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San Mateo County

The Real Estate Market Trends Report

Inventory Up, Closed & Pending Sales Down

After being lower than the year before for thirty-four months in a row, inventory of single-family, re-sale homes in San Mateo County has been higher for the past three 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 five months also.

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-six of the past forty-five months.

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

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

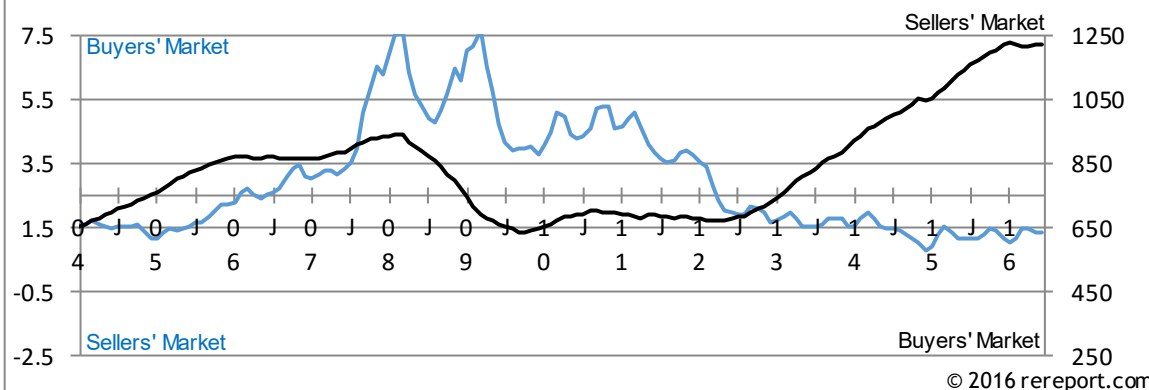
Trends at a Glance (Single-family Homes)

	Jun 16	May 16	Jun 15
Median Price:	\$1,325,000	\$1,380,000	\$1,300,000
Average Price:	\$1,649,950	\$1,733,190	\$1,634,360
Home Sales:	418	369	428
Pending Sales:	355	365	393
Active Listings:	520	486	470
SP/LP Ratio	106.1%	106.9%	110.0%
Days on Market:	20	20	21
Days of Inventory:	36	40	32

(Townhomes/Condos)

	Jun 16	May 16	Jun 15
Median Price:	\$766,000	\$822,500	\$697,500
Average Price:	\$842,584	\$873,615	\$724,639
Home Sales:	120	112	138
Pending Sales:	98	98	95
Active Listings:	109	107	97
SP/LP Ratio	105.9%	107.5%	108.0%
Days on Market:	22	14	15
Days of Inventory:	26	29	20

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



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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?

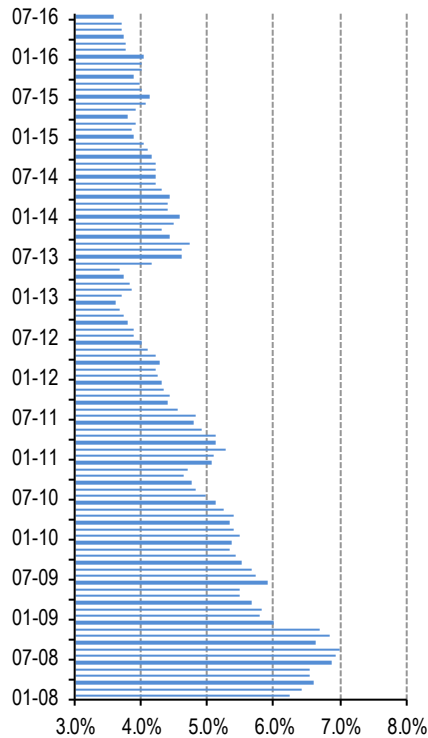
For more information go to the "Seminars" tab on my web site

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

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Home 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.

JUNE SALES STATISTICS

SINGLE-FAMILY HOMES

Year-Over-Year

- Median home prices increased by 1.9% year-over-year to \$1,325,000 from \$1,300,000.
- The average home sales price rose by 1.0% year-over-year to \$1,649,950 from \$1,634,360.
- Home sales fell by 2.3% year-over-year to 418 from 428.
- Total inventory* rose 1.4% year-over-year to 875 from 863.
- Sales price vs. list price ratio fell by 3.6% year-over-year to 106.1% from 110.0%.
- The average days on market fell by 3% year-over-year to 20 from 21.

