



A unique "Whole-istic" approach to real estate ownership  
Silicon Valley homes & investments nationwide

**May 2018** *Inside This Issue*

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# Santa Clara County Real Estate Report

## The Median Price for Condos Continues Rising

The median price for condos was 28.9%, year-over-year, to \$915,444. This is the second month in a row the median price for condos has set new highs. Notably, the median price for condos has been higher than the year before every month since July of 2011!

The median price for single-family, re-sale homes stayed at the high it set in March. The median price for homes rose 22.1% over last April to \$1,450,000.

The median price for homes has been higher than the year before by double-digits ten months in a row. The average price was up by double-digits for the ninth consecutive month.

This is also the 74th month in a row the median price has been higher than the year before.

The average price for homes was up 20.0%, year-over-year, to \$1,722,370.

The average price for condos was up 24.5% over last April.

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: 112.4% for homes and 114.8% 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 fifteen days to sell a home, on average. Condos are taking nine days.

All 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 twenty-three.

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

As of May 7th, there were 753 homes and 229 condos for sale in Santa Clara County.

**Santa Clara County**  
Average Active Listings SFR YTD

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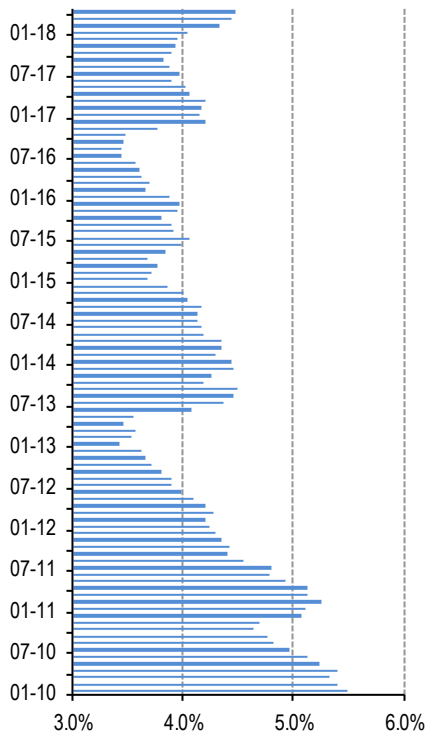
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30-Year Fixed Mortgage Rates



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

# Selecting the Right Mortgage

Selecting the type of mortgage that best suits your needs is not a simple undertaking. The right mortgage will depend on many different factors, including your financial situation and how you expect it to change in the future, how long you'd like to keep your house, and how comfortable you are with the possibility of your mortgage payment changing.

For example, a 15-year fixed-rate mortgage can save thousands of dollars in interest payments over the entire term of the loan, but your monthly payments will be greater. With an adjustable-rate mortgage, you may start with a lower monthly payment -- but your payments could increase.

The best way to find the right mortgage for you is to discuss your finances, plans and preferences with a mortgage professional, whom your REALTOR® can recommend.

### FIXED-RATE MORTGAGES

Fixed-rate mortgages, the most common type of mortgage, offer consistently stable monthly payments. Your property taxes and homeowner's insurance may increase, but your monthly payments typically won't fluctuate.

With fixed-rate mortgages, you have the option of choosing a 30-year, 20-year, 15-year or 10-year repayment plan. You may shorten the loan through a biweekly mortgage, allowing you to make the equivalent of an extra month's payment per year. In selecting the length of your repayment, remember that a shorter loan carries higher payments but accrues less interest and allows you to build equity quicker.

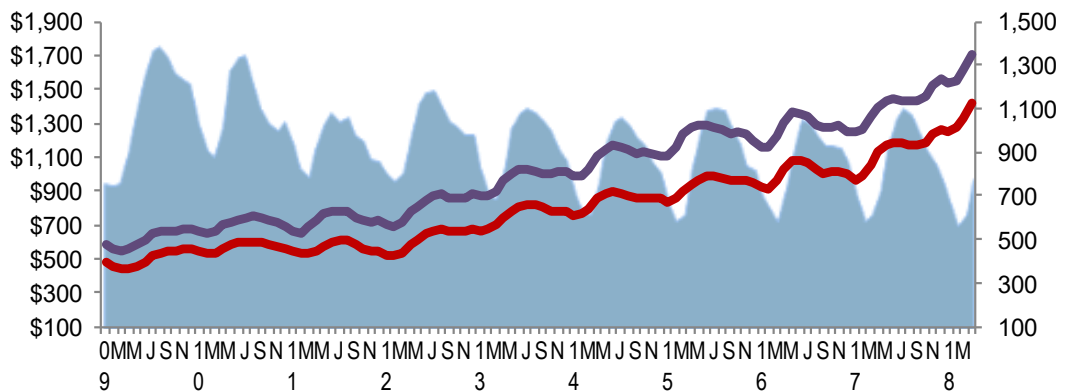
### ADJUSTABLE-RATE MORTGAGES

The interest rate on an adjustable-rate mortgage (ARM) is dictated by changing market rates. When interest rates rise, your monthly payments will go up, and when interest rates decrease, your monthly payments will go down accordingly.

