

Santa Monica 2026 Market Intelligence Report

Exclusive Micro-Market Analysis & Strategic Outlook

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1. Executive Summary: The 2026 Landscape

As of June 2026, the Santa Monica real estate market has transitioned from the volatility of the post-pandemic years into a period of "Strategic Scarcity." While inventory remains low, buyer demand for high-quality, "turn-key" assets in specific micro-neighborhoods has reached a new peak.

Key 2026 Trend: The "Flight to Quality." Buyers are no longer just looking for square footage; they are prioritizing architectural significance, view protection, and "Hyper-Walkability" scores.

2. The Micro-Market Breakdown

North of Montana: The Legacy Enclave

- **Current State:** Remains the most resilient neighborhood in Los Angeles.
- **The "Lot-Value" Shift:** In 2026, lot value is being calculated with a 15% premium for properties that offer "Zero-Edge" development potential.
- **Insider Tip:** Streets between 4th and 11th are seeing a surge in "Quiet Sales" (off-market) as owners prioritize privacy over public MLS exposure.

Ocean Avenue & Downtown: The Luxury Vertical

- **The View-Protection Impact:** Recent city council discussions regarding building heights have increased the value of "Protected View" units by 20%.
- **The Lock-and-Leave Demand:** High-net-worth individuals are increasingly trading large estates for high-security, full-service condominiums along the bluffs.

Sunset Park & Ocean Park: The Creative Coastal

- **Inventory Alert:** Ocean Park bungalows are currently seeing the highest "Days on Market" reduction in the city, with most properties trading in under 14 days.

- **Development Trend:** “Junior ADU” conversions are the primary value-add strategy for 2026 in this sector.
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3. The 2026 “Mansion Tax” (ULA) Strategy

The July 1, 2026, threshold adjustments have created a new “Sweet Spot” for sellers.

- **Threshold A (5.1M – 10.3M):** 4% Tax
- **Threshold B (\$10.3M+):** 5.5% Tax

Strategic Advice: If your property is valued near a threshold, your pricing strategy must account for the net-proceeds cliff. We specialize in “Threshold Optimization” to ensure you don’t leave six figures on the table at the closing table.

4. Upcoming Development & Infrastructure

The **Westside Bus Connection** and the **Santa Monica Airport Reimagining Project** are the two largest drivers of long-term value.

- **Impact:** Properties within a 0.5-mile radius of new transit hubs are projected to see a 5-8% “Transit Premium” by 2028.
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5. Your Next Chapter

The Santa Monica market rewards the informed. Whether you are liquidating a legacy asset or acquiring your next coastal retreat, the strategy must be data-driven.

Contact Parnian Noroozi for a Private Consultation:

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