

## Real Estate Service With My Personal Guarantee



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## MARCH/APRIL 2015

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KELLERWILLIAMS.

# The Real Estate Report

## Silicon Valley market trends report

### California pending home sales lift in January

LOS ANGELES (Feb. 25) – Pending home sales rose from December's extreme lows and posted month-to-month and year-to-year increases in January, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) said today.

Additionally, California REALTORS® responding to C.A.R.'s January Market Pulse Survey saw more price reductions and an increase in open house traffic, compared to a year ago. The Market Pulse Survey is a new monthly online survey of more than 300 California REALTORS® to measure sentiment about their last closed transaction and business activity for the previous month and the last year.

Pending home sales data:

- California pending home sales increased in January, with the Pending Home Sales Index (PHSI)\* rising 26.7% from 70.9 in December to 89.8 in January, based on signed contracts. The month-to-month increase was better than the long-run average increase of 16.3% observed in the last six years, and is primarily due to seasonal factors.
- California pending home sales were up 6% from the 84.7 index recorded in January 2014. The yearly increase was the largest since May 2012.

Santa Clara County, on the other hand, while showing a monthly increase in pending home sales month-over-month in January and February, showed year-over-year declines.

### FEBRUARY MARKET STATISTICS

#### Year-Over-Year

- Median home prices increased by 16.3% year-over-year to \$930,000 from \$800,000.
- The average home sales price rose by 22.0% year-over-year to \$1,272,310 from \$1,042,960.
- Home sales fell by 5.8% year-over-year to 521 from 553.
- Total inventory\* fell 21.3% year-over-year to 1,508 from 1,915.
- Sales price vs. list price ratio rose by 0.7% year-over-year to 105.0% from 104.3%.

#### Compared To Last Month

- Median home prices improved by 16.3% to \$930,000 from \$800,000.
- The average home sales price rose by 12.4% to \$1,272,310 from \$1,132,060.
- Home sales up by 13.0% to 521 from 461.
- Total inventory\* increased 22.3% to 1,508 from 1,233.
- Sales price vs. list price ratio increased by 2.4% to 105.0% from 102.6%.

## SANTA CLARA COUNTY

### Trends at a Glance

(Single-family Homes)

	Feb 15	Jan 15	Feb 14
Median Price:	\$ 930,000	\$ 800,000	\$ 800,000
Average Price:	\$1,272,310	\$1,132,060	\$1,042,960
Home Sales:	521	461	553
Pending Sales:	768	587	829
Active Listings:	740	646	1,086
Sale/List Price Ratio:	105.0%	102.6%	104.3%
Days on Market:	32	39	28
Days of Inventory:	38	42	53

### Santa Clara County Price Differences

from January 2014 & Peak & Trough

#### Homes: detached

	YTD	Peak %	Trough %	Peak	Trough
3-month	14%	-4%	95%	Jun-14	Mar-09
12-month	12%	4%	76%	Feb-15	Nov-09

#### Homes: attached

	YTD	Peak %	Trough %	Peak	Trough
3-month	10%	-3%	139%	Nov-14	Apr-09
12-month	12%	2%	79%	Feb-15	Dec-11

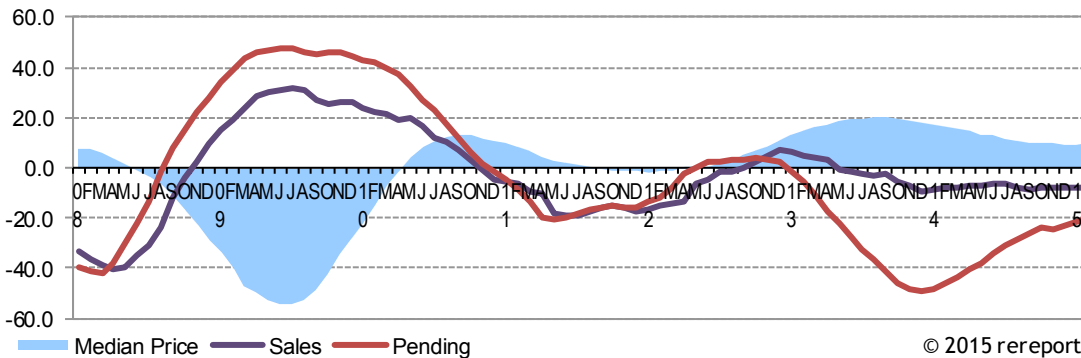
### CONDOMINIUMS

#### Year-Over-Year

- Median condo prices increased by 12.8% year-over-year to \$548,000 from \$486,000.
- The average condo sales price rose by 9.1% year-over-year to \$593,761 from \$544,418.
- Condo sales fell by 25.4% year-over-year to 211 from 283.
- Total inventory\* fell 33.4% year-over-year to 457 from 686.
- Sales price vs. list price ratio rose by 2.1% year-over-year to 105.6% from 103.4%.

