

# Los Cabos Real Estate Market Report

**January 16, 2023** 

#### REPORT COMMENTARY

In Q4 the market warmed up some as physical inventory increased. Despite low overall inventory the market closed out 2022 only slightly off from 2021's record sales levels. Units sold this year (2,023) was only 17 units lower than 2021. Dollar volume this year (\$1.473 Billion USD) was only \$107m USD lower than 2021.

The persistent low physical inventory seen throughout the year eased a bit in Q4. By the end of Q4, overall inventory has risen to 1,098, from a low of 699 at the end of Q1. Pre-construction inventory (618 units) on MLS continues to exceed physical inventory (480 units).

Existing properties are moving quickly – when they are priced right. Please refer to the last page of this report for data on sales within Q4 that were listed in the quarter and sold before the quarter ended. Existing properties that are not priced right or have something unique about them that requires the right buyer to come along are accumulating Days on Market and price reductions. Please refer to the last page for notable price reductions for existing properties sold in Q4.

Properties that are priced to sell are having the shortest days on market. Aggressively priced properties have been experiencing price reductions after accumulating significant days on market.

#### LOS CABOS MARKET DIRECTION

Clients regularly ask about price direction in Los Cabos. We continue to see demand remaining strong in Los Cabos and prices continuing to hold. We are also seeing Pre-Construction listings driving prices in the market. With limited physical inventory buyers are choosing to purchase Pre-Construction at prices much higher than we would expect. New developments pop up on the Los Cabos MLS weekly and the MLS Board has implemented new processes to ensure their pre-construction listings come onto MLS in a structured & organized manner. As competition mounts for Pre-Constructions buyers, we expect (hope) to see developers under cutting each other to make their sales goals.

#### **NEW IN THIS REPORT**

**Existing vs Pre-Construction Sales** - We have added historical sales data for 2021 and 2022 for condos and houses by price point divided for Pre-Construction and existing completed properties. Pre-Construction has grown considerably and almost exceeded existing properties for Condos in 2022. Existing condos was \$377m USD versus Pre-Construction condos of \$362m USD.

**Existing Properties Sales Statistics** – Two new datasets looking at sales of existing properties including quick sales in the quarter and sales that had to accumulate DOM and go through price reduction(s) before going under contract.

#### **ABOUT THIS REPORT**

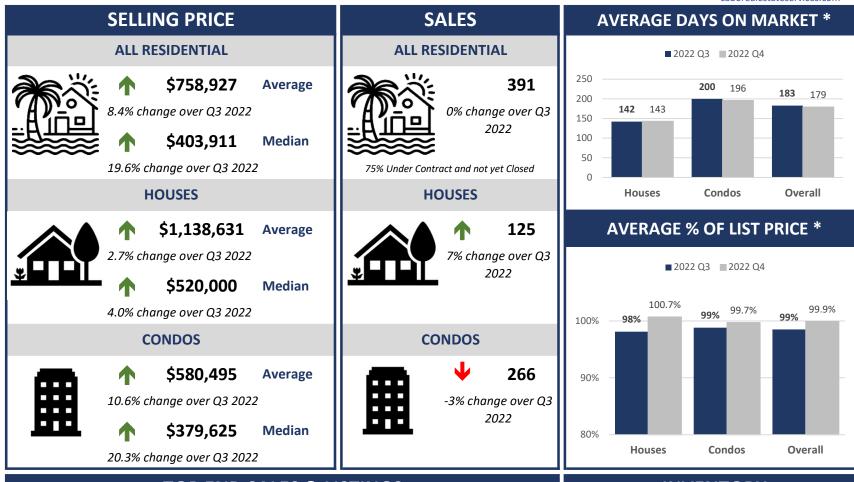
This report is produced using BCS MLS Data. It is limited to the Los Cabos Municipality apart from overlaps on the East Cape and Pacific Zones. Around Los Cabos there is also significant activity that happens off MLS. These tend to be large high-end developments that have their own way of marketing. These developments include The Cove Club, Chileno Bay, El Dorado, Montage, Maravilla and Costa Palmas. As a result, this report is not a complete view of all real estate activity in Los Cabos. This report also does not report on land sales. Land sales also took off in the past two and a half years for both individual building lots and developer parcels.

