

the One Stop Realtor for busy professionals
Silicon Valley homes & investments nationwide



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

July/August 2016
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

Inventory Up, Closed & Pending Sales Down

After being lower than the year before for fifty-five months in a row, inventory of single-family, resale homes has been higher for the past five months, and for eight of the past ten months.

Part of the reason for higher inventory is a slackening of demand in the upper end of the market. Demand has been driven by IPOs and foreign buyers.

Bay Area IPOs have dried up. While there were over 80 from 2013 to mid-2015, there has only been one so far in 2016. IPO money, and the instant riches it conferred, was a driving force in the upper end of the market the past few years.

In Palo Alto, where the median price for a home is \$2.1 million, Silicon Valley mansions—those costing more than \$5 million—lingered on the market for 16 days in April 2016, compared to 11 days in April 2015 and 10 days in April 2014, according to Bloomberg.

The surge in the value of the dollar has slowed down foreigners appetite for American real estate.

Closed sales have been lower than the year before five months in a row. Pending sales, a harbinger of future closed sales, has been lower for the past six months in a row.

Nevertheless, well-priced homes in the most desirable areas are still fetching multiple offers.

The median price for single-family homes moderated last month. It was up “only” by single-digits. The median price has been up by double-digits for thirty-seven of the past forty-seven months.

The absorption rate for home sales has flattened out and has been between 1.2 and 1.4 months since December 2014.

We expect moderation in the local market to continue and prices will start to flatten.

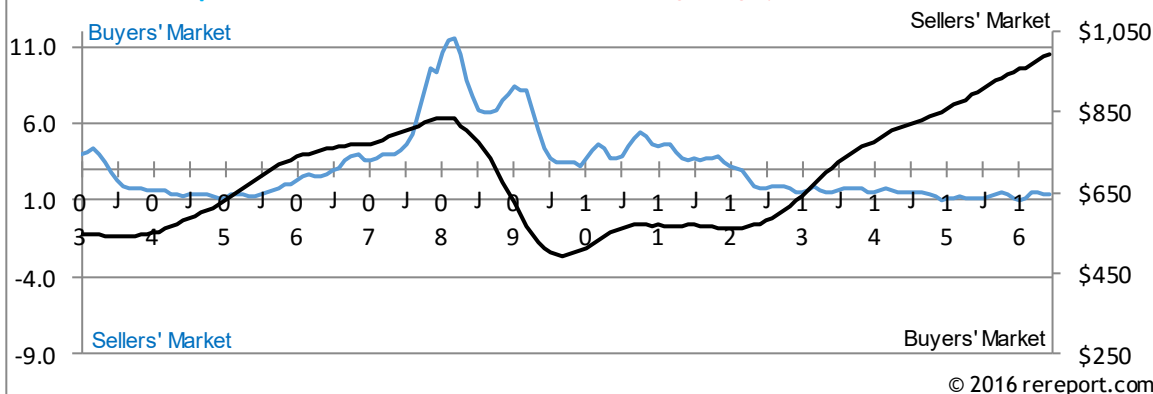
Trends at a Glance (Single-family Homes)

	Jun 16	May 16	Jun 15
Median Price:	\$1,050,000	\$1,117,900	\$1,000,000
Average Price:	\$1,330,430	\$1,419,890	\$1,313,490
Home Sales:	1,045	962	1,096
Pending Sales:	803	963	980
Active Listings:	1,381	1,290	1,202
Sale/List Price Ratio:	103.5%	104.4%	106.9%
Days on Market:	21	19	20
Days of Inventory:	38	40	32

(Townhomes/Condos)

	Jun 16	May 16	Jun 15
Median Price:	\$675,000	\$695,000	\$651,000
Average Price:	\$742,563	\$778,407	\$716,991
Home Sales:	398	386	448
Pending Sales:	327	339	373
Active Listings:	379	391	303
Sale/List Price Ratio:	104.3%	105.3%	107.7%
Days on Market:	17	16	14
Days of Inventory:	28	30	20

SCC SFR: Absorption Rate & Median Price - 12-month moving average, prices in \$1,000s