\* Total inventory is active listings plus contingent or pending listings. Active listings do not include contingent listings.

### Santa Clara County Homes: Momentum



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## MORTGAGE RATE OUTLOOK

### Mortgage Rates Easing Back Again

Feb 27, 2015 -- mortgage markets and rates have become more volatile of late. January's rate declines trended into early February, were virtually erased over a couple of week span, and now that upward blip is in the process of being at least partially erased at the moment.

All of this has occurred in perhaps a quarter-percentage point range for interest rates, and is fair warning about the kind of market climate we're likely to see in the period before the Fed actually does begin the process of "liftoff". At some point, will show some more reliable traction and head up from recent ranges. When that will be is still not clear, as it appears the Fed remains noncommittal at the moment.

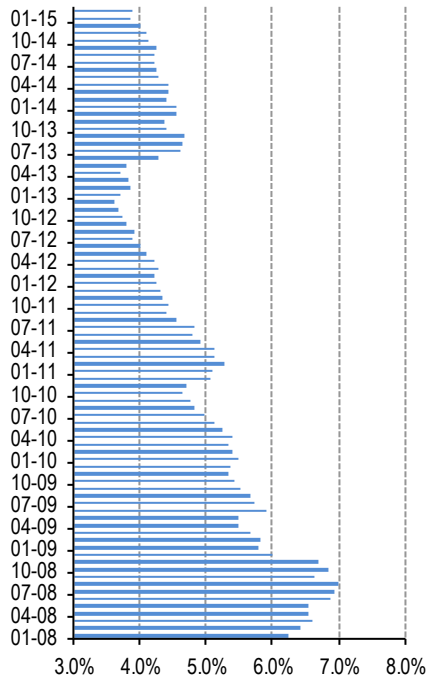
HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages declined by four basis points this week (0.04%) slipping to 3.92 percent, breaking a two-week increase. The FRMI's 15-year companion eased by three-hundredths of one percent, sending the weekly average back down to 3.25 percent. Popular with first-time homebuyers, perhaps more so now that the annual MIP has been lowered, rates on

fully-insured FHA-backed 30-year FRMs remain well below their conforming counterparts but shed only a single basis point from last week's average, ticking downward to land at 3.74 percent this week. More erratic than its fixed-rate counterparts of late, the overall 5/1 Hybrid ARM decreased by six basis points (0.06%), drifting back down to 3.08 percent for the week.

Housing could drive the economy higher in the months ahead, but traction remains tough to come by.

Very thin stockpiles of homes for sale seem to be a cause for limited growth in sales of existing homes, and this situation may come to vex the spring housing market this year. In January, sales of existing homes declined by 4.9 percent to a 4.82 million (annualized) rate; this was the slowest rate of sale since last May. Inventories of homes for sale did expand a little, rising to 4.7 months in January from 4.4 in December, but the truth is that for many potential buyers, there's simply nothing desirable to buy in their price range. Tight supplies do create well-supported prices, and even though there was a month-to-month dip, median home prices are still some 6.2 percent above the same period last year.

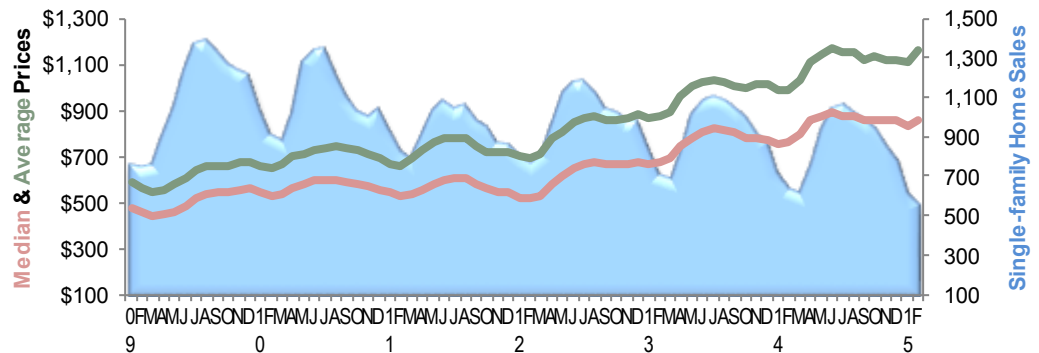
### 30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by [HSH.com](http://HSH.com). The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

