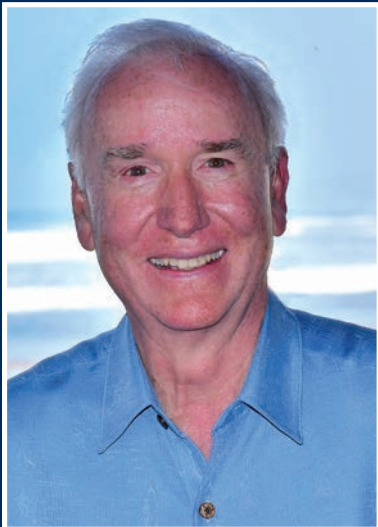


Scott Peck's Special Report

ROBUST AND CHALLENGING

UNDERSTANDING THE FORCES IN THE REAL ESTATE MARKET

Moving Lives Forward



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Sotheby's
INTERNATIONAL REALTY

ROBUST AND CHALLENGING

The current real estate market is amazingly robust. Despite the Covid-19 challenge to the economy & the disruption to all of us personally, the real estate market has **GAINED** momentum, not lost momentum. Home prices in coastal North County are up 3.7% in the last 12 months (see back page).

In fact, we just sold out! The last 5 of our listings are **ALL in escrow** as we share this Special Report.

Why is this real estate market so robust? A HUGE reason is that the pool of active, willing, & ready buyers is very strong. Many buyers are relocating to our area from tech & urban centers because of the shift now in the ability to work from home. The buyer boom is also being supported by the lowest interest rates in history, as well as the desire to move money out of low-yield or volatile money markets.

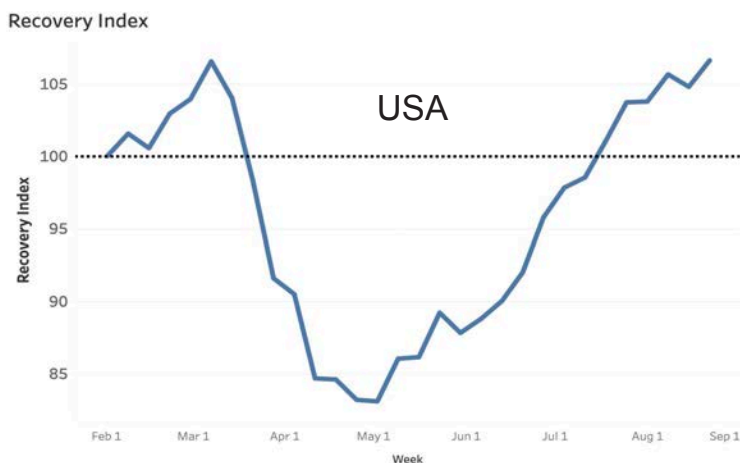
It's a great time to buy!

Why is this market challenging for buyers?

The biggest reason this market is challenging for buyers is that inventory is so low. This has put pressure on buyers who often have to compete for homes - especially if the price point is below \$1,400,000. To compete, buyers have to be pre-approved with a lender and be willing to make a realistic & strong offer that has terms attractive to the seller, such as shortening the physical inspection contingency period. You can beat out other offers, not just by offering more money, but by creating an intelligent offer that takes into consideration the seller needs & is constructed as a win-win for all. This is why it's so important to let our combined 40 years of experience serve you in this competitive market. We have successfully structured offers that have won the day time & time again.

Why is this market challenging for sellers?

The biggest reason this market is challenging for sellers is that, despite the low inventory & a pool of motivated buyers, these buyers are selective & savvy. Unless a home is close to perfect in location, layout, condition, sizzle, & price, buyers are unwilling to overpay. They just won't step up to the plate, or they will make what they consider a fair offer, but this is often below what the seller wants & expects. The result is a frustrating stalemate for many sellers if they are over priced. That's why, even in this robust market, there have been many price reductions as sellers reluctantly move towards a price that buyers consider fair. Despite this, we continue to have great success in helping sellers sell at or above list price. We are experts in helping our sellers price correctly - which is critical to getting your home sold during this hot moment of opportunity.



How to read the index – the overall index is set to 100 for the last week of January based on average year-over-year trends that month, & updated every week relative to that baseline. A value of 100 means the market has recovered to January 2020 pace. By combining proprietary measures of housing demand, supply, prices, & the pace of sales, the weekly index yields a timely & localized view on the state of the recovery relative to the start of the year.

