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Inside This Issue

- > LOCAL MARKET TRENDS 1
- > HOME STATISTICS 2
- > CONDO STATISTICS 3
- > HOME SALES & PENDING CHART... 4
- > SV150 INDEX CORNER..... 4
- > INVESTORS CORNER 4

Santa Clara County

The Real Estate Market Trends Report

Prices Hit Record Highs, Again

Just two months ago we were reporting on whispers of a market correction. We debunked that wishful thinking.

Now, the median price for single-family, re-sales homes has gone back over \$1,000,000 for the first time since last June, setting a new all-time high in the process: \$1,050,000.

That marks forty-nine months in a row the median price has been higher than the year before.

The average sales price for homes, which has been over \$1,000,000 since February 2014, also reached a new high last month: \$1,328,750.

Not to be undone, the prices for re-sale condominiums/townhomes also set record highs last month.

The median price for condos/townhomes went over \$600,000 for the first time last May, and have stayed there ever since. The median price has been higher than the year before for the past fifty-nine months in a row.

MARCH SALES STATISTICS SINGLE-FAMILY HOMES Year-Over-Year

- Median home prices increased by 11.7% year-over-year to \$1,050,000 from \$940,000.
- The average home sales price rose by 3.1% year-over-year to \$1,328,750 from \$1,289,210.
- Home sales fell by 14.2% year-over-year to 705 from 822.
- Total inventory* fell 13.1% year-over-year to 1,876 from 2,158.
- Sales price vs. list price ratio fell by 1.7% year-over-year to 105.3% from 107.2%.

Month-Over-Month

- Median home prices improved by 11.7% to \$1,050,000 from \$940,000.
- The average home sales price rose by 9.7% to \$1,328,750 from \$1,210,850.
- Home sales up by 53.9% to 705 from 458.
- Total inventory* increased 27.9% to 1,876 from 1,467.
- Sales price vs. list price ratio increased by 1.8% to 105.3% from 103.5%.

CONDOMINIUMS

Year-Over-Year

- Median condo prices increased by 19.1% year-over-year to \$677,000 from \$568,480.
- The average condo sales price rose by 11.6% year-over-year to \$728,524 from \$652,722.
- Condo sales rose by 6.1% year-over-year to 347 from 327.

Trends at a Glance

(Single-family Homes)

	Mar 16	Feb 16	Mar 15
Median Price:	\$1,050,000	\$940,000	\$940,000
Average Price:	\$1,328,750	\$1,210,850	\$1,290,580
Home Sales:	705	458	803
Pending Sales:	841	624	971
Active Listings:	1,035	843	946
Sale/List Price Ratio:	105.3%	103.5%	107.3%
Days on Market:	23	31	22
Days of Inventory:	44	52	35

(Townhomes/Condos)

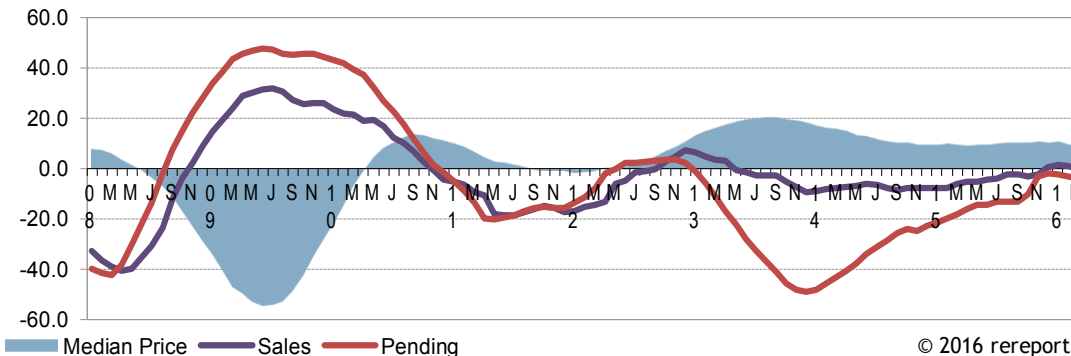
	Mar 16	Feb 16	Mar 15
Median Price:	\$677,000	\$637,084	\$570,000
Average Price:	\$728,524	\$714,490	\$656,134
Home Sales:	347	206	315
Pending Sales:	360	280	346
Active Listings:	291	247	196
Sale/List Price Ratio:	105.5%	106.3%	106.9%
Days on Market:	18	18	19
Days of Inventory:	25	34	19

- Total inventory* rose 8.1% year-over-year to 651 from 602.
- Sales price vs. list price ratio fell by 1.2% year-over-year to 105.5% from 106.7%.