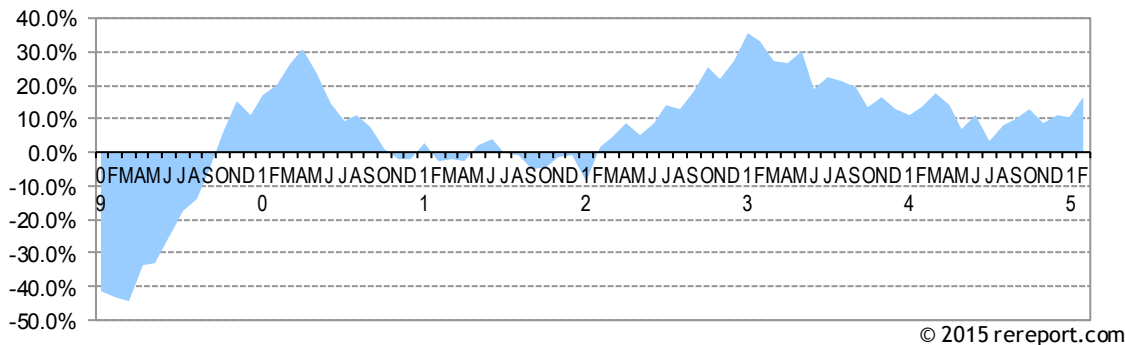
### Santa Clara County Homes - Prices & Sales

(3-month moving average—prices in \$000's)



Santa Clara County - February 2015														
Single-Family Homes								% Change from Year Before					% Change	
Prices								Prices					Median Price	
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'	Peak	Trough
County	\$ 930,000	\$ 1,272,310	521	768	740	38	105.0%	16.3%	22.0%	-5.8%	-7.4%	-31.9%	7.1%	109.6%
Campbell	\$ 1,032,500	\$ 1,049,030	12	18	8	18	106.9%	29.0%	25.2%	-33.3%	-40.0%	-65.2%	-0.5%	91.2%
Cupertino	\$ 1,865,000	\$ 2,066,490	12	19	10	23	113.7%	30.9%	41.7%	-36.8%	18.8%	-56.5%	4.6%	118.9%
Gilroy	\$ 577,000	\$ 604,977	29	58	66	61	98.8%	-4.2%	-0.4%	11.5%	-1.7%	-19.5%	-29.2%	84.6%
Los Altos	\$ 2,692,500	\$ 3,346,170	18	14	15	23	109.0%	20.9%	27.0%	38.5%	-33.3%	15.4%	7.5%	130.1%
Los Altos Hills	\$ 3,700,000	\$ 4,090,000	11	7	12	29	113.1%	19.4%	33.7%	266.7%	0.0%	-40.0%	-26.9%	114.5%
Los Gatos	\$ 1,720,000	\$ 1,872,320	19	34	59	84	101.7%	3.4%	5.6%	-34.5%	0.0%	7.3%	-7.0%	83.0%
Milpitas	\$ 737,500	\$ 797,385	16	28	14	24	105.2%	15.6%	25.2%	-33.3%	-26.3%	-48.1%	-10.6%	82.1%
Monte Sereno	\$ 2,980,000	\$ 2,485,000	3	2	11	99	102.8%	-19.5%	-32.8%	50.0%	-33.3%	37.5%	-56.4%	252.7%
Morgan Hill	\$ 795,000	\$ 867,227	27	36	58	58	98.6%	3.9%	7.7%	-30.8%	-21.7%	-20.5%	-20.5%	91.6%
Mountain View	\$ 1,505,000	\$ 1,478,320	15	20	13	23	112.4%	24.6%	14.1%	-42.3%	25.0%	18.2%	-4.0%	123.0%
Palo Alto	\$ 2,401,000	\$ 2,929,330	15	21	17	31	115.7%	-2.6%	15.8%	-21.1%	23.5%	-15.0%	-22.4%	109.7%
San Jose	\$ 786,000	\$ 916,464	257	416	359	38	103.6%	18.9%	30.3%	-27.8%	-24.6%	-42.0%	0.5%	94.1%
Santa Clara	\$ 954,500	\$ 941,979	24	32	25	28	110.1%	16.6%	12.9%	-29.4%	-37.3%	-7.4%	9.0%	83.6%
Saratoga	\$ 2,450,000	\$ 2,611,950	19	17	35	50	103.7%	25.1%	13.9%	18.8%	-15.0%	-35.2%	8.6%	185.5%
Sunnyvale	\$ 1,270,000	\$ 1,215,180	29	39	23	21	112.7%	48.9%	19.6%	-23.7%	-26.4%	-36.1%	0.3%	144.2%

