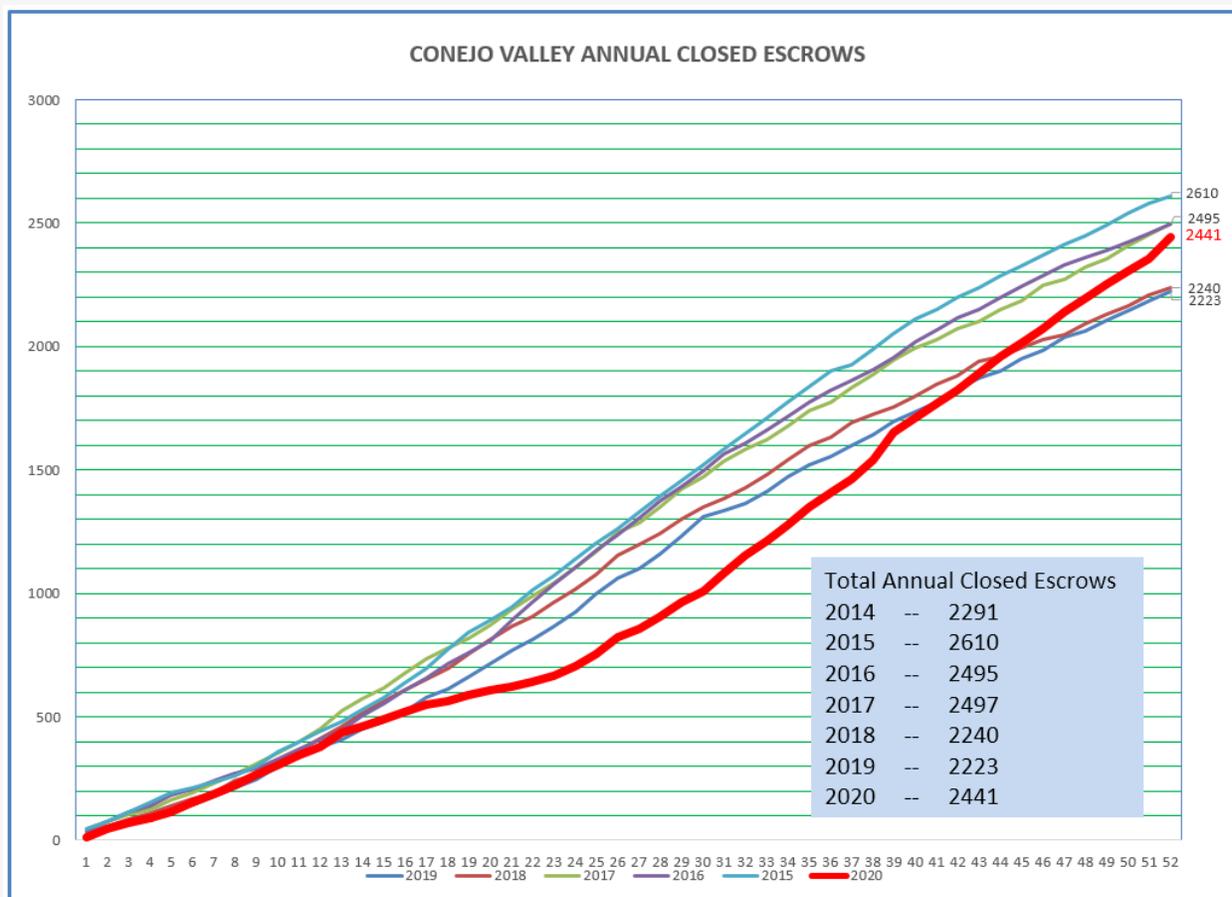


How did our Market fare during the 2020 Pandemic?

