

AUGUST 5, 2025 - WRITTEN BY STEVEN THOMAS

WILL PRICES PLUNGE?

THERE ARE THREE INDICATORS TO LOOK FOR IN DETERMINING
WHEN HOME PRICES WILL DROP SHARPLY, BUT ONLY ONE OF
THEM IS CURRENTLY PRESENT.



Many people argue that housing is due for a correction. Their rationale is that home prices surged at an unprecedented rate from 2020 through the first half of 2022. When mortgage rates jumped from 3.25% in January 2022 to 7.37% nine months later in October, home affordability plummeted to historically low levels. Affordability is based on household incomes, mortgage rates, and home values. Since household incomes have not skyrocketed, and mortgage rates have bounced around 7% for nearly three years, the natural conclusion is that prices must plunge to improve affordability. Many have exclaimed that they feel it in their “gut,” that it is not a matter of if prices correct, it is when.

Yet, economics does not adhere to intuition or a “gut” reading. Instead, it is best to turn to the facts, data, and current trendlines. There are three key indicators to watch for to determine when home prices will plunge: a glut of homes available for purchase, an elevated number of distressed homes, including both foreclosures and short sales, and weak demand. All three need to be present to instigate a price correction. That is precisely what occurred leading up to and during the Great Recession. According to the Freddie Mac House Price Index, the Ventura County metro area experienced a substantial year-over-year drop in June 2007, 2008, 2009, and 2011.

FREDDIE MAC HOUSE PRICE INDEX - VENTURA COUNTY

	June '06	June '07	June '08	June '09	June '10	June '11	June '12	June '13	June '14	June '15
YoY	6.2%	-6.7%	-22.5%	-9.8%	3.2%	-7.0%	0.3%	17.3%	8.7%	4.9%
MoM	-0.2%	-0.9%	-1.2%	1.6%	-0.4%	-0.4%	1.1%	2.0%	0.5%	0.7%
	June '16	June '17	June '18	June '19	June '20	June '21	June '22	June '23	June '24	June '25
YoY	5.6%	5.0%	5.1%	1.7%	3.8%	19.2%	11.8%	0.7%	5.4%	0.9%
MoM	0.6%	0.5%	0.3%	0.4%	0.9%	2.0%	-0.8%	1.0%	0.1%	-0.5%

Where is Ventura County today in terms of the three factors: supply, demand, and distressed? Let the data reveal where the market is headed and allow it to set accurate market expectations.

- 1. **Supply of Available Homes: Despite many more sellers competing against each other, supply is still constrained compared to where it was leading up to and during the Great Recession.** According to the National Association of REALTORS®, the national inventory today stands at 1,530,000 homes. In June 2006, there were 3,740,000, or 144% more, and in June 2007, there were 3,870,000, more than two and a half times today’s level. In July 2007, it eclipsed 4,000,000 homes. While the inventory may have grown over the past couple of years, it has remained at low levels compared to the glut of homes available leading up to and during the Great Recession.

In Ventura County, there are currently 1,642 homes available for sale. Yet, in July 2008, it climbed to 6,000, or 265% higher, more than triple. Today’s inventory is 68% higher than last year’s 977, and 137% higher than 2023’s 692 homes.



2. **Buyer Demand: Mortgage rates have been stuck above 6% for three years, and buyer demand has been muted ever since.** Demand had remained high from the second half of 2020, during the pandemic, through May 2022. The favorable mortgage rate environment fueled remarkable demand. That came to an abrupt end in 2022 when the Federal Reserve embarked on an unprecedented rate-hiking cycle. As mortgage rates soared, demand and closed sales activity plummeted. Demand will remain subdued as long as rates remain elevated, hovering around 7%.

Current demand (a snapshot of the number of new pending sales over the prior month) is at 531 pending sales, nearly unchanged from last year's 533, and 14% higher than 2023's 465. The 3-year average before the pandemic (2017-2019) was 901 pending sales, a mind-boggling 70% higher than today. Through June, there were 2,792 closed sales in 2025, representing a 32% decrease from the 3-year pre-COVID average of 4,128 sales. Yes, Ventura County is currently experiencing extremely weak demand.

