

THE TIME IS NOW

WRITTEN BY
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DESPITE MORTGAGE RATES ECLIPSING 7%, THERE ARE VERY FEW
AVAILABLE HOMES, MULTIPLE OFFERS ARE THE NORM, AND
HOME VALUES ARE ON THE RISE.



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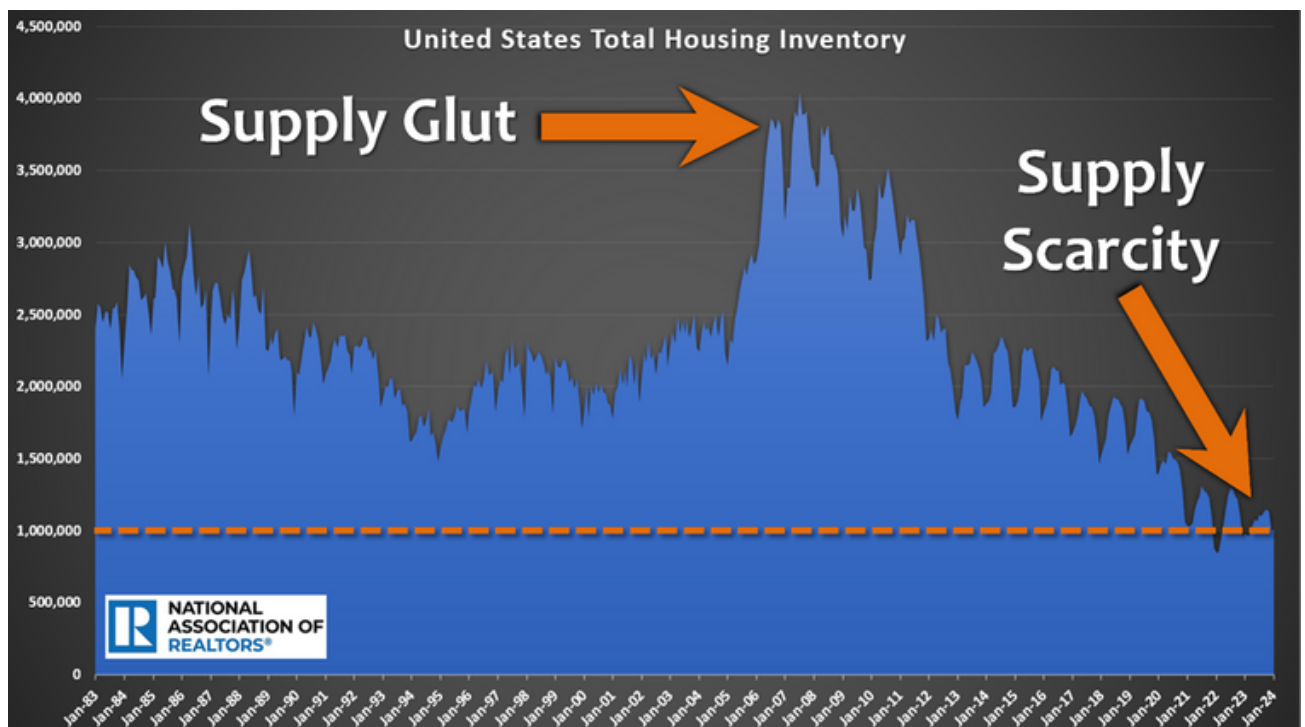
WAITING IS RISKY

AS THE ECONOMY EVENTUALLY COOLS, MORTGAGE RATES WILL DROP, FUELING DEMAND AND LEADING TO AN EVEN HOTTER HOUSING MARKET.