WHAT'S GOING TO HAPPEN NEXT?



We've always appreciated the quality of Lawrence Yun's assessment of the real estate market. He is the chief economist for NAR (the National Association of Realtors). These are excerpts from an article by Melissa Dittmann Tracey (with a few edits).

The housing market has been defying forecasts during the COVID-19 pandemic. Initially, home sales nose-dived for three consecutive months during state shutdowns. But by June, a “remarkable housing recovery” took hold, and real estate bounced back with a vengeance, Lawrence Yun, chief economist for the National Association of REALTORS®, stated during NAR’s virtual 2020 Leadership Summit.

Busier. One-third of REALTORS® say they’re busier this summer than they were a year ago, according to a recent NAR survey. It’s a sign that even under the weight of compounding national crises—the pandemic, skyrocketing unemployment, racial inequality, and a recession—the housing market is likely to remain strong. The market is on the upswing of a “V-shaped recovery,” Yun said, with sales about 10% higher than a year ago. Inventory is 20% lower than a year ago, but buyer interest remains high, Yun said.

The pipeline of buyers is growing. Meanwhile, mortgage applications, an early gauge of home buying activity, are up 27% compared to a year ago, the Mortgage Bankers Association reported. “These reflect buyers who are in the pipeline and are about to hit the market,” Yun said. Contract signings also have surpassed year-ago levels, up 6.3% in June compared to the previous year, according to NAR’s Pending Home Sales Index. Record low mortgage rates—which have dipped below 3% for the first time ever—may be a motivating factor. They could go as low as 2.89% in the next month or two, Yun said.

Suburban resurgence. While migration trends were toward urban centers before the pandemic, real estate thought leaders have predicted a suburban resurgence as home buyers seek more space for social distancing. Now the data is supporting that theory. Corona virus and work-from-home flexibility is sparking the trend reversal, Yun said. More first-time home buyers and minorities have also been looking to the suburbs for affordability, he added.

Employment. While jobs have climbed back somewhat from deep losses in the spring, employment remains 7.5% lower than a year ago, Yun said. Nevertheless, most homeowners & renters are keeping up with monthly payments. Eighty-eight percent of renters have been paying their rent on time compared to 90% a year ago, Yun noted. This is perhaps because, ironically, personal incomes are still rising.

Spending down. Yun said the government’s massive stimulus bill, as well as extra unemployment benefits and aid in the form of small business loans, has helped Americans’ incomes remain elevated during the pandemic. However, growth in consumer spending has plummeted as more Americans opt to save. “There is a potential for pent-up spending as the economy reopens more,” Yun said.

Can Housing Keep Up the Pace? Yun predicted the housing market will remain robust in the months ahead, saying home prices will grow 3% to 5% by the end of 2020. Next year, he predicted, home prices may increase 2% to 3%. Due to the spring dip, home sales likely will end the year down 2% to 4% compared to the previous year. But that’s “remarkable,” Yun said, considering the toll of the pandemic. Home sales will ramp up again next year, Yun said, increasing between 8% to 12%.

SUCCESS FROM BOTH SIDES

The graphs & information on the previous pages are invaluable for understanding the market, but real estate ultimately comes down to a person's experience in buying or selling a home. Will you have a great experience? That's the important question! We don't measure success by the number of sales completed. **We measure success by the satisfaction of our clients.** Recently, in the sale of a beautiful home in Isle Verde in Solana Beach, we had the honor of serving both the sellers & the buyers.

“Forever Grateful”

Our mom left very specific notes before her passing and one of them was having Scotty & Tanya sell her home.

We knew from the beginning interview that their commitment to giving us their Gold Star service, combined with their wealth of knowledge, would be the support we needed. We are 3 sisters who live in Colorado & needed a real estate team to be reliable, authentic, great communicators, and showcase our parent's home. It was clear they met all of those criteria.

Covid arrived in our lives a few days after signing the contract which meant we were unable to clear the house for staging. With Scotty & Tanya's expertise & willingness to prepare the house for showings, they demonstrated their commitment to excellence in their marketing that showcased our home.

Their extraordinary communication, often 2 or 3 times a week, if needed, with all three of us was impressive. They were extremely patient with each of our individual and diverse personalities. They calmed our concerns, offered their individual perspectives. and patiently waited for the three of us to come to consensus without any pressure.

