

MONTHLY MARKET UPDATE  
FOR  
JANUARY 2023

END OF YEAR REPORT

SIMI VALLEY STATS & INFORMATION

**For the year, prices are up 1-2%.**  
**(in Simi Valley)**

More fully explained, prices for the last three months of 2022 are up 1-2% over the same three months in 2021.

(The 3-month average tends to smooth out changes).

All this while the number of sales in those periods is down 43% and Active inventory has more than doubled.

Something seems out of whack.

Logically, prices should be going down, not up.

**In reality, prices have been decreasing,**  
**but not evident in the year-on-year comparison.**

STATS SIMI MOORPARK	1/2/2023		
	2022	2021	
	10/01/2022-12/31/2022	10/01/2021-12/31/2021	Versus Same Period Last Year
Total Active Residential Listings	178	51	Up 249%
Median Sold Price	\$ 775,000	\$ 763,000	Up 2%
Average Sold Price	\$ 837,645	\$ 828,800	Up 1%
Average Days On MLS	41	24	6 weeks to sell
Number of sales	332	585	Down 43%
Total Dollar Value of Solds	\$ 278,098,140	\$ 484,848,000	Down 43%
Months of Inventory	1.6	0.3	Sales -43%, Inventory +249%

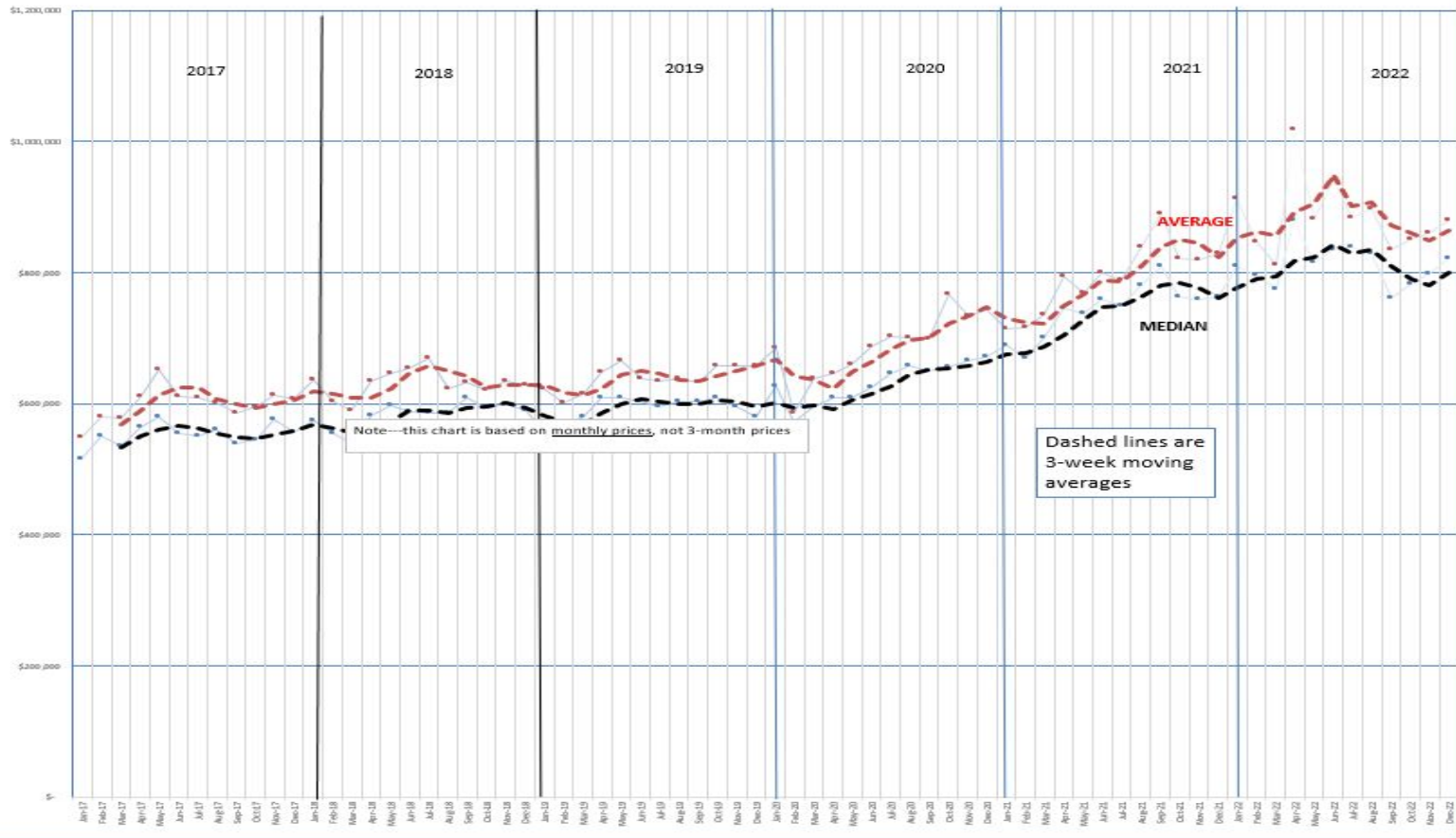
Listings under \$750,000 77  
 Avg Monthly Sales under \$750,000 52  
**Months of under \$750,000 Inventory 1.47**

