

# A14 BUSINESS

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## HOUSING MARKET

### SoCal existing home sales experiencing a lull

Southern California's home sellers are witnessing the slowest market for existing home sales in 20 months as competition for buyers is up and demand falls, a new report shows.



Jonathan Lansner  
Columnist

ReportsOnHousing tracks homebuying patterns found in real estate broker networks, supply (active listings); year-to-date increase in supply; demand (new escrows in past 30 days); and "market time" (a measure of selling speed of days it takes a typical listing to enter escrow). The data do not track builders' newly constructed homes — and that niche has growing supply, too.

As of Sept. 6, market time in the four-county region covered by the Southern California News Group hit 92 days, vs. 67 a year earlier and an average of 80 days in 2012-2017. Yes, 25 extra days for a home to go from hitting the market to a signed sales contract and into escrow. The last time the market for existing homes was slower was January 2017.

With this metric surpassing 90 days, by ReportsOnHousing's logic, selling conditions are no

longer a "seller's market" but rather a more "normal" balance of supply and demand. Numerous theories have been suggested to explain the slower pace.

Mortgage rates are rising, upping the size of the monthly house payment for prospective buyers. That has yet to lower pricing, putting further strain on wannabe owners' household budgets. The increased supply may lower the house hunter's urge to act quickly. (And, by the way, the sales pace at local car dealers have slowed, too.)

How did house hunting for existing homes in Los Angeles, Orange, Riverside and San Bernardino get to this juncture?

Supply is way up: 36,098 listings, up 5,822 residences in a year, or 19 percent; and up 8 percent vs. the six-year average. And demand is way down: 11,777 new escrows, down 1,853 sales contracts in 12 months, or 14 percent; and down 12 percent vs. the previous six years.

"We thought we would need to see a lot more listings to pull this market out of the seller's hands, but instead it really boils



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Existing home market time, as of Sept. 6 in the four-county region covered by the Southern California News Group, hit 92 days, as opposed to 67 a year earlier.

down to a tremendous drop in demand," says ReportsOnHousing author Steve Thomas. "Buyers are not buying because home values are high and any bump in interest rates hurts the family budget. A 7 percent increase in home values and rates moving from 4 percent to 4.66 percent crushes the typical family. (Prices) going from \$700,000 at 4 percent to \$750,000 at 4.66 percent costs an additional \$5,000 per year. Ouch!"

It's the same story the county level. Let's start with Los Angeles County... Supply: 14,166 listings, up 2,317 residences for sale in a year, or 20 percent; and up 5.9 percent vs. six-year average. Demand: 5,027 new escrows, down 881 sales contracts in 12 months, or 15 percent; and down 13 percent vs. last six years. Market time: 85 days, vs. 60 a year earlier and an average of 74 days in 2012-2017. In Orange County ...

Supply: 7,070 listings, up 1,431 residences for sale in a year, or 25 percent; and up 11 percent vs. six-year average. Demand: 2,162 new escrows, down 462 sales contracts in 12 months, or 18 percent; and down 20 percent vs. previous six years. Market time: 98 days, vs. 64 a year earlier and an average of 76 days in 2012-2017. In Riverside County ... Supply: 8,932 listings, up 1,314 residences for sale in a year, or 17 percent;

and up 6 percent vs. six-year average. Demand: 2,530 new escrows, down 266 sales contracts in 12 months, or 10 percent; and down 9 percent vs. last six years. Market time: 106 days, vs. 82 a year earlier and an average of 85 days in 2012-2017.

In San Bernardino County ... Supply: 5,930 listings, up 760 residences for sale in a year, or 15 percent; and up 11 percent vs. six-year average. Demand: 1,998 new escrows, down 244 sales contracts in 12 months, or 11 percent; and down 1 percent vs. previous six years. Market time: 89 days, vs. 69 a year earlier and an average of 85 days in 2012-2017.

Please note that local builders 3,356 completed homes for sale in Los Angeles, Orange, Riverside and San Bernardino in the second quarter, according to MetroStudy. That's up 19 percent in a year and the highest standing inventory since the early days of the economic recovery in 2012's second quarter.

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## STATUS UPDATE



Samantha Gowen has the latest on movers and shakers in Orange County. Send items about business expansion, milestones and promotions to sgowen@scng.com.

### Staff report

#### Blaring test will ring on cellphones Thursday

Don't be alarmed when your cellphone beeps at you spontaneously Thursday morning.

The Federal Emergency Management Agency and the FCC are conducting the first nationwide test of a Wireless Emergency Alert at 11:18 a.m. Thursday. A similar message will follow at 11:20 a.m. via the Emergency Alert System on your television and radio stations.

The WEA test message will be sent to cellphones connected to participating wireless providers.

It's the fourth EAS nationwide test and the first national WEA test. The test is made available to EAS participants and is scheduled to last about one minute.