Month-Over-Month

- Median home prices slipped by 4% to \$1,325,000 from \$1,380,000.
- The average home sales price fell by 4.8% to \$1,649,950 from \$1,733,190.
- Home sales up by 13.3% to 418 from 369.
- Total inventory* increased 2.8% to 875 from 851.
- Sales price vs. list price ratio dropped by 0.7% to 106.1% from 106.9%.
- The average days on market increased by 2.4% to 20 from 20.

CONDOMINIUMS

Year-Over-Year

- Median condo prices increased by 9.8% year-over-year to \$766,000 from \$697,500.
- The average condo sales price rose by 16.3% year-over-year to \$842,584 from \$724,639.

- Condo sales fell by 13% year-over-year to 120 from 138.
- Total inventory* rose 7.8% year-over-year to 207 from 192.
- Sales price vs. list price ratio fell by 1.9% year-over-year to 105.9% from 108.0%.
- The average days on market rose by 49.7% year-over-year to 22 from 15.

Month-Over-Month

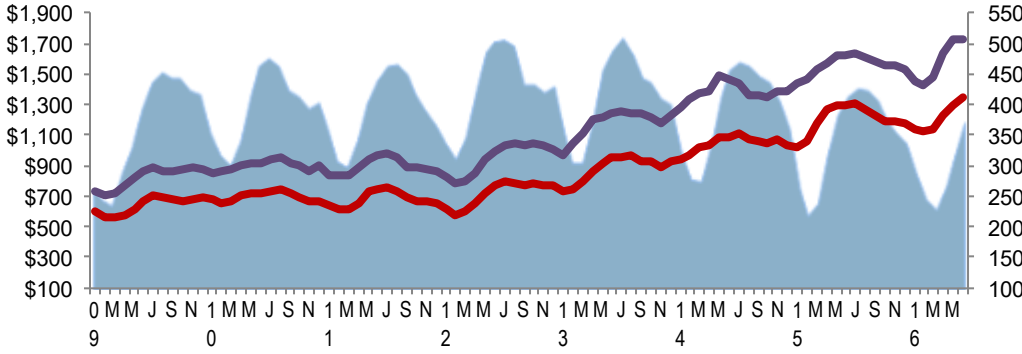
- Median condo prices slipped by 6.9% to \$766,000 from \$822,500.
- The average condo sales price fell by 3.6% to \$842,584 from \$873,615.
- Condo sales up by 7.1% to 120 from 112.
- Total inventory* increased 1.0% to 207 from 205.
- Sales price vs. list price ratio dropped by 1.5% to 105.9% from 107.5%.
- The average days on market increased by 53.5% to 22 from 14.