January 7, 2021 / CHUCK LECH

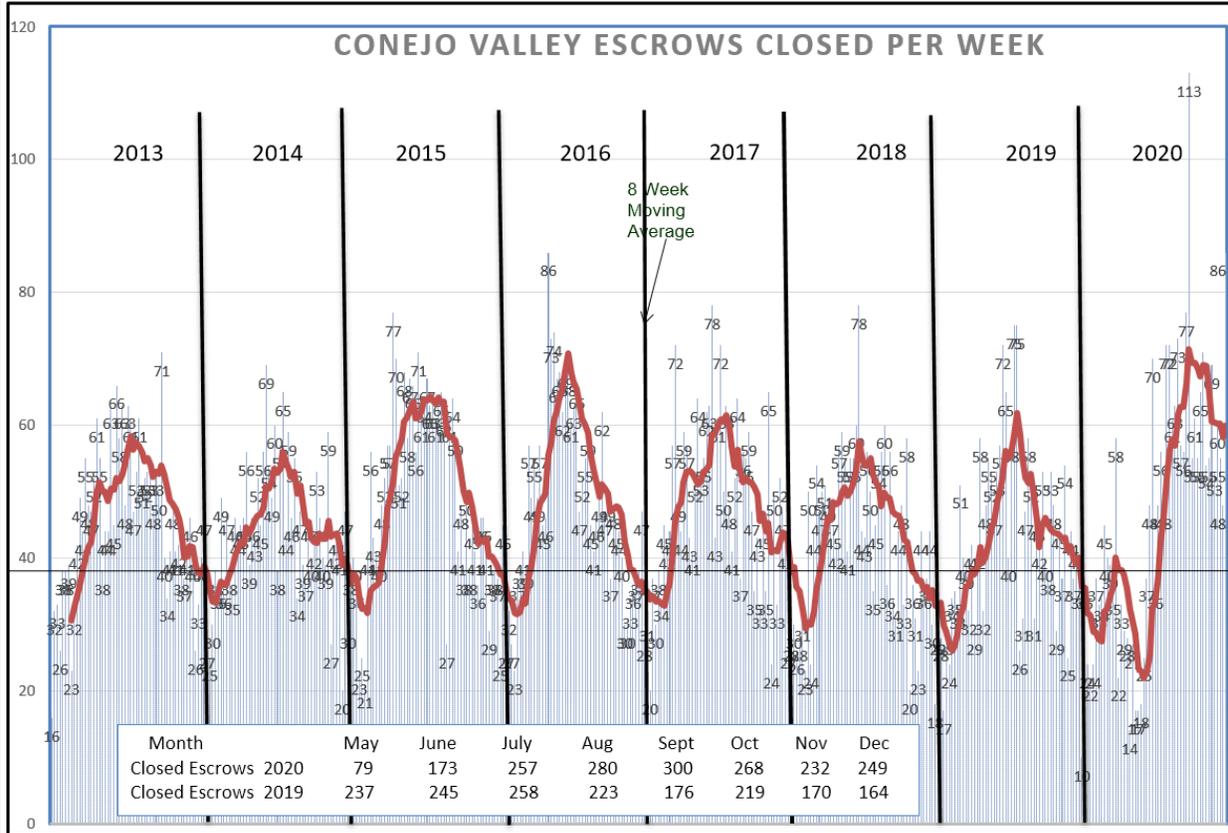
When the pandemic hit, everyone expected the real estate market to be crushed, along with most of the economy. Let's look back and see what happened.

I usually begin with other charts, but I think this one explains the year better than any other. It displays a running total of closed escrows as the year progresses. In April, you can see the red 2020 line take a severe dip. This happened for about two months. Then the line began to recover, and ended the year right in the middle of what we expect for closed escrows in an "average" year. But this year was anything but average. To finish where it did, the market had to turn very strong, not only reaching normal levels as the year progressed, but actually making up the sales lost in April and May. As a result, this market is finishing the year much stronger than we have seen in recent times.

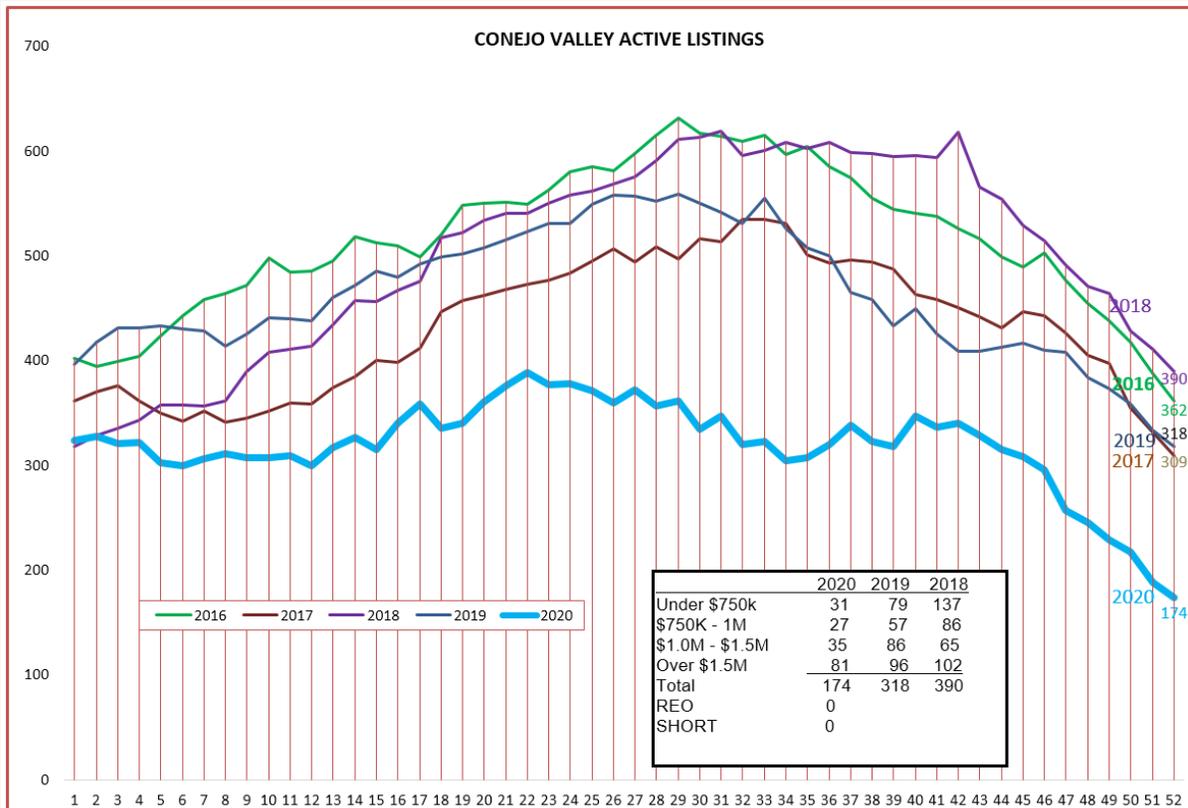


The chart below is a different way of displaying the closed escrow history. Normally, the year begins with a dip, since the end-of-year holidays usually drain the air out of the market. This year, we had two dips, one caused by the holidays and the second caused by the pandemic. The market normally peaks in June, and then winds down toward the end of the year. Besides hitting a record high 113 closes in one week, this market is finishing the year at an extremely high level of sales. Look at the box within the