We are forever grateful to Scotty & Tanya.

Ellice, Linette & Crezell, better known as “The Three Sisters”



“Above & Beyond”

Tanya and Scotty recently helped us buy our dream house in Solana Beach. Our experience with them was outstanding. We met Tanya at an open house back in December. We were living in the Bay Area at the time and were in the process of moving to San Diego.

Tanya & Scotty assured us that they would find us our dream house. After we moved to San Diego, they kept us updated with the active & upcoming listings. They understood our requirements really well & only showed us the houses that would work for us.

They showed us one of their upcoming listings before it went on the market, and we fell in love with it. We decided to have Tanya & Scotty represent us. They did an excellent job managing relationships with both parties providing transparency yet keeping each party's interest in mind at all times.

They guided us through the process but let us make our own decisions without any pressure. They made themselves available as often as we needed them. In the end, our offer was accepted and the entire transaction went very smoothly.

We feel fortunate to have met Scotty & Tanya who went above and beyond in finding us our dream home.

We would highly recommend them to anyone looking to buy or sell a house in this area.

The Grover Family



EVEN MORE CLIENT SUCCESS



“When I met Scotty & Tanya, I knew they were experienced, with over 40 years of collective real estate experience in Solana Beach. What I didn't know was how dedicated, thoughtful, and persistent they were.

We listed our home for sale on Santa Rosita right before the Corona virus pandemic hit in March. Over the next 3 months, they patiently navigated us through escrows with 3 different buyers and innumerable delays due to COVID.

Through it all they were tireless, compassionate, patient, and consummate professionals. I truly felt like they were as personally invested in the sale of my home as I was and we all rejoiced together when my home sold at above the asking price. They started out as my Realtors and have become my friends.”

Patricia Klassen

“Brian & I thank you again for getting our Olde Del Mar house staged, marketed, & sold this year. With the current crazy times we are living in, we could not be there for any part of the process. Thanks to you & Tanya, we didn't have to be. Clearly, we were in good hands. Anyone that entrusts you with their home sale is blessed!

Helen Rafferty!



Just Sold in West Solana Beach (N. Rios)



Just Sold in Encinitas Ranch (Buyer)



“We are forever grateful for all that Scotty and Tanya did in selling our home of 46 years on Santa Olivia during the difficult COVID-19 pandemic. Imagine listing it one day and selling it the next!

They were there every step of the way when we were in lock down in our new home and kept us fully informed on every detail whether large or small. They have become friends as well as agents. We wish them well always - good health and safe travels.”

Nancy and Bob Gottfredson

PROPERTIES IN ESCROW WITH SCOTT & TANYA



1539 Santa Sabina Ct - Solana Beach
1,399,000



15009 Paso Del Sol - Del Mar
1,800,000



6618 Daylily - Carlsbad
779,000



3631 Cmto Carmel Landing - Carmel Valley
649,000



839 Del Mar Downs Unit B - Solana Beach
779,000

60% of these properties went into escrow in less than 2 days and sold at OR ABOVE full price!

When you list your home or condo with Scott & Tanya, you'll end up right here - IN ESCROW, then sold, & then relieved & happy.

Over 250 Grateful Clients

MOVING LIVES... FORWARD!

That's our motto because that's what happens to our clients. Over 40 years of combined success has it's rewards - for you! And **we're both brokers**, which means you'll be served at the highest level of professionalism & knowledge.

If you're about to sell, we will treat you with the expertise and integrity you deserve. We will help you price your property correctly to get the highest possible price as quickly as possible.

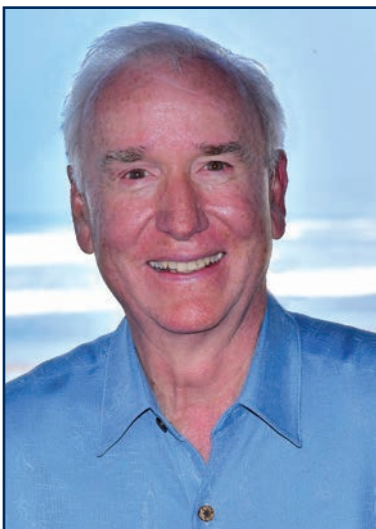
We will prepare the entire road map of success for you - property readiness, your mental and emotional readiness, staging if needed, correct pricing, powerful marketing, in-person showings, problem solving, moving through escrow challenges, & crossing the finish line with relief, a smile - & the proceeds! And we'll do it all as a team with your full involvement and your input for assured success.

