

2022 Q2 Market Report

July 1, 2022

Report Commentary

The market saw a sharp decline in dollar volumes in every price point above \$300k USD. A dollar volume decline of 40% versus a unit volume decline of only 20% put average sales prices into decline. Much of the current state of the market is due to persistent low physical inventory. Demand remains strong with Days on Market continuing its downward decline. Price increases are appearing with sellers testing the outer bounds of the market.

Inventory remains low near half of where it was in Q1 2020 but it has rebounded slightly from 2022 Q1. Inventory makeup has also turned a new corner where pre-construction inventory (430 units) on MLS now exceeds physical inventory (387 units).

Los Cabos Market Expectations vs America

Many clients are asking about price direction in Los Cabos amid rising interest rates and slowing markets in America. We see demand remaining strong in Los Cabos and prices are holding. In America we understand the same can also be said. We subscribe to a newsletter called "The Blueprint" authored by James Harris and David Parnes of Million Dollar Listing Los Angeles fame. In the [June 21, 2022 issue of The Blueprint](#) they summarized a recent report from the Chief Economist of the National Association of Realtors about real estate in America:

- 2. Expect inventory to keep lagging demand. According to Freddie Mac, we're still short about 3,000,000 homes. Only about 1,200,000 are expected to be built next year, so it's going to take a while to catch up.*
- 3. Prices aren't coming down. Between high inflation and low inventory, there's little room for prices to fall this year. If your buyers are waiting to snag a good deal, they will likely be waiting a while.*

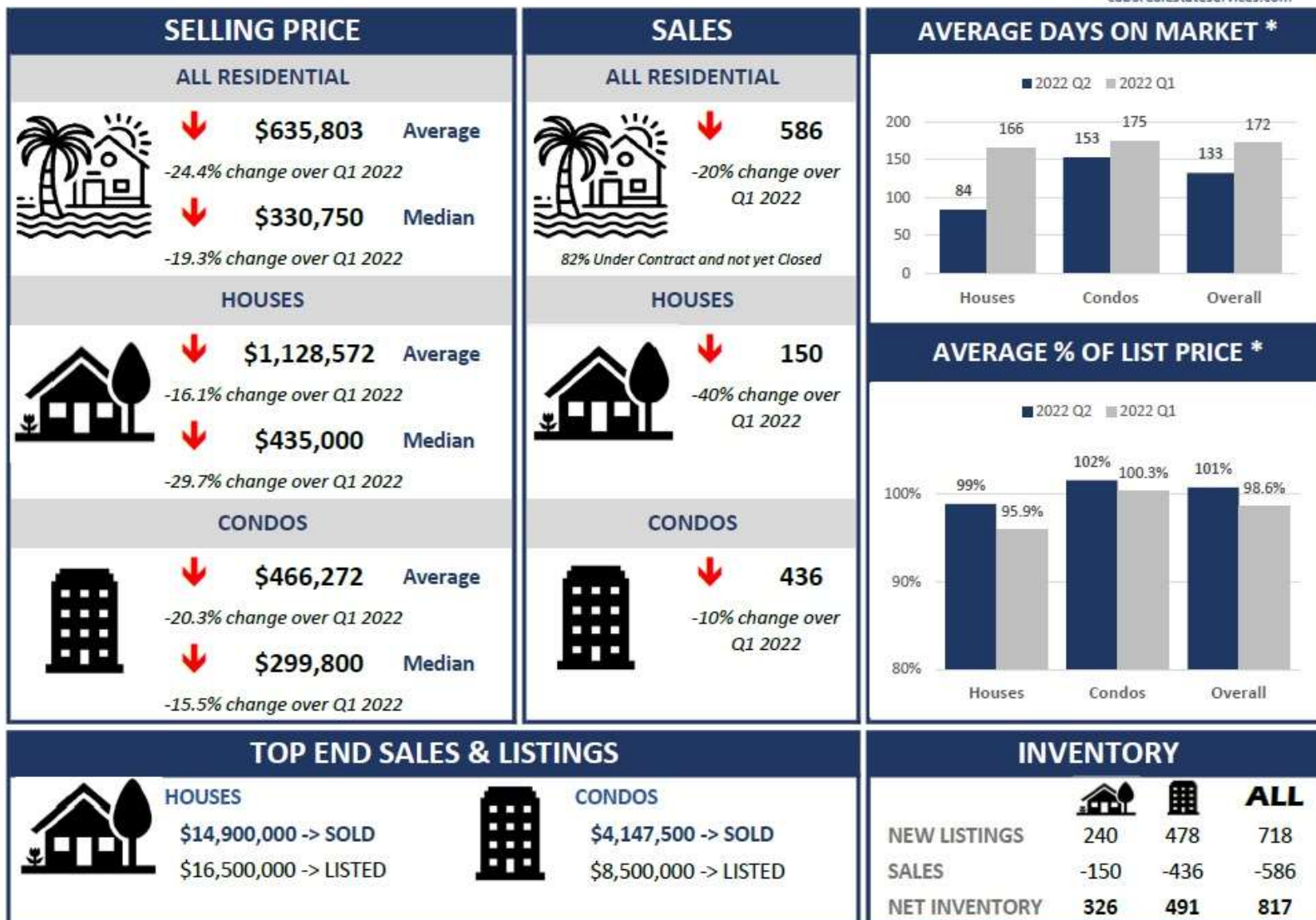
As agents in Los Cabos we are seeing pretty much the same. Lack of physical inventory is the number one reason sales are lower this quarter. It will be some time before new construction is complete and more physical inventory is available.

