

Valley Residential Land/Spec Sales Report¹ | Q3 2022

BIG PICTURE

- The 30-year fixed rate mortgage closed the quarter at 6.70% (3.01% a year ago) and is expected to go higher.
- LA Metro year-over-year home sales have fallen 29.1%, with DOM and months of inventory rising.
- LA County median home prices appear to be holding on, but for how long?

VALLEY BUILDABLE LOT SALES

Teardowns²: 152 single-family homes/teardown candidates closed in Q3. The average DOM was just 24 days, with some never hitting the market. The median price was \$1,150,000, with closing prices ranging from \$700,000 to \$1,500,000. The average lot size was 9,661 square feet, selling for an average of \$116 per square foot.

Lot Sales. Six on-market buildable residential lot closed in Q3, at a median selling price of \$280,300. The average lot was 16,637 square feet, with an average price per square foot of \$16.85 and average DOM of 40 days.

	Buildable Lot Closings	Potential Teardowns
Closings	6	152
Total Volume	\$1,681,800	\$170,265,270
Average Closing Price	\$280,300	\$1,120,166
Average Closing Price/SF (Home)	n/a	\$625
Average Closing Price/SF (Land)	\$17	\$116
Median Closing Price	\$175,000	\$1,150,000
Average Lot Size (SF)	16,637	9,661
Median Lot Size (SF)	16,460	7,645
Average DOM	40	24
Median DOM	34	15

VALLEY SPEC HOME SALES

Fifteen spec homes closed in Q3. The median price of a home was \$3,850,000, or \$916 per square foot. The average home was on the market for 24 days. The most active areas were Sherman Oaks and Studio City.

Builders paid an average of \$1,384,636 for their lots (\$278 per buildable square foot), equating to 28.61% of the average selling price. Projects took an average of 28 months, from land acquisition to sale of the finished home.

Selling Details		Builder Lot Details	
Spec Homes Closing	15	Average Lot Cost	\$1,384,636
Average Closing Price	\$4,846,118	Average Lot Cost/PSF	\$107
PSF	\$974	Average Lot Cost % of Selling Price	28.6%
Average Home Size	4,976	Average Lot Cost/Buildable SF	\$278
Average Lot Size	12,943	Average Project Time (months)	28
Average DOM	24	Median Lot Cost	\$1,410,000
Median Closing Price	\$3,850,000	Median Lot Cost/PSF	\$144
PSF	\$916	Median Lot Cost % of Median Selling Price	29.2%
Median Home Size	4,000	Median Lot Cost/Buildable SF	\$262
Median Lot Size	7,031	Median Project Time (months)	23
Median DOM	16		

Footnotes

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. Defined as single-family homes sold for not more than \$1,500,000.

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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.