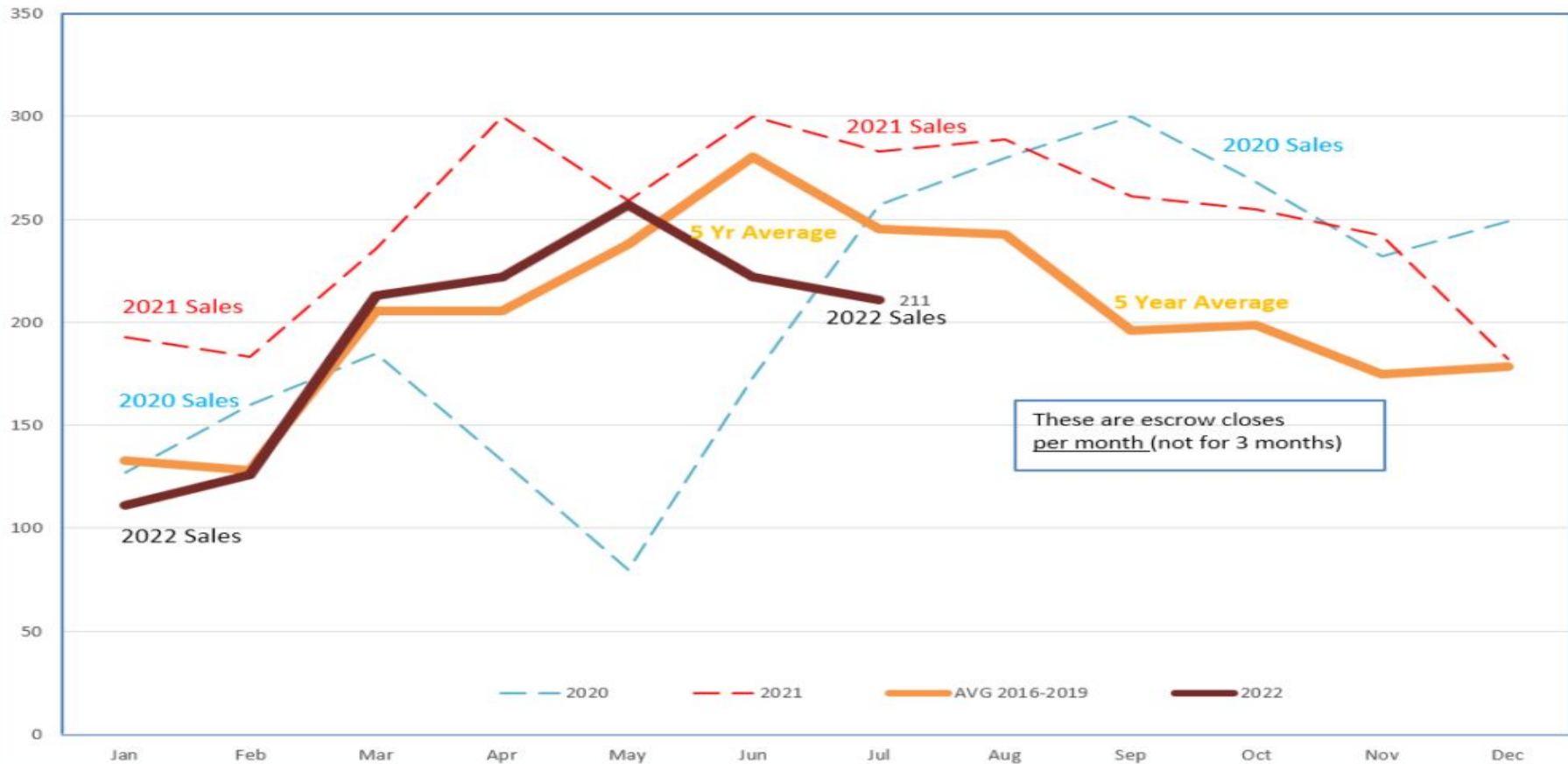


### Simi Moorpark Closed Escrows





# CONEJO MONTHLY CLOSED ESCROWS



## A Wise Takeaway

A wise person once spoke of the value of information. If you knew what had happened, that could help you foretell what was going to happen, you could prosper from the information. It did not matter whether things were going up or going down, you could still prosper because you had knowledge of what the future would be like.

That is the best message for today's market. Multiple offers are lessening, price adjustments are increasing. Understanding the market can help us give the right advice to our clients. Think about what has happened, about what is happening now, and armed with that information you can remain the valued real estate advisor that you have worked hard to be.

Everyone will still want to know “How is the Market Doing?”