Los Cabos Residential Real Estate Market Report

April 1, 2022 to June 30, 2022 | 2022 Q2 | 14% of 2022 SALES ARE CLOSED

CABO REAL ESTATE SERVICES

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Source: BCS MLS Data (CSL, SJD, Corridor(s), Pacific & East Cape Zones) | Does not include off MLS developer and private sales

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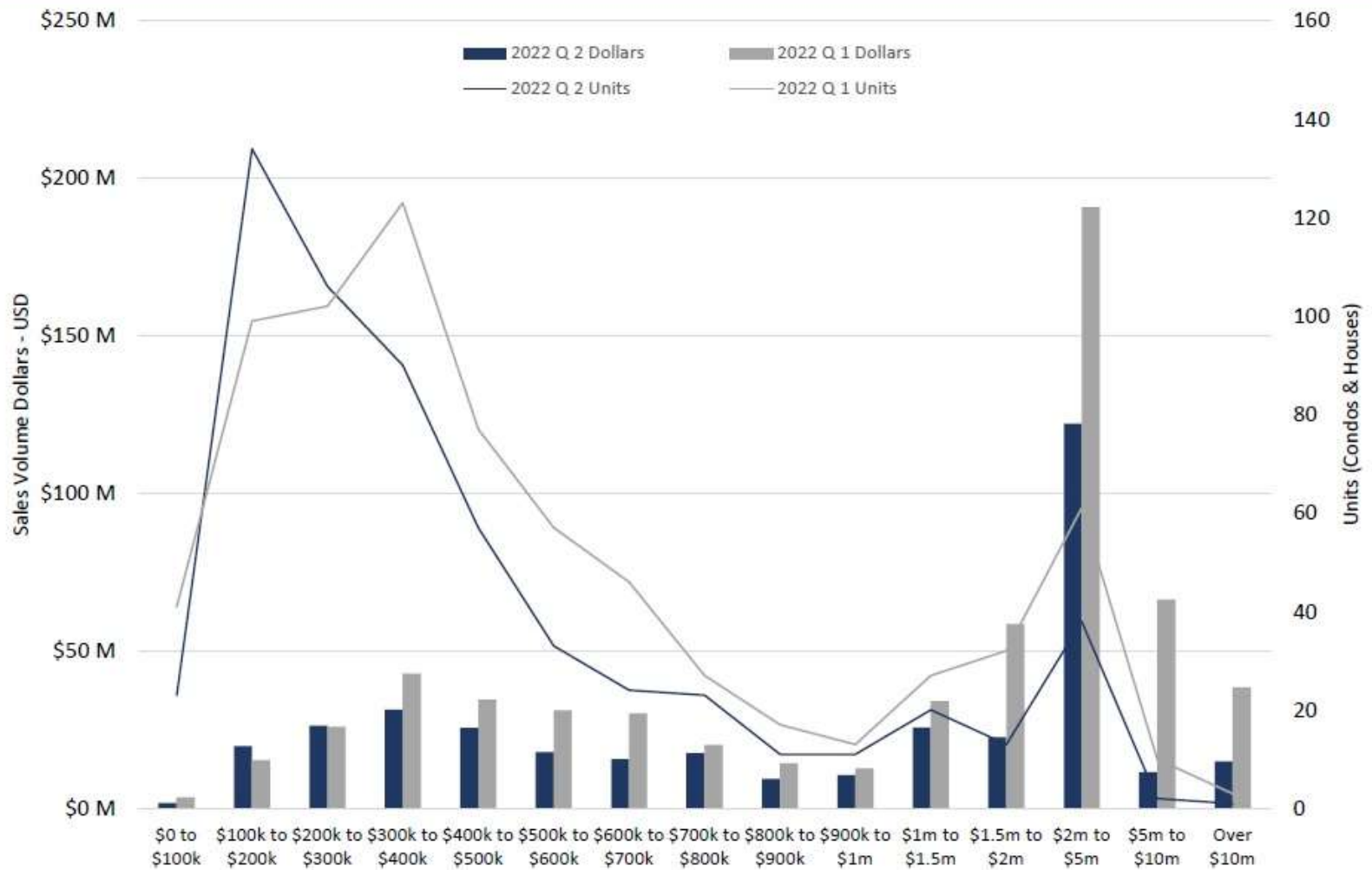
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SALES VOLUMES BY PRICE POINT



