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**Santa Clara County**

# The Real Estate Market Trends Report

## Lack of Affordable Homes to Continue

Housing affordability is one area where California can expect to experience long-term pain. Statewide, the percentage of households that earn enough to purchase a median-priced home rose 34 percent in early 2015 before settling in the low 30s—down from a high of 53 percent in 2011 and 36 percent in 2014. In high-priced coastal cities, percentages have fallen into the teens and lower.

The cause? Too many people, not enough homes being built, and rising prices that make it difficult, if not impossible, for many renters to buy. With renters paying a larger share of their income on rent, it is more difficult for them to save for a down payment.

“When I think about affordability, the first thing I think is, ‘Do we have an adequate supply?’” said Raphael Bostic, Ph.D., Judith and John Bedrosian Chair in Governance and the Public Enterprise at USC’s Price School of Public Policy, who recently returned to USC following three years as chief policy and research advisor to the Secretary of the U.S. Department of Housing and Urban Development.

“In many markets in California, the answer is no.”

## FOREIGN BUYERS KEEP THE HIGH END HOT

From San Francisco to the Silicon Valley to Los Angeles and Orange counties, everything high-end is “hot”—despite worries about the economy in other countries.

Asian buyers continue to fuel an active luxury home market in the Bay Area and Southern California, according to Zackary Wright, senior vice president of Christie’s International Real Estate for the Western and Asia Pacific Region.

**Asian buyers continue to fuel an active luxury home market in the Bay Area and Southern California, according to Zackary Wright, senior vice president of Christie’s International Real Estate for the Western and Asia Pacific Region.**

“We don’t anticipate a significant impact,” said Wright about the economy’s effect on the luxury market. “If anything, it could boost investment in

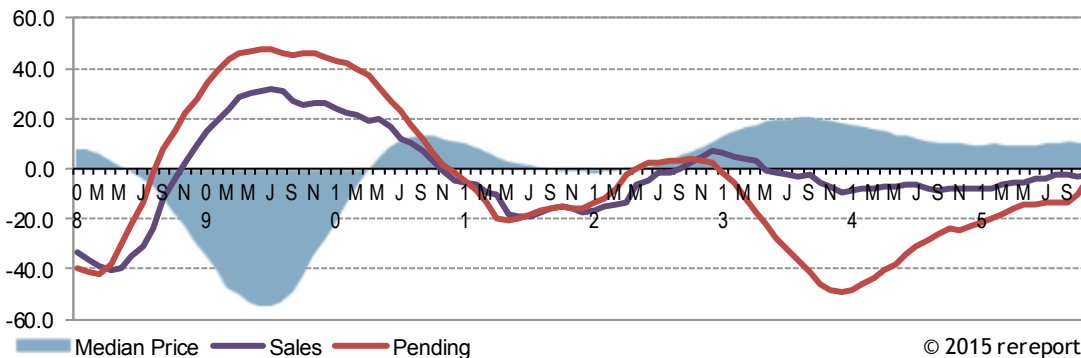
Trends at a Glance (Single-family Homes)			
	Nov 15	Oct 15	Nov 14
<b>Median Price:</b>	\$ 970,000	\$ 960,000	\$ 852,500
<b>Average Price:</b>	\$1,220,730	\$1,241,810	\$1,109,020
<b>Home Sales:</b>	684	846	704
<b>Pending Sales:</b>	838	777	536
<b>Active Listings:</b>	818	1,164	845
<b>Sale/List Price Ratio:</b>	102.5%	103.0%	102.8%
<b>Days on Market:</b>	28	26	30
<b>Days of Inventory:</b>	35	41	35

the very top end by motivating them to hasten their investment in hard assets like real estate.”

Are luxury home prices sustainable?

“I’ve been doing this for 30 years, and I can assure you that markets are cyclical,” said Sotheby’s International Realty agent Janet Feinberg Schindler. “But every the San Francisco market takes a step back, it seems like it takes two more steps forward.”