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

Bracket Sales for Last 3-Month Period	2022	2021	
Total Number of Sales	332	585	Down 43%
Under \$750,000	154	268	Down 43%
\$750,000 - \$1,000,000	113	218	Down 48%
\$1,000,000 - \$1,500,000	56	82	Down 32%
Over \$1,500,000	9	17	Down 47%

SIMI/MOORPARK		
	MEDIAN	AVERAGE
Jan-17	\$ 515,000	\$ 549,261
Feb-17	\$ 550,000	\$ 579,449
Mar-17	\$ 525,000	\$ 572,049
Apr-17	\$ 565,000	\$ 611,896
May-17	\$ 579,950	\$ 651,621
Jun-17	\$ 555,000	\$ 610,839
Jul-17	\$ 550,000	\$ 609,521
Aug-17	\$ 560,000	\$ 600,525
Sep-17	\$ 538,500	\$ 585,616
Oct-17	\$ 545,000	\$ 596,587
Nov-17	\$ 575,250	\$ 614,067
Dec-17	\$ 586,500	\$ 607,912
Jan-18	\$ 575,000	\$ 626,968
Feb-18	\$ 555,000	\$ 602,919
Mar-18	\$ 539,000	\$ 589,222
Apr-18	\$ 582,500	\$ 635,306
May-18	\$ 597,000	\$ 646,954
Jun-18	\$ 588,000	\$ 652,952
Jul-18	\$ 595,000	\$ 670,286
Aug-18	\$ 585,000	\$ 622,610
Sep-18	\$ 610,000	\$ 632,187
Oct-18	\$ 593,750	\$ 620,047
Nov-18	\$ 600,000	\$ 628,252
Dec-18	\$ 590,000	\$ 620,393
Jan-19	\$ 587,523	\$ 622,237
Feb-19	\$ 569,250	\$ 602,259
Mar-19	\$ 579,450	\$ 615,764
Apr-19	\$ 609,990	\$ 649,177
May-19	\$ 610,000	\$ 666,010
Jun-19	\$ 602,500	\$ 628,214
Jul-19	\$ 594,950	\$ 634,267
Aug-19	\$ 602,625	\$ 639,864
Sep-19	\$ 603,000	\$ 632,155
Oct-19	\$ 610,000	\$ 653,002
Nov-19	\$ 595,000	\$ 657,806
Dec-19	\$ 580,000	\$ 658,715
Jan-20	\$ 627,500	\$ 685,494
Feb-20	\$ 572,000	\$ 594,992
Mar-20	\$ 595,000	\$ 628,210
Apr-20	\$ 609,000	\$ 645,487
May-20	\$ 610,000	\$ 659,376
Jun-20	\$ 625,000	\$ 686,950
Jul-20	\$ 647,000	\$ 702,500
Aug-20	\$ 658,750	\$ 700,640
Sep-20	\$ 650,000	\$ 699,945
Oct-20	\$ 656,000	\$ 767,201
Nov-20	\$ 665,000	\$ 734,048
Dec-20	\$ 672,000	\$ 743,228
Jan-21	\$ 690,000	\$ 713,852
Feb-21	\$ 670,000	\$ 716,670
Mar-21	\$ 700,000	\$ 735,422
Apr-21	\$ 745,000	\$ 792,945
May-21	\$ 737,500	\$ 768,061
Jun-21	\$ 760,000	\$ 801,057
Jul-21	\$ 750,000	\$ 787,708
Aug-21	\$ 780,000	\$ 839,154
Sep-21	\$ 810,000	\$ 890,600
Oct-21	\$ 763,125	\$ 822,497
Nov-21	\$ 759,000	\$ 819,553
Dec-21	\$ 764,000	\$ 828,508
Jan-22	\$ 810,000	\$ 912,119
Feb-22	\$ 795,500	\$ 846,199
Mar-22	\$ 775,000	\$ 811,624
Apr-22	\$ 879,750	\$ 1,015,855
May-22	\$ 915,000	\$ 932,906
Jun-22	\$ 836,000	\$ 940,373
Jul-22	\$ 840,000	\$ 882,101
Aug-22	\$ 830,000	\$ 896,736
Sep-22	\$ 762,000	\$ 828,442
Oct-22	\$ 782,000	\$ 850,586
Nov-22	\$ 799,000	\$ 869,828
Dec-22	\$ 822,000	\$ 880,972