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SALES VOLUMES BY PRICE POINT

Price Point	2022 Q2		2022 Q1		2022 All Sales		% change vs 2021	
	\$USD Volume	Units	\$USD Volume	Units	\$USD Volume	Units	\$USD	Units
\$0 to \$100k	\$1,696,450	23	\$3,436,200	41	\$5,132,650	64	62%	58%
\$100k to \$200k	\$19,767,555	134	\$15,304,157	99	\$35,572,612	236	46%	46%
\$200k to \$300k	\$26,253,794	106	\$25,895,349	102	\$53,151,983	212	66%	66%
\$300k to \$400k	\$31,334,057	90	\$42,809,817	123	\$74,143,874	213	89%	88%
\$400k to \$500k	\$25,593,838	57	\$34,472,024	77	\$60,476,862	135	88%	88%
\$500k to \$600k	\$17,939,133	33	\$31,106,913	57	\$49,046,045	90	76%	77%
\$600k to \$700k	\$15,628,186	24	\$30,181,987	46	\$45,810,173	70	115%	113%
\$700k to \$800k	\$17,522,237	23	\$20,104,368	27	\$37,626,605	50	67%	67%
\$800k to \$900k	\$9,411,126	11	\$14,384,546	17	\$23,795,672	28	59%	58%
\$900k to \$1m	\$10,606,140	11	\$12,665,499	13	\$23,271,639	24	85%	83%
\$1m to \$1.5m	\$25,721,413	20	\$34,043,962	27	\$59,765,375	47	53%	52%
\$1.5m to \$2m	\$22,654,000	13	\$58,490,999	32	\$82,644,999	46	77%	73%
\$2m to \$5m	\$122,067,500	38	\$190,834,500	61	\$317,152,000	100	56%	52%
\$5m to \$10m	\$11,485,000	2	\$66,250,000	10	\$77,735,000	12	46%	52%
Over \$10m	\$14,900,000	1	\$38,500,000	3	\$53,400,000	4	55%	57%
	\$372,580,429	586	\$618,480,321	735	\$998,725,490	1331	63%	65%
	60%	80%						

