

Los Angeles – Orange County Housing Market Forecast: High Prices Prompting More Residents to Double Up or Move Elsewhere

U.S. News Housing Market Index predicts moderate decline in permits for both single-family and multifamily homes

LOS ANGELES, CALIF., UNITED STATES, April 6, 2023 /EINPresswire.com/ -- A new housing market forecast for the combined Los Angeles-Orange County area published by U.S. News & World Report and produced by contributor [MetroIntelligence](#) concludes the region's high prices for buying or renting homes is in part leading to population declines.



Between 2021 and 2022, the Census Bureau showed the combined counties of Los Angeles and Orange losing over 100,000 residents..."

Patrick S. Duffy, Real Estate Economist

The forecast for building permits is populated through June 2023 using the [U.S. News Housing Market Index](#), an interactive data set acquired last year from EnergyLogic. Currently in beta testing, the index aggregates a large

variety of public and private data points categorized by their impacts on housing demand, supply and financing.

"For those who can afford it, the housing options are many, but for those who cannot, their options include doubling up with unrelated housemates, commuting further inland or joining the region's growing homeless population," writes [Patrick S. Duffy](#), chief economist for MetroIntelligence in the report. However, he adds, "Despite its recent population declines resulting largely from the high price of housing, this economic giant of the western U.S. continues to attract both jobs and commuters from the surrounding areas, putting a floor under home prices and rents."

The report also includes commentary on local market conditions from experts including three real estate agents covering different parts of the region; Tom Grable, Southern California division president for TriPointe Homes; and Evan Forrest, vice president of Zonda Advisory, which tracks and advises home builders on new home activity.

Although the report does find a 11.2% decline in median sales prices from April 2022 through January 2023, in more recent months price declines have flattened out to just under \$800,000.

While still a seller's market, it's not quite as competitive as it was during the heydays of 2021 and 2022.

"We're still getting multiple offers, but it's not quite as competitive as last year when buyers had to remove every contingency off the bat," says agent Nicole Galanti with Coldwell Banker in Los Angeles. In Orange County, agent Robert Casas with Trusted Realty Group in Anaheim says that today's buyers are serious and don't have the patience for fixer-uppers. For sellers Casas advises, "It's about preparing, decluttering, painting, tidying and knowing the comparable price points to list it correctly."

With existing home inventory at low levels, other options include newly built homes, some of which come with price cuts and additional incentives by deeper-pocketed homebuilders. "We're not in the price business as much as we're in the monthly payment business, and to the extent we can get someone in that comfort level, we will sell homes," says Tom Grable, Southern California division president for TriPointe Homes. "We look at the spec levels and the prices paid by people who bought last year to make sure they remain in a positive value proposition to justify the reductions."

Nonetheless, Grable also says that the state government could do more to encourage more new housing to be built. "In Sacramento, while housing is a priority issue, they're pumping out more legislation which is actually detrimental to building more housing."

As Duffy ultimately concludes, "While the two-county region certainly has its share of challenges including traffic gridlock, a relatively low use of public transit and a chronic affordable housing deficit, it continues to be creative with solutions including both carrots and sticks. Only time will tell if these solutions manage to retain the dynamism which made the California Dream come alive for millions."

The entire report can be viewed at <https://realestate.usnews.com/real-estate/housing-market-index/articles/los-angeles-orange-county-housing-market-forecast>.

About MetroIntelligence:

MetroIntelligence is an economics consulting firm focused on land use, and also provides public relations and corporate communications services to clients working in homebuilding, real estate development, finance and sales. Company founder and real estate economist Patrick S. Duffy began contributing to U.S. News & World Report in 2022, focusing on economics and other trends related to the housing market as well as analyzing their recently unveiled Housing Market Index. For more information on MetroIntelligence, visit <https://www.metrointel.com>.

About the U.S. News Housing Market Index:

The U.S. News Housing Market Index leverages IBM Watson® Natural Language Understanding – and the recently acquired Housing Tides Index from EnergyLogic – to help enable U.S. News to interpret and synthesize large volumes of housing data for easy viewing. The computing power

supporting this platform allows users to find tailored data results for different regions and time periods, allowing them to make informed decisions about housing. The index also includes a tool providing forecasts on building permits for the top 50+ U.S. markets, while a robust sentiment analysis feature interprets 500 media pieces related to housing each month. For more information on the U.S. News Housing Market Interface, visit <https://realestate.usnews.com/housing-market-index/interface>.

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