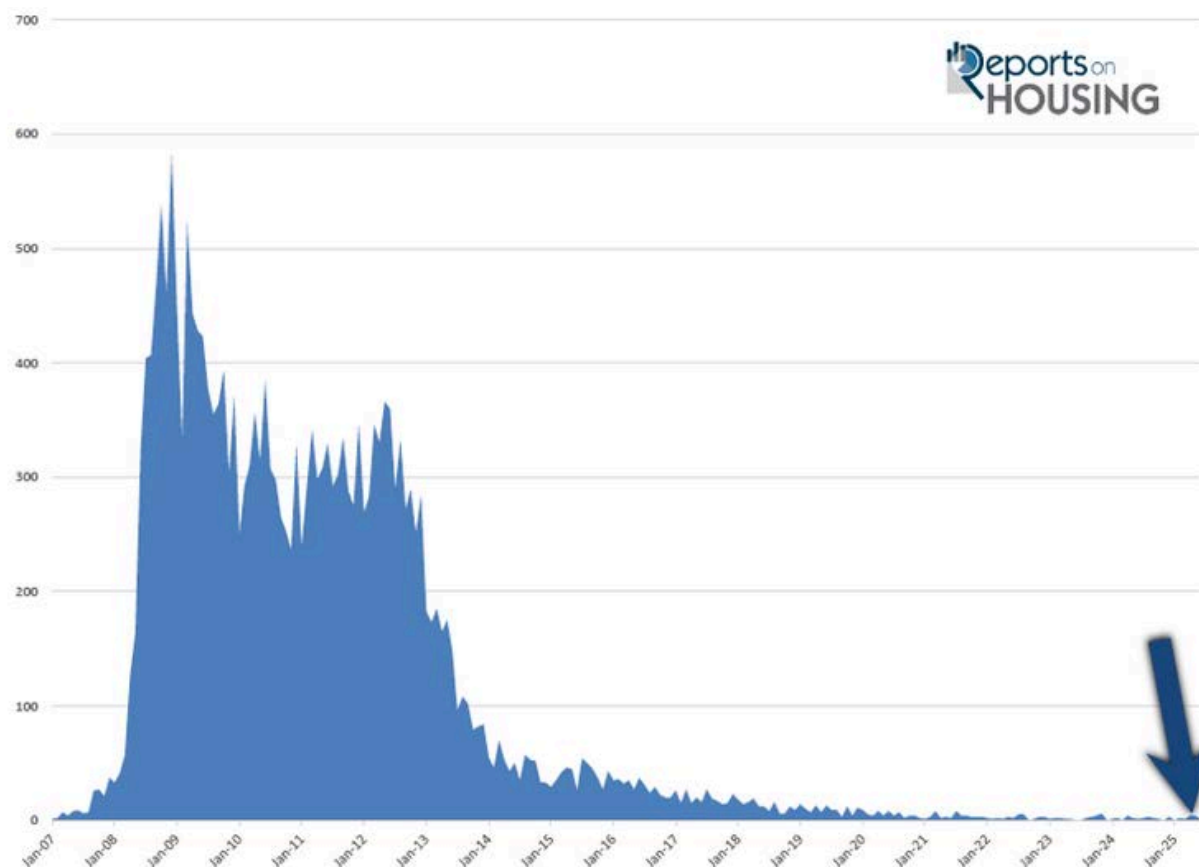
3. **Distressed Homes: There have been very few distressed home sales for years now, and it is not going to change anytime soon.** In June, there was only one foreclosure sale and no short sales out of the 535 total closed sales. That is 0.2% of all closed sales. Compare that to 3% in June 2007, 42% in 2008, 49% in 2009, and 42% in 2010.

Distressed properties are still below pre-pandemic levels. According to the ICE McDash loan-level database, the national delinquency rate for first-lien mortgages is currently at 3.2%, below the pre-pandemic average of 3.5% (2018-2019) and far below the 4.13% average from 2000 to 2005. The housing stock is the healthiest in U.S. history, thanks to tight lending standards that date back to 2010, when borrowers qualified with strong credit, great jobs, large down payments, and low mortgage rates. Homeowners are sitting on tremendous, record-high equity, and 40% own their homes free and clear.

When distressed homes are present, banks need to unload these nonperforming assets so that they can utilize the capital once again. They lack emotion when it comes to selling these assets. They "have to sell," meaning they will do whatever it takes to secure a sale. That is vastly different than today. There are very few sellers who truly "have to sell." Instead, the inventory is built on a collection of homeowners who are emotionally tied to their homes. It's where their kids learned to ride a bike. They are not just selling a house; they are selling their "home." This creates a real stickiness to

pricing.