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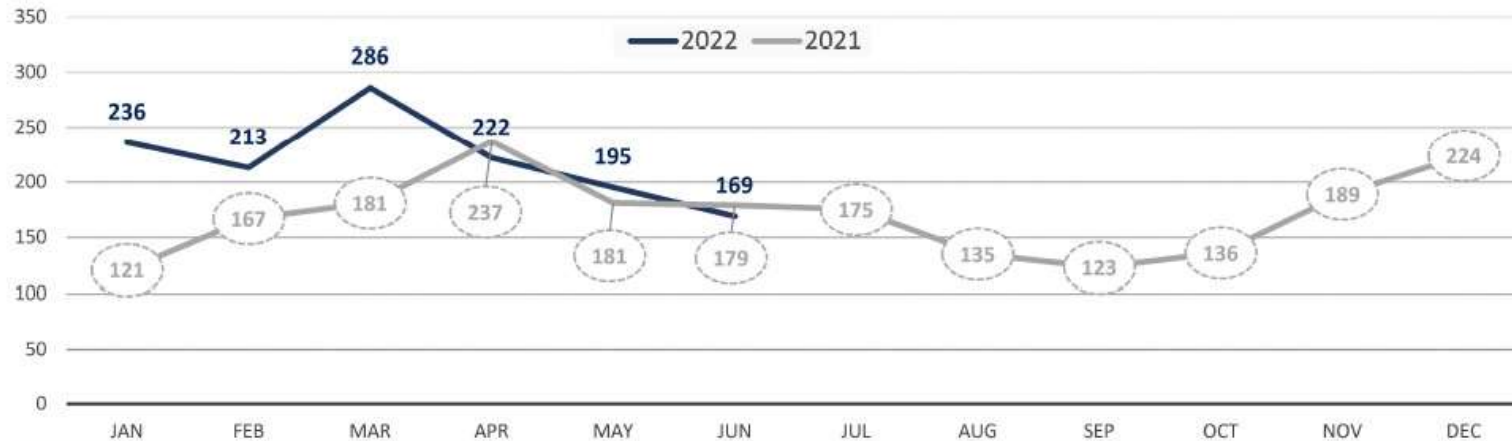
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SALES VOLUMES BY MONTH

Houses & Condos Unit Volume



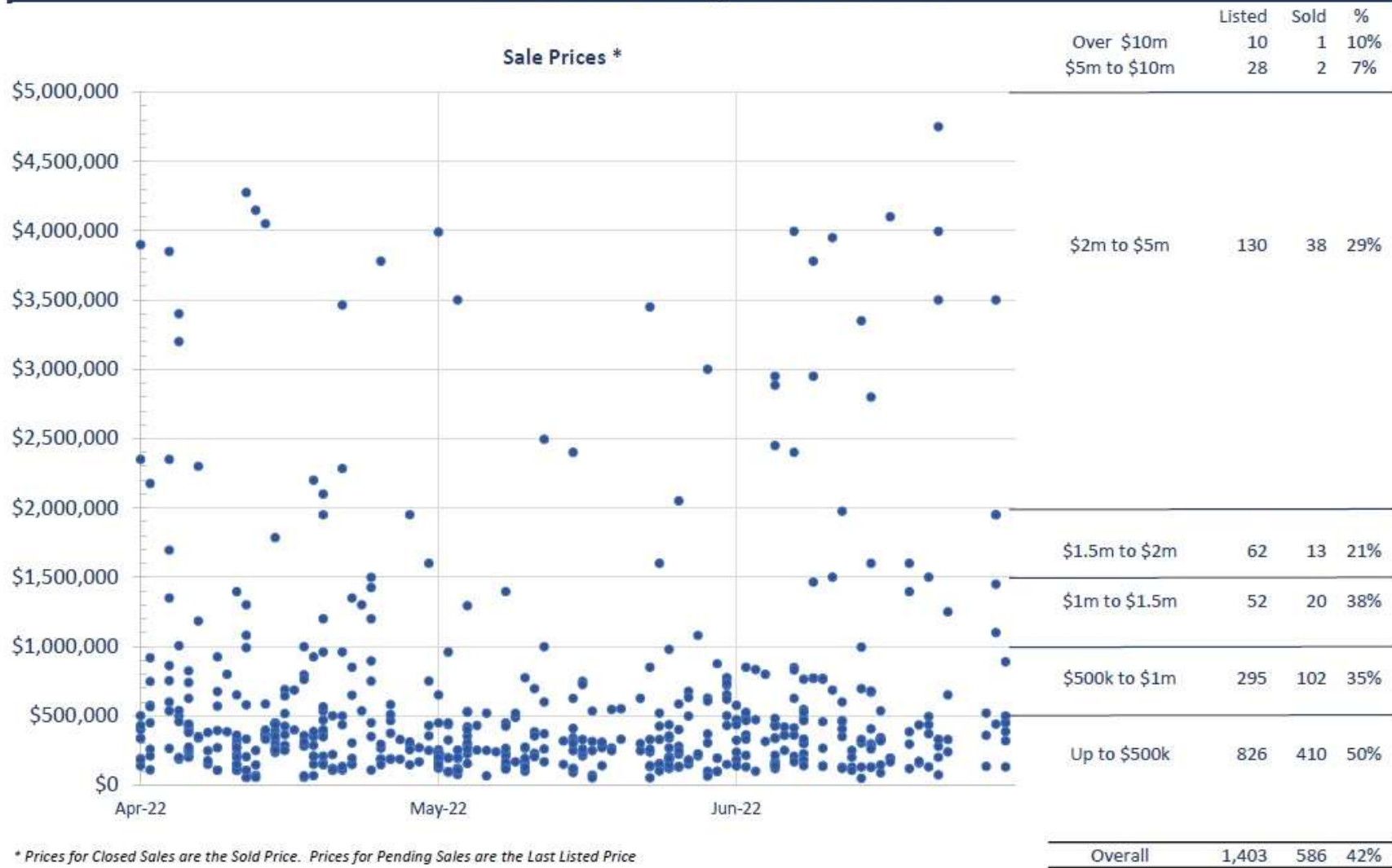
Houses & Condos Dollar Volume (\$m)



