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Silicon Valley homes & investments nationwide



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September/October 2017

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Santa Clara County

The Real Estate Market Trends Report

August was Scorching!

And I'm not referring to the weather. Prices for both single-family, re-sale homes and condominiums were up by double-digits, again!

The median price for homes gained 17.4% over last August. The third month in a row the median price has been higher by double-digits. It is also the 66th month in a row the median price has been higher than the year before.

The average price for homes was up 12.9%. The second month in a row it has been up by double-digits.

The median price for condos gained 10.8%, the second month in a row of double-digit gains. Notably, the median price for condos has been

higher than the year before every month since July of 2011!

The average price for condos was up 14.5% over last August.

Multiple offers continue to be the norm. The sales price to list price ratio, or what buyers are paying over what sellers are asking remains at triple digits: 106.4% for homes and 106.1% for condos.

The ratio has been over 100% for homes since March 2012 and for condos since April 2012.

Homes and condos are flying off the shelf. It is taking only nineteen days to sell a home, on average. Condos are taking eighteen days.

All of this is due to an incredible lack of inventory. Since January 2000, Santa Clara County has averaged 94 days of inventory. Last month it was nineteen!

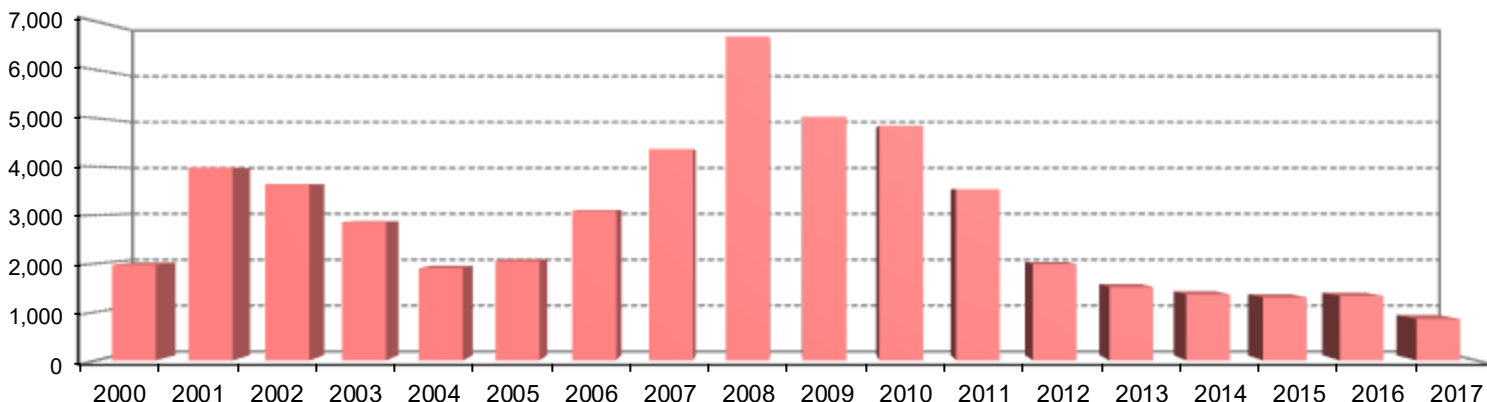
Condos have averaged 87 days since 2000. Last month it was eleven.

With demand being through the roof due to Silicon Valley's growth, people are moving further and further out: into the East Bay and down valley towards Gilroy.

