

## Real Estate Service With My Personal Guarantee



**Avi Urban**

EE, Real Estate Consultant  
DRE #: 01485729  
650.305.1111

[avi@650and408homes.com](mailto:avi@650and408homes.com)  
[www.650and408homes.com](http://www.650and408homes.com)

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**MAY/JUNE 2015**

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KELLERWILLIAMS.

# The Real Estate Report

## Silicon Valley market trends report

### Spring Surge

Sales of single-family, re-sale homes rose for the second month in a row in April, compared to the year before. This is after 17 months of year-over-year declines.

Active listings continue to be anemic, down by double-digits for the eleventh month in a row. Pending sales have dropped into single-digit losses.

The median price for homes hit a new all-time high last month, as did our three-month moving average.

The sales price to list price ratio hit its highest level since April 2000.

Days on Market was at 20 last month.

All these statistics point to incredible demand.

The economy in Silicon Valley continues to power the market, along with demand from China.

### APRIL MARKET STATISTICS

#### Year-Over-Year

- Median home prices increased by 8.3% year-over-year to \$975,000 from \$900,000.
- The average home sales price rose by 10.1% year-over-year to \$1,280,480 from \$1,163,500.
- Home sales rose by 4.8% year-over-year to 1,049 from 1,001.

- Total inventory\* fell 16.6% year-over-year to 2,037 from 2,443.
- Sales price vs. list price ratio rose by 1.5% year-over-year to 107.7% from 106.2%.

#### Month-Over-Month

- Median home prices improved by 3.7% to \$975,000 from \$940,000.
- The average home sales price fell by 0.8% to \$1,280,480 from \$1,290,580.
- Home sales up by 30.6% to 1,049 from 803.
- Total inventory\* increased 6.3% to 2,037 from 1,917.
- Sales price vs. list price ratio increased by 0.4% to 107.7% from 107.3%.

#### CONDOMINIUMS

##### Year-Over-Year

- Median condo prices increased by 7.9% year-over-year to \$565,000 from \$523,750.
- The average condo sales price rose by 8.4% year-over-year to \$641,360 from \$591,713.
- Condo sales fell by 14.5% year-over-year to 361 from 422.
- Total inventory\* fell 25.5% year-over-year to 619 from 831.
- Sales price vs. list price ratio rose by 2.7% year-over-year to 107.9% from 105.1%.

Trends at a Glance (Single-family Homes)			
	Apr 15	Mar 15	Apr 14
Median Price:	\$ 975,000	\$ 940,000	\$ 900,000
Average Price:	\$1,280,480	\$1,290,580	\$1,163,500
Home Sales:	1,049	803	1,001
Pending Sales:	991	971	1,005
Active Listings:	1,046	946	1,438
Sale/List Price Ratio:	107.7%	107.3%	106.2%
Days on Market:	20	22	23
Days of Inventory:	29	35	42

### Santa Clara County Price Differences from January 2014 & Peak & Trough

#### Homes: detached

	YTD	Peak %	Trough %	Peak	Trough
<b>3-month</b>	25%	0%	115%	Jun-14	Mar-09
<b>12-month</b>	13%	5%	78%	Feb-15	Nov-09

#### Homes: attached

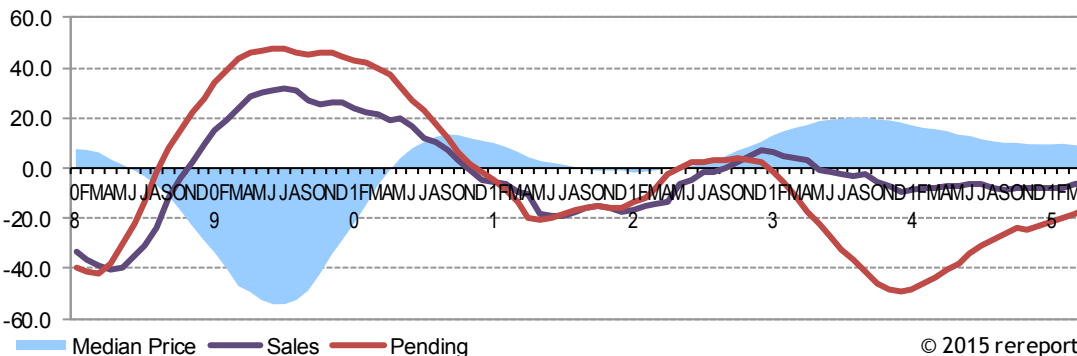
<b>3-month</b>	18%	4%	156%	Nov-14	Apr-09
<b>12-month</b>	13%	2%	80%	Feb-15	Dec-11