VENTURA COUNTY CLOSED DISTRESSED SALES (MONTHLY)



The Bottom Line: Only one of the three indicators for prices to plunge is present in today's housing market, muted demand. There must be considerable additional pressure for prices to fall substantially, not just low demand. A glut of available homes, along with unemotional distressed sellers who "have to sell," and weak demand are the necessary ingredients for housing to experience a correction. Prices will not plunge solely due to weak demand.



ACTIVE LISTINGS

THE INVENTORY DECREASED BY 21 HOMES OVER THE PAST COUPLE OF WEEKS.

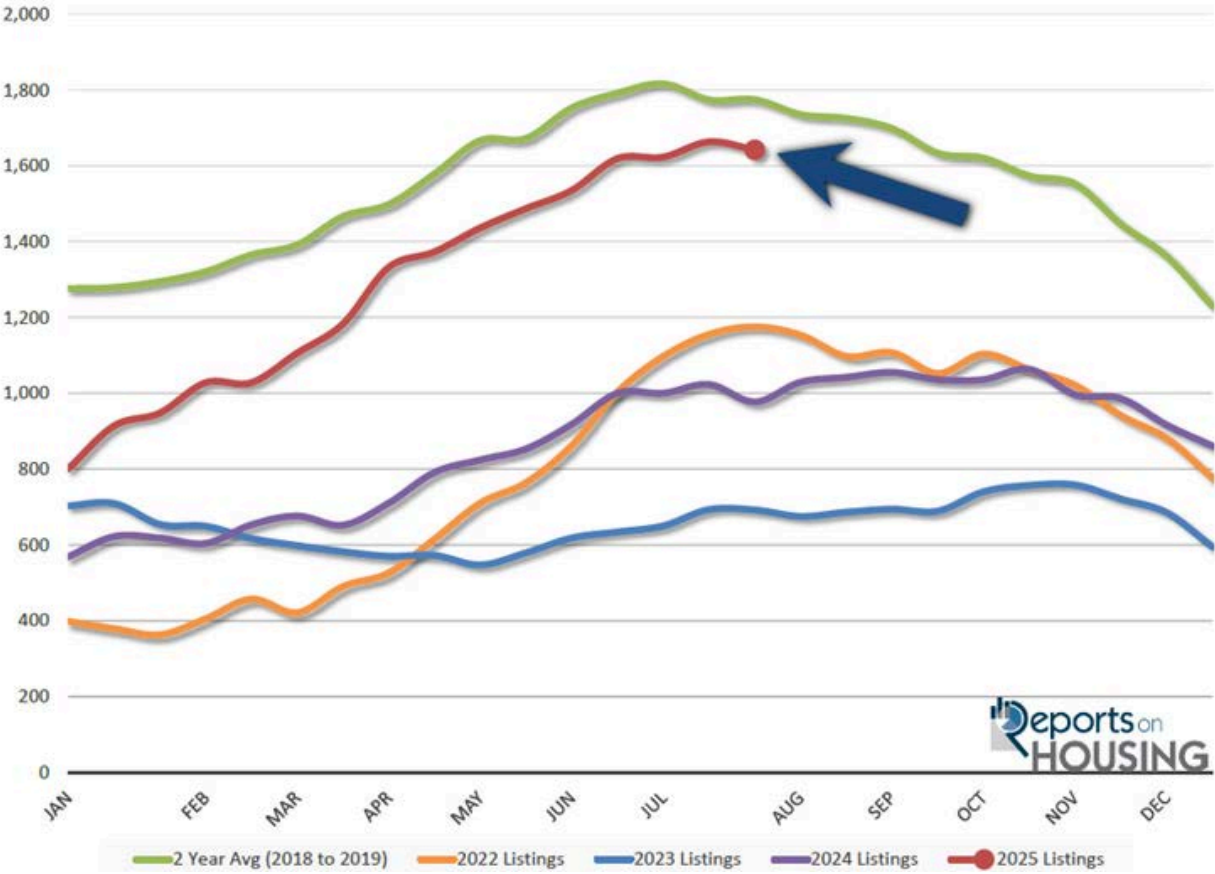
The active listing inventory decreased by 21 homes over the past two weeks, down 1%, and now stands at 1,642, marking its first decline of the year. It will be interesting to see if the Ventura County housing market reaches its typical peak between July and August. It appears that it may be reaching a peak right now. Only time will tell. Prices have started to fall slightly from month to month in Ventura County. It is simply a matter of supply and demand. While demand has remained relatively unchanged over the past couple of years, at similar muted levels, there are more competing listings this year than in recent years. Examining the supply and demand scale, the additional supply has tilted the scale marginally in favor of buyers.