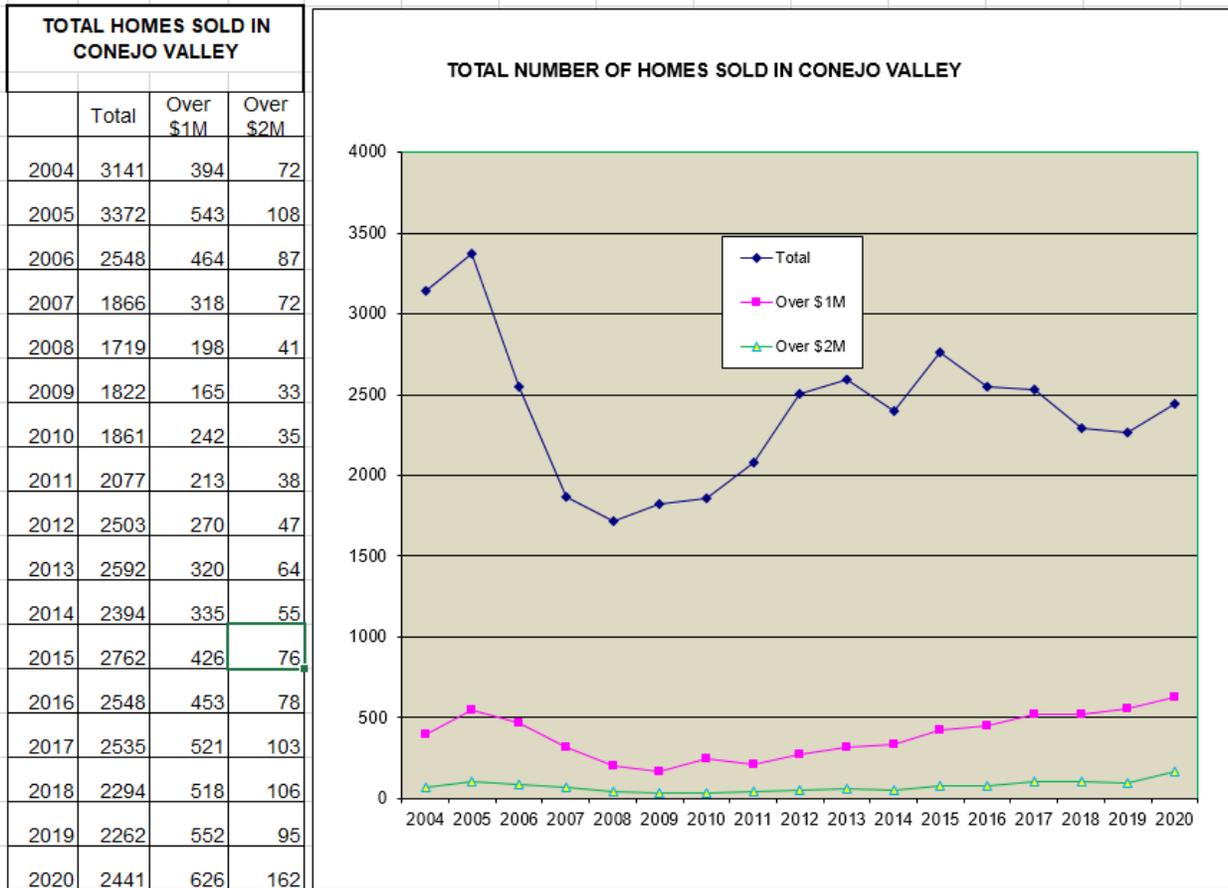
chart. Since July, closes have averaged between 250 and 300 per month. As noted above, we are finishing the year at a very elevated sales level.



All those sales have drawn down our inventory, currently roughly half the number in 2019 and only a third as much in 2018.



How have sales in 2020 compared to previous years? In total numbers, the year was about average. But look at the bottom of this chart, with the pink line representing those sales between \$1-2 million and the green line representing sales over \$2 million. More expensive homes have been selling very well this year. But the real bump was in homes priced over \$2 million, 50% higher than previous years. Much of this can be attributed to the pandemic, and movement out of Los Angeles proper to the suburbs.