All sales data in this report is based on the Under Contract Date. This is the date when the sale was consummated but not the date when the sale closed, and title transferred. Market reports published by other brokers and agents will typically used the Sold (or Closed) Date which can be up to six months after the Under Contract Date. We feel using the Under Contract Date better represents market activity and timing. Consequently, prices and price volumes will not be fully accurate until the closed date when the sold price is reported in MLS. In our current market with properties selling with very little off from list, this difference is inconsequential.

October 1, 2022 to December 31, 2022 | 2022 Q4 | 20% of 2022 SALES ARE CLOSED



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## **TOP END SALES & LISTINGS**



HOUSES

\$5,500,000 -> SOLD

\$27,500,000 -> LISTED



#### **CONDOS**

\$9,500,000 -> SOLD

\$9,500,000 -> LISTED

## **INVENTORY**

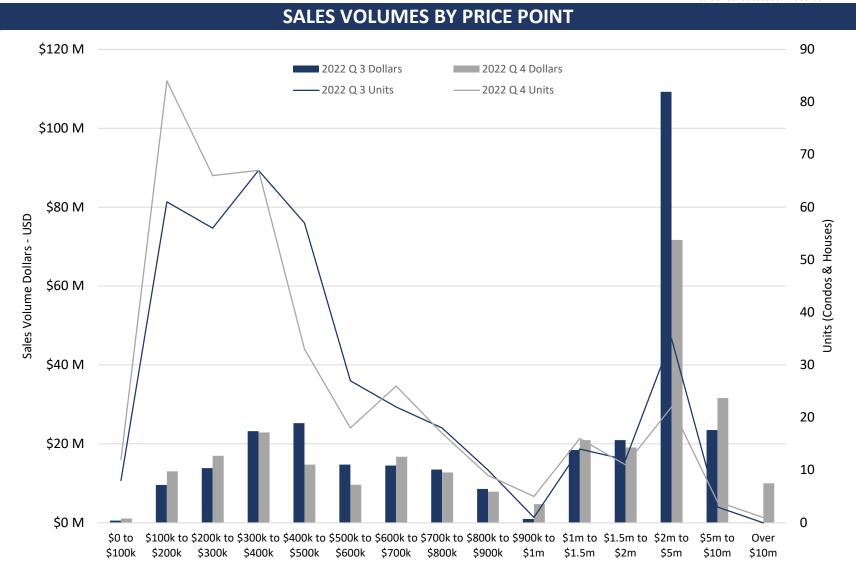


Source: BCS MLS Data (CSL, SJD, Corridor(s), Pacific & East Cape Zones) | Does not include off MLS developer and private sales

October 1, 2022 to December 31, 2022 | 2022 Q4 | 20% of 2022 SALES ARE CLOSED



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<sup>\* 20%</sup> of 2022 SALES ARE CLOSED

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# **SALES VOLUMES BY PRICE POINT**

	2022 Q3		2022 Q4	
Price Point	\$USD Volume	Units	\$USD Volume	Units
\$0 to \$100k	\$539,658	8	\$1,060,700	12
\$100k to \$200k	\$9,590,674	61	\$13,030,120	84
\$200k to \$300k	\$13,820,141	56	\$16,966,535	66
\$300k to \$400k	\$23,207,812	67	\$22,894,439	67
\$400k to \$500k	\$25,219,576	57	\$14,737,518	33
\$500k to \$600k	\$14,722,947	27	\$9,629,306	18
\$600k to \$700k	\$14,497,575	22	\$16,727,341	26
\$700k to \$800k	\$13,492,440	18	\$12,730,198	17
\$800k to \$900k	\$8,583,750	10	\$7,855,201	9
\$900k to \$1m	\$937,500	1	\$4,718,000	5
\$1m to \$1.5m	\$18,424,290	14	\$20,939,468	16
\$1.5m to \$2m	\$20,942,650	12	\$19,071,250	11
\$2m to \$5m	\$109,261,400	35	\$71,662,608	22
\$5m to \$10m	\$23,500,000	3	\$31,600,000	4
Over \$10m	\$0	0	\$10,000,000	1
	\$296,740,413	391	\$273,622,683	391
	108%	100%		

2022 All Sales	% change	vs 2021	
\$USD Volume	Units	\$USD	Units
\$6,517,102	83	79%	75%
\$55,538,755	364	72%	71%
\$81,269,031	323	102%	101%
\$114,270,159	330	137%	137%
\$96,199,872	216	142%	141%
\$70,101,908	129	109%	110%
\$67,584,708	104	169%	168%
\$59,765,687	80	105%	105%
\$39,327,292	46	100%	98%
\$28,660,640	30	105%	103%
\$94,486,169	74	84%	81%
\$111,850,899	63	103%	98%
\$469,565,283	150	84%	79%
\$130,550,000	19	82%	86%
\$46,490,000	4	48%	57%
\$1,472,177,506	2015	93%	99%