VISIT

<http://avi.rereport.com/>

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

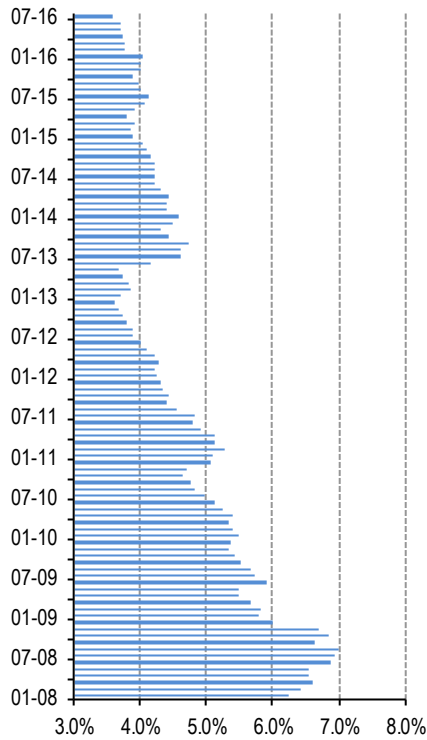
Is NOW a good time to buy your Silicon Valley Home?

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

<http://www.650and408homes.com>

May Statistics—Prices Reach New Highs, Again

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.

SINGLE-FAMILY HOMES

Year-Over-Year

- Median home prices increased by 5.3% year-over-year to \$1,050,000 from \$997,500.
- The average home sales price rose by 1.2% year-over-year to \$1,330,430 from \$1,314,260.
- Home sales fell by 8% year-over-year to 1,045 from 1,136.
- Total inventory* fell 10.5% year-over-year to 2,184 from 2,440.
- Sales price vs. list price ratio fell by 3.2% year-over-year to 103.5% from 106.9%.
- The average days on market rose by 7.3% year-over-year to 21 from 20.

Compared To Last Month

- Median home prices slipped by 6.1% to \$1,050,000 from \$1,117,900.
- The average home sales price fell by 6.3% to \$1,330,430 from \$1,419,890.
- Home sales up by 8.6% to 1,045 from 962.
- Total inventory* dropped 3.1% to 2,184 from 2,253.
- Sales price vs. list price ratio dropped by 0.9% to 103.5% from 104.4%.
- The average days on market increased by 9.7% to 21 from 19.

CONDOMINIUMS

Year-Over-Year

- Median condo prices increased by 4.7% year-over-year to \$675,000 from \$645,000.
- The average condo sales price rose by 4.3% year-over-year to \$742,563 from \$712,163.
- Condo sales fell by 14.4% year-over-year to 398 from 465.
- Total inventory* fell 7.1% year-over-year to 706 from 760.
- Sales price vs. list price ratio fell by 3% year-over-year to 104.3% from 107.6%.
- The average days on market rose by 24.9% year-over-year to 17 from 14.

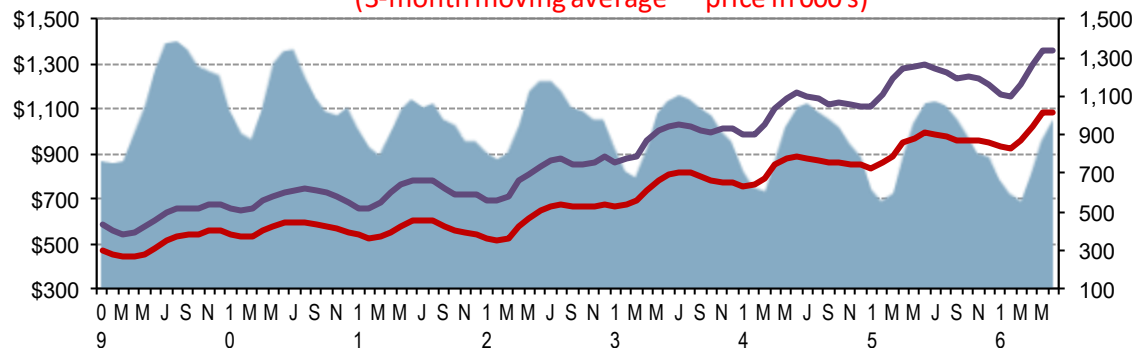
Compared To Last Month

- Median condo prices slipped by 2.9% to \$675,000 from \$695,000.
- The average condo sales price fell by 4.6% to \$742,563 from \$778,407.
- Condo sales up by 3.1% to 398 from 386.
- Total inventory* dropped 3.3% to 706 from 730.
- Sales price vs. list price ratio dropped by 0.9% to 104.3% from 105.3%.
- The average days on market increased by 7.4% to 17 from 16.

