



# Harry's Take

August 2, 2022

## California Leading Home Sales Crash: Prices Slowing Fast

California, the Northwest, New York, and Florida lead the housing bubble in the U.S., while Vancouver and Toronto lead in Canada. Today I will focus on California, where home sales dropped 20.9% year-over-year (YOY) in June and condos dropped a whopping 27%. The worst in this first chart is Orange County in southern California, down -36.1% for houses and -28.9% for condos.

## Serious June Home Sales Drops in California: 21% Homes, 27% Condo

Sales in June, % Change From a Year ago	Houses % YoY	Condos % YoY
<b>California sales</b>	-20.9%	-27.0%
<b>Southern California counties</b>	-27.1%	-24.8%
Los Angeles	-20.6%	-18.1%
Orange	-36.1%	-28.9%
Riverside	-27.4%	-24.5%
San Bernardino	-27.5%	-3.3%
San Diego	-30.5%	-32.0%
Ventura	-22.6%	-3.4%
<b>San Francisco Bay Area counties</b>	-26.8%	-33.4%
San Francisco	-21.3%	-32.7%
San Mateo (Silicon Valley)	-31.3%	-33.1%
Santa Clara (Silicon Valley)	-31.4%	-37.9%
Alameda	-21.0%	-21.8%
Contra Costa	-31.0%	-38.5%

Source: <https://wolfstreet.com/2022/07/19/san-francisco-bay-area-southern-california-home-sales-crater-prices-begin-to-drop-california-pending-sales-collapse-40/>

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Next comes San Diego at -30.5% and 32% for houses and condos, respectively. The San Francisco area was down -26.8% and -33.4%. The worst was Silicon Valley, at -31.4% and -37.9%.

But supply is still limited, as in most places, and prices are only slowing fast, not falling, as least not yet.

### But Everyday Home Prices Largely Only Slowing, Not Declining Yet

Median prices, % Change From a Year ago, June	Houses % YoY	Condos % YoY
<b>California sales</b>	5.4%	10.0%
<b>San Francisco Bay Area</b>	3.7%	5.5%
San Francisco	-2.6%	0.0%
San Mateo (Silicon Valley)	-5.3%	-0.7%
Santa Clara (Silicon Valley)	4.0%	5.5%
Alameda	9.2%	6.7%
Contra Costa	-1.3%	13.6%
<b>Southern California</b>	8.4%	15.1%
Los Angeles	8.1%	15.0%
Orange	11.2%	15.8%
Riverside	12.2%	22.7%
San Bernardino	12.6%	13.7%
San Diego	9.8%	15.1%
Ventura	10.7%	11.8%

Source: <https://wolfstreet.com/2022/07/19/san-francisco-bay-area-southern-california-home-sales-crater-prices-begin-to-drop-california-pending-sales-collapse-40/>

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For California, prices were still up 5.4% YOY in June, with condos up 10%. Silicon Valley was starting to see minor declines, at -5.3% and -0.7%, and San Francisco was at -2.6% for houses and 0.0% for condos. Southern California is holding up better thus far, due to a less intense exodus than from San Fran; it's still up 8.4% YOY for homes and 15.1% for condos.

Don't listen to the experts who say there is likely a bit more ahead. There is a lot more ahead, as California will return to the late 2011 lows at a minimum, down 60%+. We haven't seen a real estate crash this bad in our lifetimes, and we won't in the future, either.

Harry

Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com).