SIMI MOORPARK  
PRICE HISTORY



We need to look into how prices reacted while 2022 was progressing. If all we do is compare December 2021 to December 2022, we do not really see what is happening.

**This will be important to remember as 2023 progresses.**

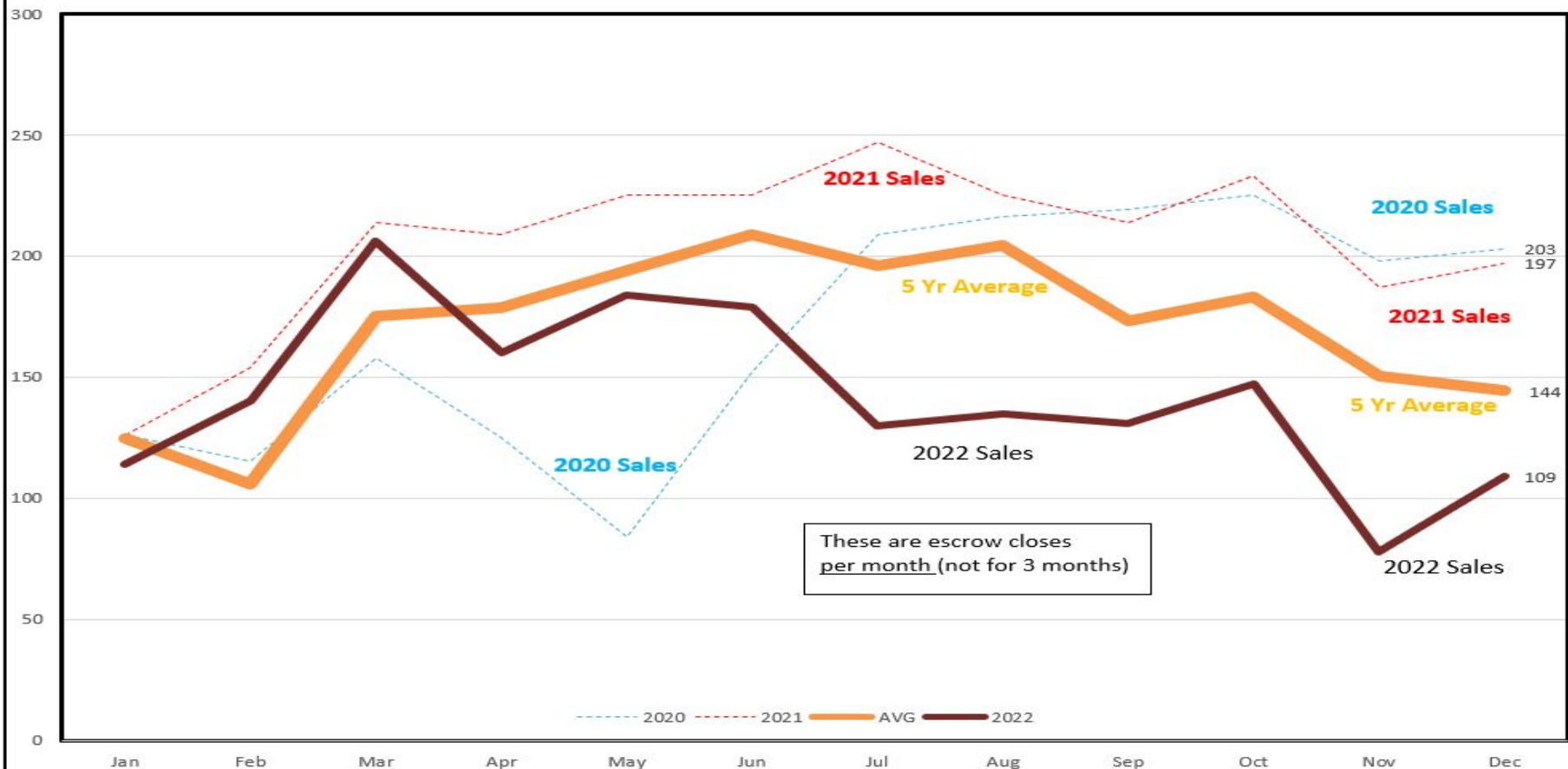
2023 will start off showing prices declining compared to 2022. That is because in early 2022 monthly prices were increasing, while prices currently are not. A year-on-year comparison will look as if prices are falling dramatically, a decline that appears much worse than reality.

**This overview needs to be kept in mind as we move forward.**

According to the statistics table, prices appear to be up 2% when comparing December 2021 to December 2022.

If we compare the highest price recorded in 2022 to the price at the end of the year, one could argue that prices have already declined by 10%.