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

San Mateo County - June 2016												
Single-Family Homes									% Change from Year Before			
Prices									Prices			
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SMC	\$ 1,325,000	\$ 1,649,950	418	355	520	36	106.1%	1.9%	1.0%	-2.3%	-9.7%	10.6%
Atherton	\$ 5,475,000	\$ 5,606,250	4	7	33	239	97.6%	47.2%	2.3%	-42.9%	-12.5%	94.1%
Belmont	\$ 1,500,000	\$ 1,488,500	25	21	9	10	105.8%	-2.6%	-6.4%	4.2%	61.5%	-10.0%
Brisbane	\$ 949,500	\$ 935,333	6	0	10	48	103.7%	17.8%	20.0%	-21.1%	41.7%	18.8%
Burlingame	\$ 2,150,000	\$ 2,327,130	15	17	19	37	106.5%	17.6%	16.0%	11.5%	15.6%	8.7%
Daly City	\$ 870,000	\$ 873,931	29	37	25	25	109.7%	22.2%	17.6%	-25.0%	-50.0%	-33.3%
El Granada	\$ 1,275,000	\$ 1,227,330	6	1	6	29	99.5%	2.5%	19.7%	80.0%	-50.0%	-15.4%
East Palo Alto	\$ 770,000	\$ 814,444	9	8	11	35	105.4%	1.3%	3.4%	-14.3%	66.7%	71.4%
Foster City	\$ 1,696,500	\$ 1,762,170	6	15	12	58	106.6%	-24.8%	-23.8%	28.6%	-38.5%	21.4%
Hillsborough	\$ 2,818,890	\$ 3,190,710	9	8	34	110	98.5%	34.0%	28.3%	77.8%	-10.0%	62.5%
Half Moon Bay	\$ 1,340,000	\$ 1,388,880	16	9	39	71	99.3%	6.7%	8.2%	18.2%	-53.3%	45.5%
Millbrae	\$ 1,550,000	\$ 1,709,590	13	7	16	36	105.8%	9.2%	-6.6%	11.8%	-7.1%	3.6%
Menlo Park	\$ 2,185,500	\$ 2,322,630	38	26	29	22	104.8%	-3.7%	-10.6%	-50.0%	50.0%	-80.0%
Montara	\$ 900,000	\$ 955,000	3	3	1	10	106.2%	28.3%	28.3%	0.0%	-75.0%	33.3%
Moss Beach	\$ 1,110,000	\$ 1,110,000	2	1	8	116	97.8%	12.8%	10.3%	0.0%	-26.1%	-3.2%
Pacifica	\$ 935,000	\$ 971,273	22	17	30	40	106.2%	6.6%	-5.7%	0.0%	-14.3%	22.2%
Portola Valley	\$ 2,815,000	\$ 3,228,000	7	6	11	46	102.4%	-6.4%	-9.3%	-16.9%	7.3%	79.5%
Redwood City	\$ 1,380,000	\$ 1,445,070	49	44	70	41	105.4%	-15.7%	-15.7%	0.0%	-14.3%	200.0%
Redwood Shores	\$ 1,462,500	\$ 1,462,500	2	6	3	44	106.0%	14.7%	17.8%	19.0%	-21.1%	244.4%
San Bruno	\$ 975,000	\$ 1,026,160	25	15	31	36	108.7%	8.3%	8.6%	40.9%	31.8%	142.9%
San Carlos	\$ 1,730,000	\$ 1,831,630	31	29	17	16	106.7%	1.5%	4.4%	37.3%	-20.0%	41.9%
San Mateo	\$ 1,268,500	\$ 1,434,200	70	48	44	18	109.4%	10.6%	8.4%	-8.7%	17.6%	23.8%
S. San Francisco	\$ 921,000	\$ 960,151	21	20	26	36	108.8%	0.0%	0.0%	0.0%	0.0%	-13.3%
Woodside	\$ 5,180,000	\$ 5,690,560	9	7	26	84	99.5%	1.9%	1.0%	-2.3%	-9.7%	10.6%

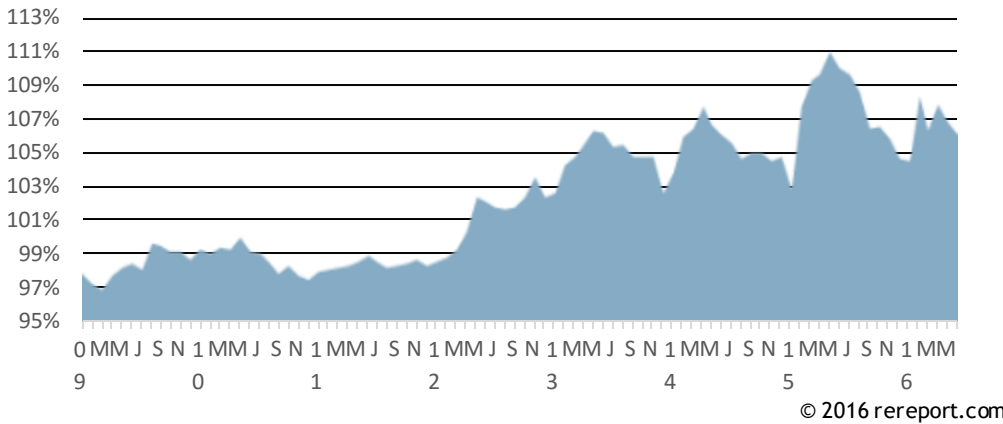
San Mateo County Homes - Median & Average Prices & Sales

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



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San Mateo County Homes: Sales Price/Listing Price Ratio



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San Mateo County Condos - Median & Average Prices & Sales