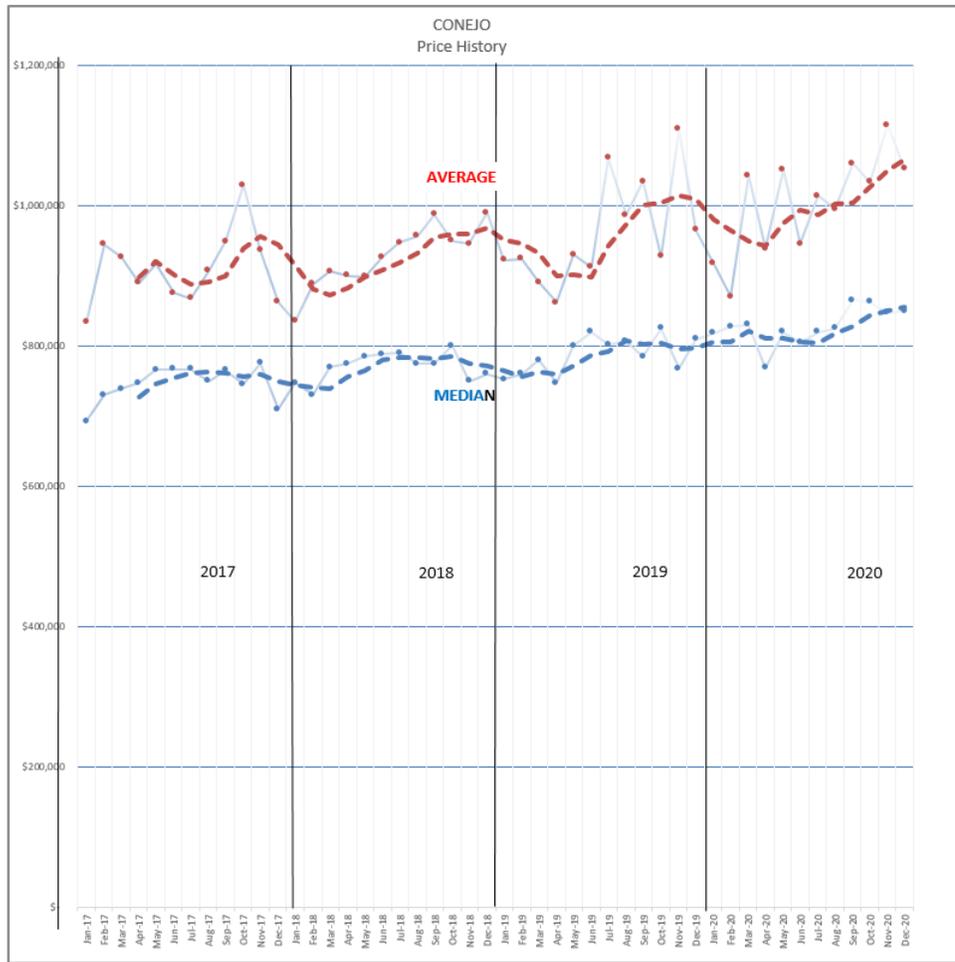


Finally, let's look at the Conejo results in our main statistical chart, which compares three months worth of sales at the end of 2020 to the same three months at the end of 2019. Inventory is lower by 45%. Prices are up by 8% over last year. It only took 5 weeks to sell a home this year, versus 7 weeks last year. And, based on current sales, the inventory only represents three WEEKS of sales. At the bottom of the chart, 2020 sales of homes priced over \$1.5 million were double the number in 2019 for the final three months of 2020.

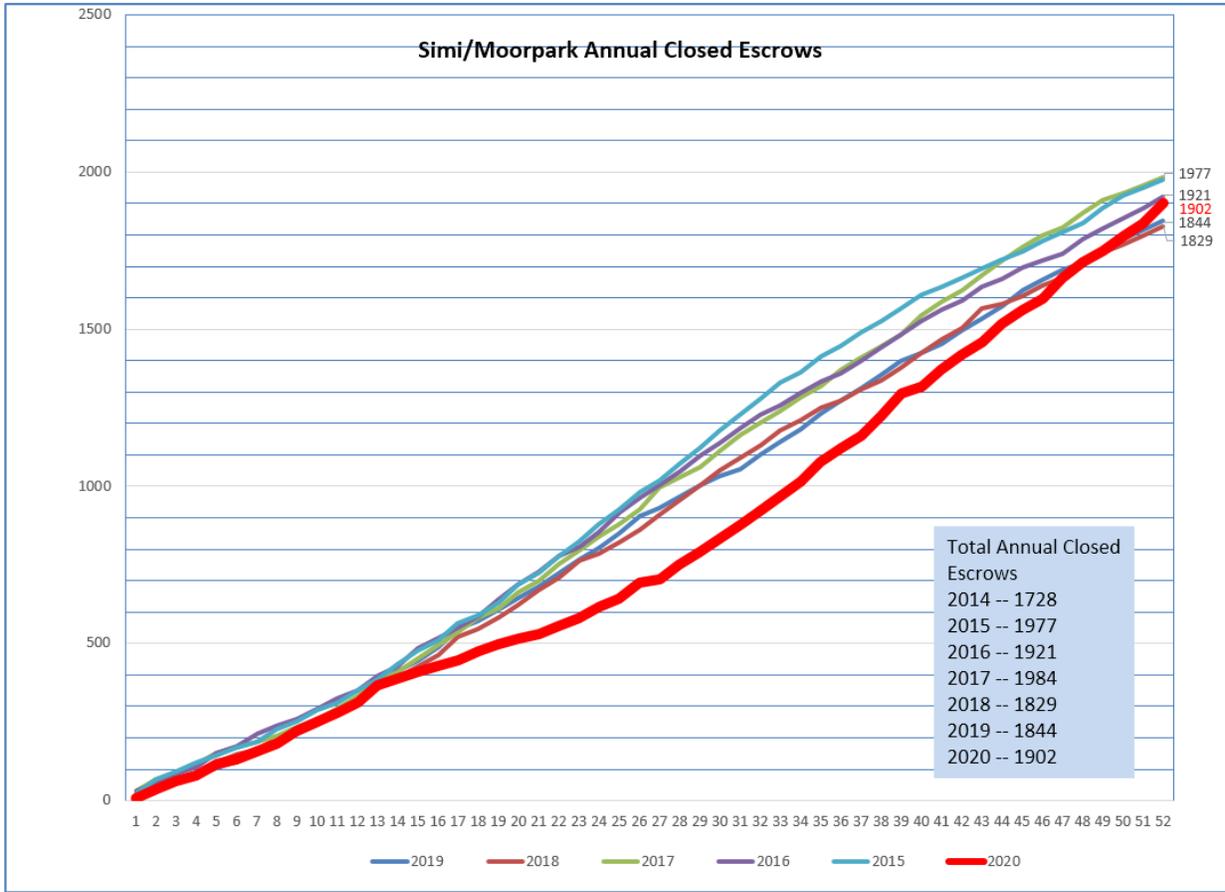
STATS CONEJO VALLEY	1/5/2021		Versus Same Period Last Yr.
	2020	2019	
	10/1/2020 - 12/31/2020	10/1/2019 - 12/31/2019	
Total Active Residential Listings	174	318	Down 45%
Median Sold Price	\$ 850,000	\$ 785,000	Up 8%
Average Sold Price	\$ 1,052,577	\$ 970,440	Up 8%
Average Days On MLS	34	51	5 weeks to sell
Number of sales	759	553	Up 37%
Total Dollar Value of Solds	\$ 798,905,943	\$ 536,653,320	Up 49%
Months of Inventory	0.7	1.7	Sales higher, inventory lower
Listings under \$750,000	31		
Avg Monthly Sales under \$750,000	92		
Months of under \$750,000 Inventory	0.34		VERY TIGHT INVENTORY
Bracket Sales for Last 3-Month Period	2020	2019	
Total Number of Sales	759	553	Up 37%
Under \$750,000	271	246	Up 10%
\$750,000 - \$1,000,000	242	155	Up 56%
\$1,000,000 - \$1,500,000	142	101	Up 41%
Over \$1,500,000	104	51	Up 104%