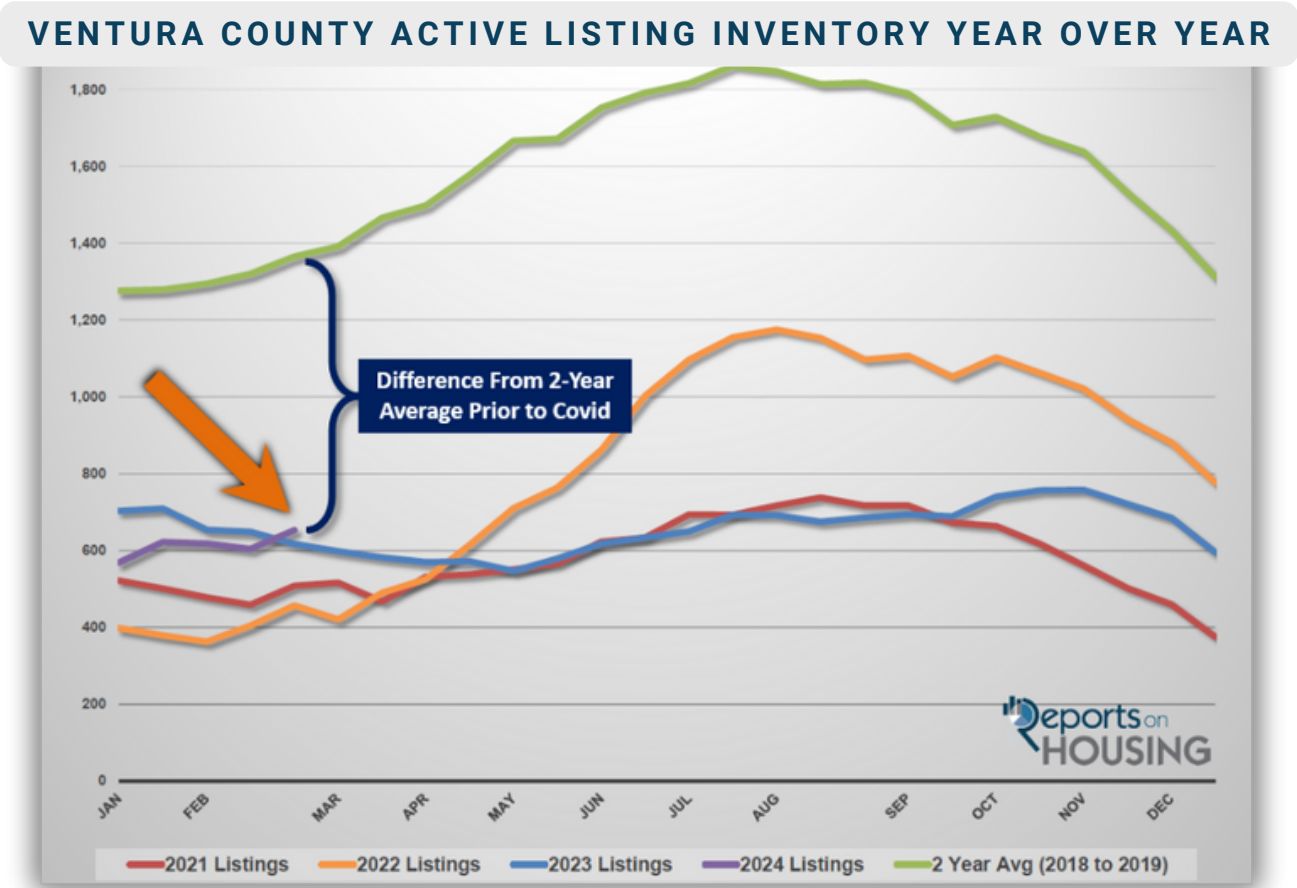
Many potential buyers are sitting on the sidelines, waiting for the market to become more affordable. Combining high home values and significantly higher mortgage rates, the expectation was for home values to plunge. Home affordability has collapsed due to rates rising from 3.25% in January 2022 to 7% today. Purchasing a home is out of reach for so many Americans. The logic is simple: either incomes rise substantially, interest rates significantly fall, or home values tumble. They believe that the only proper solution is for home values to collapse.

