



2021

YORBA LINDA

MARKET UPDATE

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MARKET UPDATE: AN OVERVIEW OF HOUSING IN 2020 AND THE MARKET OUTLOOK BEYOND

For more information watch our market replay: BeckySellsRealEstate.com/webinars

Real estate faced many unprecedented challenges and opportunities in 2020. Typically, we find dormant activity in the winter, however the COVID pandemic coupled with low interest rates have pushed buyers, sellers and renters to begin rethinking their current housing situation. Sellers and buyers went from inaction to flurry. We've seen that some buyers are motivated by more office space due to uptick in work from home activity, others are interested in gaining proximity to family, and some are taking advantage of city incentives to relocate. Investors have begun showing up in droves picking up rental units or vacation homes at low interest rates. It's difficult to predict the ongoing effects of the pandemic on the estate market, but if activity continues to trend upward, it's safe to say that the appetite for real estate will only increase in 2021.

Spring and summer historically have been quite busy as families look to move before the school year starts. However, our work and school cultures have fundamentally changed with no sense of when things will go back to "normal." The real estate seasonality we normally see year after year no longer exists in the same way. To illustrate this are some highlights of significant changes that occurred in 2020:

- **COVID Safety Measures in place:** Realtors and clients alike have weathered changing COVID regulations. The National Association of Realtors introduced PEADs (Property Entry Advisory Disclosure), which detail best practices in social distance and disclose potential exposure to COVID. Realtors, clients, and contractors cannot view properties without this in place for each property.
- **New Fair Housing Regulations:** New regulations around Fair Housing and Discrimination have created more stringent requirements around sending what we like to call "Seller Love Letters." When we're in a competitive buyer market like today, we like to pull on seller heart strings. We have sent letters explaining who our buyer is and how much love and care they will show their home, and have even put together videos in front of the house! The Department of Real Estate recently found that this contributes to redlining, the illegal practice of housing discrimination, and have in turn placed more restrictions around these kinds of buyer to seller communications. (C.A.R form FHDA 10/20)
- **Bye, bye open houses:** Traditional open houses were already becoming dated with the influx of virtual tour capabilities. COVID buried them with little chance of revival. Marketing a home online requires a strong internet presence and the ability to navigate buyer behavior and search engine optimization in the digital space. The bar has certainly been raised for effectively marketing homes online. Visiting any home now is via appointment only, if a virtual showing is not possible, so getting to buyers who are already looking online is of utmost importance.
- **Interest Rates trending lower:** At the time I am writing this today, the interest rate for a 30 year fix is 2.625%. We haven't seen rates this low in over 10 years, which makes this prime time for buyers driving the demand and allows sellers to take advantage of soaring property prices.
- **Slower than anticipated Vaccine roll out:** Many expected over 20 million vaccines to roll out before the end of the 2020. Unfortunately, we've seen only 2 million vaccines roll out by the end of 2020 with a virus that is continuing to mutate. This tells us that the "safer at home" measures and social distancing will continue for the foreseeable future.
- **Inventory Shortage:** While the shortage will ease up this year, for now buyers should anticipate continued shortage. Buyers no longer have the luxury of picking from 20-30 houses as they would in a buyer's market. Serious buyers have serious opportunities in this market, if they are flexible. This might mean that in order to take advantage of the current market conditions buyers need to be nimble (potentially giving in to less flexible terms), move quickly, offer above asking price and put some old fashioned elbow grease into their abodes. Taking these actions will allow buyers to reach their long term real estate goals.

2021 Forecast: Orange County Will Remain Hot

Despite the pandemic, Orange County hit record numbers in luxury home sales in 2020. There were 5,100 luxury home sales of \$1.25 million or more in Orange County in 2020, compared to 4,021 in 2019. The median home price sold in Orange County was \$930,000 in November 2020, an increase of 13% from \$822,000 in November 2019. At the close of the year, expected market time was 37 days in Orange County. It began the year at 82 days.

Housing experts say to expect the Southern California housing market to continue its torrid pace in 2021. Low housing supply, paired with record-low mortgage rates and high demand will continue to fuel the housing market in 2021. With many employers embracing work from home, we can expect some employees to rethink their living situation and move to larger homes. Nonessential workers are fleeing places such as the Bay Area to move to suburbs like Yorba Linda where they can enjoy more space, lower housing costs and have access to major international airports.

With the coronavirus vaccine being administered next year, one of the most significant issues to watch is whether employers will continue to allow their employees to work from home. That being said, many employers such as Facebook, Microsoft, and Twitter have announced that they plan on letting their employees work from home post-pandemic. Other companies will embrace a hybrid model, letting workers work from home and come into the office a set amount of days per week. Quality of life will remain a priority, and people will continue to rethink their living situations and plant roots in Southern California.