Month-Over-Month

- Median condo prices improved by 6.3% to \$677,000 from \$637,084.
- The average condo sales price rose by 2.0% to \$728,524 from \$714,490.
- Condo sales up by 68.4% to 347 from 206.

Santa Clara County Homes: Momentum



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VISIT

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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.

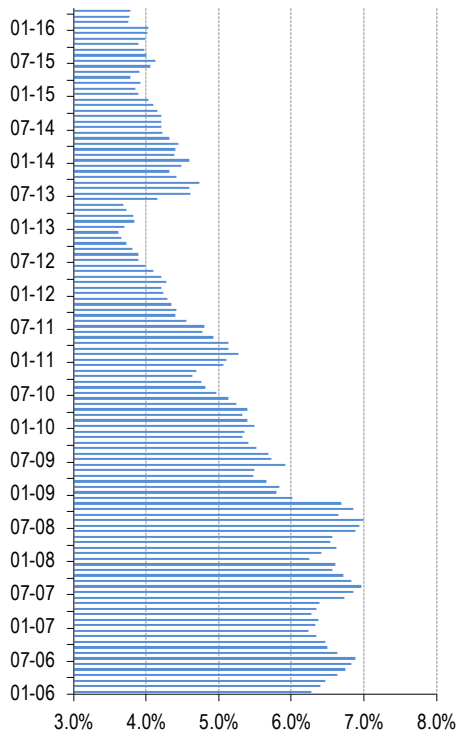
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Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



YELLEN TALKS DOWN RATES

April 1, 2016 -- Apparently wary financial markets took the Fed's most recent message to heart this week, as Federal Reserve Chair Janet Yellen expounded on the reasons why the Fed is likely to keep rates down for a longer period of time.

While reiterating that the Fed will make policy choices based upon inbound economic data, she made it fairly clear that recent global risks to economic growth bear consideration, intimating that the Fed is in a better position to address too-rapid growth and inflation than to manage a situation where growth has faltered. As such, it's better to err on the side of caution, leaving rates lower for longer.

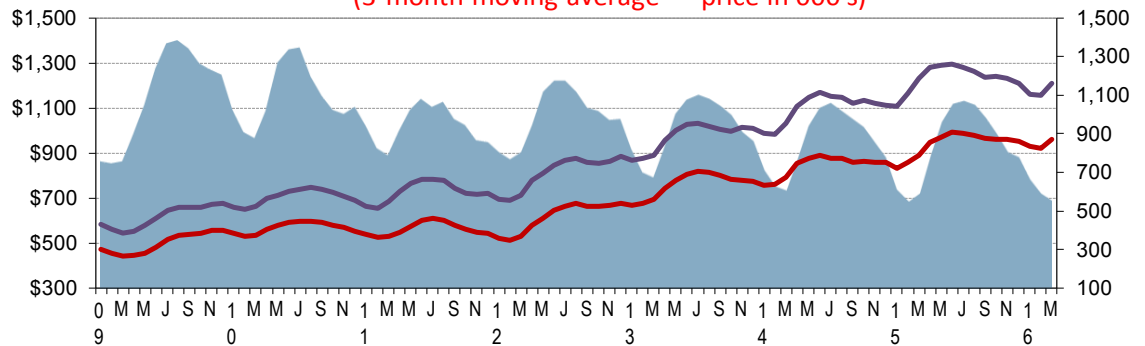
Low interest rates help to spur economic activity by encouraging (among other things) borrowing by businesses to invest in expanding operations. With domestic economic growth yet fairly soft and inflation still below the Fed's 2 percent limit, the Fed has plenty of space to be patient in lifting rates toward more normal levels. Current expectations are that the Fed will lift the federal funds target rate twice this year, with the next change probably still months away from happening. For would be homebuyers, this is good news: Provided there is housing inventory available

to buy, low mortgage rates should help promote a solid spring homebuying season.