Santa Clara County

Average Active Listings SFR YTD

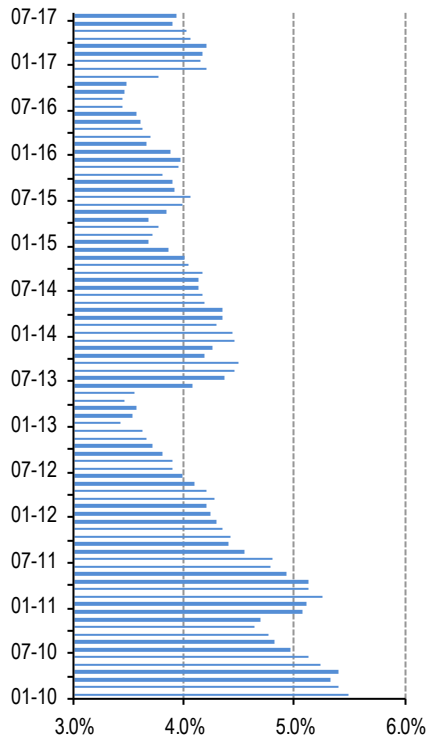
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Is NOW a good time to buy your Silicon Valley Home?

For more information go to <http://urban.realtor/home-buyers-seminar/>

30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by <http://www.freddiemac.com/>.

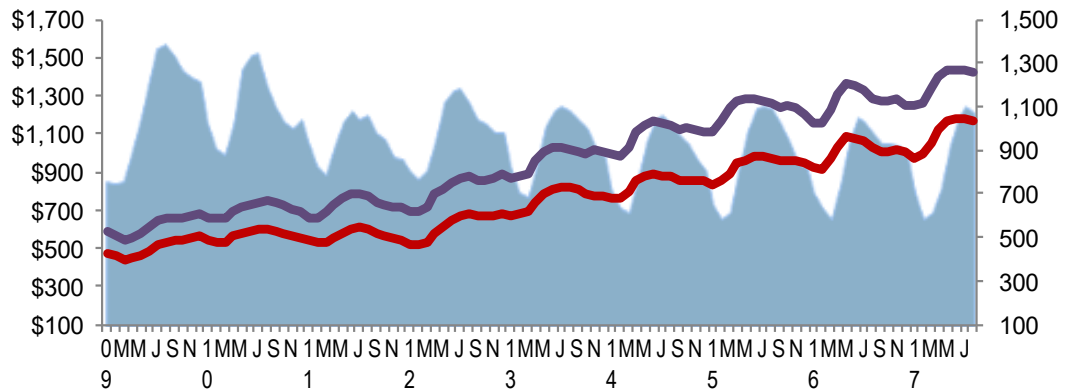
What to Know When Buying a Home

Buying a home is one of the most complicated transactions you will ever do. So many people and companies are involved that it is easy for mistakes to be made. Freddie Mac offers a number of tips:

- Get pre-approved for a loan. With competition fierce, you'll want to be ready to make an offer. With a pre-approved loan, you'll have more clout as the seller considers your offer.
- Make sure it's in writing. Don't settle for verbal agreements. If the seller says he'll replace the carpet or leave his washer and dryer, get it in writing.
- Get a good-faith estimate. Your mortgage lender is required to provide you with a good-faith estimate of closing costs within three days of receiving your application. They need to provide it in writing. If you don't have to pay loan application fees, you may want to compare lenders and compare closing costs.
- Don't settle for the first lender you come across. Contact at least three lenders and compare rates.
- Lock-in your rate. One of the most stressful parts of the loan process is watching rates inch up and down each day and trying to figure out when to lock in your rate. Once you do lock in, be sure to get a written statement that outlines your interest rate and length of the lock.
- Get a home inspection. A professional home inspector will examine the house's major systems and let you know if there are any problems or defects. You can then use the information in your negotiations. Look for an inspector who is a member of the American Society of Home Inspectors. Members are required to have completed at least 250 paid professional home inspections and passed two written exams that test the inspector's knowledge. Also, ask for references.
- Shop for homeowners' insurance as soon as your offer is accepted. The National Association of Realtors recently cautioned homebuyers to not take homeowners insurance for granted. You and your spouse may have a clean claims history and a stellar credit history - something insurance companies use to determine whether they will insure

(Continued on page 4)

Santa Clara County Homes - Median & Average Prices & Sales (3-month moving average—prices in \$000's)



