

Valley Builder Land/Spec Sales Report¹ | Q2 2022

LAND

Teardowns. In Q2 2022, 96 single-family homes sold that may have been teardown candidates. These properties did not remain on the market long, with the average number of days on market of just 18 and 15 properties that never hit the market. The median price was \$1,300,000, with closing prices ranging from \$800,000 to \$1,500,000. The average lot size was 8,408 square feet, selling for an average of \$148 per square foot.

Vacant Land. There were 15 on-market residential lot closings during Q2 2022, with a median selling price of \$300,000. The average lot size was 38,673 square feet, with the average price per square foot of land of \$18. The average number of days on the market was 107. The most active area was Sherman Oaks.

SPEC-HOME CLOSINGS

During Q2 2022, 21 new spec homes close. The median price of a home was \$4,600,000, or \$949 per square foot. The average home was on the market for 36 days. The most active areas were Sherman Oaks, Encino and Studio City.

	Potential Teardowns	Raw Land	New Spec Sales
Closings	96	15	21
Total Volume	\$119,399,517	\$10,407,000	\$115,095,900
Average Closing Price	\$1,243,745	\$693,800	\$5,480,757
Average Closing Price/SF (Home)	n/a	n/a	\$1,033
Average Closing Price/SF (Land)	\$148	\$18	n/a
Median Closing Price	\$1,300,000	\$300,000	\$4,600,000
Average Home Size	n/a	n/a	5,306
Median Home Size	n/a	n/a	4,661
Average Lot Size (SF)	8,408	38,673	24,468
Median Lot Size (SF)	7,181	7,966	9,213
Average DOM	18	107	36
Median DOM	9	88	35

SPEC HOME BUILDER PROFIT & COST ANALYSIS²

Thirteen single-family spec homes built on traditional lots close in Q2 2022, with an average closing price of \$6,822,385 or \$1,066 per square foot. Builders paid an average of \$1,438,192 for the lot (\$225 per buildable square foot), equating to 21.1% of the average closing price. If closing prices reflect a 25% markup on the builder's all-in costs, the average spec home's all-in cost to build was \$853 per square foot or \$628 per square foot, excluding the cost of the lot.

Spec Homes Sold	13	Closing Price/SF (home)	1,066
Average Home Size	6,402	Average Total Cost To Build/SF	\$853
Average Closing Price Per Home	\$6,822,385	Average Total Cost To Build Excluding Land/SF	\$628
Average Cost to Build Including Land (assuming 25% markup)	\$5,457,908	Original Lot Cost/Buildable SF	\$225
Average Price Builder Paid For Land	\$1,438,192	Original Lot Cost/Lot Size (SF)	\$82
Original Lot Cost as a Percentage of Average Closing Price	21.1%		

1. The portion of the Valley covered by this report includes Bell Canyon, Hidden Hills, Tarzana, Encino and parts of Sherman Oaks, Studio City, Woodland Hills, and Calabasas.
2. Excludes small lot subdivisions and distressed opportunities.

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Scott is a Broker Associate with Fathom Realty. He represents buyers and sellers of buildable, developable residential land across Southern California. He is known among colleagues and friends for his 24/7 can-do attitude, professionalism, and meticulous attention to detail. What sets him apart further is his extensive real estate development experience along with a background in law and finance. Scott has served as the senior executive at two developers and was involved in the acquisition, development, and disposition of several million square feet of commercial and residential real estate. Scott holds an MBA from The Wharton School, a law degree from the Pepperdine School of Law, and a BBA from Simon Fraser University in Canada.