2021 Forecast: Yorba Linda Is Booming

Yorba Linda is a city that is booming with professionals, as the majority of residents have white-collar jobs. Residents have been familiar with work from home since pre-pandemic, as a larger percentage were already engaging in telecommuting activities. As the national and local markets continue to recoup with the aid of stimulus checks and decreased interest rates, more buyers and sellers who chose to hold off on participation in the real estate market will soon become active players in 2021. With depressed inventory, increase in buyer demand, and sales unpredictability, Yorba Linda real estate has fared well. The demand for the family-oriented community has allowed the young family buyer to feel that their time to enter into the Yorba Linda market is now.

COVID has moved up the timeline for those who have been thinking about selling in Yorba Linda and the same goes for those looking to own a home with land. This is noteworthy as even during a global pandemic that has impacted the way homes are sold, buyers remain eager to break into the Yorba Linda market. Yorba Linda offers a small-town feel, excellent schools, sophisticated and upscale retail and restaurants, and is easily commutable with tree-lined streets of charming modern homes and land. It's harder than ever to predict the future of real estate, but considering the fundamentals that make Yorba Linda so desirable paired with the fact that interest rates remain at rock-bottom levels, it's not unreasonable to look ahead and see Yorba Linda real estate getting through COVID with its market well in tact.

Since last year, Yorba Linda has remained a seller's market. Number of homes for sale dropped by 9.2% from November to December 2020 - from 612 to 556 - which is a typical behavior over the holidays. However, the number of home sales since last year remained higher than normal during this time period. The Yorba Linda list price increased by 9.3% December year over year, +\$73,457 (+9.3%). In fact, property values have remained strong with some homes selling for record numbers toward the end of the year. The median Yorba Linda home sold for \$868,000 during December 2020, an increase of 10.8% (+\$84,604). This makes it an attractive price point for families who are newly beginning to incorporate more work-from-home and school-from-home activities in a neighborhood that is family friendly and has a history of low crime.

QUICKFACTS:

MEDIAN SOLD PRICE:

\$868,000

DIFFERENCE SINCE DECEMBER 2019
+84,604 (+10.8%)

AVERAGE SALE TIME:

22 DAYS

AVERAGE SALE TIME DECEMBER 2019
52 DAYS



Young families looking to move into Yorba Linda are attracted to the idea that they can take advantage of lower interest rates while also building their family legacy through a community-oriented work-life balance that reflects family values. Throughout the first half of 2021, we expect to see COVID-conscious buyers and sellers who are encouraged by the vaccine rollouts start to put aside their fears and resume their real estate activities that were placed on hold in 2020. The drop in interest rates will double down excitement for increased purchasing power now in the hands of buyers. Sellers will now have the potential for even more offer choices and beneficial terms from the influx of buyers who were planning to move last year, but held off due to COVID. Those buyers are coming back with added purchasing power to boot.

Average time on the market for homes newly listed has sped up by more than 50%. This is not an uncommon phenomenon, but more a reflection of the current market start, along with those driving factors of real estate: increased demand, limited inventory, low-interest rates, increased affordability, and increased home value. Buyers are simply in better positions to buy if their offer makes it to the table, and sellers are in a better position to sell if they price correctly.

Recent news events have presented some interesting behavioral phenomena fueled by fear, panic, and uncertainty for many. One major thing that helps to quell those feelings is accurate, reliable information. We live in a world where copious information is available for both buyers or sellers. The internet allows for this information parity to be at our fingertips, knowing how to sift through it and analyze it is just as important, if not more. This can be a full-time job for many. Working with trusted professionals who can support you in reaching your goals is invaluable. Cane Real Estate has closed over 120 homes in 2020 and over 1450 homes in total. We are a top producing team in California, Southern California, and in the Western Region in the US.

Much like our team in San Diego, the Cane Real Estate Team in LA and OC maintains strong work and family values, offering both reliable education and information to help you make the right decision.

Understanding When to Buy, When to Sell, & the Current LA & OC Real Estate Market

Watch the Friday, February 19th, for an overview of the current real estate climate in LA and OC. This educational webinar will be held from 2:00 - 3:00 PM and a recorded version will be sent to all those who register. With interest rates at historic lows and volatile real estate inventory, we are going to dive into the trends that are pushing the market. Rather than ask if you're ready to sell or buy today or next year, this information will help you understand how the market relates to your home and purchasing decision. We will be reviewing the 2020 and the 2021 market projections for real estate in your area. If you have questions, please submit them in this google doc so we can arrange our presentation to answer topics of interest.

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