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Santa Clara County

The Real Estate Market Trends Report

Prices Set New All-Time Highs, Again

Prices for both single-family, re-sale homes and condos jumped by double-digits in November to set new all-time highs for the second month in a row.

That's the sixth month in a row the median price has been higher than the year before by double-digits. The average price was up by double-digits for the fifth month in a row.

The median price for homes jumped 27.6% over last November. At \$1,288,500, the median price surged over the previous high of \$1,220,000 set in October.

This is also the 69th month in a row the median price has been higher than the year before.

The average price for homes rose 25.9% to \$1,619,100.

Condominium prices also set new highs in November. The median price for condos gained 15.7%. 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 16.1% over last November.

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: 108.5% for homes and 108.1% for condos.

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

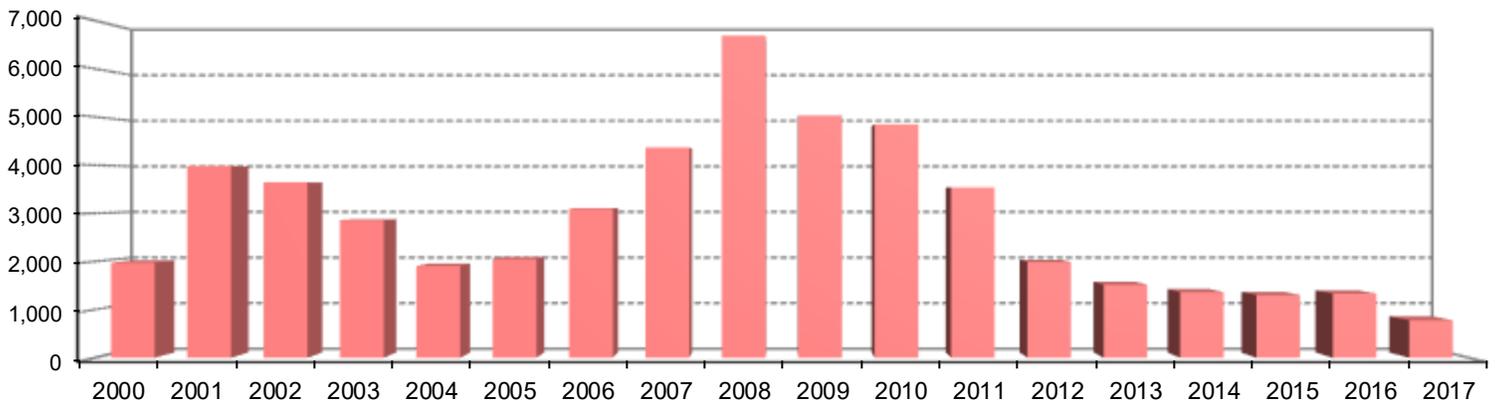
Homes and condos are flying off the shelf. It is taking only twenty-two days to sell a home, on average. Condos are taking fourteen days.

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 seventeen.

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

Santa Clara County
Average Active Listings SFR YTD

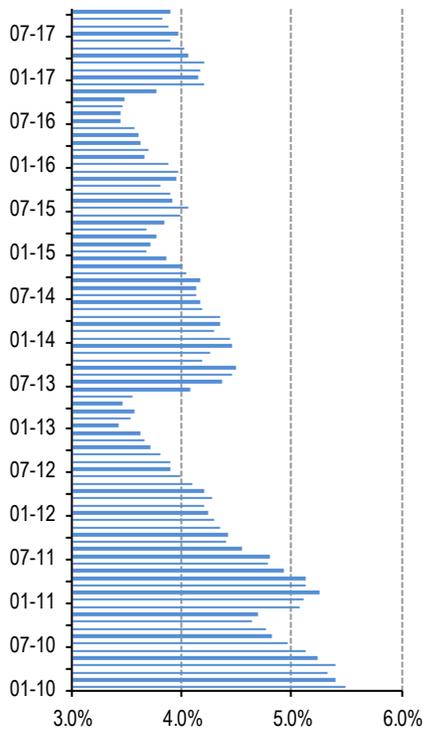
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Is NOW a good time to buy your Silicon Valley Home?

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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/>.

5 SURPRISINGLY SMART REASONS TO BUY A HOME DURING THE HOLIDAYS

By: Cathie Ericson

Turkeys and tinsel, dreidels and pumpkin pie. Yes friends, the holidays are here again, and it's the perfect time for ... house hunting? OK, we know you're busy enough planning family feasts and much-needed vacations while dealing with blustery weather, but hear us out. While it might seem counterintuitive to put a big-ticket item like a home on your holiday shopping list, it really does make sense.

