

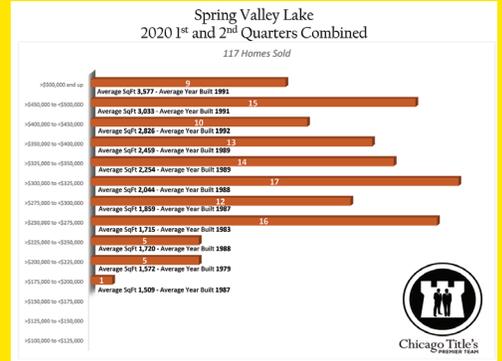
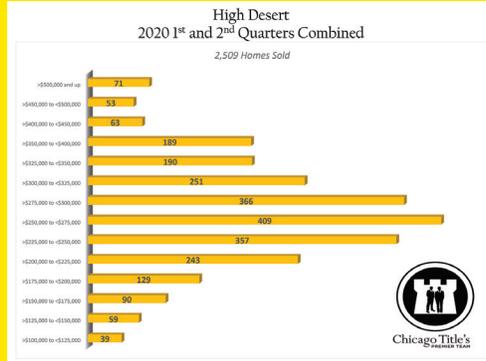
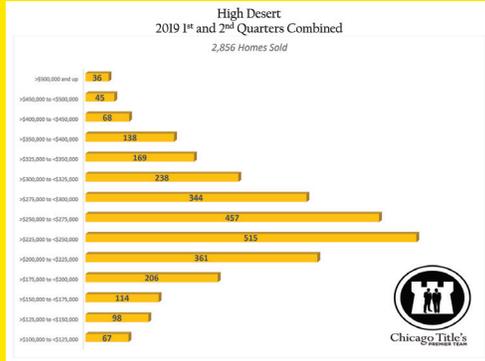
CAUTIONARY TALE

By Bobby Tarango, Chicago Title & Escrow

So as early as January when people would ask me "When will we reach the peaks of 2005, 2006?" my standard answer was "Not this cycle". You cannot recover from something that was not real, unless something crazy happens. Enter 2020. If you are still trying to time the market perfectly, let me tell you a cautionary tale. In 2010 I was helping a client with her sale of a piece of property. She was going into escrow for \$175,000. She proceeded to tell me how her late husband had listed the property in 2005 for \$800,000. He received an offer for \$750,000 but didn't take it because he was holding out for \$800,000. Needless to say timing the market is very difficult and can be unforgiving to say the least. This is just one example of many similar stories I have. Sometimes you get lucky and sometimes you don't. In 2005, 2006 the High Desert's median sales price peaked for one month at \$325,000. We are now at \$299,000, just \$26,000 away from our all time high. Keep in mind LA, Orange, and San Diego counties surpassed their previous

highs in 2017. We here in the Desert have been gaining slowly but surely since the bottom. This sudden gain in the median sales price can be contributed to several factors that we have discussed in our last few articles. Covid, the migration from the urban areas, people now having the ability to work from home permanently. I was just contacted from someone looking to relocate to Lake Arrowhead from LA because they can now work from home. Other factors include the rise of the well capitalized millennial first time homebuyer, historically low interest rates and very low supply and high demand. Our listing inventory is still sitting at around 600 properties. Remember a well-balanced market for our area is 1,500 to 2,000 listings.

The graphs below show how many houses have been selling in each price range. You will notice when comparing the first and second quarter of this year, we sold more homes in 2019. That is a result of that lack of inventory. If we had more homes to sell, I have no doubt we would have out-performed 2019 easily. One area where we did out-perform last year's results was the number of homes that sold for \$500,000 and up. We sold 35 more homes in that price range this year. If you were thinking about selling, what are you waiting for, \$800,000?



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