



***Coronavirus economic fall-out stands to impact horse people more than the value of horse properties.***

Market ups and downs are nothing new for Caren Kelley of the Compass Equestrian Real Estate Group based in San Diego. The lifelong horsewoman has been in real estate for many years, first as a commercial realtor, then combining her two passions to become one of the country's most successful equestrian real estate agents.

The extensive experience, however, doesn't come with a crystal ball for seeing exactly how the pandemic will shape the market and the industry when life settles into whatever our new normal will be. Caren spoke with California Riding Magazine editor Kim F Miller in mid-April to share her thoughts.

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**Kim: How has this affected business at Compass Equestrian Real Estate Group?**

**Caren:** Initially, we were shut down completely from showing properties for a few weeks by the Governor's order. That has since been lifted because real estate is deemed an essential business. There are new forms to sign for showing a house and we are, of course, wearing masks, gloves and booties, and implementing the six-foot separation. So, all of that and the shelter in place guidelines have obviously slowed things down for looking at real estate in person for the time being.

For us, so far, it's been mixed. We've been extremely fortunate to have had a lot of properties in escrow when all this hit, and we got the majority of them closed. Today, I have three showings, two of them at an outside ranch and one is a vacant piece of land, but there are still forms to sign and we'll practice the social distancing.

At the moment, I don't have any boarding properties to show, but I assume most are closed to showings.

**Kim: How do you see the pandemic affecting the equestrian real estate market on a broader level?**

**Caren:** There are two opposing forces going on. Typically, when there is a big stock market correction, people feel less wealthy. For most people, equestrian properties are a luxury, and some people may feel less inclined to purchase luxuries. On the other hand, we have some of the lowest interest rates ever and huge amounts of money in federal stimulus.

Entry-level properties are generally the most sensitive to interest rates, but I don't do a ton of those. We haven't seen any softening in the under-\$1 million market, and it's too early for me to tell what may happen on the super high-end of the market.



**Kim: How would you describe the market before the virus?**

**Caren:** It took a long time to come back after 2008, but I think it had finally reached more of an equilibrium between buyers and sellers. That's the best kind of market where there is a reasonable balance between those who want to sell and those who want to buy.

**Kim: What is your biggest concern for the horse industry?**

**Caren:** If horse property values do drop, they will come back: it's just a matter of how long. Ultimately, this is a great area and we are so fortunate to be able to keep and enjoy horses here.

The harder part is what this does to a lot of people who work in the industry: the grooms, braiders, etc. -- people who I hope can take advantage of the safety net the government is extending. I'm more worried about them more than whether property values will be OK.

**Kim: As you said, Southern California is a beautiful place to live. Does being so desirable make it harder to maintain land for horsekeeping, whether at public or private stables?**

**Caren:** Scarcity continues to be a big concern. We've lost four big boarding facilities in coastal San Diego in recent years to assisted living developments, and we are not seeing four new

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equestrian centers take their place.

I get a lot of calls from people who need to stay close to the coast -- for work -- and they're asking about places to keep their horse close enough to enjoy them. "I can't find anything affordable!" is what I hear a lot.

Our team regularly surveys boarding prices and we've found that they've doubled in the greater Rancho Santa Fe area, and pretty much anywhere near the coast. Board prices along the I-15 corridor have gone up, but not doubled. They are maybe 60% of what they are in the Rancho Santa Fe area just a half-hour away. In Orange County, even though there is less land, board prices have not gone through the roof as much as they have throughout San Diego County. I think some of the reason for that is that there are more large boarding facilities, and very few smaller private stables.

### **Kim: How about your own riding right now?**

**Caren:** I have not been on a horse since the beginning of March. I have two horses with Lori DeRosa at CeCe Bloum's Newmarket and I have really been loving riding up to three or four early mornings a week since I decided to start riding again about two years ago. Newmarket is one of the stables that's temporarily closed to customers because of the pandemic, so I'm missing my horses, but I know they are in the best care.

Late last year, I got to ride one of my horses in a USHJA Jr/Am Hunter Derby at Sunshine Series in Thermal and it was so fun! (Caren and Leonetti won the class!). I started in the horse industry as a professional trainer and later competed in the Amateur Owner Jumpers. I never thought the hunters could be this fun!

Like everybody, I've really fallen in love with my horses and it's hard to be away from them.