If you're about to buy, we will help you be the best, most knowledgeable, and most prepared buyer in town.

We will guide you through the pre-approval process with the right lender, help you maximize & prepare your offer presentation, give you access to the private website we use with all our buyers so you'll see exactly what we see in the MLS - in real time - and never miss the golden property. We will guide you through the entire purchase and escrow process so you will be an expert and in command of your home buying process.

If you have friends in need and refer them to us, you can be assured that you are connecting them to success & happiness. They will thoroughly enjoy working with a team as experienced and supportive as Scotty & Tanya.

For Exceptional Success, Call, Text, or Email Us



Scott Peck

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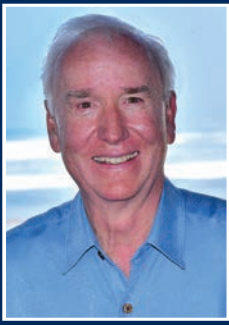
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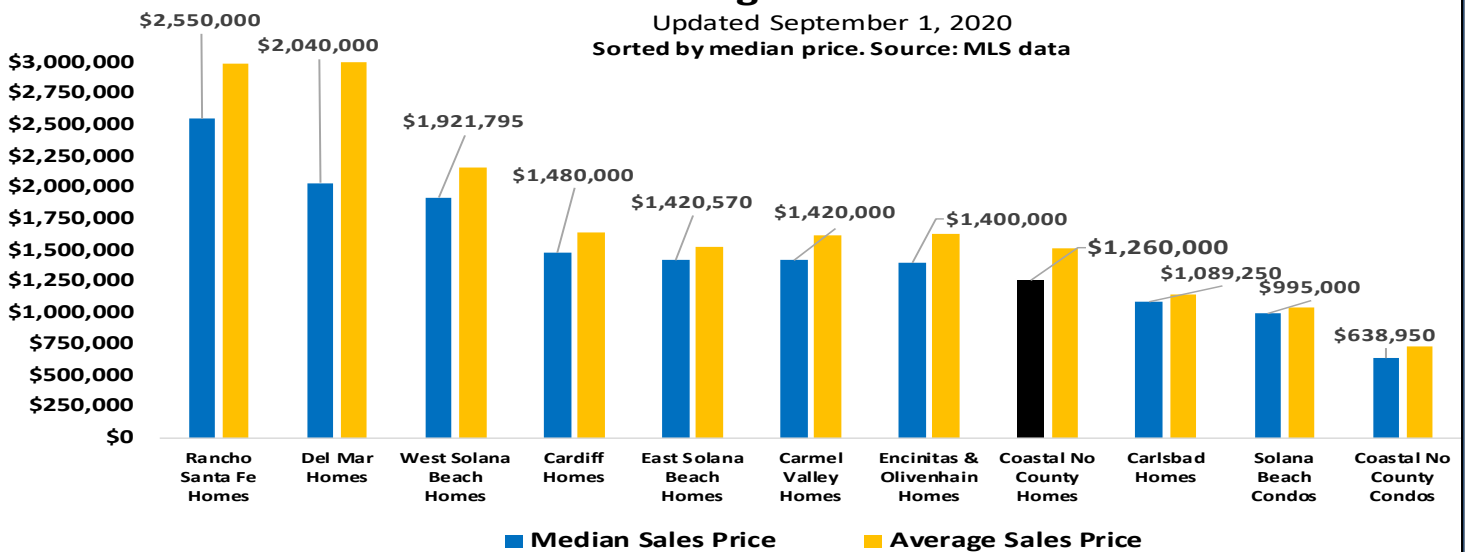
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NORTH COUNTY COASTAL – WE'RE RIGHT HERE FOR YOU

Scott Peck's Exclusive PRICE Chart Median & Average Prices - Last 12 months

Updated September 1, 2020
Sorted by median price. Source: MLS data



Scott & Tanya: Wisdom & Clarity in the Deluge of Data

Scott Peck's Exclusive PERCENT Chart Percent Change in Prices in Last 12 months

Updated September 1, 2020
Sorted by median price. Source: MLS data