Don't believe us? Check out these surprisingly smart reasons to let everyone else hit the mall to buy half-off sweaters while *you* make the purchase of a lifetime: a new house to ring in the New Year.

1. Less competition from home buyers

Most buyers take the month off to celebrate the holidays, attend parties, host out-of-town guests and, quite frankly, avoid trudging around in inclement weather to look at houses. Or, maybe they've heard that this is a lousy time to buy a house. Whatever the reason, shopping for real estate at a time when fewer buyers are in the market can pay off big.

That's because competing with multiple offers is one of the most stressful parts of the home-buying process, says Brian Wasson, a real estate broker with Center Coast Realty in Chicago.

2. Motivated (OK, desperate) home sellers

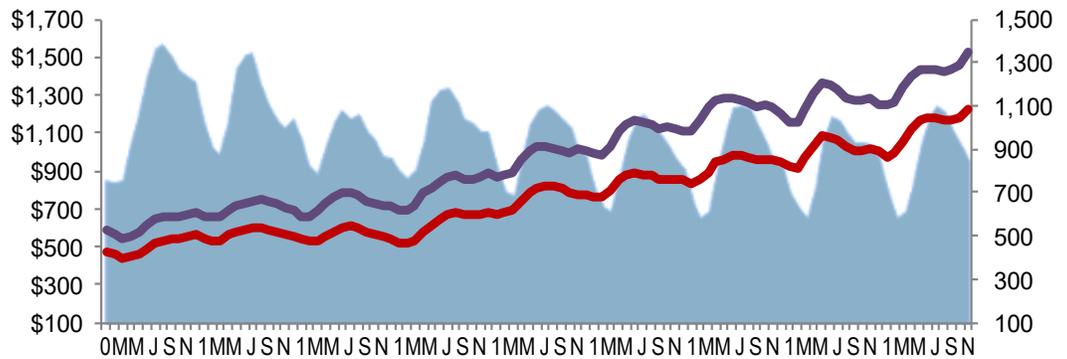
The December seller is likely to be serious and motivated—and therefore more open to negotiation. So, what you might lack in choice of available homes could be balanced out by dealing with a more flexible seller.

Most sellers have a compelling reason for putting their house on the market during the holidays. (Let's face it: It's no holiday party for them to have strangers wandering through their house.) They might be facing a relocation and want to get their kids settled before the new term. Or they might just be feeling some stress if they listed their home in the fall and it's still languishing post-Turkey Day, making them just a little more desperate and anxious to deal.

Many sellers might also want a contract in hand for tax advantages. If it's a rental property on which they incurred a loss, they are likely to want to take the

(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 - November 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	\$ 1,288,500	\$ 1,619,100	792	758	461	17	108.5%	27.6%	25.9%	-11.1%	-10.1%	-56.7%
Campbell	\$ 1,453,250	\$ 1,507,670	26	31	9	10	110.2%	23.7%	17.9%	8.3%	24.0%	-67.9%
Cupertino	\$ 2,075,000	\$ 2,087,220	9	20	6	19	110.8%	14.1%	-0.6%	-60.9%	81.8%	-75.0%
Gilroy	\$ 730,000	\$ 789,751	43	72	29	20	101.9%	2.1%	3.3%	-4.4%	10.8%	-73.6%
Los Altos	\$ 3,338,000	\$ 3,505,190	35	13	11	9	106.5%	24.9%	21.4%	34.6%	-18.8%	-38.9%
Los Altos Hills	\$ 3,500,000	\$ 5,259,550	11	10	20	53	101.3%	-12.5%	36.4%	120.0%	233.3%	-28.6%
Los Gatos	\$ 1,855,000	\$ 2,131,650	43	44	54	36	102.0%	30.2%	30.0%	38.7%	-6.4%	-45.5%
Milpitas	\$ 1,024,000	\$ 1,067,600	20	11	10	15	113.1%	24.9%	19.9%	-28.6%	-52.2%	-44.4%
Monte Sereno	\$ 3,420,000	\$ 3,753,750	4	2	1	7	97.1%	42.4%	57.1%	33.3%	100.0%	-92.3%
Morgan Hill	\$ 965,000	\$ 1,017,660	41	61	43	30	100.2%	9.1%	3.0%	-21.2%	7.0%	-41.9%
Mountain View	\$ 2,042,500	\$ 2,164,200	20	14	11	16	115.5%	8.9%	12.0%	-4.8%	-33.3%	-15.4%
Palo Alto	\$ 3,150,000	\$ 3,684,000	34	17	23	20	109.5%	25.5%	36.4%	-5.6%	0.0%	-17.9%
San Jose	\$ 1,105,500	\$ 1,185,710	396	358	179	13	108.3%	25.3%	23.4%	-15.0%	-21.7%	-64.8%
Santa Clara	\$ 1,380,000	\$ 1,448,990	47	45	15	9	115.4%	40.5%	36.5%	2.2%	21.6%	-46.4%
Saratoga	\$ 2,705,620	\$ 2,537,910	21	26	34	47	109.1%	11.3%	-6.0%	-43.2%	36.8%	-20.9%
Sunnyvale	\$ 1,932,500	\$ 1,919,420	42	34	16	11	119.8%	28.8%	32.0%	-12.5%	-22.7%	-50.0%