Last year, the inventory was at 977 homes, **40% lower, or 665 fewer**. The 3-year average before COVID (2017-2019) was 1,774 homes, 132 more, or 8% higher.

Homeowners continue to "hunker down" in their homes, unwilling to move due to their current underlying, locked-in, low fixed-rate mortgage. This trend has been easing from the lows established in 2023. Through July, 5,714 homes were placed on the market in Ventura

County, 1,455 fewer than the 3-year average before COVID (2017-2019), 20% less. In 2024, only 4,689 homes entered the market, and in 2023, it was only 4,052. More sellers are opting to sell in 2025.

VENTURA COUNTY
ACTIVE LISTING INVENTORY YEAR-OVER-YEAR



DEMAND

DEMAND INCREASED BY 6% OVER THE PAST COUPLE OF WEEKS.

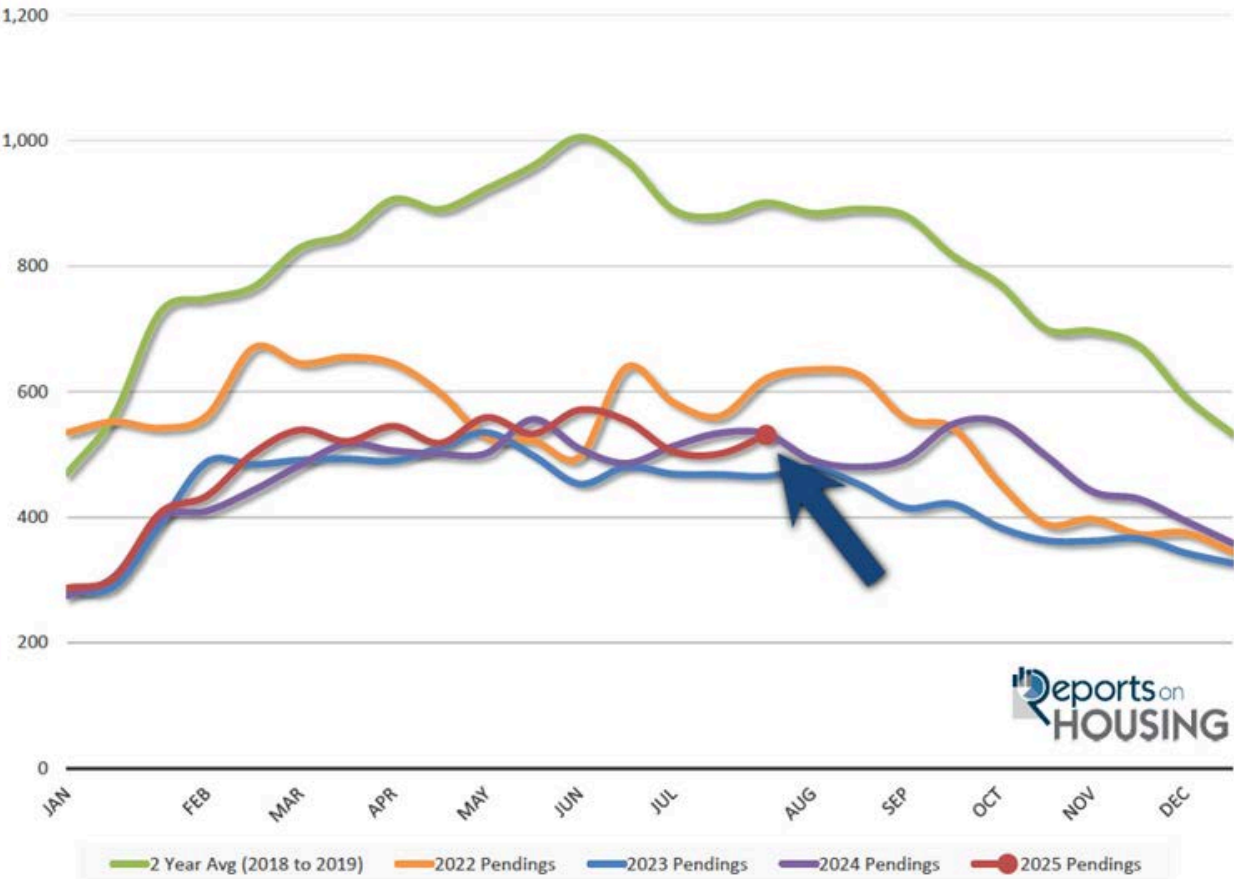
Demand, a snapshot of the number of new pending sales over the prior month, increased from 501 to 531 in the past couple of weeks, representing a 30-pending-sale rise, or 6%. Last Friday, August 1st, was Jobs Friday, one of the most important economic reports each month. The report was extremely weak, prompting investors to pivot from stocks to longer-duration investments. As a result, mortgage rates dropped considerably. According to Mortgage News Daily, 30-year mortgage rates declined from 6.75% on July 31st to 6.58% today, the lowest rate since October 4th. If the economy continues to show evidence of an economic slowdown, rates will fall further. If rates drop below 6.5% with duration, expect demand to improve noticeably. As mortgage rates fall, demand will improve. Examining the supply and demand scale, the increased demand will offset the additional seller competition and could shift pricing back in favor of sellers. It will be imperative to continue closely monitoring all economic data releases moving forward to determine the market's direction.