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Santa Clara County - August 2017												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 1,151,000	\$ 1,423,440	986	947	630	19	106.4%	17.4%	12.9%	7.5%	-7.9%	-61.3%
Campbell	\$ 1,360,630	\$ 1,522,240	35	25	13	11	106.3%	22.2%	25.0%	9.4%	-41.9%	-61.8%
Cupertino	\$ 2,275,000	\$ 2,406,620	18	25	15	25	110.7%	21.0%	22.8%	5.9%	13.6%	-42.3%
Gilroy	\$ 691,500	\$ 808,499	46	78	59	38	101.1%	1.7%	11.0%	-13.2%	6.8%	-55.6%
Los Altos	\$ 2,945,000	\$ 3,080,000	20	20	11	17	105.8%	23.7%	19.7%	25.0%	-20.0%	-65.6%
Los Altos Hills	\$ 3,950,000	\$ 3,683,000	9	4	30	100	108.9%	-45.3%	-48.9%	50.0%	-63.6%	15.4%
Los Gatos	\$ 1,850,000	\$ 2,108,190	39	52	89	68	101.2%	4.8%	1.1%	18.2%	15.6%	-29.4%
Milpitas	\$ 1,009,000	\$ 1,103,980	30	25	8	8	108.1%	14.7%	13.2%	-26.8%	-32.4%	-80.0%
Monte Sereno	\$ 3,562,500	\$ 3,755,000	4	4	5	38	97.2%	-10.9%	-13.1%	33.3%	100.0%	-58.3%
Morgan Hill	\$ 920,938	\$ 942,673	54	77	61	34	100.1%	9.6%	3.5%	38.5%	22.2%	-52.7%
Mountain View	\$ 2,275,000	\$ 2,164,830	27	18	8	9	110.5%	36.8%	26.5%	22.7%	5.9%	-61.9%
Palo Alto	\$ 3,130,000	\$ 3,520,170	32	24	18	17	107.6%	30.5%	30.7%	-3.0%	-20.0%	-56.1%
San Jose	\$ 963,000	\$ 1,083,320	520	472	246	14	105.9%	11.3%	11.0%	4.8%	-10.1%	-69.6%
Santa Clara	\$ 1,312,500	\$ 1,368,730	70	58	18	8	112.2%	31.9%	23.7%	40.0%	18.4%	-79.8%
Saratoga	\$ 2,575,440	\$ 2,701,380	26	25	36	42	104.3%	12.5%	18.9%	-23.5%	-19.4%	-42.9%
Sunnyvale	\$ 1,661,550	\$ 1,665,050	56	40	13	7	113.8%	11.7%	16.5%	33.3%	-27.3%	-71.7%

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.

Market Statistics

Trends at a Glance

(Single-family Homes)

	Aug 17	Month %	Jul 17	Year %	Aug 16
Median Price:	\$1,151,000	-2.0%	\$1,175,000	17.4%	\$980,000
Average Price:	\$1,423,440	1.0%	\$1,409,380	12.9%	\$1,260,500
Home Sales:	986	-2.9%	1,015	7.5%	917
Pending Sales:	947	1.7%	931	-7.9%	1,028
Active Listings:	630	-22.8%	816	-61.3%	1,626
Sale/List Price Ratio:	106.4%	0.8%	105.5%	4.9%	101.4%
Days on Market:	19	-5.2%	20	-33.9%	29
Days of Inventory:	19	-20.5%	24	-64.0%	53

(Townhomes/Condos)

	Aug 17	Month %	Jul 17	Year %	Aug 16
Median Price:	\$750,000	2.0%	\$735,000	10.8%	\$677,000
Average Price:	\$831,072	2.8%	\$808,516	14.5%	\$725,967
Home Sales:	415	13.7%	365	-3.5%	430
Pending Sales:	368	-11.1%	414	-9.6%	407
Active Listings:	152	-17.4%	184	-70.4%	513
Sale/List Price Ratio:	106.1%	0.2%	105.8%	3.2%	102.8%
Days on Market:	18	6.7%	17	-17.5%	21
Days of Inventory:	11	-27.3%	15	-69.3%	36

Get straight answers to your real estate questions?