#### Month-Over-Month

- Median condo prices slipped by 0.9% to \$565,000 from \$570,000.
- The average condo sales price fell by 2.3% to \$641,360 from \$656,134.
- Condo sales up by 14.6% to 361 from 315.
- Total inventory\* increased 14.2% to 619 from 542.
- Sales price vs. list price ratio increased by 0.9% to 107.9% from 106.9%.

\* 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 Firming: Blame the Fed

May 1, 2015 -- The Federal Reserve closed a meeting with no change to interest rate policy this week and provided little forward guidance about when they will start lifting rates in the future. Financial markets took it to mean that the Fed has punted a move to late summer at the very earliest, and possibly not even until much later in the year.

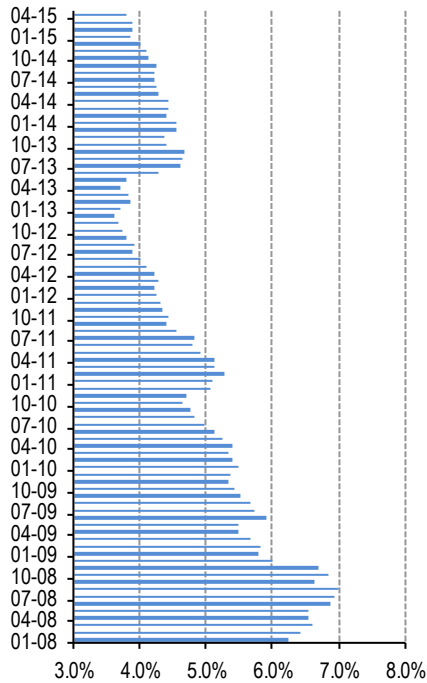
While there isn't quite a lockstep arrangement between mortgage rates and yields on Treasuries, there is still considerable influence from one to the other. With the mortgage-influencing 10-year Treasury yield rising by about 15 basis points during the week, mortgage rates are now in a bit of a firming trend.

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 rose by six basis points (.06%) this week to an average 3.84 percent, a six-week high but squarely in the middle of the range for 2015 so far. The FRMI's 15-year companion had half that increase, rising by three basis points to an average rate of 3.15 percent. Popular with first-time homebuyers, rates on fully-insured FHA-backed 30-year FRMs remain considerably below their conforming counter-

parts but bumped up by three basis points to end at 3.62 percent for the week. Meanwhile, the overall 5/1 Hybrid ARM also added three basis points to last week's average, edging higher to land at 3.93 percent. HSH's FRMI includes both conforming and jumbo rates, providing borrowers with a broader view of mortgage conditions.

After a four-week flat spot (at or near 2015 lows) mortgage rates have started to tick upward again, so volatility is back, at least some degree. That said, there are no indications that we'll be breaking any new ground for rates anytime soon, but we do expect to see more volatility next week as a wide range of new economic data is due. If there is a upturn in strength in the ISM service-business report and/or if Friday's employment report rebounds more strongly than expected, we could have some additional space to move to the upside. With those yet unknown, we'll look for another six basis point lift (or perhaps a touch more) in our FRMI by the time the week is through.