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

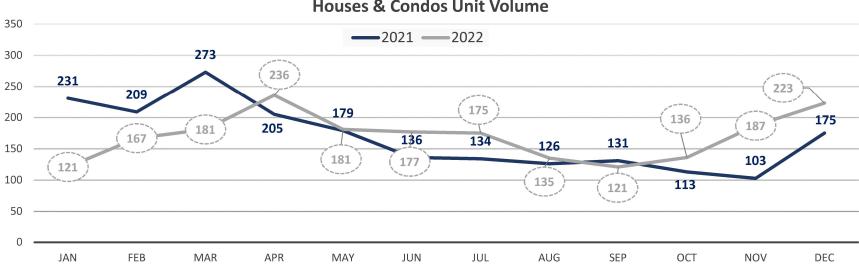
October 1, 2022 to December 31, 2022 | 2022 Q4 | 20% of 2022 SALES ARE CLOSED



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## **Houses & Condos Unit Volume**



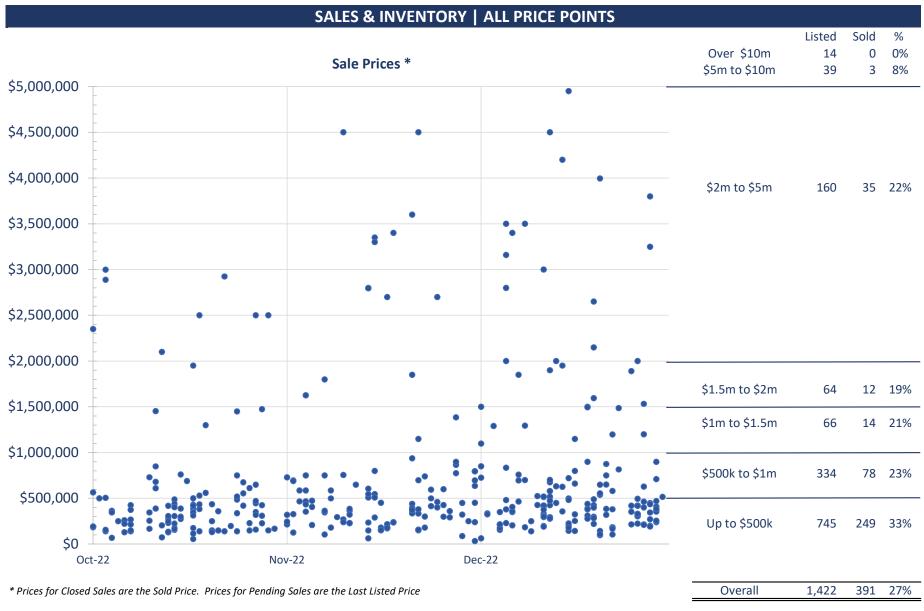
## **Houses & Condos Dollar Volume (\$m)**



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

October 1, 2022 to December 31, 2022 | 2022 Q4







## **SALES & INVENTORY | UNDER \$1M**

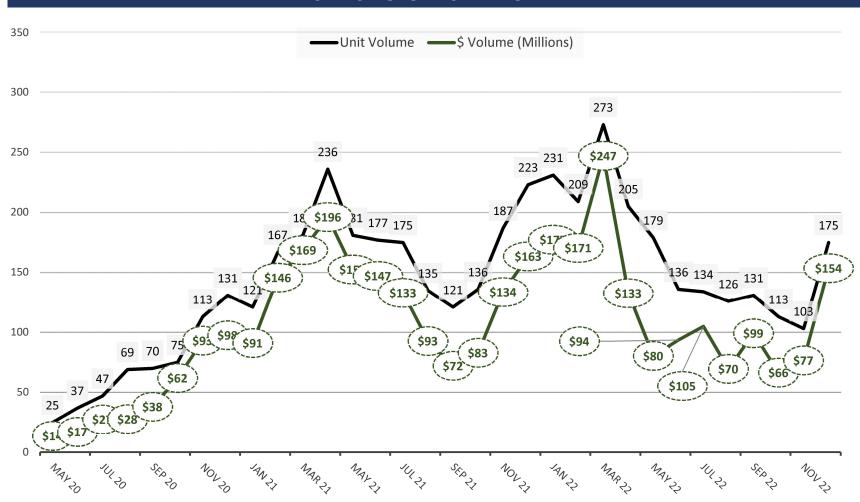


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Market Sales from May 2020 forward following the 1st COVID pandemic lockdown 20% of 2022 SALES ARE CLOSED

