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**Avi Urban**

EE, Real Estate Consultant  
CalBRE #: 0148572

**The Urban Team**



650.305.1111

avi@650and408homes.com  
www.650and408homes.com

505 Hamilton Ave. Suite 100  
Palo Alto, CA 94301

**SEPTEMBER /OCTOBER 2015**

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**Santa Clara County**

# The Real Estate Market Trends Report

## Where are All the Homes for Sale?

### Homeowners caught in affordability squeeze, are staying put, REALTOR® survey finds

LOS ANGELES (August 26) – Even with rising home prices over the past few years, many homeowners who have considered selling are deciding not to because they are caught in an affordability squeeze that is compounded by a lack of inventory, according to findings from the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) “2015 Survey of California Homeowners.” More than one-third (35%) of homeowners have considered selling their home in the past year, and of that share, about two-thirds (64%) are reluctant to sell because they are finding they can’t afford the home they really want, the survey found.

C.A.R.’s Survey of California Homeowners also found that more than half (59%) of homeowners have not seriously considered selling their home in the past year, with more than half (60%) saying their current home will be their retirement residence. For those who have been in their home 15 years or more, that figure rises to 70%.

But for others (44%), the affordability crunch, higher property taxes, and home prices are keeping them in their current home.

In first-quarter 2012, when housing in California

was at its most affordable, a median income of \$56,324 was needed to purchase a median-priced home. In second-quarter 2015, that figure jumped to \$96,160, with 99% of that required income increase attributable to home price increases.

Sixty-one percent of all homeowners could be prompted to sell if they got the price they want for their home; 56% would sell if they had a gain in their home value; and 53% would sell if a better or equivalent house was available.

Of homeowners who have considered selling, 56% said they desire a larger home, and 48% because they desire a smaller home. Those who have owned their home less than 15 years were nearly twice as likely (66%) to consider selling due to their desire for a larger home than those who have owned their home over 15 years (34%).

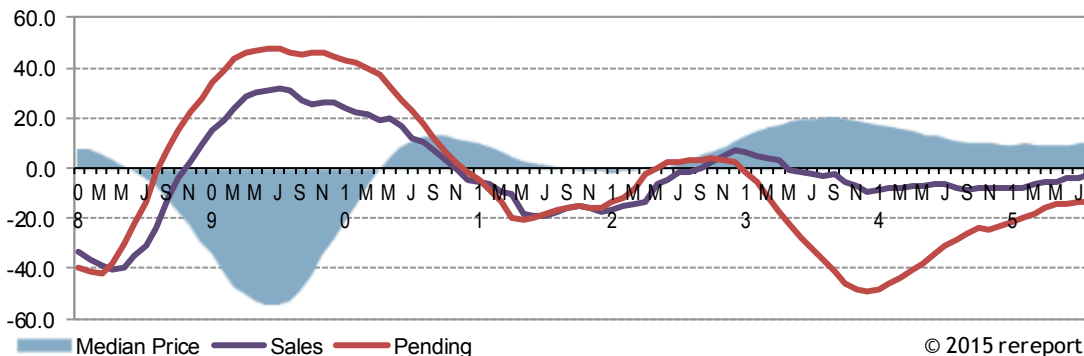
Additional findings from C.A.R.’s “2015 Survey of California Homeowners” include:

- Forty-five percent of homeowners have considered moving out of state, with Texas (15%), Oregon (11%), New York (9%), and Arizona and Nevada tied (8%) as the top five states where homeowners have considered moving.
- Sixty percent of homeowners bought their home within the past 15 years.

Trends at a Glance (Single-family Homes)			
	Aug 15	Jul 15	Aug 14
<b>Median Price:</b>	\$ 967,400	\$ 965,000	\$ 865,000
<b>Average Price:</b>	\$1,252,710	\$1,225,200	\$1,148,550
<b>Home Sales:</b>	965	1,089	937
<b>Pending Sales:</b>	818	906	940
<b>Active Listings:</b>	1,349	1,284	1,458
<b>Sale/List Price Ratio:</b>	104.8%	105.4%	103.3%
<b>Days on Market:</b>	23	22	26
<b>Days of Inventory:</b>	42	35	47