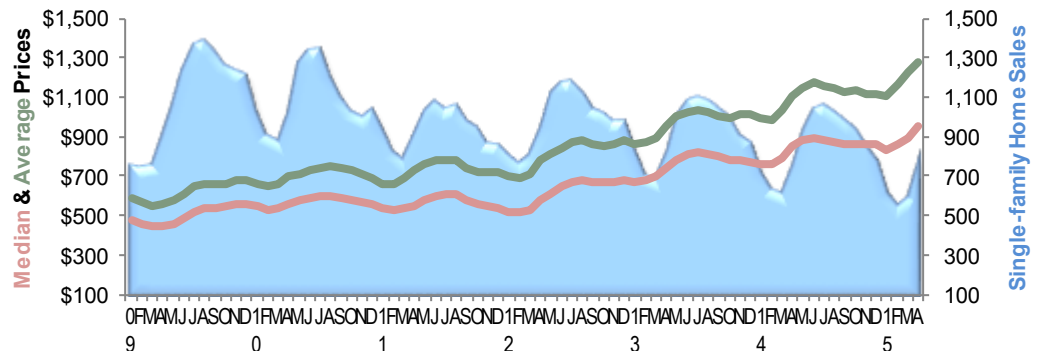
### 30-Year Fixed Mortgage Rates



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

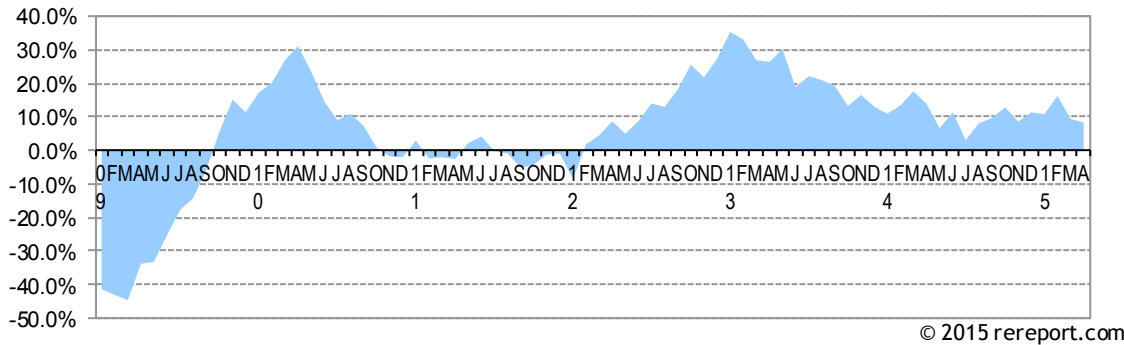
### Santa Clara County Homes - Prices & Sales

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



Santa Clara County - April 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
SCC	\$ 975,000	\$ 1,280,480	1,049	991	1,046	29	107.7%		8.3%	10.1%	4.8%	-1.4%	-27.3%	12.3%	119.7%
Campbell	\$ 1,171,500	\$ 1,195,460	26	19	27	30	108.9%		23.3%	13.1%	4.0%	-20.8%	-15.6%	12.9%	113.0%
Cupertino	\$ 1,885,000	\$ 1,965,800	29	25	24	24	114.0%		6.2%	4.3%	-12.1%	19.0%	9.1%	4.7%	102.7%
Gilroy	\$ 607,000	\$ 651,825	52	69	75	42	99.2%		3.8%	2.0%	4.0%	0.0%	-25.0%	-25.5%	92.7%
Los Altos	\$ 2,688,000	\$ 2,904,180	30	27	30	29	113.7%		16.4%	20.8%	-3.2%	17.4%	15.4%	7.3%	129.7%
Los Altos Hills	\$ 3,705,000	\$ 3,930,830	12	6	24	58	107.3%		21.8%	-4.8%	50.0%	-14.3%	-4.0%	-26.8%	114.8%
Los Gatos	\$ 1,802,500	\$ 1,929,470	44	28	106	70	103.2%		10.9%	11.8%	7.3%	-15.2%	34.2%	-7.6%	91.2%
Milpitas	\$ 882,000	\$ 854,925	32	34	20	18	108.4%		31.6%	22.7%	14.3%	17.2%	-33.3%	6.9%	112.5%
Monte Sereno	\$ 2,180,000	\$ 2,149,710	7	3	12	50	99.9%		-19.3%	-21.4%	75.0%	-66.7%	20.0%	-68.1%	158.0%
Morqan Hill	\$ 803,650	\$ 922,116	58	38	77	39	99.8%		5.4%	9.4%	45.0%	-19.1%	-29.4%	-19.6%	81.2%
Mountain View	\$ 1,835,000	\$ 1,803,700	23	25	11	14	114.8%		38.5%	22.8%	-20.7%	150.0%	-42.1%	12.9%	148.6%
Palo Alto	\$ 2,657,500	\$ 3,317,520	40	25	38	28	115.2%		16.9%	21.7%	-9.1%	-13.8%	-20.8%	-14.1%	123.3%
San Jose	\$ 847,500	\$ 942,977	560	547	458	24	106.9%		8.9%	9.0%	3.5%	-4.0%	-36.7%	6.9%	109.3%
Santa Clara	\$ 1,002,500	\$ 1,047,690	40	44	27	20	113.4%		11.7%	12.6%	5.3%	-8.3%	-47.1%	11.7%	92.8%
Saratoga	\$ 2,570,460	\$ 2,649,500	22	34	66	87	106.9%		28.5%	19.2%	-29.0%	88.9%	-2.9%	14.0%	199.6%
Sunnyvale	\$ 1,426,000	\$ 1,399,230	67	55	39	17	116.5%		11.4%	14.9%	39.6%	22.2%	-7.1%	11.4%	174.2%