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 eased by two basis points (.02 percent), slipping back to an average 3.78 percent. The FRMI's 15-year companion found a little less space to fall, with this week's average trimming just a single basis point off of last week's tally to ease to an average rate of 3.16 percent. Popular with first-time homebuyers, rates on fully-insured FHA-backed 30-year FRMs remain considerably below their Fannie and Freddie counterparts and declined more than they did, falling by a five basis points to land at an average interest rate of 3.59 percent. Meanwhile, the overall 5/1 Hybrid ARM continued to edge closer to the 3 percent mark, easing by one one-hundredth of one percent to land at 3.01 percent for the week. At present, all rates remain closer to 2016 lows than highs as we begin the second quarter of the year.

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

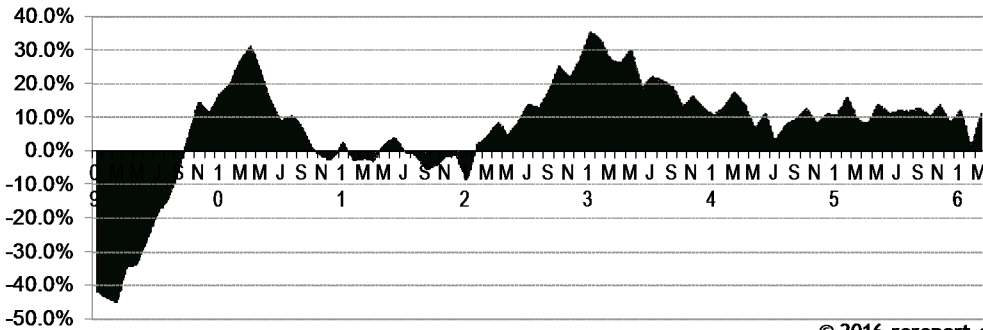
The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by HSH.com. The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.



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Santa Clara County - March 2016														
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	\$ 1,050,000	\$ 1,328,750	705	841	1,035	44	105.3%	11.7%	3.0%	-12.2%	-13.4%	9.4%	20.9%	136.6%
Campbell	\$ 1,165,000	\$ 1,181,290	15	23	21	42	107.7%	-0.7%	-4.2%	-16.7%	4.5%	0.0%	12.3%	111.8%
Cupertino	\$ 1,900,000	\$ 1,988,770	19	34	28	44	105.6%	-3.6%	-1.5%	-17.4%	21.4%	154.5%	5.6%	104.3%
Gilroy	\$ 657,570	\$ 695,374	42	38	84	60	100.6%	4.5%	2.4%	2.4%	-38.7%	0.0%	-19.3%	108.8%
Los Altos	\$ 2,762,500	\$ 2,930,190	18	20	26	43	107.8%	-10.2%	-6.7%	-30.8%	-13.0%	30.0%	10.3%	136.1%
Los Altos Hills	\$ 3,780,000	\$ 3,680,000	6	12	31	155	103.0%	14.5%	-19.7%	-14.3%	71.4%	55.0%	-25.3%	119.1%
Los Gatos	\$ 1,810,000	\$ 2,175,040	35	25	88	75	102.8%	3.7%	5.4%	0.0%	-34.2%	10.0%	-7.2%	92.0%
Milpitas	\$ 863,888	\$ 915,741	29	33	19	20	105.0%	1.6%	5.1%	20.8%	-10.8%	11.8%	4.7%	108.2%
Monte Sereno	\$ 2,500,000	\$ 2,500,000	1	2	12	360	114.9%	-30.6%	-28.6%	-75.0%	-71.4%	-7.7%	-63.4%	195.9%
Morgan Hill	\$ 910,000	\$ 977,304	20	35	75	112	101.0%	14.5%	15.4%	-16.7%	-30.0%	23.0%	-9.0%	105.2%
Mountain View	\$ 1,811,000	\$ 1,879,610	16	22	12	22	113.8%	18.8%	13.1%	-23.8%	10.0%	9.1%	11.4%	145.4%
Palo Alto	\$ 2,550,000	\$ 3,086,400	29	31	48	50	106.9%	-4.4%	2.7%	-6.5%	40.9%	29.7%	-17.6%	114.3%
San Jose	\$ 905,000	\$ 1,006,080	387	439	459	36	104.6%	11.7%	9.7%	-9.6%	-18.4%	0.4%	14.1%	123.5%
Santa Clara	\$ 1,200,000	\$ 1,163,750	24	43	34	42	112.4%	27.8%	18.5%	-36.8%	2.4%	36.0%	33.7%	130.8%
Saratoga	\$ 2,237,500	\$ 2,534,890	20	28	52	78	106.1%	-11.7%	-5.3%	-9.1%	55.6%	-1.9%	-0.8%	160.8%
Sunnyvale	\$ 1,537,500	\$ 1,476,080	44	56	46	31	110.2%	11.0%	13.7%	-20.0%	19.1%	64.3%	20.1%	195.7%