Source: BCS MLS Data (CSL, SJD, Corridor(s), Pacific & East Cape Zones) | Does not include off MLS developer and private sales

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SALES & INVENTORY | ALL PRICE POINTS



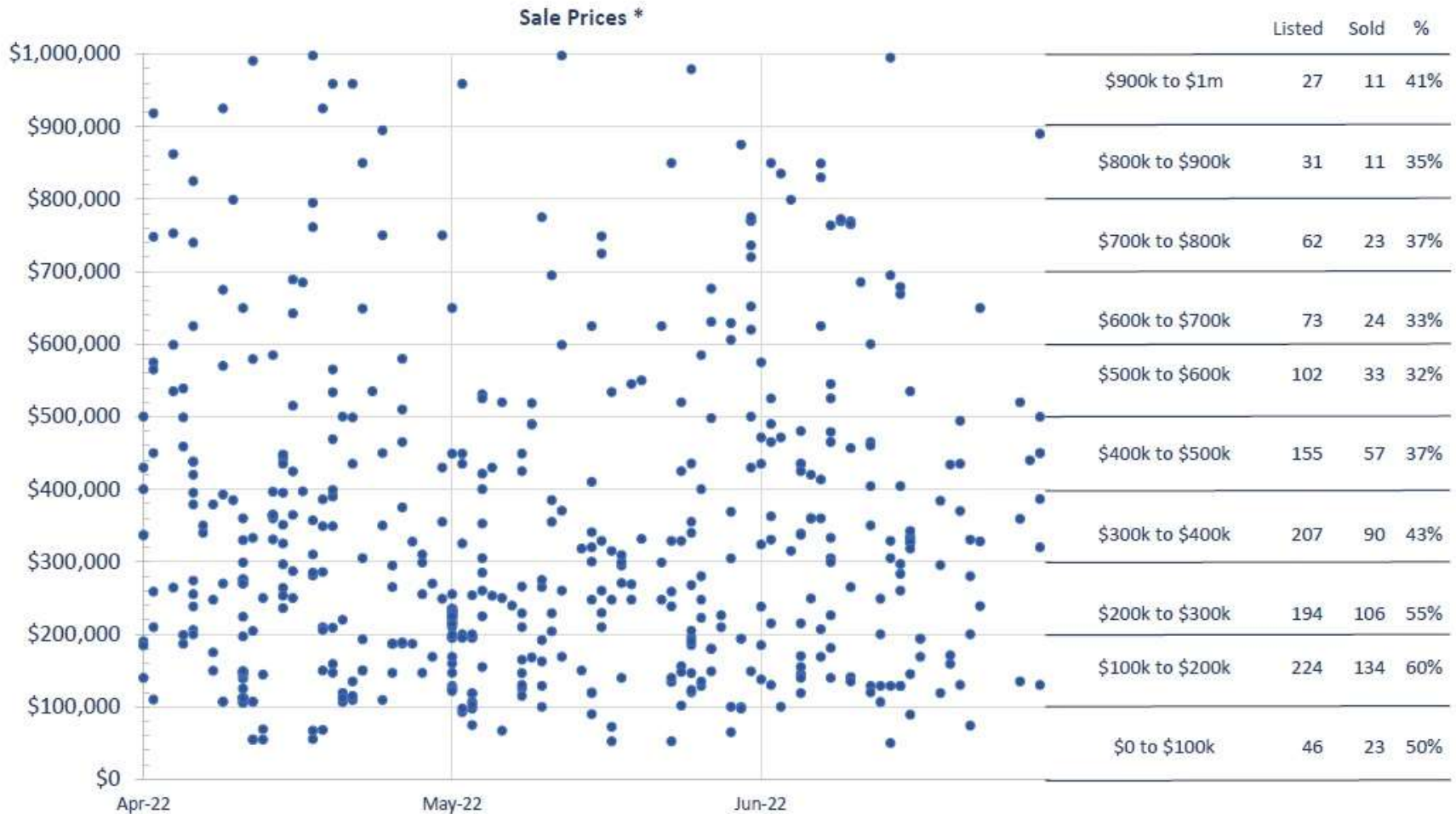
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Los Cabos Residential Real Estate Market Report