Yet, the housing market has proven to be exceedingly resilient despite higher rates and low home affordability. Incomes have not suddenly spiked, mortgage rates have not plunged, and home values have risen year over year. Housing has played out much differently than expected. Buyers new to the housing arena are shocked to find tremendous competition. Jam-packed open houses, multiple offer bidding wars, and sales prices at or above the asking prices are the norm, especially in the lower price ranges.

It is best to look at supply and demand to understand why home values have not collapsed. Before and during the Great Recession, there was a glut of homes available across the U.S. Before 1995, the inventory averaged 2,250,000 homes, according to the National Association of REALTORS® (1982 to 2005). From 2006 to 2010, it averaged 3,430,000, 52% higher, and even eclipsed 4,000,000 homes in July 2007. During the Great Recession, demand plunged. With a glut of homes available and very low demand, home values crashed. Yet, since 2021, the U.S. inventory has averaged 1,100,000. In January, it was at 1,010,000. There is a scarcity of homes available to purchase. With higher rates, demand has plunged once again. This time, low demand is matched up against a chronically low inventory. This has resulted in rising home values.



In Ventura County, there are only 653 homes available to purchase today. The 2-year average before COVID (2018 to 2019) was 1,365, 109% higher than today, or an extra 712 homes. That is when housing was appreciating methodically from year to year. Home values continuously appreciated annually from 2012 through 2019. The housing market was not out of control, and the supply of available homes to purchase before COVID was at normal levels. On the other hand, today's inventory is at chronically low, anemic levels.