Finally, lets look at what happened with prices. For the final three months of the year, compared to 2019, prices ended up 8% higher. The median price in Conejo has moved from \$800,000 to around \$860,000. (the numbers below are monthly numbers, not three month figures). Due to the higher number of expensive homes sold, the Average prices increased even more, from \$960,000 to \$1,050,000. The Average home price in Conejo is now over \$1 million.

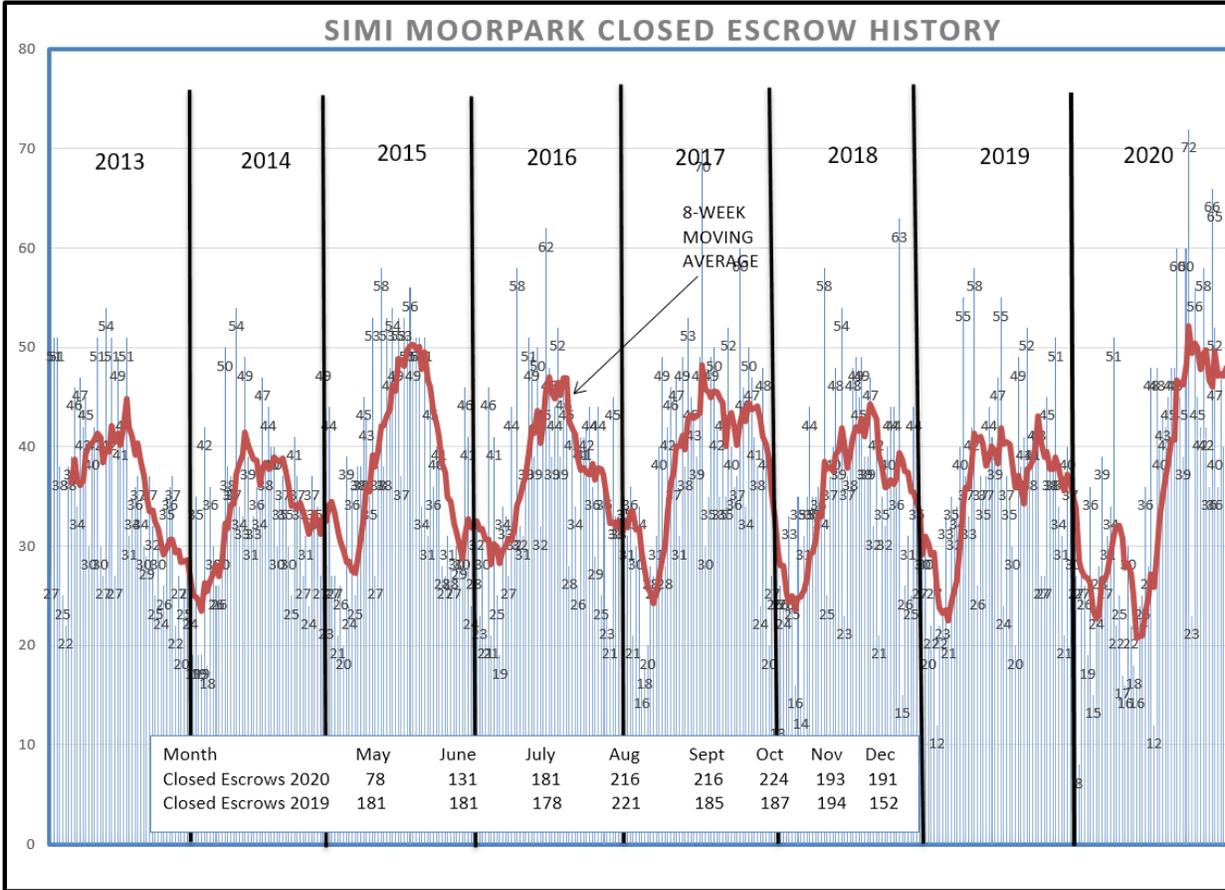
CONEJO VALLEY		
	MEDIAN	AVERAGE
Jan-17	\$ 693,000	\$ 833,505
Feb-17	\$ 730,000	\$ 944,801
Mar-17	\$ 739,000	\$ 926,804
Apr-17	\$ 747,000	\$ 890,111
May-17	\$ 766,500	\$ 917,196
Jun-17	\$ 767,000	\$ 875,586
Jul-17	\$ 766,900	\$ 867,574
Aug-17	\$ 750,000	\$ 907,669
Sep-17	\$ 765,000	\$ 949,097
Oct-17	\$ 745,750	\$ 1,029,891
Nov-17	\$ 775,500	\$ 936,479
Dec-17	\$ 710,000	\$ 862,565
Jan-18	\$ 747,500	\$ 835,575
Feb-18	\$ 730,000	\$ 888,357
Mar-18	\$ 770,000	\$ 906,240
Apr-18	\$ 774,900	\$ 900,068
May-18	\$ 785,000	\$ 898,481
Jun-18	\$ 788,200	\$ 926,918
Jul-18	\$ 790,000	\$ 947,440
Aug-18	\$ 775,000	\$ 957,017
Sep-18	\$ 775,000	\$ 988,026
Oct-18	\$ 800,000	\$ 949,696
Nov-18	\$ 750,000	\$ 945,902
Dec-18	\$ 760,000	\$ 990,409
Jan-19	\$ 752,500	\$ 922,295
Feb-19	\$ 760,000	\$ 924,258
Mar-19	\$ 780,000	\$ 891,026
Apr-19	\$ 747,000	\$ 862,369
May-19	\$ 800,000	\$ 930,176
Jun-19	\$ 820,000	\$ 912,404
Jul-19	\$ 802,500	\$ 1,067,988
Aug-19	\$ 806,000	\$ 986,789
Sep-19	\$ 785,000	\$ 1,034,622
Oct-19	\$ 825,000	\$ 927,955
Nov-19	\$ 767,500	\$ 1,108,783
Dec-19	\$ 810,000	\$ 965,586
Jan-20	\$ 818,700	\$ 917,906
Feb-20	\$ 827,400	\$ 870,226
Mar-20	\$ 830,000	\$ 1,042,890
Apr-20	\$ 769,000	\$ 938,795
May-20	\$ 820,000	\$ 1,051,872
Jun-20	\$ 805,000	\$ 945,644
Jul-20	\$ 820,000	\$ 1,014,336
Aug-20	\$ 825,000	\$ 995,356
Sep-20	\$ 865,000	\$ 1,060,749
Oct-20	\$ 862,500	\$ 1,033,982
Nov-20	\$ 847,500	\$ 1,115,324
Dec-20	\$ 850,000	\$ 1,052,577



Now to compare Conejo with Simi Valley/Moorpark. The market dipped in April and May, and then recovered consistently to close with an average number for the year.