April 1, 2022 to June 30, 2022 | 2022 Q2



SALES & INVENTORY | UNDER \$1M



* Prices for Closed Sales are the Sold Price. Prices for Pending Sales are the Last Listed Price

UNDER \$1M	1,121	512	46%
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Source: BCS MLS Data (CSL, SJD, Corridor(s), Pacific & East Cape Zones) | Does not include off MLS developer and private sales

MARKET TRENDS

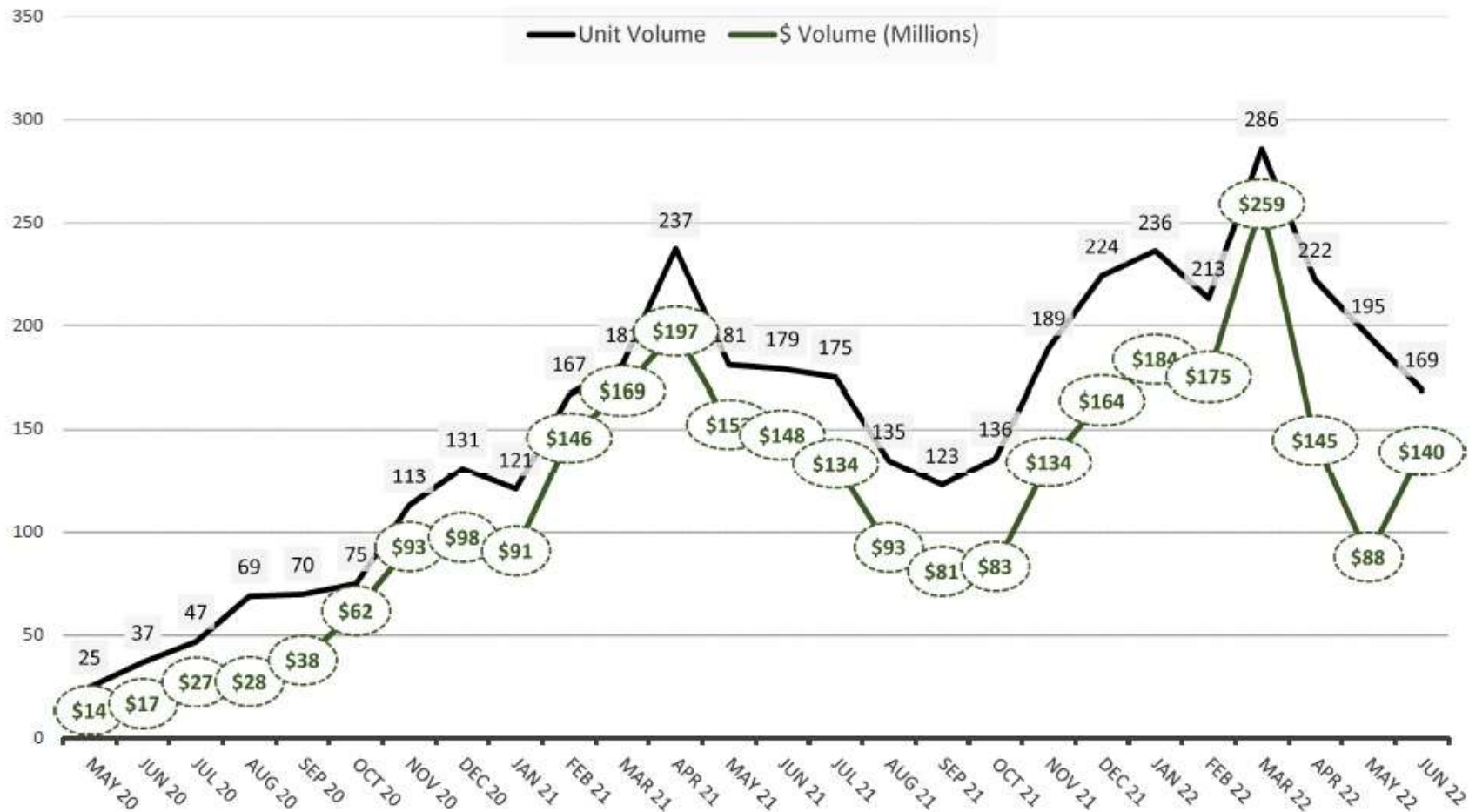
Market Sales from May 2020 forward following the 1st COVID pandemic lockdown