**Santa Clara County Homes: Momentum**



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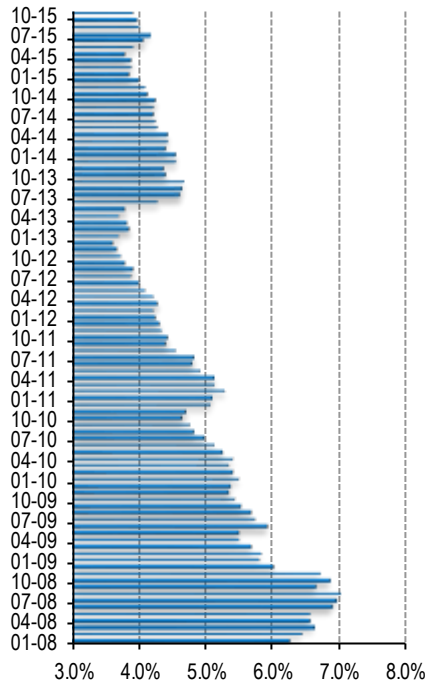
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## November Stats

### 30-Year Fixed Mortgage Rates



### SINGLE-FAMILY HOMES

#### Year-Over-Year

- Median home prices increased by 13.8% year-over-year to \$970,000 from \$852,500.
- The average home sales price rose by 10.1% year-over-year to \$1,220,730 from \$1,109,020.
- Home sales fell by 2.8% year-over-year to 684 from 704.
- Total inventory\* rose 19.9% year-over-year to 1,656 from 1,381.
- Sales price vs. list price ratio fell by 0.2% year-over-year to 102.5% from 102.8%.
- The average days on market fell by 6.7% year-over-year to 28 from 30.

#### Month-Over-Month

- Median home prices improved by 1.0% to \$970,000 from \$960,000.
- The average home sales price fell by 1.7% to \$1,220,730 from \$1,241,810.
- Home sales down by 19.1% to 684 from 846.
- Total inventory\* dropped 14.7% to 1,656 from 1,941.
- Sales price vs. list price ratio dropped by 0.4% to 102.5% from 103.0%.
- The average days on market increased by 6.6% to 28 from 26.

### CONDOMINIUMS

#### Year-Over-Year

- Median condo prices increased by 11.4% year-over-year to \$630,000 from \$565,500.
- The average condo sales price rose by 15.4% year-over-year to \$695,679 from \$602,850.
- Condo sales fell by 6.8% year-over-year to 289 from 310.
- Total inventory\* rose 10.6% year-over-year to 501 from 453.
- Sales price vs. list price ratio rose by 0.9% year-over-year to 103.9% from 103.0%.
- The average days on market fell by 14.9% year-over-year to 21 from 25.

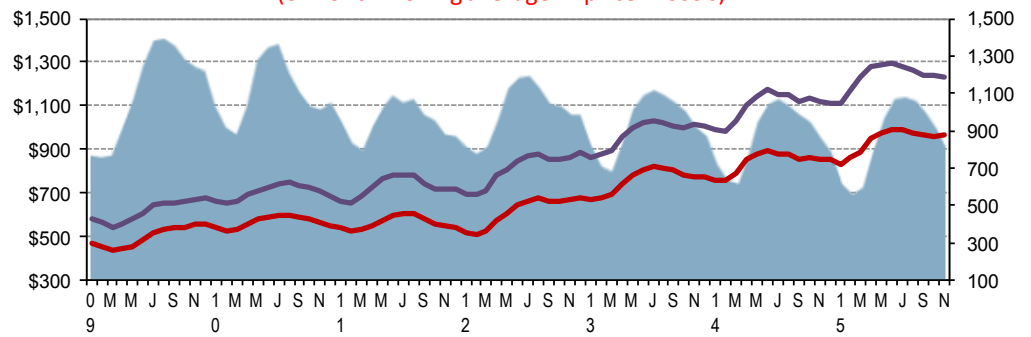
#### Month-Over-Month

- Median condo prices slipped by 0.8% to \$630,000 from \$635,000.
- The average condo sales price rose by 1.4% to \$695,679 from \$686,114.
- Condo sales down by 17.2% to 289 from 349.
- Total inventory\* dropped 7.2% to 501 from 540.
- Sales price vs. list price ratio dropped by 0.2% to 103.9% from 104.2%.
- The average days on market increased by 2.6% to 21 from 20.