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

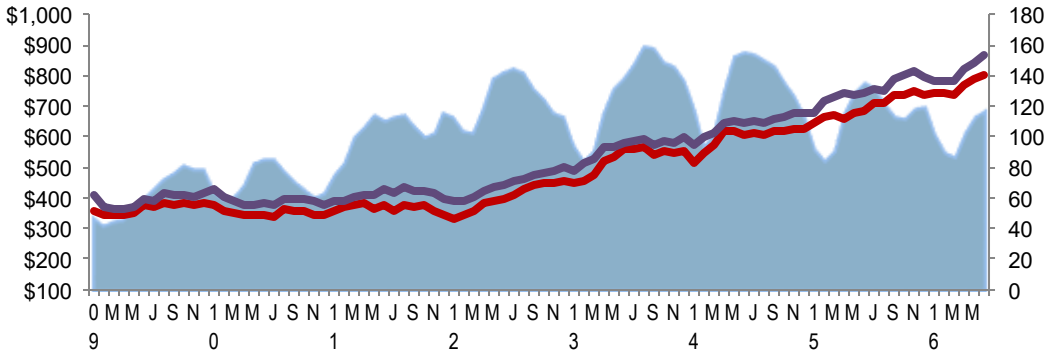


Table Definitions

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.

San Mateo County - June 2016

Condos/Townhomes								% Change from Year Before				
Cities	Prices				Prices							
	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
County	\$ 766,000	\$ 842,584	120	98	109	26	105.9%	9.8%	16.3%	-13.0%	3.2%	12.4%
Belmont	\$ 1,220,000	\$ 1,220,000	1	1	1	29	112.7%	34.8%	40.2%	-66.7%	-50.0%	n/a
Brisbane	\$ -	\$ -	0	0	2	0	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Burlingame	\$ 1,079,000	\$ 1,033,750	6	2	1	5	101.3%	11.8%	-17.9%	50.0%	-50.0%	-66.7%
Daly City	\$ 560,000	\$ 548,800	15	9	11	21	106.6%	33.3%	25.6%	36.4%	-10.0%	450.0%
Foster City	\$ 1,022,500	\$ 1,039,810	16	9	6	11	109.1%	0.0%	10.3%	0.0%	12.5%	0.0%
Menlo Park	\$ 1,302,500	\$ 1,238,170	6	6	7	34	102.2%	-18.8%	-32.6%	0.0%	50.0%	40.0%
Pacifica	\$ 680,000	\$ 696,500	4	1	9	65	108.4%	16.3%	20.5%	33.3%	-80.0%	350.0%
Redwood City	\$ 795,000	\$ 844,375	8	11	11	40	105.7%	-8.5%	-6.0%	0.0%	-21.4%	37.5%
Redwood Shores	\$ 1,330,000	\$ 1,247,500	6	9	2	10	105.5%	-2.2%	-0.7%	20.0%	12.5%	0.0%
San Bruno	\$ 427,600	\$ 435,720	10	5	7	20	107.1%	11.1%	16.7%	-23.1%	0.0%	40.0%
San Carlos	\$ 1,200,000	\$ 1,127,110	9	3	7	23	107.5%	37.5%	27.5%	12.5%	-40.0%	75.0%
San Mateo	\$ 727,000	\$ 782,625	28	23	30	31	105.5%	5.7%	8.3%	3.7%	-30.3%	66.7%
S. San Francisco	\$ 670,000	\$ 665,000	6	16	8	39	103.6%	20.7%	21.0%	-14.3%	77.8%	33.3%

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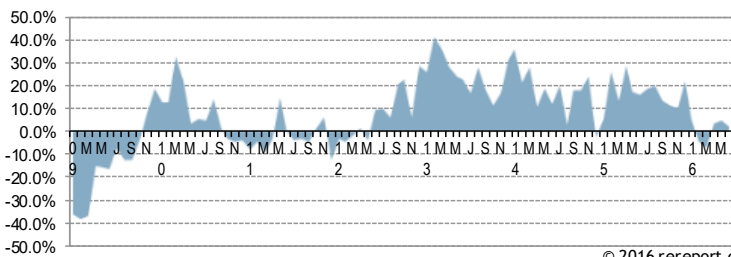
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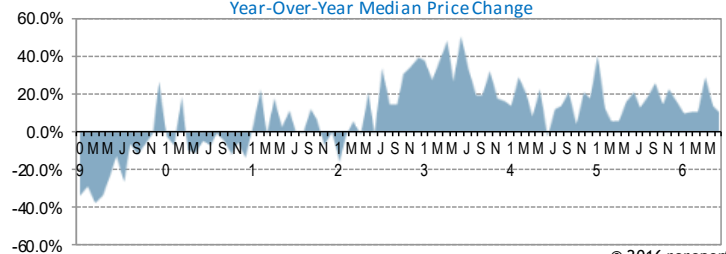
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San Mateo County Homes: Year-Over-Year Median Price Change



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San Mateo County Townhomes: Year-Over-Year Median Price Change



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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



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>

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