### Simi Moorpark Closed Escrows

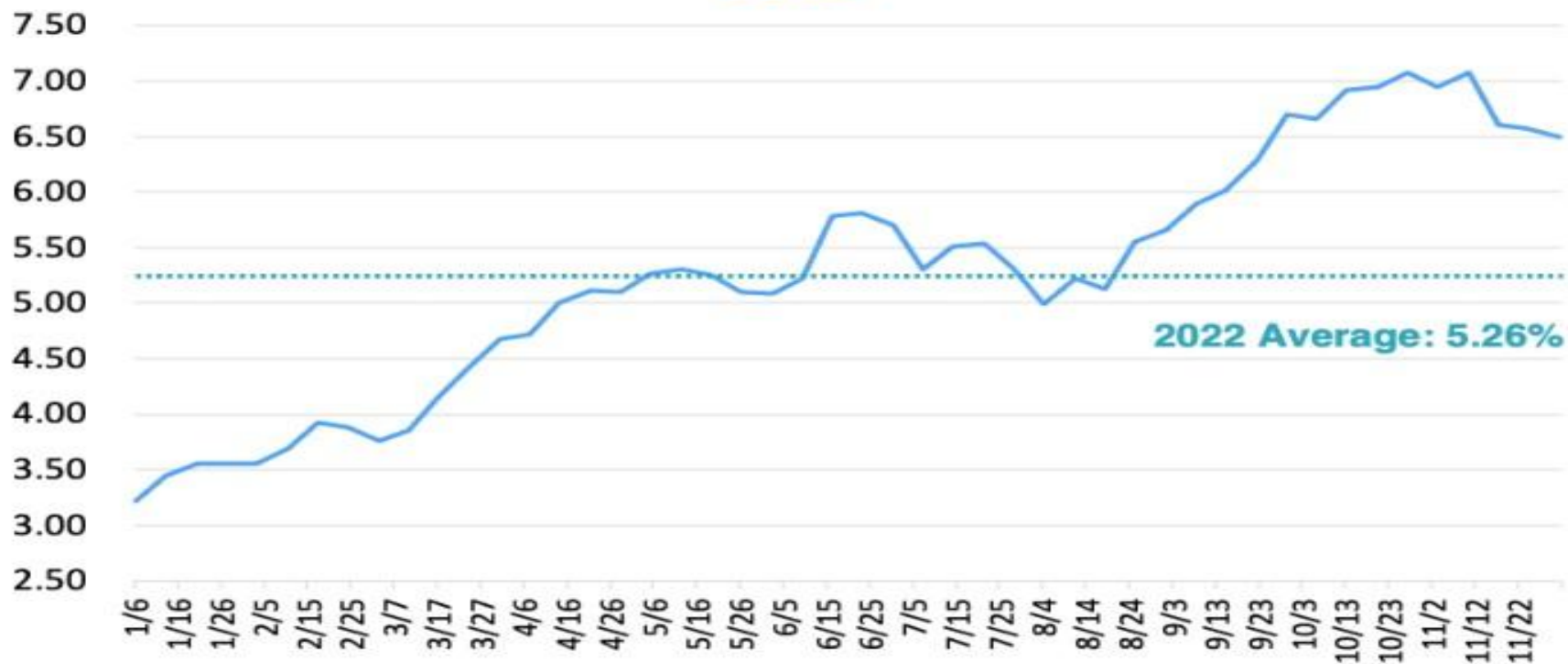




**PRIMARY MORTGAGE MARKET SURVEY®**  
 Summary page with all rate types - U.S. averages

Week	U.S. 30 yr FRM	30 yr fees & points	U.S. 15 yr FRM	15 yr fees & points	U.S. 5/1 ARM	5/1 ARM fees & points	U.S. 5/1 ARM margin	30 yr FRM/ 5/1 ARM spread
9/1/2022	5.66	0.80	4.98	0.80	4.51	0.40	2.75	1.15
9/8/2022	5.89	0.70	5.16	0.80	4.64	0.40	2.75	1.25
9/15/2022	6.02	0.80	5.21	0.90	4.93	0.20	2.75	1.09
9/22/2022	6.29	0.90	5.44	1.00	4.97	0.40	2.75	1.32
9/29/2022	6.70	0.90	5.96	1.30	5.30	0.40	2.75	1.40
10/6/2022	6.66	0.80	5.90	1.00	5.36	0.30	2.75	1.30
10/13/2022	6.92	0.80	6.09	1.10	5.81	0.20	2.75	1.11
10/20/2022	6.94	0.90	6.23	1.10	5.71	0.40	2.75	1.23
10/27/2022	7.08	0.80	6.36	1.40	5.96	0.30	2.75	1.12
11/3/2022	6.95	0.80	6.29	1.20	5.95	0.20	2.75	1.00
11/10/2022	7.08	0.90	6.38	1.00	6.06	0.20	2.75	1.02
11/17/2022	6.61		5.98					
11/23/2022	6.58		5.90					
12/1/2022	6.49		5.76					
12/8/2022	6.33		5.67					
12/15/2022	6.31		5.54					
12/22/2022	6.27		5.69					
12/29/2022	6.42		5.68					
1/5/2023	6.48		5.73					
1/12/2023	6.33		5.52					