- Twenty-four percent of homeowners don’t have a mortgage, and those who bought their home 15 or more years ago were more than twice as likely not to have a mortgage as those who bought within the past 15 years. The majority of homeowners with a mortgage (77%) have an interest rate below 5%.
- Twenty-seven percent of homeowners have tapped into their equity. Those who bought 15 or more years ago or were more likely to have tapped into their equity (32%) than those who bought within the past 15 years (24%).
- Nearly one-third of homeowners (32%) indicated a Craftsman-styled bungalow is their dream home, beating those preferring mansions by more than double (14%) and Neo-Colonial (19%). California is considered the center of the architectural arts and crafts movement and is home to the majority of Craftsman-styled housing.
- Nearly half of homeowners (45%) have children residing with them, with 83% of children being minors.

### Santa Clara County Homes: Momentum



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for a free on-line market analysis of your property. You can also perform your own personal search of properties for sale.

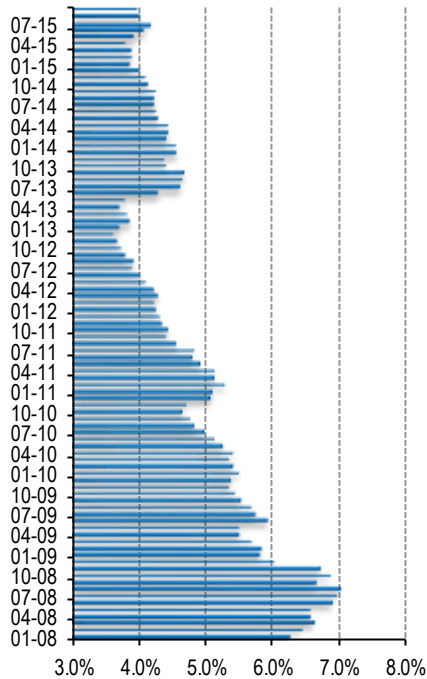
**Is NOW a good time to buy your Silicon Valley Home?**

For more information go to the “Seminars” tab on my web site

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# August Stats

## 30-Year Fixed Mortgage Rates



## SINGLE-FAMILY HOMES

### Year-Over-Year

- Median home prices increased by 11.8% year-over-year to \$967,400 from \$865,000.
- The average home sales price rose by 9.1% year-over-year to \$1,252,710 from \$1,148,550.
- Home sales rose by 3.0% year-over-year to 965 from 937.
- Total inventory\* fell 9.6% year-over-year to 2,167 from 2,398.
- Sales price vs. list price ratio rose by 1.5% year-over-year to 104.8% from 103.3%.
- The average days on market fell by 12.1% year-over-year to 23 from 26.

### Month-Over-Month

- Median home prices improved by 0.2% to \$967,400 from \$965,000.
- The average home sales price rose by 2.2% to \$1,252,710 from \$1,225,200.
- Home sales down by 11.4% to 965 from 1,089.
- Total inventory\* dropped 1.1% to 2,167 from 2,190.
- Sales price vs. list price ratio dropped by 0.5% to 104.8% from 105.4%.
- The average days on market increased by 3.1% to 23 from 22.

## CONDOMINIUMS

### Year-Over-Year

- Median condo prices increased by 10.8% year-over-year to \$615,000 from \$555,000.
- The average condo sales price rose by 13.6% year-over-year to \$684,473 from \$602,568.
- Condo sales rose by 2.3% year-over-year to 404 from 395.
- Total inventory\* fell 26.1% year-over-year to 631 from 854.
- Sales price vs. list price ratio rose by 2.8% year-over-year to 105.9% from 103.0%.
- The average days on market fell by 29.6% year-over-year to 16 from 23.