Last year, demand reached 533, with **only two additional pending sales**. The 3-year average before COVID (2017-2019) was 901 pending sales, **70% more than today, or an additional 370**.

As the Federal Reserve has indicated, watching all economic releases for signs of slowing is essential. That is the only path to lower mortgage rates at this time. These releases can cause mortgage rates to move higher or lower, depending on how they compare to market

expectations. Next week, the Producer Price Index (PPI) and the Consumer Price Index (CPI) will be released, two key indicators of inflation. Finally, next Thursday, Retail Sales will be released. It will be a pivotal week for mortgage rates.

VENTURA COUNTY
DEMAND YEAR-OVER-YEAR



VENTURA COUNTY EMT BREAKDOWN



EXPECTED MARKET TIME

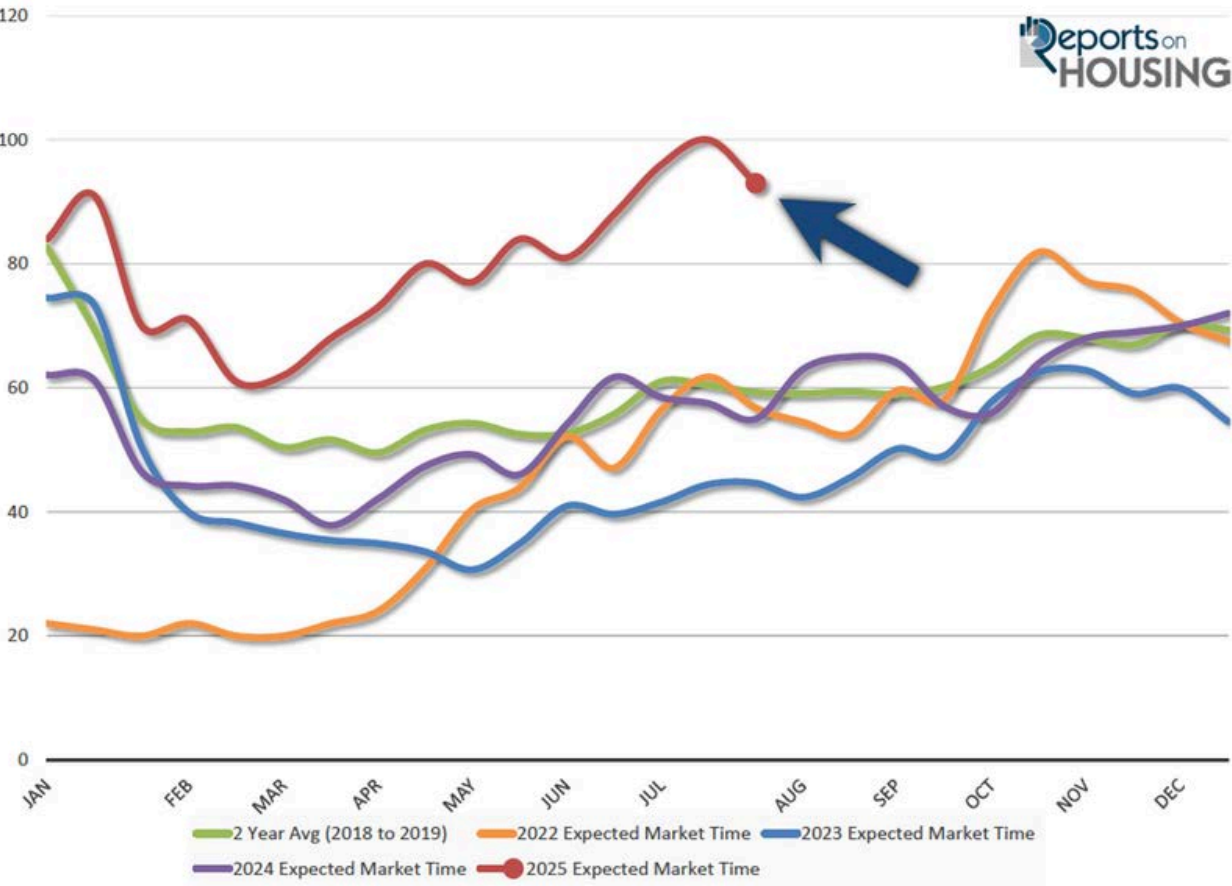
THE EXPECTED MARKET TIME IMPROVED BY SEVEN DAYS
OVER THE PAST COUPLE OF WEEKS.