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or [email me](#)

to schedule

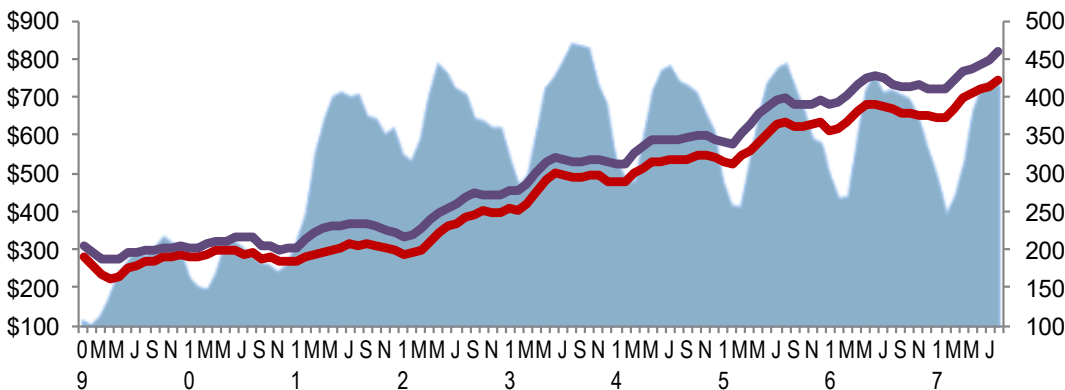
a complementary and confidential meeting.

If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

Based on information from MLS Listings, Inc. Due to MLS reporting and allowable reporting policy, this data is only informational and may not be completely accurate. Therefore, we do not guarantee the data accuracy.

Data maintained by the MLS may not reflect all real estate activity in the market.

Santa Clara County Condos - Median & Average Prices & Sales (3-month moving average—prices in \$000's)



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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 - August 2017

Condos/Townhomes									% Change from Year Before				
Prices									Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP		Med	Ave	Sales	Pend'	Inven'
SCC	\$ 750,000	\$ 831,072	415	368	152	11	106.1%		10.8%	14.5%	-3.5%	-9.6%	-70.4%
Campbell	\$ 915,000	\$ 860,636	11	9	3	8	113.2%		12.8%	10.4%	-15.4%	-40.0%	-78.6%
Cupertino	\$ 1,366,500	\$ 1,375,500	8	7	2	8	107.0%		36.5%	31.5%	-42.9%	-53.3%	-81.8%
Gilroy	\$ 497,000	\$ 497,000	2	2	3	45	101.8%		28.5%	26.5%	-75.0%	-33.3%	-40.0%
Los Altos	\$ 1,675,000	\$ 1,644,000	5	3	3	18	100.3%		45.7%	43.0%	400.0%	0.0%	-40.0%
Los Gatos	\$ 1,150,000	\$ 1,200,120	13	9	8	18	104.4%		14.1%	30.7%	-7.1%	28.6%	-42.9%
Milpitas	\$ 690,000	\$ 679,799	14	17	7	15	104.8%		-1.4%	2.4%	-33.3%	-19.0%	-61.1%
Morgan Hill	\$ 555,000	\$ 586,032	11	19	7	19	100.4%		-3.3%	0.7%	37.5%	137.5%	-46.2%
Mountain View	\$ 1,097,500	\$ 1,140,490	32	18	7	7	108.1%		-1.0%	7.4%	14.3%	0.0%	-77.4%
Palo Alto	\$ 1,870,000	\$ 1,793,000	7	4	11	47	106.5%		18.5%	19.5%	-30.0%	-33.3%	-15.4%
San Jose	\$ 670,000	\$ 675,951	237	223	85	11	104.6%		13.0%	10.3%	-2.9%	-9.0%	-72.5%
Santa Clara	\$ 750,000	\$ 806,532	36	26	11	9	108.2%		5.3%	8.4%	20.0%	-7.1%	-75.6%
Saratoga	\$ 1,380,000	\$ 1,290,220	7	5	2	9	105.4%		64.7%	46.2%	16.7%	-37.5%	-71.4%
Sunnyvale	\$ 1,207,500	\$ 1,135,340	32	26	3	3	114.3%		36.2%	26.0%	-3.0%	-13.3%	-89.3%