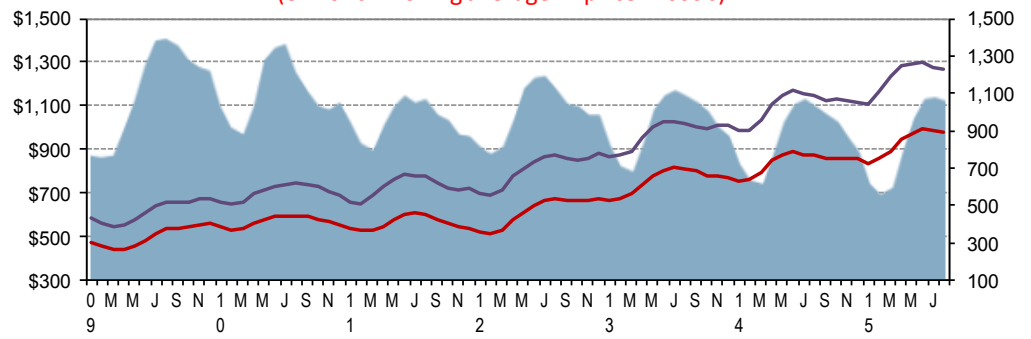
### Month-Over-Month

- Median condo prices slipped by 3.1% to \$615,000 from \$635,000.
- The average condo sales price fell by 1.7% to \$684,473 from \$696,489.
- Condo sales down by 5.8% to 404 from 429.
- Total inventory\* dropped 3.8% to 631 from 656.
- Sales price vs. list price ratio dropped by 0.7% to 105.9% from 106.6%.

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

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

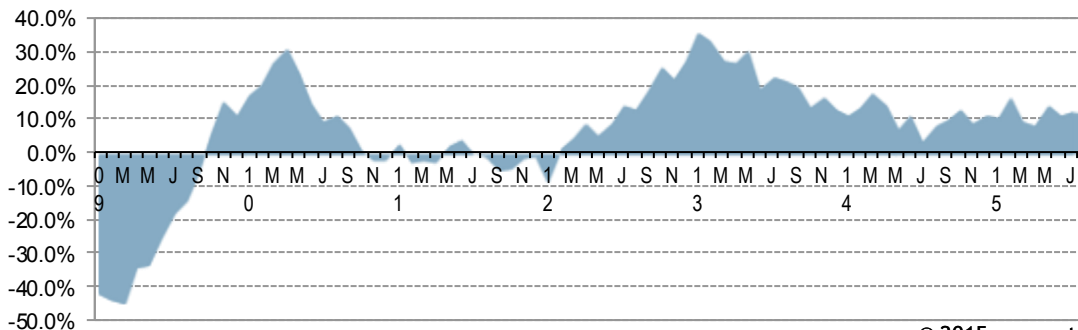
## Santa Clara County Homes: Median & Average Prices and Sales (3-month moving average — price in 000's)



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Santa Clara County - August 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	\$ 967,400	\$ 1,252,710	965	818	1,349	42	104.8%		11.8%	9.1%	3.0%	-13.0%	-7.5%	11.4%	118.0%
Campbell	\$ 1,070,000	\$ 1,106,030	19	17	29	46	106.5%		16.3%	13.6%	11.8%	-10.5%	31.8%	3.1%	94.6%
Cupertino	\$ 1,950,000	\$ 1,940,860	25	14	32	38	110.1%		20.9%	7.0%	38.9%	-46.2%	146.2%	8.3%	109.7%
Gilroy	\$ 614,500	\$ 656,899	38	52	109	86	100.3%		2.4%	-5.8%	-2.6%	-10.3%	-6.8%	-24.6%	95.1%
Los Altos	\$ 2,800,000	\$ 2,879,260	27	16	19	21	108.2%		23.1%	14.3%	22.7%	23.1%	26.7%	11.8%	139.3%
Los Altos Hills	\$ 3,400,000	\$ 3,621,910	11	10	27	74	108.1%		-4.6%	3.1%	37.5%	100.0%	12.5%	-32.8%	97.1%
Los Gatos	\$ 1,530,000	\$ 1,791,980	41	34	91	67	99.9%		-18.9%	-19.0%	46.4%	47.8%	49.2%	-21.5%	62.3%
Milpitas	\$ 777,500	\$ 853,600	34	32	45	40	104.2%		14.5%	6.5%	47.8%	-13.5%	18.4%	-5.8%	87.3%
Monte Sereno	\$ 3,350,000	\$ 4,083,800	5	7	10	60	99.7%		92.3%	126.6%	25.0%	75.0%	-54.5%	-51.0%	296.4%
Morgan Hill	\$ 856,500	\$ 883,841	41	39	80	59	99.3%		24.3%	16.7%	-10.9%	-17.0%	-32.8%	-14.4%	93.1%
Mountain View	\$ 1,805,000	\$ 1,844,240	19	19	19	30	108.0%		20.7%	23.4%	-5.0%	-5.0%	26.7%	11.1%	144.6%
Palo Alto	\$ 2,600,000	\$ 2,944,890	33	11	34	31	116.0%		8.3%	5.0%	0.0%	-56.0%	47.8%	-16.0%	118.5%
San Jose	\$ 849,500	\$ 924,308	524	457	678	39	104.1%		9.6%	4.6%	-0.8%	-11.9%	-15.3%	7.1%	109.8%
Santa Clara	\$ 979,000	\$ 1,030,680	62	37	66	32	109.1%		11.8%	10.1%	31.9%	-31.5%	94.1%	9.1%	88.3%
Saratoga	\$ 2,325,000	\$ 2,509,110	34	28	59	52	100.2%		19.1%	-2.5%	25.9%	75.0%	15.7%	3.1%	170.9%
Sunnyvale	\$ 1,475,000	\$ 1,410,960	50	39	41	25	109.4%		21.4%	21.3%	-25.4%	-22.0%	0.0%	15.2%	183.7%