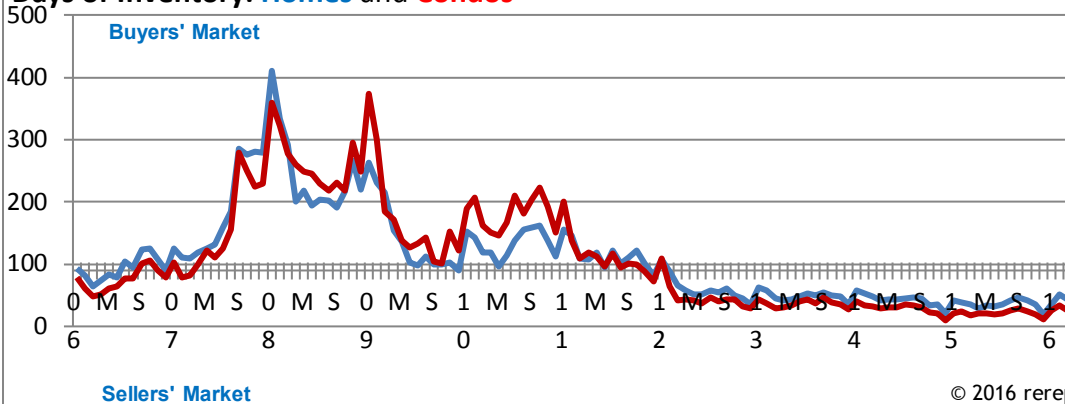
Santa Clara County Homes: Year-Over-Year Median Price Change



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Days of Inventory: Homes and Condos



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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

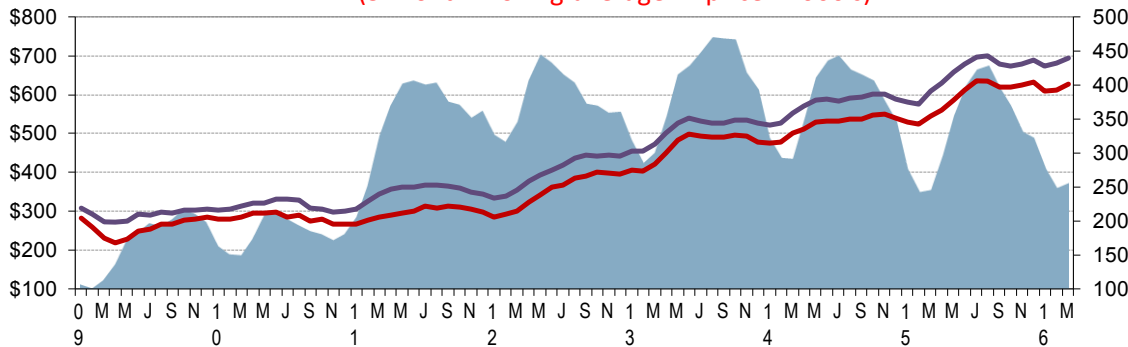
Property under contract to sell that hasn't closed escrow.