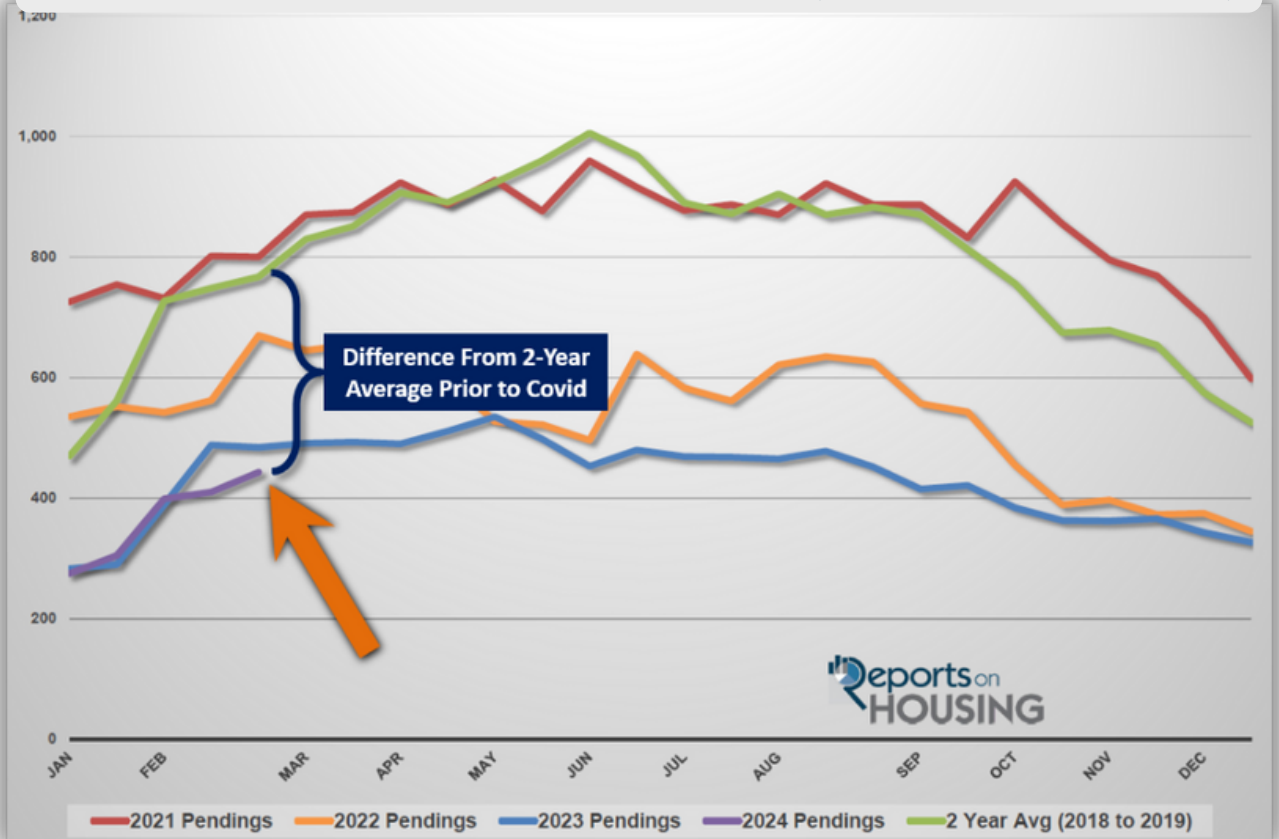


Even with limited demand, the Ventura County inventory has struggled to grow. The main culprit is the lack of homes coming on the market. When there are fewer FOR-SALE signs, it is challenging for homes to accumulate to grow inventory. In 2023, there were 42% fewer sellers than the 2-year average before COVID. That is over 4,700 missing signs. So far this year, through February, there are 36% fewer sellers or over 290 missing signs.

Ventura County demand, a snapshot of the number of new pending sales over the prior month, has been exceedingly low. This is partly due to the lack of homes available in the lower price ranges. Today's demand is at 443 pending sales, less than last year's 484 pending sales. The 2-year average before COVID was 767, 73% higher than today, or an extra 324 pending sales.

Low demand levels do not mean that the market is not exceptionally hot. Today's Expected Market Time (the number of days to sell all Ventura County listings at the current buying pace) is 44 days. At 44 days, buyers compete, bidding wars are the norm, and home values are rising. This occurs with a scarcity of supply, which is precisely what the housing market is experiencing today.

VENTURA COUNTY DEMAND YEAR OVER YEAR (LAST 30 DAYS PENDING)



Why is right now a good time to buy rather than waiting for qualified buyers? Rates are expected to drop this year. In December, the Federal Reserve projected reducing the Federal Funds Rate three times this year. Their dual mandate is for both maximum employment and stable prices. The job market has been robust, and inflation is coming down nicely towards their 2% target. Despite plenty of positive numbers, the U.S. economy is facing many headwinds. Personal savings rates are low. Pandemic-era excess savings from government stimulus checks are running out. Credit card debt is growing at an abnormally fast rate. Credit card, automobile, and multi-family delinquencies have been rising rapidly. Eventually, the economy will slow from its current brisk pace. Most economists agree that a recession is not in the mix, but economic growth will slow. When this occurs, investors move their money to the safe haven of 10-year treasuries and mortgage-backed securities, resulting in a substantial drop in mortgage rates. At first, rates will drop between 6% to 6.5%. Eventually, if the economy remains cool with duration, rates could fall below 6% for the first time since August 2022.

Lower rates will result in an immediate boost in the number of buyers looking to purchase. Affordability will drastically improve. Demand readings will improve virtually overnight. Eventually, as rates drop, the number of homeowners willing to sell will increase. But remember, 85% of all California homeowners with a mortgage are enjoying a fixed rate at or below 5%. Not everyone will be inclined to trade their low rates for a higher one. The dramatic increase in demand will outpace the number of additional homeowners willing to sell. As a result of this mismatch, the housing market will get even hotter, the number of multiple offers will increase, bidding wars will get more fierce, and home values will rise.

It was true a year ago, and it is true today: The time is now. Buyers who wait will face increased competition, and purchasing a home will become even more challenging.

ACTIVE LISTINGS

THE ACTIVE INVENTORY INCREASED BY 8% IN THE PAST COUPLE OF WEEKS.