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# **SALES VOLUMES BY MONTH**

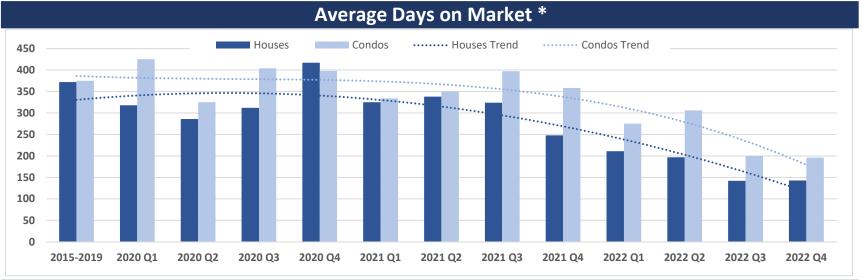


Source: BCS MLS Data (CSL, SJD, Corridor(s), Pacific & East Cape Zones) | Does not include off MLS developer and private sales

Percentage of List Price & Days on Market Trends 20% of 2022 SALES ARE CLOSED



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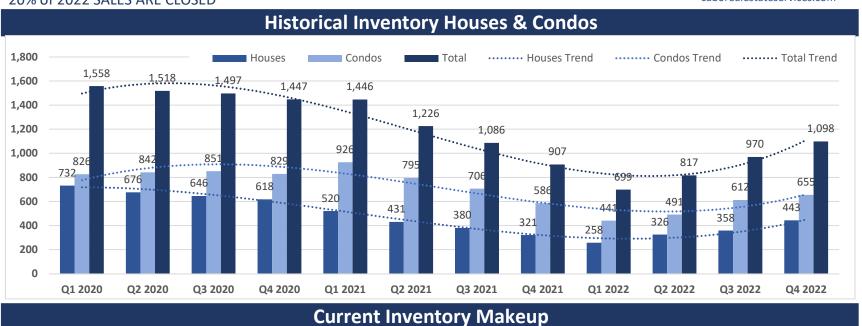
#### Average Sold % of List Price \* Houses Condos ····· Houses Trend ····· Condos Trend 100% 98% 95% 93% 90% 88% 85% 2020 Q1 2021 Q1 2021 Q2 2021 Q3 2022 Q3 2020 Q3 2020 Q4

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

Historical Residential Market Inventory 20% of 2022 SALES ARE CLOSED



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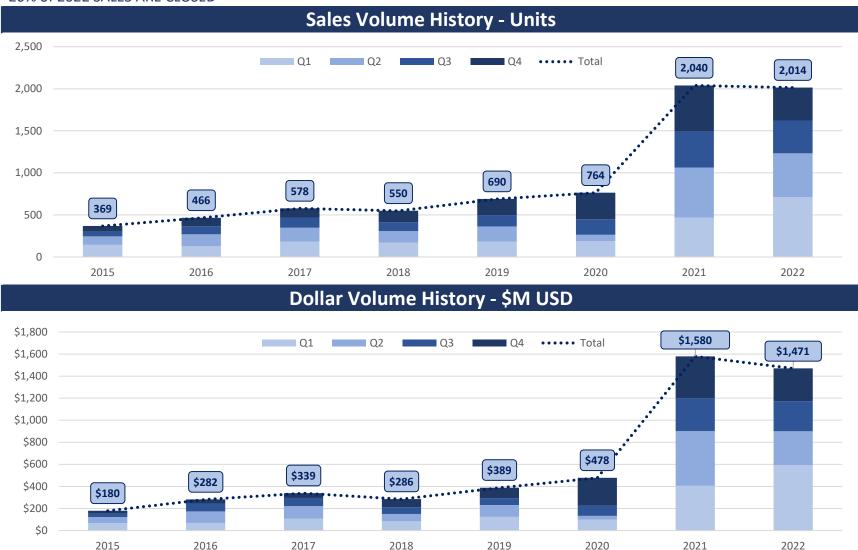
#### **Completed Houses Pre-Construction** 24% **Condos** Houses **Total** 41% Completed 254 193 447 **Pre-Construction** 165 584 419 419 612 1031 Total **Pre-Construction Completed Condos** Houses 19% 16%