\* 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://HSH.com). The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

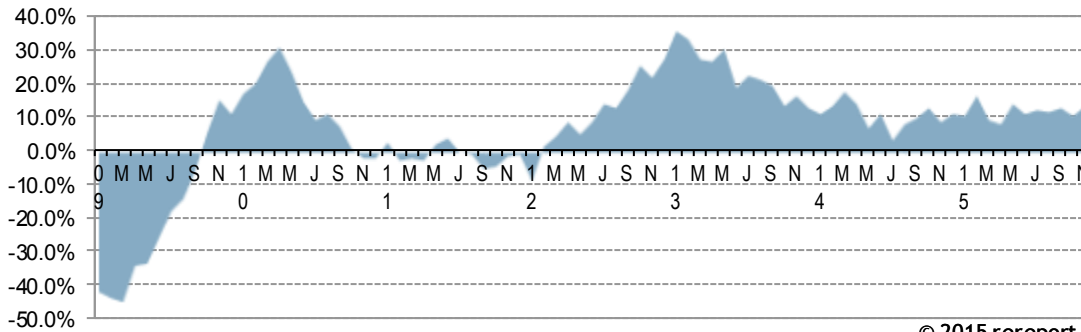
### Santa Clara County Homes: Median & Average Prices and Sales (3-month moving average — price in 000's)



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Santa Clara County - November 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	\$ 970,000	\$ 1,220,730	684	838	818	35	102.5%	13.8%	10.1%	-2.8%	56.3%	-3.2%	11.7%	118.6%
Campbell	\$ 1,187,500	\$ 1,281,140	16	22	16	29	102.6%	18.2%	28.7%	-33.3%	120.0%	23.1%	14.5%	115.9%
Cupertino	\$ 1,777,500	\$ 1,766,080	18	24	7	11	104.2%	21.0%	15.2%	-10.0%	71.4%	-22.2%	-1.3%	91.1%
Gilroy	\$ 650,000	\$ 691,857	29	50	87	87	99.0%	4.8%	0.4%	-25.6%	38.9%	6.1%	-20.2%	106.3%
Los Altos	\$ 2,614,000	\$ 2,752,400	22	17	3	4	106.3%	10.8%	-1.2%	69.2%	30.8%	-75.0%	4.4%	123.4%
Los Altos Hills	\$ 3,405,000	\$ 3,456,000	6	6	36	174	106.7%	-12.4%	-14.6%	-40.0%	20.0%	80.0%	-32.7%	97.4%
Los Gatos	\$ 1,750,000	\$ 1,823,490	27	36	79	85	99.2%	8.0%	-3.6%	58.8%	140.0%	83.7%	-10.3%	85.7%
Milpitas	\$ 840,000	\$ 863,070	21	26	27	37	102.7%	7.0%	8.9%	0.0%	-7.1%	35.0%	1.8%	102.4%
Monte Sereno	\$ 1,900,000	\$ 2,237,800	5	3	5	29	98.1%	-18.9%	1.1%	-28.6%	0.0%	-61.5%	-72.2%	124.9%
Morgan Hill	\$ 813,500	\$ 852,651	32	35	54	49	99.8%	15.4%	10.2%	-3.0%	118.8%	-21.7%	-18.7%	83.4%
Mountain View	\$ 1,750,000	\$ 1,743,640	21	15	6	8	107.8%	13.6%	7.4%	23.5%	36.4%	20.0%	7.7%	137.1%
Palo Alto	\$ 2,500,000	\$ 3,209,780	18	19	27	44	102.1%	0.0%	29.2%	-18.2%	18.8%	58.8%	-19.2%	110.1%
San Jose	\$ 837,000	\$ 915,697	362	464	386	31	102.3%	8.9%	7.0%	-6.2%	54.7%	-7.7%	5.5%	106.7%
Santa Clara	\$ 995,000	\$ 1,021,570	46	59	23	15	104.6%	25.2%	25.5%	64.3%	156.5%	76.9%	10.9%	91.3%
Saratoga	\$ 2,015,000	\$ 2,412,870	17	19	45	77	98.1%	-10.5%	-2.8%	0.0%	137.5%	12.5%	-10.6%	134.8%
Sunnyvale	\$ 1,407,000	\$ 1,400,540	44	43	17	11	105.8%	15.5%	19.4%	10.0%	30.3%	-39.3%	9.9%	170.6%