## Santa Clara County Homes: Year-Over-Year Median Price Change



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## FORECLOSURE STATISTICS

After rising three months in a row, notices of default, the first step in the foreclosure process, in Santa Clara County fell in January. They were down 11.9% from December. They were off 34.1% year-over-year. There were 141 notices.

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were down 17.6% compared to December, and they were down 41.1% year-over-year. There were 89.

After the filing of a Notice of Trustee Sale, there are three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements.

Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an

investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank.

Properties going back to the bank fell 50% in January from December. Year-over-year, they were off 31.6%. Thirteen properties went back to banks.

The total number of properties that have had a notice of default filed jumped 30.2% from December, but they were down 4.6% year-over-year.

The total number of properties scheduled for sale declined by 20.7% year-over-year.

The total number of properties owned by banks was down 6.7% year-over-year to about 532.

For further details and a city-by-city breakdown of foreclosure statistics, go to <http://propertyradar.com>.

### Table Definitions

#### Median Price

The price at which 50% of prices were higher and 50% were lower.

#### Average Price

Add all prices and divide by the number of sales.

#### SP/LP

Sales price to list price ratio or the price paid for the property divided by the asking price.

#### DOI

Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.

#### Pend

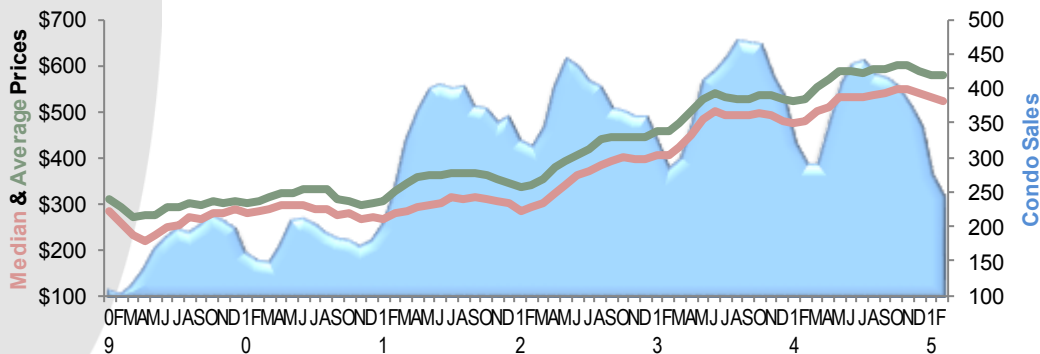
Property under contract to sell that hasn't closed escrow.

#### Inven

Number of properties actively for sale as of the last day of the month.

## Santa Clara County Condos- Prices & Sales

(3-month moving average—prices in \$000's)