The active listing inventory increased by 49 homes in the past two weeks, up 8%, and now sits at 653. As long as rates remain above 7%, the inventory will slowly grow. The Spring Housing market starts in just a couple of weeks, mid-March. More homeowners come on the market each month. More homes are placed on the market in May than in any other month. The second most occurs in June and the third most in March. Any rise in available homes will be a welcome relief to an inventory starved for fresh supply. Expect the inventory to slowly accumulate until peaking in the summer between July and August. The only caveat is that when the U.S. economy slows and mortgage rates fall, the inventory will have difficulty growing and may even decline early.

Last year, the inventory was 617 homes, **6% lower, or 36 less**. The 2-year average before COVID (2018 through 2019) was 1,365, an additional 712 homes, or 109% extra, more than double where it stands today.

Homeowners continue to “hunker down” in their homes, unwilling to move due to their current underlying, locked-in, low fixed-rate mortgage. For February, 530 new sellers entered the market in Ventura County, 294 fewer than the 3-year average before COVID (2017 to 2019), 36% less. Last February, there were 478 new sellers, 10% fewer than this year. More sellers are finally opting to sell compared to the previous year.

DEMAND

DEMAND INCREASED BY 8% IN THE PAST COUPLE OF WEEKS.



Demand, a snapshot of the number of new pending sales over the prior month, increased from 410 to 443 in the past couple of weeks, up 33 pending sales, with levels last seen in September 2023. Yet, it is the lowest end-of-February reading since tracking began in 2017. With more homes coming on the market during the Spring Market, just a couple of weeks away, expect demand to rise due to the increase in supply. It will not be a substantial rise because of the limitations of affordability. Typically, demand peaks between May and June. Yet, if rates drop later this year due to an economic slowdown, this year's peak could come later.

Last year, demand was 484, **9% more than today, or 41 extra pending sales**. The 2-year average before COVID (2018 to 2019) was 767 pending sales, **73% more than today, or an additional 324**.

With supply and demand rising at a similar pace, the Expected Market Time (the number of days to sell all Ventura County listings at the current buying pace) remained unchanged at 44 days in the past couple of weeks. Last year, the Expected Market Time was 38 days, faster than today. The 2-year average before COVID was 54 days, slower than today.









LUXURY END

THE LUXURY MARKET IMPROVED IN THE PAST COUPLE OF WEEKS.

In the past couple of weeks, the luxury inventory of homes priced above \$1.5 million increased from 221 to 231 homes, up 10, or 5%. Luxury demand also increased by 10 pending sales, up 22%, and now sits at 55. With demand surging faster than supply, the Expected Market Time for luxury homes priced above \$1.5 million decreased from 147 to 126 days. For perspective, the lower ranges (less than \$1.5 million) have an Expected Market Time of 33 days. While 126 days is not instant, it is substantially different than the 213-day level reached at the start of the year. Careful pricing and plenty of patience are the best approaches to today's luxury market.

For homes priced between \$1.5 million and \$2 million, the Expected Market Time in the past two weeks decreased from 97 to 64 days. For homes priced between \$2 million and \$3 million, the Expected Market Time in the past two weeks decreased from 172 to 131 days. For homes priced between \$3 million and \$4 million, the Expected Market Time in the past two weeks increased from 90 to 220 days. For homes priced above \$4 million, the Expected Market Time in the past two weeks increased from 335 to 563 days. At 563 days, a seller would be looking at placing their home into escrow around **September 2025**.

VENTURA COUNTY MARKET BREAKDOWN

PRICE RANGES & MARKET SPEED	MARKET TIME	% OF CURRENT INVENTORY	% OF CURRENT DEMAND
\$0-\$750k 	31 Days	27%	37%
\$750k-\$1m 	29 Days	20%	31%
\$1m-\$1.25m 	48 Days	11%	10%
\$1.25m-\$1.5m 	34 Days	7%	9%
\$1.5m-\$2m 	64 Days	11%	8%
\$2m-\$3m 	131 Days	9%	3%
\$3m-\$4m 	220 Days	3%	1%
\$4m+ 	563 Days	12%	1%