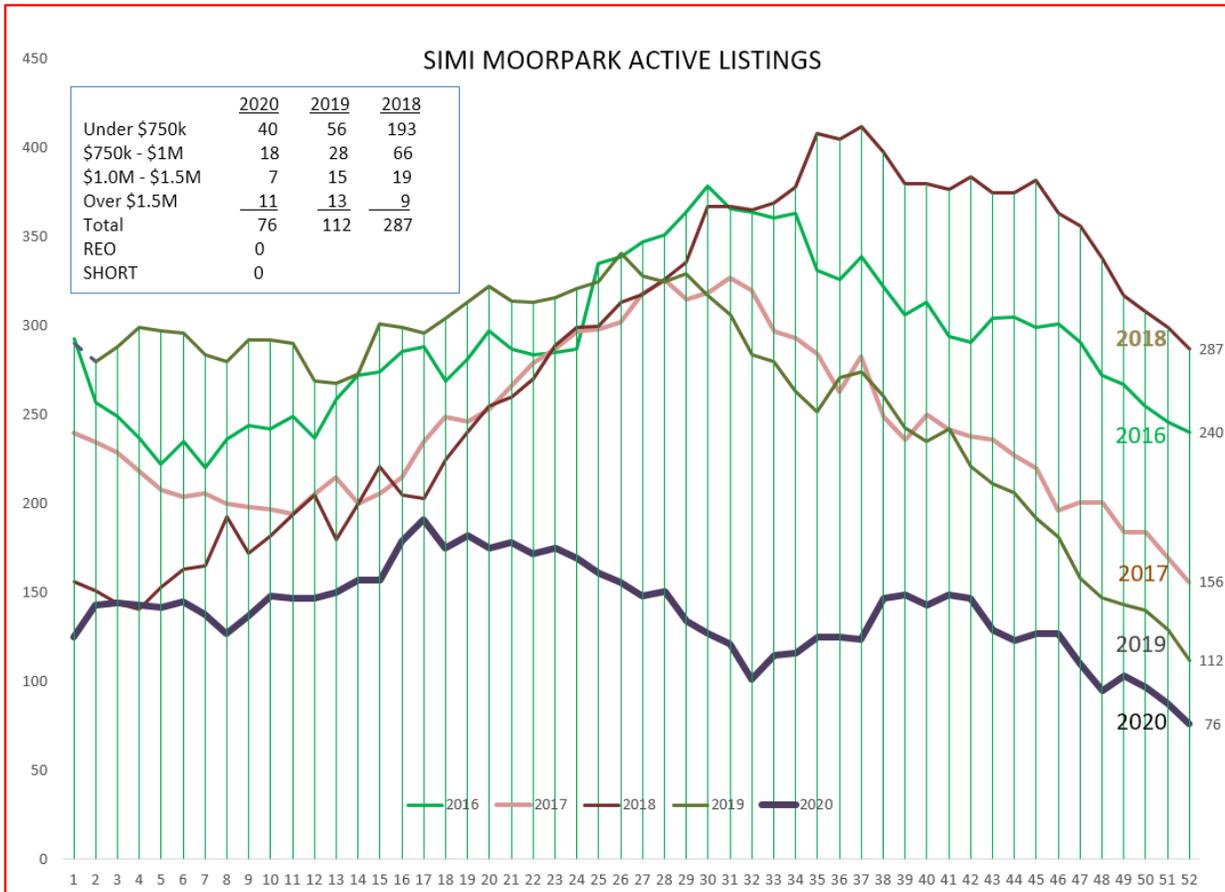


The chart below also displays closed escrows compared to previous years, but paints a little different picture. It shows a very strong end of the 2020 year, sales not falling as expected for the usual year. As if 2020 can ever be called usual. Look at the box at the bottom of the chart, which displays the monthly close of escrows. From July through December, the number has been centered around 200 per month, plus or minus 10%. Extremely, uncharacteristically strong.



But there is much more going on to influence the market in Simi Valley/Moorpark. Inventory constraints.

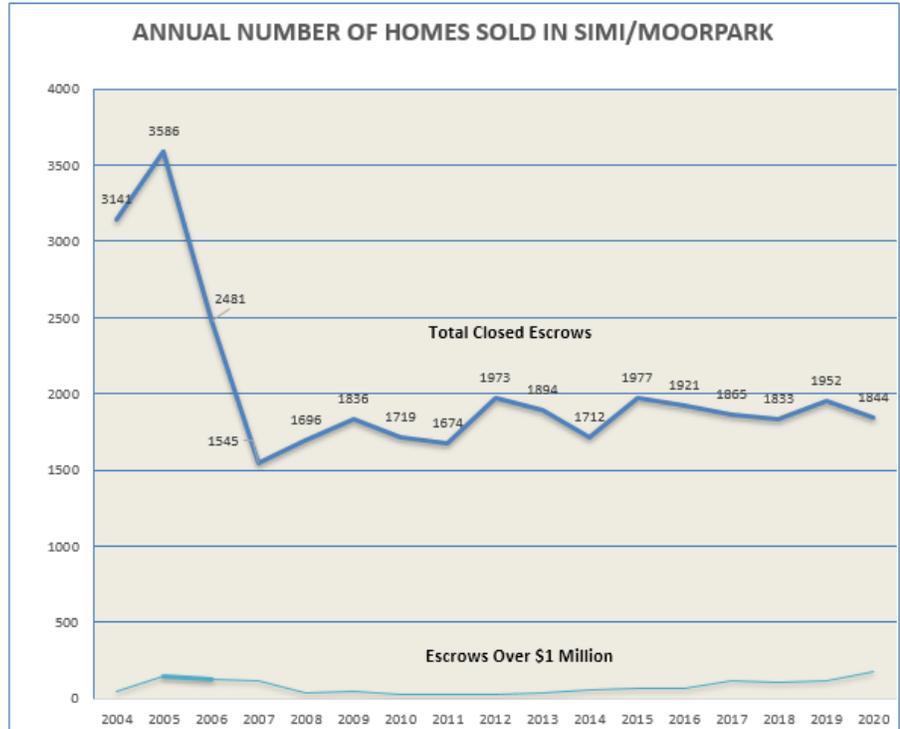
Inventory has been seriously constrained throughout 2020. Inventory never reached 200 units, and ended the year at an anemic 76 units.



You might think that if the inventory was low, sales would also be low. The chart below compares 2020 with previous years. In spite of the pandemic, and in spite of low available inventory, closed escrows for the year finished at 1,844, about average, and with a record high number of homes sold over \$1 million.