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 - March 2016														
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	\$ 677,000	\$ 728,524	347	360	291	25	105.5%	18.8%	11.0%	10.2%	4.0%	48.5%	23.3%	221.6%
Campbell	\$ 715,000	\$ 714,316	6	8	8	40	104.4%	-3.3%	4.4%	-66.7%	-60.0%	300.0%	-10.6%	146.6%
Cupertino	\$ 1,225,500	\$ 1,211,000	6	8	8	40	113.4%	18.7%	17.8%	-50.0%	100.0%	33.3%	27.7%	125.8%
Gilroy	\$ 389,400	\$ 389,400	2	1	3	45	101.3%	n/a	n/a	n/a	-83.3%	n/a	-23.6%	#DIV/0!
Los Altos	\$ 1,730,000	\$ 1,828,670	3	4	3	30	105.0%	33.3%	38.3%	-50.0%	100.0%	-25.0%	-25.6%	242.4%
Los Gatos	\$ 1,067,500	\$ 1,008,500	6	3	9	45	106.2%	5.7%	14.8%	-40.0%	-50.0%	50.0%	6.7%	215.8%
Milpitas	\$ 665,500	\$ 631,580	19	15	15	24	105.7%	2.4%	4.0%	46.2%	-16.7%	50.0%	3.0%	231.1%
Morgan Hill	\$ 598,750	\$ 576,875	4	2	6	45	100.8%	36.7%	31.9%	0.0%	-80.0%	100.0%	1.7%	211.8%
Mountain View	\$ 1,105,000	\$ 1,064,910	28	32	27	29	109.2%	42.6%	25.1%	12.0%	68.4%	80.0%	27.0%	181.5%
Palo Alto	\$ 1,490,000	\$ 1,333,750	8	8	6	22	107.2%	-13.4%	-20.5%	14.3%	100.0%	20.0%	-2.1%	192.2%
San Jose	\$ 591,500	\$ 606,940	200	208	172	26	104.0%	20.7%	19.2%	10.5%	0.0%	38.7%	16.9%	219.7%
Santa Clara	\$ 716,000	\$ 732,499	40	31	11	8	106.4%	10.0%	11.4%	122.2%	29.2%	-8.3%	22.8%	168.7%
Saratoga	\$ 787,500	\$ 787,500	2	3	2	30	100.5%	-31.0%	-31.0%	0.0%	-25.0%	100.0%	22.8%	168.7%
Sunnyvale	\$ 960,000	\$ 950,956	23	37	21	27	110.6%	2.2%	10.5%	21.1%	76.2%	162.5%	21.0%	178.3%

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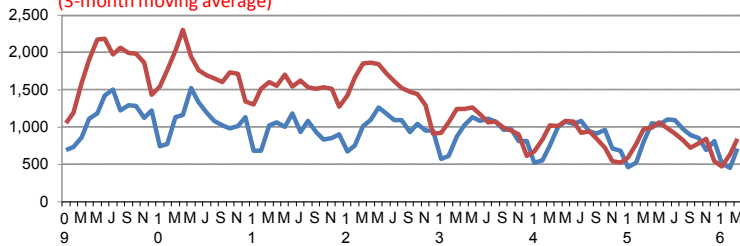
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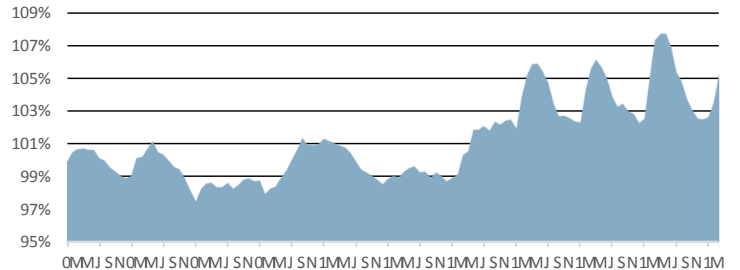


Santa Clara County Homes: Pending & Existing Home Sales
(3-month moving average)



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Santa Clara County Homes: Sales Price/Listing Price Ratio



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The Silicon Valley's Real estate market is a derivative of the local economy, it prospers and withers depending on how well the local knowledge-based sector performs. The San Jose Mercury News tracks the largest 150 publicly traded companies headquartered in Silicon Valley via an index called the SV150, which you can lookup at www.mercurynews.com. Stocks are valued based on many criteria, but the most important criterion is a company's future earnings. Therefore, I view the SV150 as a leading indicator for the Silicon Valley's real estate market. View this month's annual index chart



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Investors Corner

Home Price Increases Continue in January According to the S&P/Case-Shiller Home Price Indices

New York, March 29, 2016 – 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 January 2016 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. Additional content on the housing market can also be found on S&P Dow Jones and more <https://goo.gl/QMaHzr>

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