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)

	Nov 17	Month %	Oct 17	Year %	Nov 16
Median Price:	\$1,288,500	5.6%	\$1,220,000	27.6%	\$1,010,000
Average Price:	\$1,619,100	7.8%	\$1,502,130	25.9%	\$1,286,210
Home Sales:	792	-2.9%	816	-11.1%	891
Pending Sales:	758	-12.4%	865	-10.1%	843
Active Listings:	461	-23.7%	604	-56.7%	1,065
Sale/List Price Ratio:	108.5%	0.8%	107.6%	6.9%	101.5%
Days on Market:	22	21.0%	18	-29.1%	31
Days of Inventory:	17	-24.0%	22	-51.3%	35

(Condominiums)

	Nov 17	Month %	Oct 17	Year %	Nov 16
Median Price:	\$765,000	0.5%	\$761,000	15.7%	\$661,000
Average Price:	\$848,401	0.6%	\$843,304	16.1%	\$730,605
Home Sales:	309	-13.0%	355	-15.1%	364
Pending Sales:	236	-23.6%	309	-23.6%	309
Active Listings:	86	-18.1%	105	-75.8%	355
Sale/List Price Ratio:	108.1%	-0.2%	108.3%	6.3%	101.7%
Days on Market:	14	5.8%	13	-48.3%	27
Days of Inventory:	8	-9.0%	9	-71.5%	28

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to schedule

a complementary and confidential meeting.

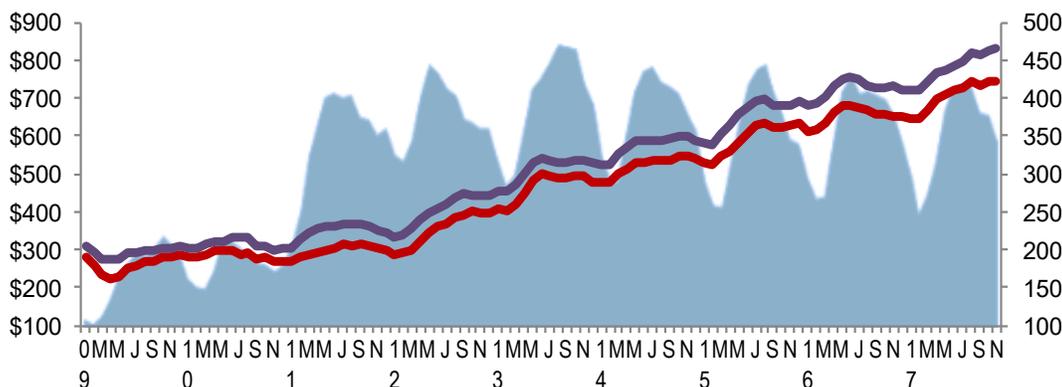
If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