With the supply of available homes falling by 21 homes, **down 1%**, and demand increasing by 30 pending sales, **up 6%**, the Expected Market Time (the number of days it takes to sell all Ventura County listings at the current buying pace) decreased from 100 to 93 days in the past couple of weeks, its first improvement since June. It is still a very high reading for July.

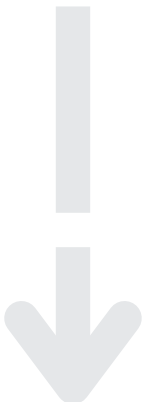
Last year, it was 55 days, substantially faster than today. The 3-year average before COVID was 59 days, which is also much quicker than today.

The Expected Market Time for condominiums and townhomes decreased from 110 days to 93 days in the past two weeks. It was at 52 days last year. For detached homes, the Expected Market Time decreased from 96 to 93 days. It was 56 days last year.

VENTURA COUNTY
EXPECTED MARKET TIME YEAR-OVER-YEAR (IN DAYS)



VENTURA COUNTY
LUXURY END BREAKDOWN



Over the past couple of weeks, the luxury inventory of homes priced above \$1.5 million (the top 10% of the Ventura County housing market) decreased from 477 to 474 homes, a drop of three homes, or 1%. Luxury demand increased by four pending sales, up 6%, and now sits at 67 pending sales. With demand rising and supply falling, the Expected Market Time for luxury homes priced above \$1.5 million decreased from 227 to 212 days. Expect the luxury market to moderate and cool somewhat during the Summer Market.

Year over year, the active luxury listing inventory has increased by 147 homes, or 45%, and luxury demand has dropped by 16 pending sales, or 19%. Last year's Expected Market Time was 118 days, much quicker than today.

In the past two weeks, the Expected Market Time for homes priced between \$1.5 million and \$2 million decreased from 146 to 121 days. For homes priced between \$2 million and \$3 million, the Expected Market Time did not change, remaining at 274 days. For homes priced between \$3 million and \$4 million, the Expected Market Time decreased from 458 to 342 days. For homes priced above \$4 million, the Expected Market Time increased from 339 to 575 days. Luxury is at 212 days overall. At this pace, a seller would be looking at becoming a pending sale around **March 2026**.

VENTURA COUNTY MARKET BREAKDOWN

PRICE RANGES & MARKET SPEED	MARKET TIME	% OF CURRENT INVENTORY	% OF CURRENT DEMAND	LAST YEAR
\$0-\$750k 	67 Days	24%	34%	38 Days
\$750k-\$1m 	70 Days	26%	34%	41 Days
\$1m-\$1.25m 	99 Days	12%	11%	44 Days
\$1.25m-\$1.5m 	97 Days	9%	9%	72 Days
\$1.5m-\$2m 	121 Days	10%	8%	56 Days
\$2m-\$3m 	274 Days	8%	3%	153 Days
\$3m-\$4m 	342 Days	3%	1%	375 Days
\$4m+ 	575 Days	7%	1%	311 Days

VENTURA COUNTY HOUSING SUMMARY

AUGUST 5, 2025 - WILL PRICES PLUNGE?