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



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**C.A.R. statement on 2016 FHFA loan limits**

**California REALTORS® disappointed FHFA did not increase Fannie Mae and Freddie Mac conforming loan limits**

LOS ANGELES (Nov. 25) – The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) today issued the following statement in response to the Federal Housing Finance Agency’s (FHFA) announcement to keep the 2016 maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac at \$417,000 on one-unit properties and a cap of \$625,500 in high-cost areas. Loan limits were increased in Monterey, Napa, San Diego, and Sonoma counties:

“C.A.R. is disappointed that the FHFA didn’t raise the Fannie Mae and Freddie Mac conforming loan limits for next year,” said C.A.R. President Ziggy Zicarelli. “Home prices in California have risen sharply over the past four years, yet conforming loan limits haven’t changed during that time. Not increasing the loan limits will hurt California’s housing market, further exacerbating housing affordability and preventing tens of thousands of California homebuyers from a chance at homeownership.”

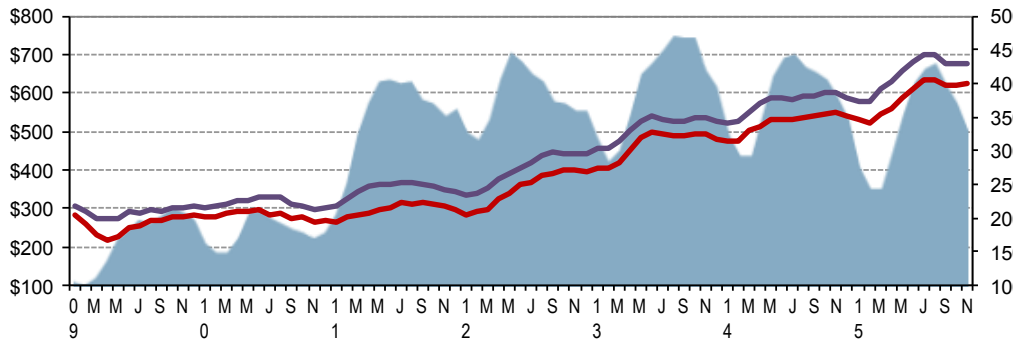
C.A.R. and the NATIONAL ASSOCIATION OF REALTORS® (NAR) both have long advocated for making