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

Santa Clara County Homes: Median & Average Prices and Sales

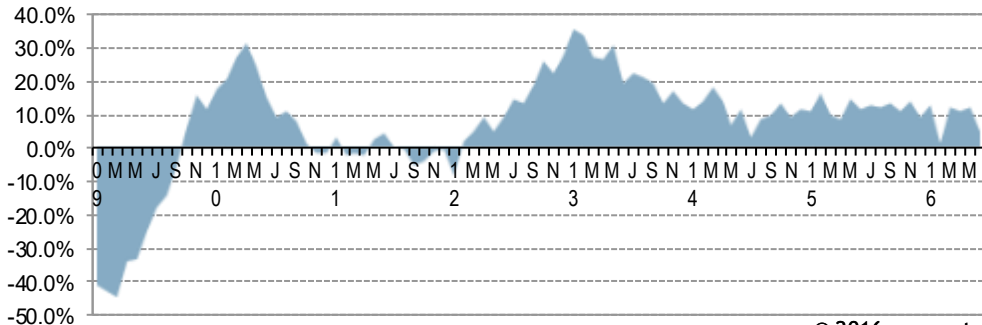
(3-month moving average — price in 000's)



© 2016 rereport.com

Santa Clara County - June 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	\$ 1,330,430	1,045	803	1,381	38	103.5%	5.0%	1.3%	-4.7%	-18.1%	14.9%	20.9%	136.6%
Campbell	\$ 1,185,000	\$ 1,234,240	23	17	43	54	105.3%	8.6%	3.0%	-11.5%	-46.9%	79.2%	14.2%	115.5%
Cupertino	\$ 1,875,000	\$ 1,909,430	33	20	17	15	104.3%	-0.5%	0.0%	13.8%	-23.1%	-26.1%	4.2%	101.6%
Gilroy	\$ 682,000	\$ 733,886	58	43	102	51	99.9%	4.1%	2.8%	13.7%	-44.2%	32.5%	-16.3%	116.5%
Los Altos	\$ 2,789,000	\$ 2,901,290	38	27	32	24	104.6%	7.1%	4.4%	2.7%	42.1%	28.0%	11.3%	138.4%
Los Altos Hills	\$ 3,260,000	\$ 4,354,340	15	9	24	46	95.9%	27.7%	52.7%	114.3%	-10.0%	26.3%	-35.6%	89.0%
Los Gatos	\$ 1,700,000	\$ 1,835,630	35	29	125	104	100.8%	3.3%	-6.2%	-16.7%	-38.3%	12.6%	-12.8%	80.4%
Milpitas	\$ 859,336	\$ 978,755	34	29	33	28	102.9%	-5.8%	6.2%	47.8%	-21.6%	6.5%	4.2%	107.1%
Monte Sereno	\$ 2,403,000	\$ 2,403,000	2	2	13	189	107.0%	-6.6%	-13.5%	-66.7%	-77.8%	30.0%	-64.8%	184.4%
Morgan Hill	\$ 870,000	\$ 925,929	46	46	108	68	101.2%	9.8%	9.9%	4.5%	-19.3%	35.0%	-13.0%	96.2%
Mountain View	\$ 1,700,500	\$ 1,800,470	26	24	14	16	109.3%	-8.6%	-8.7%	-3.7%	-11.1%	-12.5%	4.6%	130.4%
Palo Alto	\$ 2,510,000	\$ 3,288,880	32	36	44	40	102.4%	-8.7%	5.5%	-11.1%	50.0%	29.4%	-18.9%	110.9%
San Jose	\$ 925,000	\$ 1,020,290	574	403	662	33	103.5%	8.8%	7.1%	7.1%	-27.9%	16.8%	16.6%	128.4%
Santa Clara	\$ 1,060,000	\$ 1,128,370	59	41	54	27	106.1%	6.8%	7.5%	18.0%	-12.8%	74.2%	18.1%	103.8%
Saratoga	\$ 2,580,500	\$ 2,472,150	22	27	65	86	103.5%	7.5%	-0.3%	-45.0%	-25.0%	-7.1%	14.4%	200.7%
Sunnyvale	\$ 1,683,500	\$ 1,608,050	48	50	45	27	107.0%	16.7%	13.1%	-29.4%	13.6%	15.4%	31.5%	223.8%