<sup>\* 20%</sup> of 2022 SALES ARE CLOSED

Historical Residential Market Sales & Dollar Volume History 20% of 2022 SALES ARE CLOSED



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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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## SALES VOLUMES FOR 2021 & 2022 | EXISTING PROPERTIES VS PRE-CONSTRUCTION



2021	CONDOS							
2021	Existing Prope	erties	Pre-Construction					
\$0 to \$100k	\$4,419,707	58	\$1,263,900	15				
\$100k to \$200k	\$52,856,565	359	\$10,785,215	66				
\$200k to \$300k	\$42,065,830	170	\$11,837,760	45				
\$300k to \$400k	\$49,188,181	142	\$6,514,827	19				
\$400k to \$500k	\$39,428,746	89	\$7,025,550	16				
\$500k to \$600k	\$24,854,319	45	\$7,075,555	13				
\$600k to \$700k	\$21,689,255	34	\$2,628,829	4				
\$700k to \$800k	\$26,661,770	36	\$749,265	1				
\$800k to \$900k	\$16,027,000	19	\$1,680,000	2				
\$900k to \$1m	\$6,533,547	7	\$0	0				
\$1m to \$1.5m	\$21,259,000	17	\$1,360,000	1				
\$1.5m to \$2m	\$22,087,500	13	\$0	0				
\$2m to \$5m	\$136,816,250	46	\$54,480,000	18				
\$5m to \$10m	\$0	0	\$6,480,000	1				
Over \$10m	\$0	0	\$0	0				
- -	\$463,887,670	1,035	\$111,880,901	201				
-	\$USD Volume	Units	\$USD Volume	Units				

2022	CONDOS						
2022	Existing Prope	rties	Pre-Construction				
\$0 to \$100k	\$2,535,844	35	\$2,351,000	26			
\$100k to \$200k	\$19,063,361	126	\$26,425,490	174			
\$200k to \$300k	\$28,609,910	113	\$32,142,295	129			
\$300k to \$400k	\$37,248,448	107	\$52,290,913	153			
\$400k to \$500k	\$31,162,449	69	\$42,527,954	96			
\$500k to \$600k	\$18,575,092	34	\$30,746,317	57			
\$600k to \$700k	\$20,807,370	32	\$24,630,663	38			
\$700k to \$800k	\$21,130,500	28	\$13,470,187	18			
\$800k to \$900k	\$13,515,750	16	\$5,957,091	7			
\$900k to \$1m	\$5,900,000	6	\$9,520,140	10			
\$1m to \$1.5m	\$39,711,000	31	\$19,981,169	16			
\$1.5m to \$2m	\$23,365,000	14	\$21,173,900	12			
\$2m to \$5m	\$89,916,275	30	\$67,010,000	18			
\$5m to \$10m	\$25,200,000	3	\$10,900,000	2			
Over \$10m	\$0	0	\$0	0			
	\$376,740,999	644	\$359,127,119	756			



		-						
2021	HOUSES							
2021	Existing Proper	rties	Pre-Construction					
\$0 to \$100k	\$2,486,313	36	\$75,000	1				
\$100k to \$200k	\$11,802,065	75	\$1,837,000	10				
\$200k to \$300k	\$22,481,480	92	\$3,220,800	13				
\$300k to \$400k	\$27,400,560	79	\$325,000	1				
\$400k to \$500k	\$20,515,500	46	\$970,753	2				
\$500k to \$600k	\$28,407,972	52	\$3,754,500	7				
\$600k to \$700k	\$15,568,921	24	\$0	0				
\$700k to \$800k	\$26,262,374	35	\$3,046,000	4				
\$800k to \$900k	\$18,447,050	22	\$3,369,000	4				
\$900k to \$1m	\$20,762,500	22	\$0	0				
\$1m to \$1.5m	\$61,312,649	50	\$27,978,975	23				
\$1.5m to \$2m	\$79,705,000	47	\$6,635,000	4				
\$2m to \$5m	\$325,581,660	114	\$41,913,199	13				
\$5m to \$10m	\$152,390,000	21	\$0	0				
Over \$10m	\$87,100,000	6	\$10,500,000	1				
	\$900,224,044	721	\$103,625,227	83				
	\$USD Volume	Units	\$USD Volume	Units				