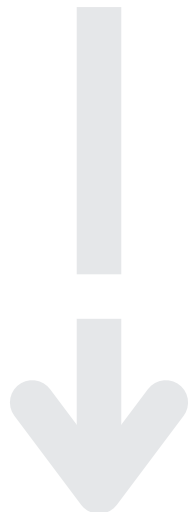
- **INVENTORY:** The active listing inventory decreased by 21 homes over the past couple of weeks, down 1%, and now stands at 1,642, marking its first decrease of the year. Last year, there were 977 homes on the market, 665 fewer homes, or **40% less**. The 3-year average before COVID (2017-2019) was 1,774, which is **8% higher**. From January through July, 20% fewer homes came on the market compared to the 3-year average before COVID (2017-2019), 1,455 less. Yet, 1,025 more sellers came on the market this year than last, and 1,662 more compared to 2023.
- **DEMAND:** Buyer demand, the number of pending sales over the prior month, increased by 30 pending sales in the past two weeks, up 6%, and now totals 531, its first rise since June. Last year, there were 533 pending sales, **only two additional pending sales**. The 3-year average before COVID (2017-2019) was 901, which is **70% higher**.
- **MARKET TIME:** With demand rising and supply falling, the Expected Market Time, the number of days to sell all Ventura County listings at the current buying pace, decreased from 100 to 93 days in the past couple of weeks, still a very high level for July. Last year, it was 55 days, substantially faster than today. The 3-year average before COVID (2017-2019) was 59 days, which is also much quicker than today.
- **LUXURY:** In the past two weeks, the Expected Market Time for homes priced between \$1.5 million and \$2 million decreased from 146 to 121 days. For homes priced between \$2 million and \$3 million, the Expected Market Time did not change, remaining at 274 days. For homes priced between \$3 million and \$4 million, the Expected Market Time decreased from 458 to 342 days. For homes priced above \$4 million, the Expected Market Time increased from 339 to 575 days.
- **DISTRESSED HOMES:** Short sales and foreclosures combined, comprised only 0.3% of all listings and 0.4% of demand. There are three foreclosures and two short sales available today in Ventura County, totaling five distressed homes on the active market, unchanged from two weeks ago. Last year, seven distressed homes were on the market, slightly more than today.
- **CLOSED SALES:** There were 535 closed residential resales in June, 9% more from June 2024's 493 and down 1% from May 2025. The sales-to-list price ratio was 98.3% for Ventura County. Foreclosures accounted for 0.2% of all closed sales, and there were no short sales. That means that 99.8% of all sales were sellers with equity.

VENTURA COUNTY MARKET TIME REPORT

AUGUST 5, 2025 - WILL PRICES PLUNGE?

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
7/31/2025								
Camarillo	158	75	63	91	84	44	-	\$945k
Fillmore	30	12	75	66	117	71	-	\$882k
Moorpark	53	26	61	51	65	35	-	\$1.1m
Newbury Park	93	35	80	79	103	35	-	\$1.1m
Oak Park	37	15	74	95	60	30	-	\$925k
Oak View	12	4	90	83	83	100	-	\$1.2m
Ojai	81	17	143	205	210	145	-	\$2.0m
Oxnard	234	71	99	140	119	45	-	\$894k
Port Hueneme	54	17	95	120	124	70	-	\$592k
Santa Paula	52	16	98	108	120	66	-	\$760k
Simi Valley	273	90	91	75	89	45	-	\$859k
Thousand Oaks	178	63	85	103	68	51	-	\$1.2m
Ventura	200	63	95	87	87	60	-	\$1.0m
Westlake Village	98	18	163	176	144	63	-	\$1.7m
All of V.C.	1,642	531	93	100	96	55	44	\$1.0m

VENTURA COUNTY PRICE RANGES REPORT



VENTURA COUNTY PRICE RANGE REPORT

AUGUST 5, 2025 - WILL PRICES PLUNGE?

VENTURA COUNTY ATTACHED HOMES	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
7/31/2025								
All of V.C.	486	157	93	110	106	52	-	\$703k
\$0-\$500k	76	34	67	108	109	39	-	\$446k
\$500k-\$750k	204	76	81	81	75	45	-	\$649k
\$750k-\$1m	125	34	110	146	167	61	-	\$849k
\$1m-\$1.5m	45	9	150	195	136	62	-	\$1.2m
\$1.5m+	36	4	270	320	480	220	-	\$1.9m

VENTURA COUNTY DETACHED HOMES	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
7/31/2025								
All of V.C.	1,156	374	93	96	93	56	-	\$1.2m
\$0-\$750k	122	69	53	59	64	29	-	\$690k
\$750k-\$1m	295	145	61	64	66	38	-	\$885k
\$1m-\$1.25m	173	54	96	84	69	44	-	\$1.1m
\$1.25m-\$1.5m	128	43	89	86	84	68	-	\$1.4m
\$1.5m-\$2m	144	37	117	141	130	54	-	\$1.8m
\$2m-\$3m	129	15	258	262	200	153	-	\$2.5m
\$3m-\$4m	56	5	336	450	203	353	-	\$3.5m
\$4m+	109	6	545	324	409	285	-	\$6.5m