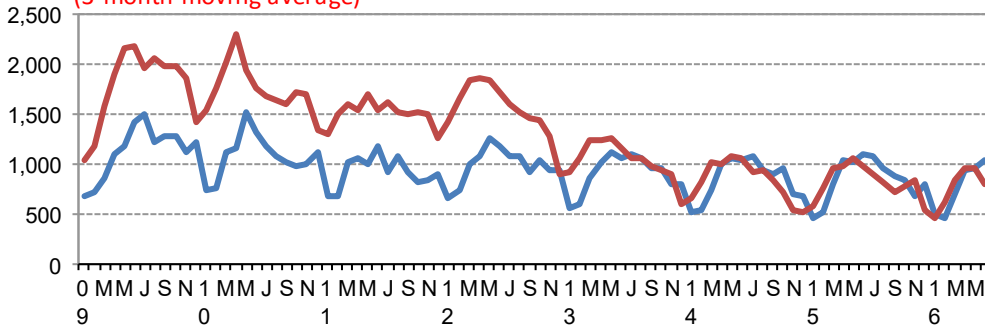
Santa Clara County Homes: Year-Over-Year Median Price Change



© 2016 rereport.com

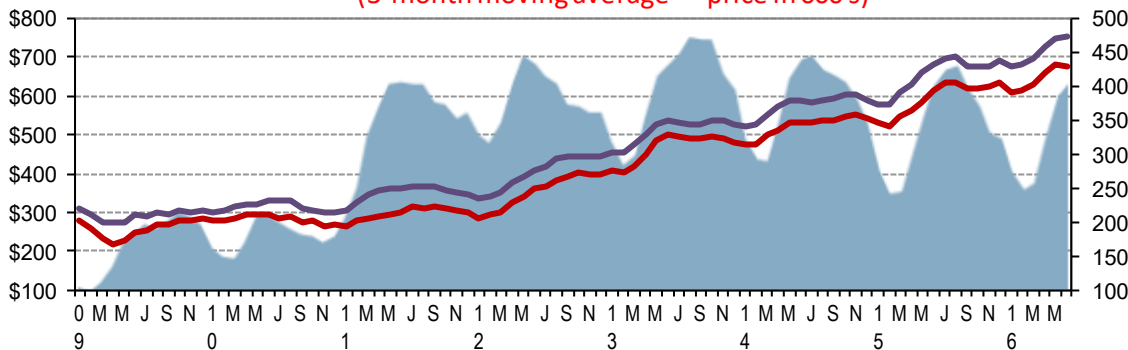
Get straight answers to your real estate questions?
 Call 650-305-1111 or [email me](#) to schedule a complimentary and confidential meeting.