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 - November 2017

Condominiums										% Change from Year Before				
Prices										Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'		
SCC	\$ 765,000	\$ 848,401	309	236	86	8	108.1%	15.7%	16.1%	-15.1%	-23.6%	-75.8%		
Campbell	\$ 925,000	\$ 959,538	13	11	0	0	105.4%	41.3%	40.0%	116.7%	-8.3%	-88.9%		
Cupertino	\$ 1,167,000	\$ 1,310,840	7	2	4	17	116.3%	-12.6%	-2.2%	16.7%	-50.0%	33.3%		
Gilroy	\$ 345,000	\$ 355,667	3	2	0	0	104.9%	-25.8%	-18.2%	0.0%	-33.3%	-66.7%		
Los Altos	\$ 1,850,000	\$ 1,824,000	5	0	1	6	102.9%	9.0%	-0.3%	25.0%	-20.0%	-66.7%		
Los Gatos	\$ 1,164,500	\$ 1,097,880	8	10	3	11	107.4%	54.1%	25.1%	-33.3%	233.3%	-62.5%		
Milpitas	\$ 740,000	\$ 773,068	13	11	3	7	109.3%	13.4%	16.8%	-27.8%	10.0%	-76.9%		
Morgan Hill	\$ 638,500	\$ 619,936	12	16	6	15	101.2%	6.0%	8.0%	100.0%	77.8%	-40.0%		
Mountain View	\$ 1,020,000	\$ 1,082,000	25	25	7	8	110.5%	-5.6%	3.9%	-24.2%	25.0%	-30.0%		
Palo Alto	\$ 1,337,500	\$ 1,392,750	4	8	7	51	109.5%	0.6%	-2.1%	-42.9%	60.0%	-22.2%		
San Jose	\$ 702,000	\$ 718,792	169	115	47	8	107.3%	20.8%	19.7%	-22.5%	-39.2%	-79.7%		
Santa Clara	\$ 795,000	\$ 862,358	26	18	5	6	110.2%	10.3%	15.8%	18.2%	-10.0%	-81.5%		
Saratoga	\$ 1,010,000	\$ 1,169,180	5	4	0	0	106.4%	26.3%	34.9%	-37.5%	0.0%	0.0%		
Sunnyvale	\$ 1,302,000	\$ 1,141,200	19	14	3	5	114.5%	28.9%	15.5%	-9.5%	-41.7%	-85.7%		

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deduction this calendar year, Wasson says.

Another tax-related reason: If sellers are likely to make a hefty profit and have a salary raise set to kick in on Jan. 1, they might be subject to a higher capital gains tax on their home sale in the coming year. In this scenario, sellers may want to unload a property before the new year.

Sellers are exempt from paying capital gains tax on the first \$250,000 in proceeds from a home sale for a single person, or \$500,000 for a couple. After that, the capital gains tax kicks in, based on their income bracket.

3. Tax advantages

In case you weren't aware, the tax benefits go both ways, notes REALTOR® Al Cannistra with Texas Premier Realty in San Antonio. Buying now can help you save in April and beyond. Homeownership brings numerous tax perks, from deducting mortgage interest to property taxes. (Update: As of publication, the House of Representatives passed its version of the GOP proposed tax plan, which would cap the property tax deduction at \$10,000. The House bill also would only allow homeowners to deduct the interest on mortgages up to \$500,000, down from the current \$1 million.)

Some states also might have a homeowner's tax exemption, says Cannistra: "If your state does, closing the deal by Dec. 31 rather than waiting for the first week of the new year can make a year's difference in whether or not you get that valuable tax savings."

Also, many closing fees are tax-deductible if you itemize—although you should always double-check with your accountant about any tax questions.

4. A realistic picture of the house

What house doesn't look amazing in the typical spring buying season, with newly planted flowers and plenty of sunlight streaming through the windows? Checking it out during the miserable winter season, on the other hand, might give you a more accurate idea of what you might be living with the rest of the year. In addition to seeing the house, warts and all, you can check for issues that you'd notice only during cold weather.

"Maybe there's a bedroom in the home that doesn't get sufficient heat, or the front door gets jammed in icy conditions," says Wasson. "Inspectors are less likely to catch these issues with the home when they check them out of season."

Of course, don't forget that issues that crop up more during summer will be *less* accessible—such as how well the air conditioning works or what the roof really looks like under all that snow and ice—so make sure that your home inspector does a thorough job on those fronts, too.

5. Greater accessibility to professionals

"Since December is usually a slower month all around, you will have easier access to movers, inspectors, and mortgage brokers," says Jennifer Sommers with Sotheby's International Realty in Boca Raton, Fla. In addition, motivated real estate agents will bend over backward to provide service with fewer client demands and will share your desire to get it done and in the books before the new year rolls around. Ditto on your mortgage broker, who is bound to speed your closing through.

Investors Corner

SEPTEMBER S&P CORELOGIC CASE-SHILLER NATIONAL HOME PRICE NSA INDEX UP 6.2% IN LAST 12 MONTHS

NEW YORK, – NOVEMBER 28, 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 September 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 <https://goo.gl/Lw2kvA>

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