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



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 to schedule a complementary and confidential meeting.

## GET PREAPPROVED!

In a hot market, like the one we're in, with lots of multiple offers, having a preapproval document from your mortgage lender is essential. Without it, your offer will probably be rejected.

### What is a preapproval?

A preapproval is different from a prequalification. With a prequalification, the lender relies on information provided by the buyer to estimate how much the borrower could qualify for. With a preapproval, the lender verifies the borrower's information and documentation to determine exactly how much it would be willing to lend to that borrower.

The documents to get preapproved are the same documents that you would need to get a mortgage. Pay stubs, last two years' W-2s, last two federal returns, two

months' worth of bank statements of all types of accounts, plus your credit report.

A preapproval is not a loan commitment, but it helps speed up the underwriting and loan approval process

Getting preapproved before you shop for a home also allows you time to fix unexpected errors on your credit reports.

When you decide to buy a home, getting a preapproval document should be the first item on your list.

Don't waste your time looking at homes until you have it.

## 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

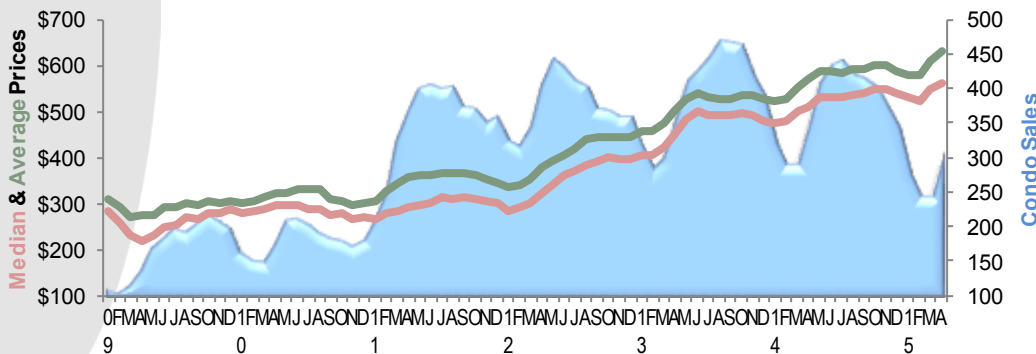
Property under contract to sell that hasn't closed escrow.