VENTURA COUNTY HOUSING SUMMARY



- The active listing inventory in the past couple of weeks increased by 49 homes, up 8%, and now sits at 653 homes. In February, 36% fewer homes came on the market compared to the 3-year average before COVID (2017 to 2019), 294 less. 52 more sellers came on the market this year compared to February 2023. Last year, there were 617 homes on the market, **36 less homes, or 6% lower**. The 2-year average before COVID (2018 to 2019) was 1,365, or 109% extra, more than double.
- Demand, the number of pending sales over the prior month, increased by 33 pending sales, up 8%, in the past two weeks and now totals 443. Last year, there were 484 pending sales, **9% more than today**. The 2-year average before COVID (2018 to 2019) was 767, or **73% more**.
- With supply and demand increasing at a similar pace, the Expected Market Time, the number of days to sell all Ventura County listings at the current buying pace, remained unchanged at 44 days in the past couple of weeks. It was 38 days last year, faster than today.
- For homes priced below \$750,000, the Expected Market Time in the past two weeks increased from 29 to 31 days. This range represents 27% of the active inventory and 37% of demand.
- For homes priced between \$750,000 and \$1 million, the Expected Market Time in the past two weeks increased from 28 to 29 days. This range represents 20% of the active inventory and 31% of demand.
- For homes priced between \$1 million and \$1.25 million, the Expected Market Time in the past two weeks increased from 38 to 48 days. This range represents 11% of the active inventory and 10% of demand.
- For homes priced between \$1.25 million and \$1.5 million, the Expected Market Time in the past two weeks decreased from 50 to 34 days. This range represents 7% of the active inventory and 9% of demand.
- For homes priced between \$1.5 million and \$2 million, the Expected Market Time in the past two weeks decreased from 97 to 64 days. For homes priced between \$2 million and \$3 million, the Expected Market Time in the past two weeks decreased from 172 to 131 days. For homes priced between \$3 million and \$4 million, the Expected Market Time in the past two weeks increased from 90 to 220 days. For homes priced above \$4 million, the Expected Market Time in the past two weeks increased from 335 to 563 days.
- The luxury end, all homes above \$1.5 million, account for 35% of the inventory and 12% of demand.
- Distressed homes, both short sales and foreclosures combined, made up only 0.6% of all listings and 0.7% of demand. Only two foreclosures and two short sales are available to purchase today in all of Ventura County, with four total distressed homes on the active market, down two homes from two weeks ago. Last year, four distressed homes were on the market, the same as today.
- There were 318 closed residential resales in January, 2% more than January 2023's 312 closed sales. January marked a 15% decrease compared to December 2023. The sales-to-list price ratio was 99.1% for all of Ventura County. There were no foreclosure sales, and short sales accounted for just 0.3% of all closed sales. That means that 99.7% of all sales were good ol' fashioned sellers with equity.

VENTURA COUNTY MARKET TIME REPORT

VENTURA COUNTY CITIES	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO	MEDIAN ACTIVE LIST PRICE
2/29/2024								
Camarillo	61	45	41	74	34	-	-	\$894k
Fillmore	17	11	46	86	57	-	-	\$917k
Moorpark	24	25	29	83	28	-	-	\$1.1m
Newbury Park	30	20	45	63	33	-	-	\$1.1m
Oak Park	11	8	41	41	23	-	-	\$600k
Oak View	10	5	60	300	48	-	-	\$1.3m
Ojai	48	18	80	154	77	-	-	\$1.6m
Oxnard	86	63	41	82	42	-	-	\$856k
Port Hueneme	19	13	44	69	53	-	-	\$549k
Santa Paula	18	8	68	160	64	-	-	\$772k
Simi Valley	90	91	30	88	46	-	-	\$753k
Thousand Oaks	54	51	32	95	30	-	-	\$1.7m
Ventura	87	50	52	107	49	-	-	\$1.1m
Westlake Village	35	22	48	176	71	-	-	\$3.0m
All of V.C.	653	443	44	44	46	40	22	\$1.1m