And sorry, cellphone users: You can't opt out. The message will be postponed only if a major weather event interrupts it. The backup date is Oct. 3.

Remember, it's just a test.

#### Search tool for places to drop off medicine

If your medicine cabinet needs a purge but you're unsure where to take those unwanted or expired prescriptions, the state's Board of Pharmacy has created a new search tool to find safe locations to take them.

The online resource connects users to pharmacies across the state at which consumers can drop unused prescription drugs. All you do is head to pharmacy.ca.gov and look to the right side of the page to "Drug Takeback Search & Information." The next page includes a search option and more information on the program.

A search for Irvine returned two locations for drop-offs, including a Kaiser pharmacy on Alton Parkway and a CVS, also on Alton. Another search for Anaheim returned three pharmacies: a CVS on East La Palma, a Walgreens on West Ball Road and a Kaiser pharmacy on North Euclid.

Participating pharmacies will offer either a drop-off bin or envelopes for mailing back medicine.

What you can't drop off: Auto-injectors such as EpiPens and sharp needles.



Around 11:18 a.m. on Thursday, participating cellphone service providers will transmit an emergency test signal across the nation that will last about a minute. Users cannot opt out.

#### On the move

Kelly Kneubuhl of Corona del Mar has been promoted to executive director of the Laguna Niguel Family YMCA after previously serving as both coordinator and director. Kneubuhl has been with the YMCA as a member and an employee for more than 35 years. She will oversee all facility operations while simultaneously reinforcing the Y's values within the organization and the community.

Joan Maesky-Plaha has joined Toshiba America Business Solutions' leadership team as vice president of human resources. She has been with the company for 22 years.

Kirsty Fournier has been appointed the interim general manager of Atlantic Aviation's John Wayne Airport (SNA) facility. Fournier has been serving as assistant general manager at Atlantic's SNA operation for the past two years. She will oversee Atlantic Aviation's operations at the airport including safety programs, aircraft fueling, aircraft movement and storage, staffing, customer service and business development.



Kneubuhl



Fournier



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John Montgomery has joined Cie Digital Labs in Irvine as the chief design officer. Montgomery will shape and direct the design, content and product strategy for CDL's portfolio of startups and enterprise companies. Before joining CDL, he was the CEO and founder at Goodlab, a marketing consultancy and content studio.

Jeff Rago has joined Infinite Electronics in Irvine as vice president of financial planning and analysis. He will oversee all financial planning and reporting functions for Infinite Electronics' global operations.

**On board**  
Orange resident Mark



Montgomery

Schmidt has joined the Santiago Canyon College Foundation board of directors. Schmidt is the owner of AP&P Packaging in Orange. He also serves as Community Services chairperson for the Rotary Club of Villa Park and is a founding board member of the Youth Centers of Orange.

**Good works**  
Alzheimer's Orange County recently received a \$23,540 donation from the 2018 Stark Naked Challenge and Todd Vande Hei, president and co-founder of Stark health and fitness facility in Irvine. Over \$300,000 was raised for local nonprofits by 14 participants who undertook a five-month fitness and nutrition competition that ended with a clothing-optional photo to document their physical results. The top five contestants

in the contest and their non-profits were:

- Alex Dastmalchi, CEO of Dastmalchi, for Corazon De Vida, \$3,171
- Danny Peykoff, CEO of Space Jam Juice, for Innocence Project, \$243,000
- Michael Davidson, CEO of GenNext, for GenNext Fdn., \$35,004
- Todd Vande Hei, CEO of Stark, for Alzheimer's OC, \$23,540.00
- Tyson Jacobsen, CEO of Advent Companies, for Jambores Housing, \$18,121.00

#### Grants

Farmers & Merchants Bank has contributed \$45,000 in grants from the Federal Home Loan Bank of San Francisco's 2018 AHEAD Program to the Thomas House Family Shelter and Second Chance Orange County.

Thomas House Family Shelter's will use \$20,000 provide by the AHEAD grant to increase the nonprofit's capacity to provide workforce development services to its families. Second Chance will use its \$25,000 grant to provide workforce development services to 22 clients living in an emergency, transitional and permanent supportive housing facility managed by a partner organization.

#### Scholarships

Irvine-based BigRentz, a large-equipment rental network, has announced the winners of its inaugural scholarship program for students pursuing higher education in engineering and film studies. Lauren Brabson, a senior majoring in mechanical engineering at Texas A&M, and Joshua Leong, a freshman majoring in film production at New York University, Tisch School of Arts, were each awarded a \$5,000 scholarship to offset educational expenses.

BigRentz received over 350 essays and selected the winning essays based on their understanding and vision for their fields.

Status Update is compiled by contributing writer Karen Levin and edited by Business Editor Samantha Gowen. Submit items to sgowen@scng.com. High-resolution images also can be submitted. Allow at least one week for publication. Items are edited for length and clarity.