(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 - November 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	\$ 630,000	\$ 695,679	289	304	197	20	103.9%	11.4%	15.4%	-6.8%	38.2%	-15.5%	14.8%	199.3%
Campbell	\$ 685,000	\$ 706,167	6	8	3	15	104.1%	-8.7%	-1.4%	20.0%	-11.1%	-50.0%	-14.4%	136.2%
Cupertino	\$ 988,500	\$ 1,053,170	6	7	5	24	113.6%	3.2%	6.5%	0.0%	250.0%	n/a	3.0%	82.1%
Gilroy	\$ 485,000	\$ 475,000	3	3	1	10	99.9%	n/a	n/a	n/a	200.0%	-75.0%	-4.9%	#DIV/0!
Los Altos	\$ 1,488,000	\$ 1,445,250	4	2	2	15	106.0%	25.8%	35.4%	0.0%	100.0%	n/a	-36.0%	194.3%
Los Gatos	\$ 988,000	\$ 984,600	5	7	3	17	99.5%	4.0%	13.1%	0.0%	0.0%	-62.5%	-1.2%	192.3%
Milpitas	\$ 642,500	\$ 624,921	12	16	8	19	101.2%	13.7%	8.2%	-42.9%	-5.9%	-33.3%	-0.5%	219.7%
Morgan Hill	\$ 611,682	\$ 566,299	4	6	5	36	99.5%	34.8%	24.8%	100.0%	-45.5%	-16.7%	3.9%	218.6%
Mountain View	\$ 1,005,000	\$ 1,038,810	24	22	10	12	112.1%	22.7%	22.2%	0.0%	83.3%	n/a	15.5%	156.1%
Palo Alto	\$ 1,561,940	\$ 1,620,000	4	12	9	65	102.2%	43.6%	31.2%	-50.0%	300.0%	125.0%	2.6%	206.3%
San Jose	\$ 559,000	\$ 583,980	168	172	128	22	102.7%	19.2%	16.4%	-12.0%	43.3%	-27.3%	10.5%	202.2%
Santa Clara	\$ 583,000	\$ 627,805	24	19	12	15	106.0%	0.5%	4.2%	41.2%	11.8%	20.0%	0.0%	118.8%
Saratoga	\$ 1,188,000	\$ 1,188,000	2	2	1	15	98.5%	n/a	n/a	n/a	-33.3%	-66.7%	0.0%	118.8%
Sunnyvale	\$ 810,000	\$ 801,429	27	28	10	11	103.9%	4.9%	11.9%	0.0%	64.7%	150.0%	2.1%	134.8%

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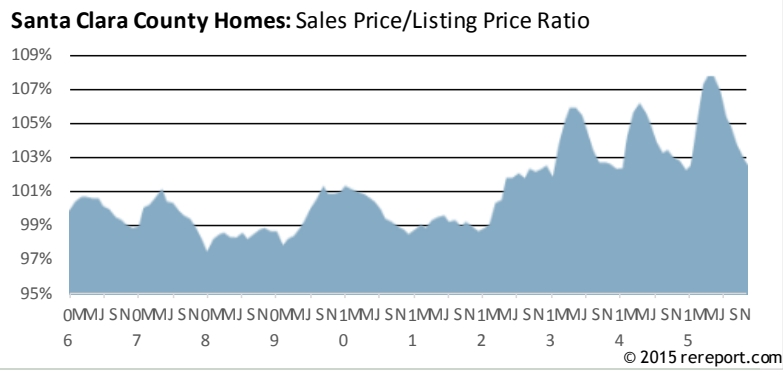
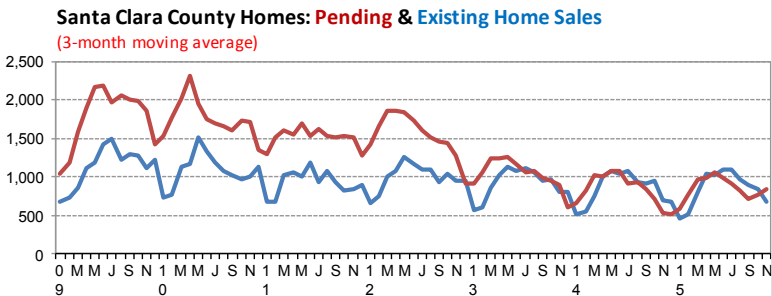
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higher conforming loan limits permanent. As a result of C.A.R.'s and NAR's efforts, cities with high median home prices have benefited from a loan limit above the national conforming loan limit.

The conforming loan limit determines the maximum size of a mortgage that government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac can buy or "guarantee." Non-conforming or "jumbo loans" typically have tighter underwriting standards and carry higher mortgage interest rates than conforming loans, increasing monthly payments and hampering the ability of families in California to purchase homes by making them less affordable.



## Investors Corner

### Across the Board Gains in Home Prices for September According to the S&P/Case-Shiller Home Price Indices

New York, November 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 September 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).

Read more at <https://goo.gl/Wus0re>

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