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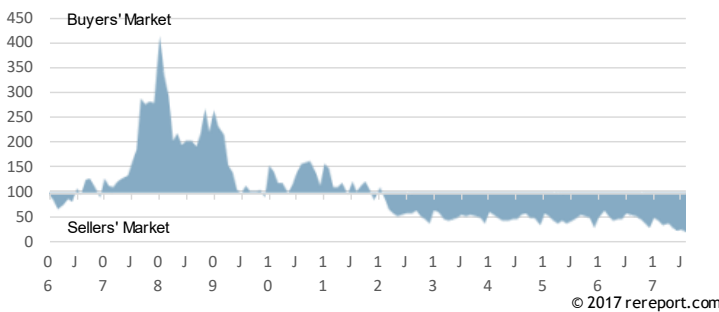
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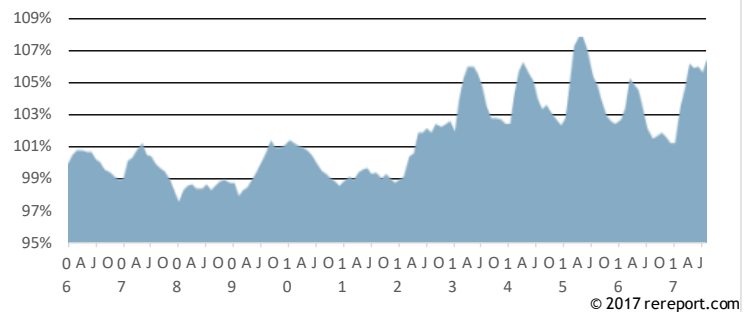
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Santa Clara County Homes: Days of Inventory



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Santa Clara County Homes: Sales Price/Listing Price Ratio



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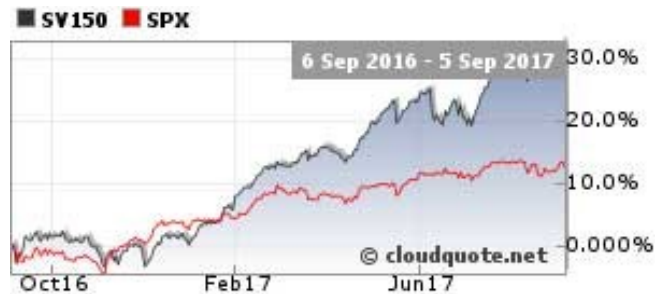
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you - but it's not just you they're looking at. If the house you're eyeing has had claims, there's a chance they won't insure you, especially if it's a water-related claim.

- Read everything. When you have the closing meeting to sign the mountain of papers, make sure you read through everything carefully and don't hesitate to ask questions if there is anything you don't understand.

Finally, give yourself enough time between your closing and your move date, just in case there are delays in the closing process.

The Silicon Valley's Real estate market is a derivative of the local economy--it prospers and withers depending on how well the local innovation-based sector performs. The San Jose Mercury News tracks the performances of the largest 150 publicly traded companies headquartered in Silicon Valley through an index called the SV150, which may be found at www.mercurynews.com. Stocks are valued based on several criteria, but one of the more important criteria is a company's future earnings. Therefore, I see the SV150 as a leading indicator for Silicon Valley's real estate market.



Investors Corner

THE S&P CORELOGIC CASE-SHILLER NATIONAL HOME PRICE INDEX RISES AGAIN TO ALL TIME HIGH

NEW YORK, AUGUST 29, 2017 – S&P Dow Jones Indices today released the latest results for the S&P CoreLogic Case-Shiller Indices, the leading measure of U.S. home prices. Data released today for June 2017 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 <http://bit.ly/2wIVeMT>

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