VENTURA COUNTY ALL HOMES	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
7/31/2025								
All of V.C.	1,642	531	93	100	96	55	44	\$1.0m
\$0-\$750k	402	179	67	77	76	38	-	\$629k
\$750k-\$1m	420	179	70	77	81	41	-	\$869k
\$1m-\$1.25m	197	60	99	91	74	44	-	\$1.1m
\$1.25m-\$1.5m	149	46	97	95	91	72	-	\$1.4m
\$1.5m-\$2m	165	41	121	146	143	56	-	\$1.8m
\$2m-\$3m	137	15	274	274	200	153	-	\$2.5m
\$3m-\$4m	57	5	342	458	206	375	-	\$3.5m
\$4m+	115	6	575	339	424	311	-	\$6.4m

*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

AUGUST 5, 2025 - WILL PRICES PLUNGE?

VENUTRA COUNTY CITIES	UNITS SOLD JUN 2025	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 JUN 2024
Camarillo	75	\$920,000	\$914,000	98.7%	\$304,500	\$2,620,000	1,879	\$490	33	69
Fillmore	6	\$895,000	\$899,500	100.1%	\$660,000	\$1,099,000	2,037	\$439	87	6
Moorpark	27	\$1,099,000	\$1,100,000	99.6%	\$337,500	\$2,340,000	2,579	\$426	31	18
Newbury Park	21	\$1,028,500	\$999,999	98.5%	\$401,000	\$2,195,000	2,105	\$489	39	31
Oak Park	19	\$988,000	\$997,000	100.0%	\$410,000	\$1,960,000	1,859	\$531	26	16
Oak View	7	\$850,000	\$879,000	96.2%	\$758,000	\$1,516,585	1,164	\$730	53	5
Ojai	19	\$1,100,000	\$1,195,000	97.0%	\$725,000	\$2,550,000	1,478	\$744	40	16
Oxnard	79	\$800,000	\$795,000	98.2%	\$430,000	\$3,750,000	1,619	\$494	35	73
Port Hueneme	12	\$622,500	\$629,000	98.8%	\$402,000	\$900,000	1,285	\$484	44	18
Santa Paula	17	\$780,614	\$780,614	95.5%	\$383,000	\$3,500,000	1,870	\$417	46	9
Simi Valley	80	\$843,500	\$849,900	99.8%	\$450,000	\$2,710,000	1,740	\$485	32	78
Thousand Oaks	59	\$1,045,000	\$1,060,000	99.4%	\$303,000	\$5,250,000	1,845	\$566	29	51
Ventura	69	\$880,000	\$875,000	98.6%	\$365,000	\$4,350,000	1,459	\$603	43	67
Westlake Village	28	\$1,560,000	\$1,580,000	96.6%	\$559,555	\$8,150,000	2,442	\$639	50	24
All of V.C.	535	\$905,000	\$910,000	98.3%	\$303,000	\$8,150,000	1,766	\$512	37	493
\$0-\$750k	149	\$638,000	\$639,900	99.2%	\$303,000	\$750,000	1,231	\$518	42	149
\$750k-\$1m	182	\$855,000	\$874,000	99.5%	\$752,635	\$1,000,000	1,725	\$496	33	164
\$1m-\$1.25m	78	\$1,117,500	\$1,110,000	99.5%	\$1,004,900	\$1,250,000	2,132	\$524	37	68
\$1.25m-\$1.5m	41	\$1,350,000	\$1,375,000	99.4%	\$1,275,000	\$1,500,000	2,512	\$537	26	34
\$1.5m-\$2m	40	\$1,747,000	\$1,749,500	98.4%	\$1,516,585	\$2,000,000	2,946	\$593	35	40
\$2m-\$3m	32	\$2,419,500	\$2,394,000	96.7%	\$2,050,000	\$2,995,000	4,013	\$603	27	25
\$3m-\$4m	4	\$3,472,500	\$3,745,000	94.2%	\$3,375,000	\$3,750,000	3,484	\$997	54	7
\$4m+	9	\$5,600,000	\$5,795,000	93.5%	\$4,300,000	\$8,150,000	6,241	\$897	91	6

VENTURA COUNTY
HYPERLINKS

(SHARABLE AND NON-SHAREABLE)