VENTURA COUNTY PRICE RANGES REPORT

ATTACHED HOMES 2/29/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO	MEDIAN ACTIVE LIST PRICE
All of V.C.	190	123	46	50	41	-	-	\$690k
\$0-\$500k	38	26	44	28	28	-	-	\$440k
\$500k-\$750k	88	62	43	47	36	-	-	\$650k
\$750k-\$1m	32	22	44	83	55	-	-	\$850k
\$1m-\$1.5m	19	8	71	85	71	-	-	\$1.2m
\$1.5m+	13	5	78	390	420	-	-	\$3.3m

DETACHED HOMES 2/29/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO	MEDIAN ACTIVE LIST PRICE
All of V.C.	463	320	43	42	49	-	-	\$1.4m
\$0-\$750k	48	78	18	19	30	-	-	\$679k
\$750k-\$1m	98	114	26	22	24	-	-	\$872k
\$1m-\$1.25m	59	40	44	34	44	-	-	\$1.2m
\$1.25m-\$1.5m	40	38	32	45	63	-	-	\$1.4m
\$1.5m-\$2m	71	30	71	98	93	-	-	\$1.8m
\$2m-\$3m	58	13	134	161	158	-	-	\$2.6m
\$3m-\$4m	19	3	190	90	63	-	-	\$3.5m
\$4m+	70	4	525	315	248	-	-	\$6.0m

ALL HOMES 2/29/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO	MEDIAN ACTIVE LIST PRICE
All of V.C.	653	443	44	44	46	40	22	\$1.1m
\$0-\$750k	174	166	31	29	32	-	-	\$622k
\$750k-\$1m	130	136	29	28	26	-	-	\$870k
\$1m-\$1.25m	72	45	48	38	47	-	-	\$1.2m
\$1.25m-\$1.5m	46	41	34	50	65	-	-	\$1.4m
\$1.5m-\$2m	73	34	64	97	95	-	-	\$1.7m
\$2m-\$3m	61	14	131	172	169	-	-	\$2.6m
\$3m-\$4m	22	3	220	99	70	-	-	\$3.5m
\$4m+	75	4	563	335	259	-	-	\$6.0m

*Data tabulated from CRMLS. This data may not reflect all real estate activity in the market.

Due to Range Price listings, "All Homes," "Attached" and "Detached" totals do not add up and are slightly off.

VENTURA COUNTY SOLD REPORT

VENTURA COUNTY CITIES	UNITS SOLD JAN 2024	MEDIAN SALES PRICE	MEDIAN LIST PRICE	SALES TO LIST PRICE RATIO	LOW PRICE	HIGH PRICE	MEDIAN SQ FT.	MEDIAN \$ PER SQ FT.	MEDIAN DOM	UNITS SOLD JAN 2023
Camarillo	42	\$796,000	\$795,000	100%	\$480k	\$2.0m	1609	\$495	16	43
Fillmore	4	\$837,951	\$845,134	108%	\$645k	\$1.4m	2291	\$366	12	5
Moorpark	15	\$915,000	\$915,000	99%	\$645k	\$2.3m	2427	\$377	17	17
Newbury Park	14	\$955,000	\$969,500	98%	\$525k	\$2.0m	1974	\$484	43	17
Oak Park	6	\$760,000	\$767,000	99%	\$539k	\$1.4m	1434	\$530	41	4
Oak View	2	\$965,500	\$1,014,500	95%	\$831k	\$1.1m	1314	\$735	55	2
Ojai	10	\$1,092,950	\$1,147,500	97%	\$615k	\$2.3m	1389	\$787	63	17
Oxnard	53	\$725,000	\$720,000	100%	\$410k	\$2.2m	1681	\$431	22	46
Port Hueneme	13	\$660,000	\$654,900	98%	\$320k	\$925k	1286	\$513	25	13
Santa Paula	15	\$685,000	\$684,999	100%	\$315k	\$975k	1541	\$445	56	10
Simi Valley	38	\$846,500	\$843,750	100%	\$500k	\$1.8m	1826	\$464	28	55
Thousand Oaks	34	\$962,500	\$970,000	99%	\$499k	\$5.5m	1766	\$545	30	22
Ventura	37	\$830,000	\$819,000	100%	\$362k	\$2.6m	1423	\$583	33	44
Westlake Village	22	\$1,350,000	\$1,375,000	99%	\$525k	\$7.0m	2202	\$613	34	14
All of V.C.	318	\$830,500	\$829,000	99%	\$70k	\$7.0m	1680	\$494	31	312
\$0-\$750k	115	\$630,000	\$640,000	100%	\$70k	\$750k	1280	\$492	24	158
\$750k-\$1m	111	\$863,500	\$850,000	100%	\$755k	\$1.0m	1746	\$495	28	68
\$1m-\$1.25m	33	\$1,100,000	\$1,150,000	98%	\$1.0m	\$1.3m	2287	\$481	46	31
\$1.25m-\$1.5m	24	\$1,377,500	\$1,399,500	99%	\$1.3m	\$1.5m	2421	\$569	44	15
\$1.5m-\$2m	19	\$1,665,000	\$1,674,990	98%	\$1.6m	\$2.0m	3093	\$538	57	22
\$2m-\$3m	9	\$2,250,000	\$2,249,000	98%	\$2.0m	\$2.7m	2983	\$754	55	13
\$3m-\$4m	3	\$3,650,000	\$3,650,000	98%	\$3.4m	\$3.9m	5097	\$716	23	3
\$4m+	4	\$4,937,500	\$5,000,000	98%	\$4.2m	\$7.0m	5022	\$983	63	2