### 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 - April 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
SCC	\$ 565,000	\$ 641,360	361	362	257	21	107.9%	7.9%	8.4%	-14.5%	-11.7%	-39.0%	2.9%	168.4%
Campbell	\$ 739,500	\$ 684,199	18	20	2	3	109.4%	20.7%	11.0%	50.0%	81.8%	-66.7%	-1.4%	155.0%
Cupertino	\$ 1,290,500	\$ 1,218,810	8	4	5	18	112.2%	46.6%	32.4%	-38.5%	-42.9%	-37.5%	34.4%	137.7%
Gilroy	\$ 214,000	\$ 244,667	3	2	2	19	99.0%	-44.1%	-34.5%	-25.0%	100.0%	-33.3%	-58.0%	#DIV/0!
Los Altos	\$ 1,673,040	\$ 1,673,040	2	3	4	58	110.0%	39.4%	34.7%	-75.0%	200.0%	33.3%	-28.0%	231.1%
Los Gatos	\$ 808,500	\$ 831,100	10	14	5	15	105.3%	-8.0%	-3.1%	-9.1%	40.0%	-37.5%	-19.2%	139.2%
Milpitas	\$ 540,000	\$ 563,923	13	18	14	31	106.9%	3.6%	8.0%	-31.6%	-5.3%	-22.2%	-16.4%	168.7%
Morgan Hill	\$ 513,877	\$ 470,928	8	9	4	15	101.5%	-1.4%	-5.7%	14.3%	28.6%	-50.0%	-12.8%	167.6%
Mountain View	\$ 870,000	\$ 907,675	25	22	15	17	121.0%	0.0%	8.9%	-3.8%	-4.3%	-40.0%	0.0%	121.7%
Palo Alto	\$ 1,411,500	\$ 1,504,820	6	6	5	24	120.5%	10.7%	12.7%	-50.0%	-14.3%	0.0%	-7.3%	176.8%
San Jose	\$ 515,000	\$ 539,927	220	217	147	19	105.3%	9.7%	13.1%	-7.6%	-17.2%	-47.7%	1.8%	178.4%
Santa Clara	\$ 600,000	\$ 645,944	31	27	24	22	111.2%	43.7%	33.7%	3.3%	-20.6%	-11.1%	2.9%	125.1%
Saratoga	\$ 1,359,300	\$ 1,176,430	3	2	4	39	111.1%	87.6%	21.0%	-50.0%	-66.7%	100.0%	2.9%	125.1%
Sunnyvale	\$ 825,000	\$ 806,263	19	25	21	32	115.5%	8.6%	13.9%	-42.4%	0.0%	-16.0%	4.0%	139.1%

## Real Estate Service With My Personal Guarantee



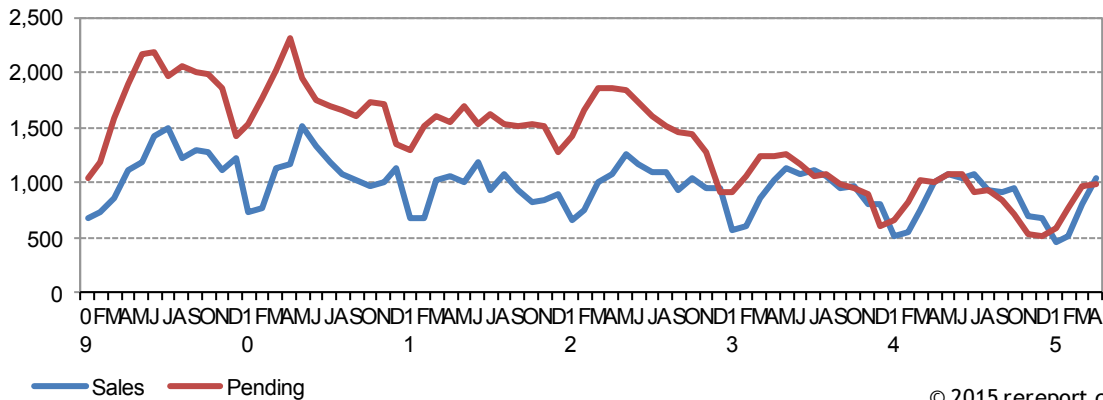
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### Santa Clara County Homes: Pending & Existing Home Sales (3-month moving average)



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## Investors Corner

### Widespread Gains in Home Prices for February According to the S&P/Case-Shiller Home Price Indices

**New York, April 28, 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 for February 2015 show that home prices continued their rise across the country over the last 12 months. 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 larger year-over-year increases in February compared to January. The 10-City Composite gained 4.8% year-over-year, up from 4.3% in January. The 20-City Composite gained 5.0% year-over-year, compared to a 4.5% increase in January. The S&P/CaseShiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 4.2% annual gain in February 2015, weaker than the 4.4% increase in January 2015.

Read more at <https://goo.gl/Ks568R>

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