2022	HOUSES						
2022	Existing Proper	ties	Pre-Constr	uction			
\$0 to \$100k	\$1,058,354	\$1,058,354 15		7			
\$100k to \$200k	\$7,582,404	49	\$2,467,500	15			
\$200k to \$300k	\$14,472,100	57	\$6,044,726	24			
\$300k to \$400k	\$16,472,727	46	\$8,258,072	24			
\$400k to \$500k	\$13,165,300	30	\$9,344,168	21			
\$500k to \$600k	\$11,585,500	21	\$9,195,000	17			
\$600k to \$700k	\$12,382,000	19	\$9,764,675	15			
\$700k to \$800k	\$21,491,000	29	\$3,674,000	5			
\$800k to \$900k	\$14,576,000	17	\$5,278,451	6			
\$900k to \$1m	\$11,365,500	12	\$1,875,000	2			
\$1m to \$1.5m	\$30,657,000	24	\$4,137,000	3			
\$1.5m to \$2m	\$26,674,999	15	\$40,637,000	22			
\$2m to \$5m	\$238,589,008	79	\$74,050,000	23			
\$5m to \$10m	\$69,950,000	11	\$24,500,000	3			
Over \$10m	\$21,440,000	2	\$25,050,000	2			
•	\$511,461,892	426	\$224,847,496	189			

#### **EXISTING PROPERTIES SALES STATISTICS**

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20% of 2022 SALES ARE CLOSED

## **EXISTING PROPERTIES - WITHIN QUARTER SALES**

2022	HOUSES							CONDOS	5	
Q4	\$ Volume	Units	DOM Min	DOM Max	DOM Avg	\$ Volume	Units	DOM Min	DOM Max	DOM Avg
\$0 to \$100k	\$120,950	2	53	83	68					
\$100k to \$200k	\$150,000	1	42	42	42	\$667,400	5	64	102	78
\$200k to \$300k	\$837,800	3	23	96	60	\$1,666,500	7	24	96	55
\$300k to \$400k	\$714,000	2	37	41	39	\$2,798,900	8	38	90	70
\$400k to \$500k	\$2,177,800	5	27	84	54	\$1,832,900	4	13	37	30
\$500k to \$600k	\$586,000	1	85	85	85	\$580,000	1	33	33	33
\$600k to \$700k	\$649,000	1	38	38	38	\$2,022,999	3	37	72	59
\$700k to \$800k	\$1,545,000	2	58	106	82	\$3,004,000	4	45	93	80
\$800k to \$900k	\$1,690,000	2	28	54	41	\$850,000	1	78	78	78
\$900k to \$1m	\$937,500	1	55	55	55					
\$1m to \$1.5m	\$3,940,000	3	43	60	54	\$1,299,000	1	89	89	89
\$1.5m to \$2m	\$5,335,000	3	30	89	51	\$3,525,000	2	70	76	73
\$2m to \$5m	\$32,944,900	11	1	89	53	\$2,000,000	1	62	62	62
\$5m to \$10m						\$9,500,000	1	1	1	1
Over \$10m										

<sup>\*</sup> Above data is for listings that were listed and sold in 2022 Q4

## **EXISTING PROPERTIES SOLD IN QUARTER WITH PRICE REDUCTIONS**

MLS#	Property Name	Туре	DOM	Price Changes	Original List Price	List Price @ Under Contract Date	% Delta	Price Delta
21-4185	Villa Dulce	Houses	400	1	\$5,950,000	\$4,950,000	20%	-\$1,000,000
21-2940	Hermitage 9	Houses	508	1	\$2,300,000	\$2,100,000	10%	-\$200,000
21-2585	El Cielito Mezquite B	Condos	501	4	\$699,000	\$500,000	40%	-\$199,000
22-2463	Vista Vela 2	Condos	215	3	\$699,999	\$515,000	36%	-\$184,999
21-4364	Casa Kim	Houses	384	1	\$3,100,000	\$2,999,000	3%	-\$101,000
22-2845	PDS C-102	Condos	188	1	\$1,250,000	\$1,150,000	9%	-\$100,000
22-3482	Casa La Roca Cabo Bello	Houses	127	1	\$1,199,000	\$1,099,000	9%	-\$100,000
22-875	Casa Piedra	Houses	325	1	\$550,000	\$450,000	22%	-\$100,000

<sup>\*</sup> The final sold price for the above listings will not be known until the sale close.