14% of 2022 SALES ARE CLOSED

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SALES VOLUMES BY MONTH



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Market Trends

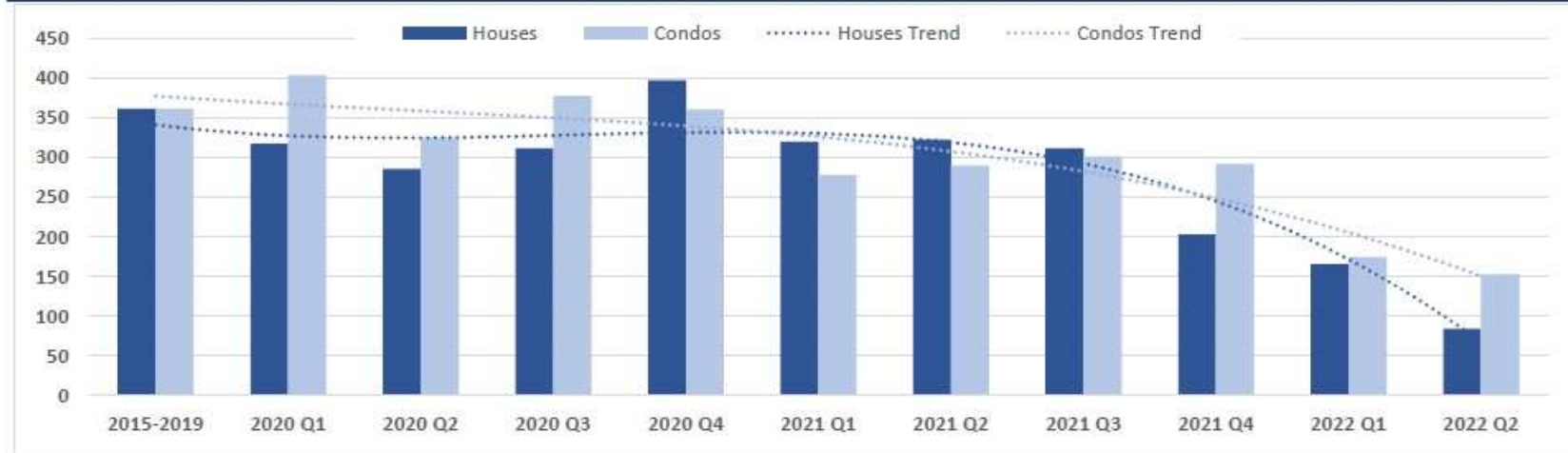
Percentage of List Price & Days on Market Trends