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



© 2016 rereport.com

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



© 2016 rereport.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 - June 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	\$ 675,000	\$ 742,563	398	327	379	28	104.3%	3.7%	3.6%	-11.2%	-12.3%	25.1%	23.0%	220.7%	
Campbell	\$ 824,000	\$ 836,439	10	8	11	32	103.7%	20.3%	19.2%	-11.1%	-57.9%	175.0%	0.0%	184.1%	
Cupertino	\$ 1,290,000	\$ 1,237,030	13	5	20	45	104.3%	9.3%	1.0%	160.0%	-54.5%	122.2%	34.4%	137.7%	
Gilroy	\$ 320,000	\$ 378,000	3	5	5	48	103.2%	42.2%	68.0%	200.0%	66.7%	25.0%	-37.3%	#DIV/0!	
Los Altos	\$ 1,375,000	\$ 1,442,000	5	7	2	12	100.4%	27.3%	24.0%	0.0%	250.0%	-33.3%	-40.9%	171.9%	
Los Gatos	\$ 1,048,000	\$ 1,006,090	11	5	10	26	102.6%	2.2%	-0.6%	0.0%	-58.3%	66.7%	4.8%	210.1%	
Milpitas	\$ 699,000	\$ 639,833	15	19	12	23	107.4%	12.2%	1.2%	-6.3%	-9.5%	-40.0%	8.2%	247.8%	
Morgan Hill	\$ 580,000	\$ 576,829	7	6	5	21	102.9%	8.5%	9.2%	16.7%	-40.0%	150.0%	-1.5%	202.1%	
Mountain View	\$ 1,100,000	\$ 1,083,360	34	35	23	20	107.2%	20.9%	14.0%	9.7%	66.7%	76.9%	26.4%	180.3%	
Palo Alto	\$ 1,655,000	\$ 1,528,550	7	14	10	41	103.9%	1.2%	-11.6%	75.0%	40.0%	100.0%	8.7%	224.5%	
San Jose	\$ 576,500	\$ 604,129	224	171	217	28	103.5%	8.8%	7.2%	-3.4%	-23.7%	34.0%	13.9%	211.6%	
Santa Clara	\$ 679,500	\$ 712,813	36	19	28	23	104.5%	1.4%	4.6%	2.9%	-52.5%	40.0%	16.5%	155.0%	
Saratoga	\$ 1,150,000	\$ 1,150,000	2	3	9	131	100.2%	-6.0%	-6.8%	-33.3%	-50.0%	28.6%	16.5%	155.0%	
Sunnyvale	\$ 890,000	\$ 878,316	31	30	27	25	108.2%	-2.2%	-1.7%	14.8%	15.4%	50.0%	12.2%	158.0%	

the One Stop Realtor for busy professionals
Silicon Valley homes & investments nationwide



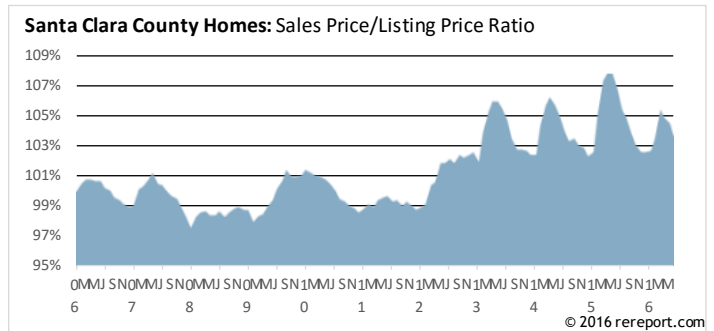
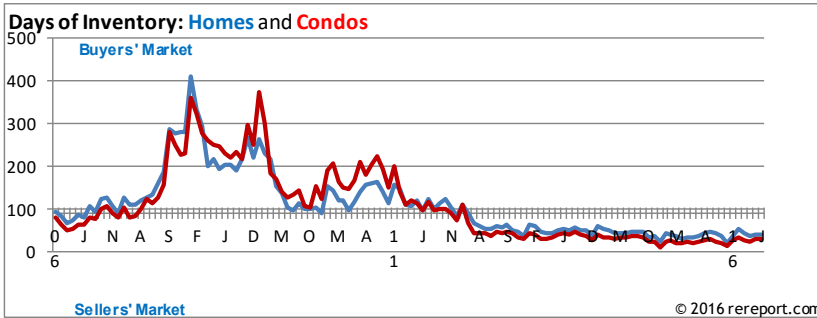
Avi Urban

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



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



Investors Corner

HOME PRICES CONTINUE GAINS IN APRIL ACCORDING TO THE S&P/CASE-SHILLER HOME PRICE INDICES

NEW YORK, June 28, 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 April 2016 shows 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 be found on <https://goo.gl/X5PQyr>

Is it time to seriously consider investing in real estate?

Signup for my [Real Estate Investment Alerts](#) and you'll receive my real estate investment opportunities

For City by City Trend Report go to the **Market Trends Report** tab on my web site at

www.650and408homes.com