TOTAL HOMES SOLD IN SIMI VALLEY/MOORPARK

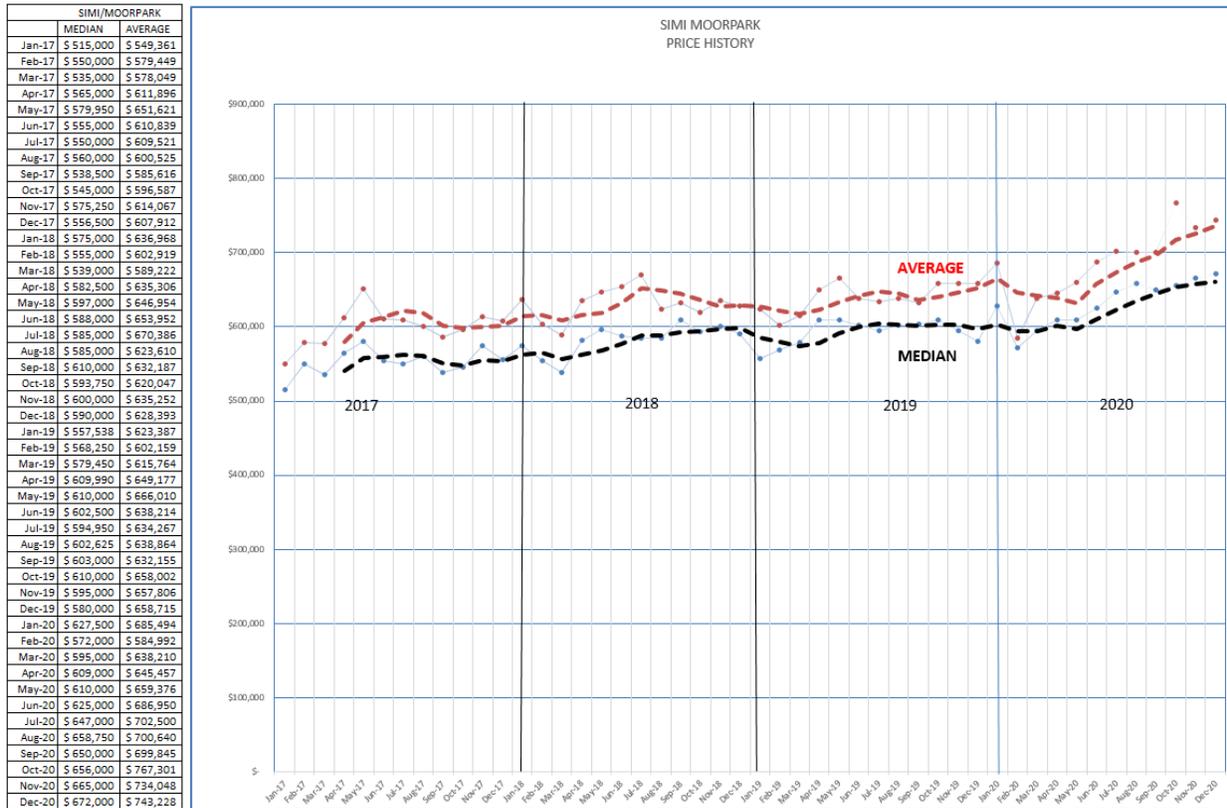
	Total	Over \$1 M
2004	3141	49
2005	3586	142
2006	2481	127
2007	1545	118
2008	1696	39
2009	1836	49
2010	1719	29
2011	1674	29
2012	1973	29
2013	1894	34
2014	1712	54
2015	1977	69
2016	1921	63
2017	1865	118
2018	1833	111
2019	1952	112
2020	1844	180



Looking at the statistical chart below, we can see amazing results for 2020, compared to the final three months of 2019. Inventory is down 32%. Prices are up 12-14%. The time to sell a home went from 7 weeks to only 4 weeks. Even though sales was constrained by inventory, units were up 26%. At current sales levels, inventory represents less than two WEEKS worth of sales, and sales of homes priced under \$750,000 are taking place in a week. A combination of price increases and strong sales has seen sales of homes priced above \$1 million to increase substantially.

STATS SIMI MOORPARK	1/5/2021		Versus Same Period Last Year
	2020	2019	
	10/1/2020 - 12/31/2020	10/1/2019 - 12/31/2019	
Total Active Residential Listings	76	112	Down 32%
Median Sold Price	\$ 672,000	\$ 602,500	Up 12%
Average Sold Price	\$ 743,228	\$ 653,797	Up 14%
Average Days On MLS	29	47	4 weeks to sell
Number of sales	615	489	Up 26%
Total Dollar Value of Solds	\$ 457,085,220	\$ 319,706,733	Up 43%
Months of Inventory	0.4	0.7	Sales much higher, inventory much lower
Listings under \$750,000	40		
Avg Monthly Sales under \$750,000	133		
Months of under \$750,000 Inventory	0.30		VERY TIGHT INVENTORY
Bracket Sales for Last 3-Month Period	2020	2019	
Total Number of Sales	615	489	Up 26%
Under \$750,000	394	370	Up 6%
\$750,000 - \$1,000,000	153	92	Up 66%
\$1,000,000 - \$1,500,000	57	22	Up very Strongly--159%
Over \$1,500,000	11	5	Up very strongly--120%

With strong sales, and limited inventory, prices were forced upwards. For the final three months of the year, compared to 2019, prices ended up 12-14% higher. The median price in Simi/Moorpark has moved from \$600,000 to around \$675,000. (the numbers below are monthly numbers, not three-month figures). Due to the higher number of expensive homes sold, Average prices increased even more, from \$625,000 to \$750,000. This is due to a combination of rising home prices and a larger percentage of above-\$1 million being sold. That can be seen by the increasing distance between the red (average) and black (median) lines.



Professional economists are explaining the move to the suburbs and the increasing desirability of working from home as the reason our market is so strong. These charts show just how strong it is. Will it continue? Look for a strong beginning to 2001.

Be smart, stay safe,

Chuck