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



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**Turning Today's Renter Into Tomorrow's Buyer**

Although 87 percent of homes qualify for down payment assistance, many potential homebuyers have no idea they may be eligible for programs that could save them thousands of dollars.

Down Payment Resource (DPR) is looking to change that.

A new tool helps potential homebuyers find programs that could potentially save them thousands of dollars. Workforce Resource, a web-based software company, connects people with hard-to-find financial resources and programs they may not have known existed through their DPR.

DPR's website, [downpaymentresource.com](http://downpaymentresource.com), allows prospective buyers to mine the company's national database of 2,300 different programs in their local areas and find out what resources-ranging from grants, federal housing agency programs, delayed repayment loans, interest-free loans and more-exist in their region.

Some of these programs can be layered with each other and can be used with most loan products, including federal housing agency loans. DPR is endorsed by the National Association of Local Housing Finance Agencies.

Most programs are geared toward first-time homebuyers, but some programs have a different definition for

(Continued on page 4)

**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.

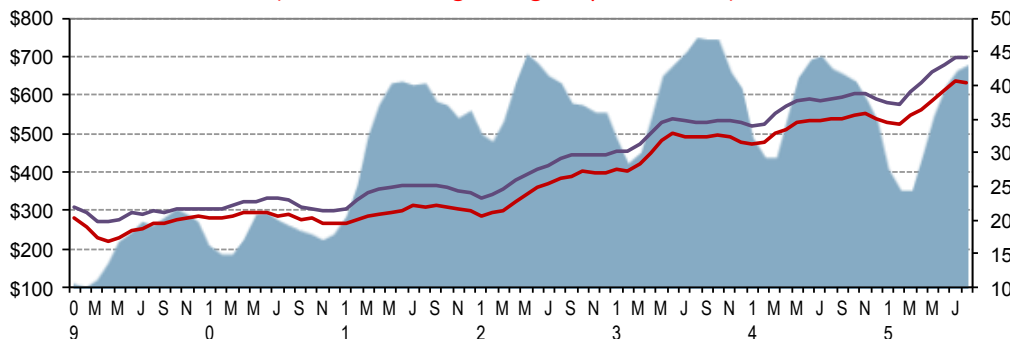
**Pend**

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: Median & Average Prices and Sales**  
 (3-month moving average — price in 000's)