14% of 2022 SALES ARE CLOSED

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Average Days on Market *



Average Sold % of List Price *



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Market Trends

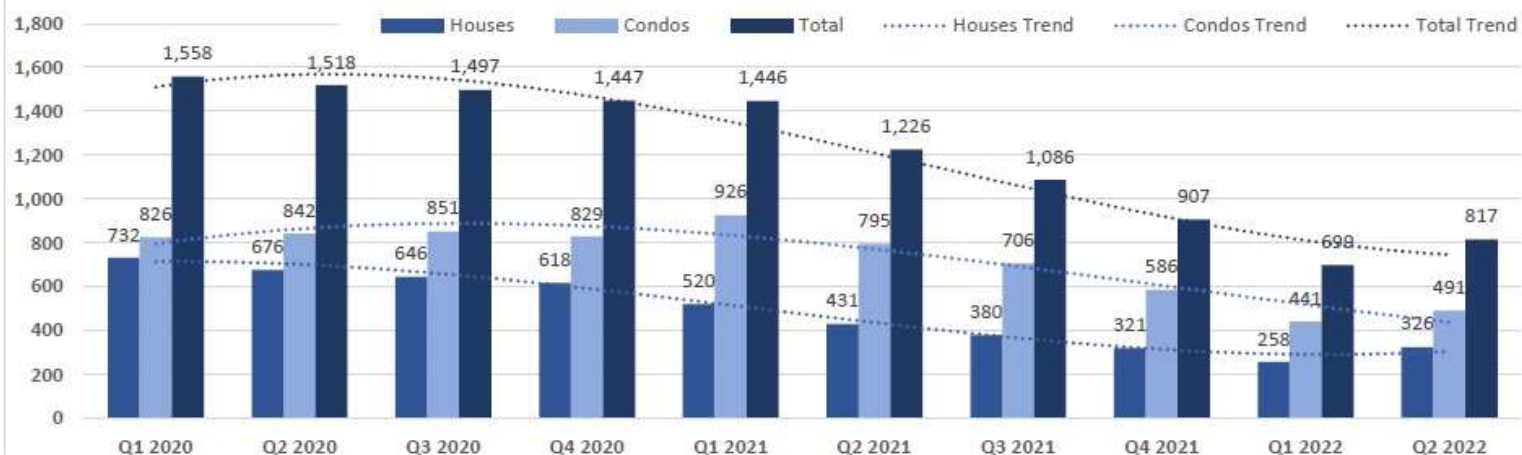
Historical Residential Market Inventory

14% of 2022 SALES ARE CLOSED

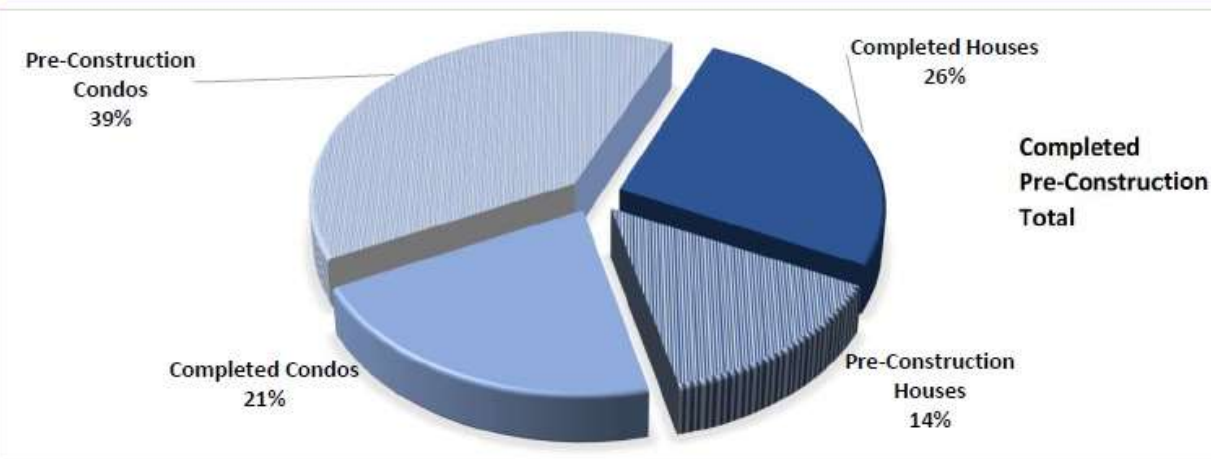
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Historical Inventory Houses & Condos



Current Inventory Makeup



Houses	Condos	Total
212	175	387
114	316	430
326	491	817

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