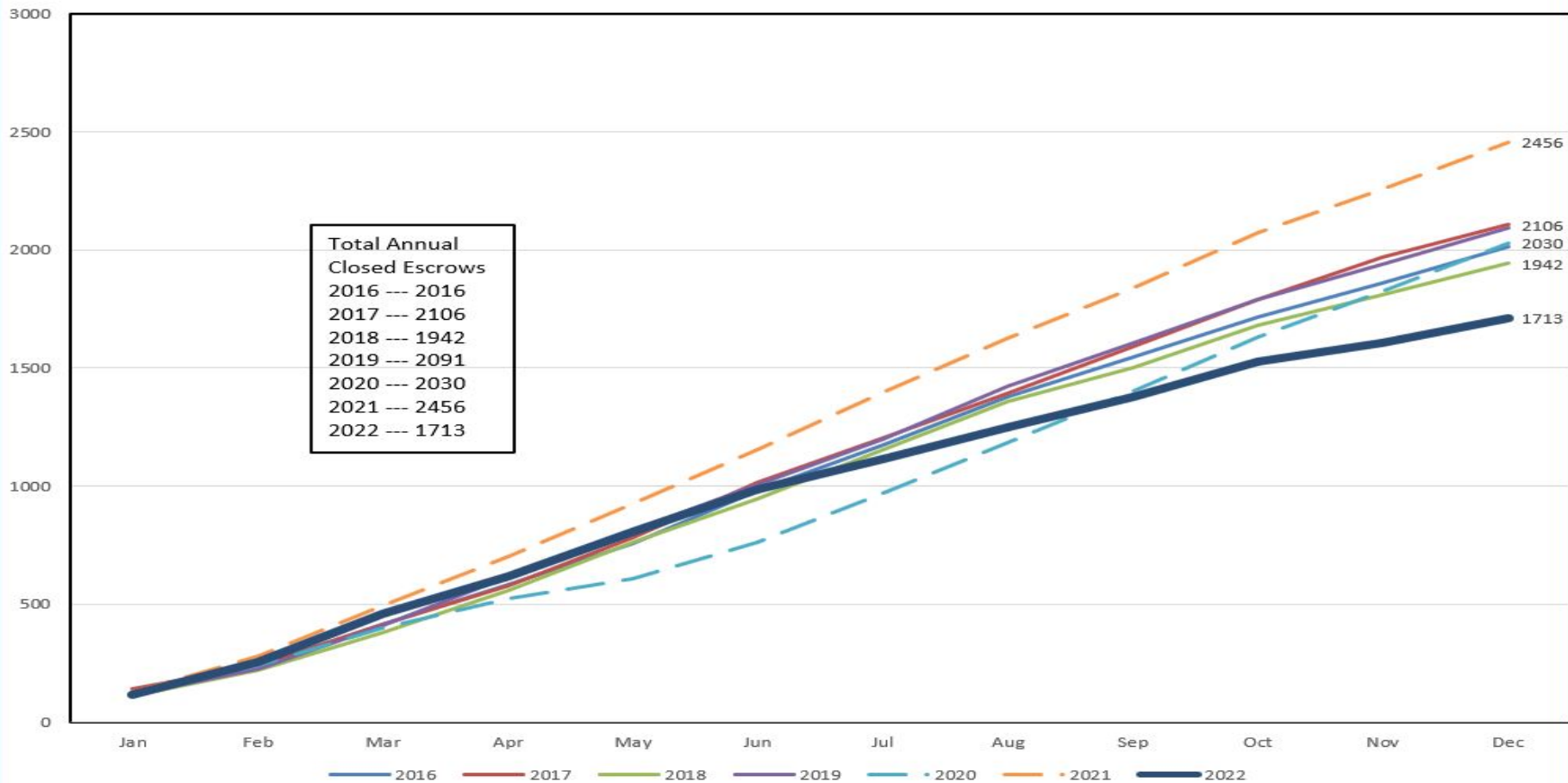
## Current 30-Year Mortgage Rates: 2022



Historical Data: Freddie Mac PMMS. (c) TheMortgageReports.com



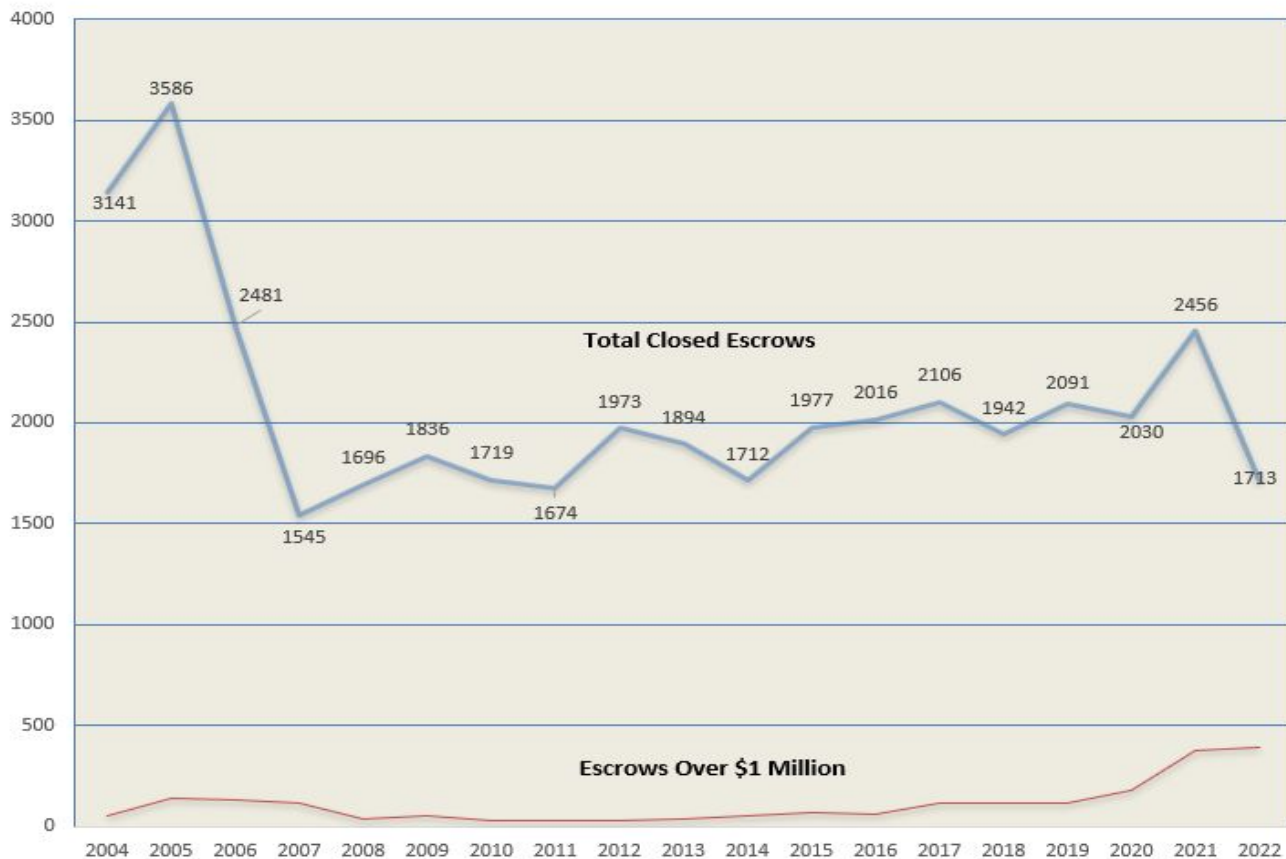
### Simi/Moorpark Cummulative Closed Escrows



TOTAL HOMES SOLD IN SIMI  
VALLEY/MOOPARK

	Total	Over \$1 M
2004	3141	49
2005	3586	142
2006	2481	127
2007	1545	118
2008	1696	39
2009	1836	49
2010	1719	29
2011	1674	29
2012	1973	29
2013	1894	34
2014	1712	54
2015	1977	69
2016	2016	63
2017	2106	118
2018	1942	111
2019	2091	112
2020	2030	179
2021	2456	376
2022	1713	393

ANNUAL NUMBER OF HOMES SOLD IN SIMI/MOORPARK



While we provide these figures and analysis to share with our buyers and sellers, it is important to point out one change in the market that is very personal to agents. Homeowners will see their homes decline in value for a period of time, but when the market resumes its usual climb, that value will be retrieved.