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Santa Clara County - August 2015														
Condos/Townhomes								% Change from Year Before				% Change		
		Prices						Prices						
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'	Peak	Trough
SCC	\$ 615,000	\$ 684,473	404	292	339	25	105.9%	10.8%	13.6%	2.3%	-27.0%	-25.3%	12.0%	192.2%
Campbell	\$ 800,000	\$ 760,636	11	11	18	49	103.0%	48.4%	38.5%	-8.3%	-21.4%	20.0%	0.0%	175.9%
Cupertino	\$ 1,225,000	\$ 1,144,000	7	2	8	34	113.2%	33.4%	18.9%	-22.2%	-66.7%	166.7%	27.6%	125.7%
Gilroy	\$ 385,250	\$ 385,250	2	2	2	30	100.1%	0.1%	14.5%	-33.3%	-33.3%	-33.3%	-24.5%	#DIV/0!
Los Altos	\$ 1,466,000	\$ 1,353,000	5	2	1	6	102.0%	1.1%	-13.4%	25.0%	0.0%	-75.0%	-36.9%	190.0%
Los Gatos	\$ 732,000	\$ 756,500	4	8	5	38	107.2%	-26.8%	-21.2%	-55.6%	-20.0%	-50.0%	-26.8%	116.6%
Milpitas	\$ 641,000	\$ 635,090	11	18	16	44	102.2%	14.5%	17.0%	-35.3%	-10.0%	-48.4%	-0.8%	218.9%
Morgan Hill	\$ 455,000	\$ 462,500	6	5	4	20	99.2%	-2.3%	1.3%	0.0%	-54.5%	-77.8%	-22.8%	137.0%
Mountain View	\$ 1,035,000	\$ 989,583	31	15	19	18	114.1%	35.3%	25.6%	6.9%	-40.0%	58.3%	19.0%	163.7%
Palo Alto	\$ 1,600,000	\$ 1,707,670	9	4	11	37	108.5%	15.9%	34.4%	80.0%	-50.0%	175.0%	5.1%	213.7%
San Jose	\$ 530,000	\$ 564,930	260	172	199	23	104.7%	9.3%	11.3%	17.6%	-30.9%	-35.8%	4.7%	186.5%
Santa Clara	\$ 680,000	\$ 715,556	27	24	20	22	106.7%	26.2%	23.4%	-18.2%	0.0%	-4.8%	16.6%	155.2%
Saratoga	\$ 900,000	\$ 876,667	3	1	5	50	101.1%	22.0%	32.6%	0.0%	-80.0%	-16.7%	16.6%	155.2%
Sunnyvale	\$ 872,500	\$ 891,136	28	28	31	33	109.1%	13.3%	21.1%	-36.4%	21.7%	82.4%	10.0%	152.9%

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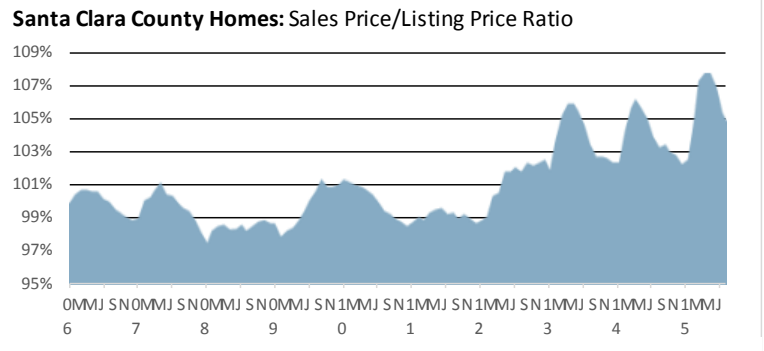
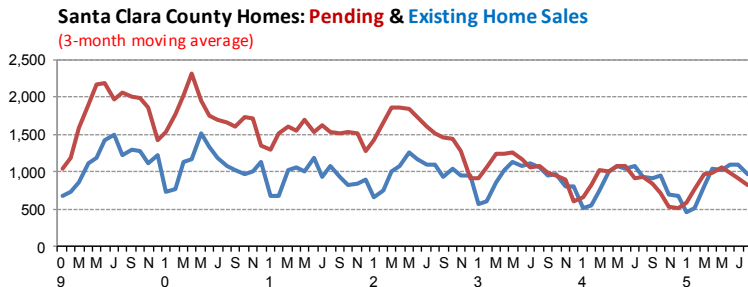
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that category of homebuyers. For instance, the Federal Housing Administration (FHA), a division of the Department of Housing and Urban Development (HUD), defines a first-time homebuyers (or a spouse) as “an individual who has had no ownership in a principal residence during the three-year period ending on the date of the purchase of the property.”

That means individuals who went through foreclosure or short sale during the height of the recession, and who have re-established themselves, may now qualify for these programs (some of which would need to be repaid).

Visit <http://downpaymentresource.com> for more information.



**Articles of interest:**

- [With El Niño threatening to turn California's drought into drenching winter, worries mount](#)
- [El Niño: 5 tips for preparing for a wet winter](#)

**Investors Corner**

**Home Price Continue Upward Trend**  
**According to the S&P/Case-Shiller Home Price Indices**

**New York, August 25, 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 June 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 More than 27 years of history for these data series is available at <https://goo.gl/F4J7j1>

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