VENTURA COUNTY FORECLOSURE REPORT

VENTURA COUNTY CITIES	CURRENT ACTIVES	NUMBER OF FORECLOSURES & SHORT SALE ACTIVES	% OF ACTIVE INVENTORY
2/29/2024			
Camarillo	61	2	3.3%
Fillmore	17	0	0.0%
Moorpark	24	0	0.0%
Newbury Park	30	0	0.0%
Oak Park	11	0	0.0%
Oak View	10	0	0.0%
Ojai	48	0	0.0%
Oxnard	86	1	1.2%
Port Hueneme	19	0	0.0%
Santa Paula	18	0	0.0%
Simi Valley	90	1	1.1%
Thousand Oaks	54	0	0.0%
Ventura	87	0	0.0%
Westlake Village	35	0	0.0%
All of V.C.	653	4	0.6%
VENTURA COUNTY DISTRESSED BREAKDOWN			
	CURRENT ACTIVES	PENDINGS (LAST 30 DAYS)	MARKET TIME (IN DAYS)
Total Foreclosures	2	3	20
Total Short Sale	2	0	INF

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SOUTHERN CALIFORNIA HOUSING REPORT

ALL PROPERTIES 2/29/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO
Los Angeles County	7,671	3,456	67	64	72	58	30
Orange County	1,992	1,476	40	42	45	44	19
Riverside County	4,983	2,344	64	65	69	58	21
San Bernardino County	3,392	1,375	74	69	72	66	28
San Diego County	2,591	1,782	44	43	46	35	19
Ventura County	653	443	44	44	46	40	22
SOCAL TOTALS	21,282	10,876	59	55	59	50	23

DISTRESSED PROPERTIES 2/29/2024	CURRENT ACTIVES	DEMAND (LAST 30 DAYS PENDING)	MARKET TIME (IN DAYS)	MARKET TIME 2-WEEKS AGO	MARKET TIME 4-WEEKS AGO	MARKET TIME 1-YEAR AGO	MARKET TIME 2-YEARS AGO
Los Angeles County	73	20	110	61	50	47	28
Orange County	6	1	180	38	26	300	23
Riverside County	35	29	36	53	70	29	26
San Bernardino County	33	14	71	38	41	57	50
San Diego County	9	13	21	37	45	53	32
Ventura County	4	3	40	180	38	120	60
SOCAL TOTALS	160	80	60	68	45	101	36