Agents and Brokers are going to be affected both by the volume of homes sold and by the decrease in prices, as both directly influence total commissions. As the market price corrects and sales volume goes down, total commissions will go down by those combined factors. Our real estate business was very profitable during Covid, but the coming year will produce fewer and lower commissions than those Covid years. Like every business in the forecasted recession, our business will be more challenging. We can still do well, but we will have to work harder and smarter. We will need to do more transactions.

Here is what C.A.R. is forecasting...

For the State of California, the number of Single Family Home resales in 2021 was 444,000. The number forecasted for 2023 is only 333,000, a two-year drop of 25%. In addition, prices are forecast to recede by 8.8%.

# California housing market outlook

	2015	2016	2017	2018	2019	2020	2021	2022p	2023f
SFH Resales (000s)	409.4	417.7	424.9	402.6	398.0	411.9	444.5	359.2	333.4
% Change	7.0%	2.0%	1.7%	-5.2%	-1.2%	3.5%	7.9%	-19.2%	-7.2%
Median Price (\$000s)	\$476.3	\$502.3	\$537.9	\$569.5	\$592.4	\$659.4	\$786.7	\$831.5	\$758.6
% Change	6.6%	5.4%	7.1%	5.9%	4.0%	11.3%	19.3%	5.7%	-8.8%
Housing Affordability Index	31%	31%	29%	28%	31%	32%	26%	19%	18%
30-Yr FRM	3.9%	3.6%	4.0%	4.5%	3.9%	3.1%	3.0%	5.2%	6.6%

## FINAL THOUGHTS

We do not see 2023 being a banner year for real estate - not another 2020-2021. Home prices will settle as we transition from a sellers market to a more balanced market. Not a buyers market which would be evidenced by high listing inventory, and that is NOT taking place.

We are moving to balanced.

Prices grew too quickly as both sellers and buyers bought into overbidding as the new normal. The market is moving back to balance with negotiation on both sides. The continuing shortage of housing, combined with the law of supply and demand, will keep prices from freefall. In 2023, homes will likely sell for a little lower price than last year, and fewer homes will be sold.

The C.A.R. market forecast will likely prove to be accurate.  
year of adjustment.

A

## This is the SHIFT.

As the market adjusts, we have to adjust how we do our business. It is our job to help our clients understand the market, to help them maneuver through the minefield of “bad news” and “scary percentages” that the media loves to publish. Open Houses are back. We can door-knock again, we can walk our farms. Negotiation is becoming normal, as it should be.

Home values are determined by an agreement between a willing buyer and a willing seller, with pricing finding a middle ground acceptable to both.

We are working in a more balanced market.

## SHIFT Tactic #4: Find the Motivated

Every agent, every salesperson, and every industry has their own definition of a “lead.” What’s consistent is that the moment a market begins to tighten, and the number of motivated buyers and sellers in our market begin to shrink, our definition shrinks with it.

In *SHIFT*, Gary Keller defines a lead as someone who is willing, ready, and able to buy or sell a home. In other words, they’re those who have the motivation to enter the market, the financial ability to engage in it, and the right timing to do so. No matter how you choose to define it, one thing is certain: your ability to thrive through this shift will be determined by your ability to find people who fit your definition.

At times it will feel like searching for a needle in a haystack. That said, the more we narrow our focus, and the more we refine our methods for identifying the motivated, the more motivated buyers and sellers we’ll bring to the table.