### Santa Clara County - February 2015

Santa Clara County - February 2015														
Condos/Townhomes								% Change from Year Before				% Change		
Prices								Prices				Median Price		
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'	Peak	Trough
County	\$ 548,000	\$ 593,761	211	269	188	24	105.6%	12.8%	9.1%	-25.4%	-19.0%	-46.9%	-0.2%	160.3%
Campbell	\$ 635,000	\$ 623,304	7	16	8	31	107.9%	14.6%	12.5%	250.0%	220.0%	60.0%	-15.3%	205.3%
Cupertino	\$ 800,000	\$ 922,500	4	12	4	27	111.5%	-10.2%	1.1%	0.0%	200.0%	33.3%	-23.7%	76.8%
Gilroy	\$ 355,000	\$ 355,000	1	1	2	54	98.6%	42.0%	42.0%	-50.0%	n/a	100.0%	-30.4%	#DIV/0!
Los Altos	\$ 1,135,000	\$ 1,213,670	3	1	5	45	117.8%	33.9%	43.2%	50.0%	0.0%	400.0%	-51.2%	#DIV/0!
Los Gatos	\$ 857,125	\$ 857,125	2	9	2	27	93.2%	83.6%	82.0%	-50.0%	350.0%	-50.0%	-11.3%	201.3%
Milpitas	\$ 651,000	\$ 696,714	7	15	8	31	104.7%	34.4%	41.1%	-12.5%	87.5%	33.3%	0.8%	248.1%
Morgan Hill	\$ 406,500	\$ 406,500	1	9	4	108	101.9%	9.9%	12.1%	-66.7%	80.0%	100.0%	-31.0%	#DIV/0!
Mountain View	\$ 855,000	\$ 899,033	15	14	5	9	119.5%	104.8%	86.0%	87.5%	133.3%	25.0%	-1.7%	189.8%
Palo Alto	\$ 839,000	\$ 804,667	3	7	2	18	113.5%	-40.5%	-48.2%	-40.0%	40.0%	-75.0%	-45.7%	67.8%
San Jose	\$ 471,000	\$ 504,128	136	151	122	24	102.9%	27.3%	20.1%	32.0%	7.9%	-19.7%	-6.9%	154.6%
Santa Clara	\$ 590,000	\$ 602,833	18	14	16	24	106.3%	-9.2%	-4.4%	63.6%	-39.1%	-59.0%	-9.2%	134.1%
Saratoga	\$ 795,000	\$ 795,000	1	0	4	108	113.9%	32.5%	32.5%	0.0%	n/a	100.0%	-9.2%	134.1%
Sunnyvale	\$ 815,000	\$ 779,212	13	20	6	12	111.4%	50.9%	45.9%	44.4%	81.8%	50.0%	0.7%	197.5%

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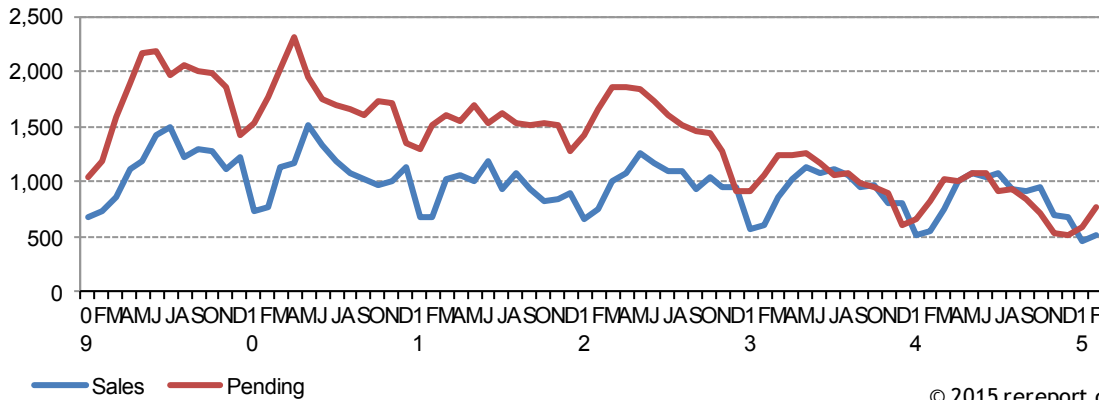
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### Santa Clara County Homes: Pending & Existing Home Sales (3-month moving average)



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## Investors Corner

### Home Prices Grew at Twice the Rate of Inflation in 2014 According to the S&P/Case Shiller Home Price Indices

**New York, February 24, 2015** — S&P Dow Jones Indices today released the latest results for the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices. Data released today for December 2014 shows a slight uptick in home prices across the country. Nine cities reported monthly increases in prices. More than 27 years of history for these data series is available, and can be accessed in full by going to [www.homeprice.spdji.com](http://www.homeprice.spdji.com). Additional content on the housing market can also be found on S&P Dow Jones Indices' housing blog: [www.housingviews.com](http://www.housingviews.com). Year-over-Year Both the 10-City and 20-City Composites saw year-over-year increases in December compared to November. The 10-City Composite gained 4.3% year-over-year, up from 4.2% in November. The 20-City Composite gained 4.5% year-over-year, compared to a 4.3% increase in November. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 4.6% annual gain in December 2014 versus 4.7% in November. Read more at <http://goo.gl/kQqcrM>

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