ARMs often provide a lower initial interest rate than fixed-rate mortgages, attracting people who need lower payments early in the loan in order to qualify for a mortgage. ARMs also can benefit people who plan to move or refinance in the near future or those who expect their incomes to increase in the coming years.

(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 - April 2018												
Single-Family Homes									% Change from Year Before			
Prices									Prices			
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 1,420,000	\$ 1,722,370	934	961	753	23	112.4%	22.1%	20.0%	11.3%	-7.3%	-24.6%
Campbell	\$ 1,555,000	\$ 1,623,920	20	30	23	33	112.7%	17.4%	22.6%	-25.9%	-25.0%	-14.8%
Cupertino	\$ 2,505,000	\$ 2,483,240	22	24	14	18	119.5%	27.3%	18.9%	0.0%	41.2%	-48.1%
Gilroy	\$ 750,571	\$ 825,465	42	67	51	35	102.0%	10.4%	11.2%	10.5%	-25.6%	-44.0%
Los Altos	\$ 3,365,000	\$ 3,690,850	26	24	20	22	112.4%	15.9%	15.8%	-13.3%	-22.6%	17.6%
Los Altos Hills	\$ 4,675,000	\$ 4,815,500	10	9	21	61	102.4%	31.3%	25.5%	0.0%	12.5%	-36.4%
Los Gatos	\$ 2,305,500	\$ 2,397,110	38	50	88	67	105.3%	21.3%	19.3%	22.6%	8.7%	-5.4%
Milpitas	\$ 1,300,000	\$ 1,270,460	25	20	16	19	113.3%	18.7%	21.9%	47.1%	-35.5%	-42.9%
Monte Sereno	\$ 4,011,500	\$ 4,011,500	2	3	10	145	108.8%	39.3%	39.3%	0.0%	200.0%	25.0%
Morgan Hill	\$ 1,100,000	\$ 1,122,850	47	61	46	28	104.3%	44.7%	34.0%	95.8%	-6.2%	-42.5%
Mountain View	\$ 2,200,000	\$ 2,262,930	15	26	13	25	122.1%	9.7%	9.9%	-21.1%	73.3%	-7.1%
Palo Alto	\$ 3,790,000	\$ 4,590,020	34	33	33	28	107.9%	39.9%	27.3%	13.3%	0.0%	-26.7%
San Jose	\$ 1,265,000	\$ 1,335,420	521	486	303	17	113.4%	29.1%	23.4%	10.6%	-2.2%	-28.4%
Santa Clara	\$ 1,625,000	\$ 1,640,730	49	45	41	24	116.0%	37.4%	37.3%	2.1%	-27.4%	17.1%
Saratoga	\$ 2,919,000	\$ 2,993,190	26	25	42	47	105.2%	13.3%	12.2%	18.2%	-32.4%	-14.3%
Sunnyvale	\$ 2,020,000	\$ 2,020,500	57	58	32	16	120.1%	18.2%	19.0%	18.8%	-9.4%	10.3%

**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)

	Apr 18	Month %	Mar 18	Year %	Apr 17
Median Price:	\$1,420,000	-2.1%	\$1,450,000	22.1%	\$1,162,620
Average Price:	\$1,722,370	-1.3%	\$1,745,230	20.0%	\$1,435,200
Home Sales:	934	9.0%	857	11.3%	839
Pending Sales:	961	0.1%	960	-7.3%	1,037
Active Listings:	753	45.9%	516	-24.6%	999
Sale/List Price Ratio:	112.4%	-0.1%	112.4%	5.9%	106.1%
Days on Market:	15	-5.4%	16	-14.7%	17
Days of Inventory:	23	29.4%	18	-32.3%	35

(Condominiums)

	Apr 18	Month %	Mar 18	Year %	Apr 17
Median Price:	\$915,444	1.7%	\$900,000	28.9%	\$710,000
Average Price:	\$966,725	-2.8%	\$994,882	24.5%	\$776,544
Home Sales:	382	21.7%	314	8.5%	352
Pending Sales:	345	-5.5%	365	-17.9%	420
Active Listings:	229	84.7%	124	-27.8%	317
Sale/List Price Ratio:	114.8%	-1.1%	116.1%	9.8%	104.5%
Days on Market:	9	1.5%	9	-49.9%	19
Days of Inventory:	17	46.7%	12	-33.4%	26

Get straight answers to your real estate questions?

Call 650-305-1111

or [email me](#)

to schedule

a complementary and confidential meeting.

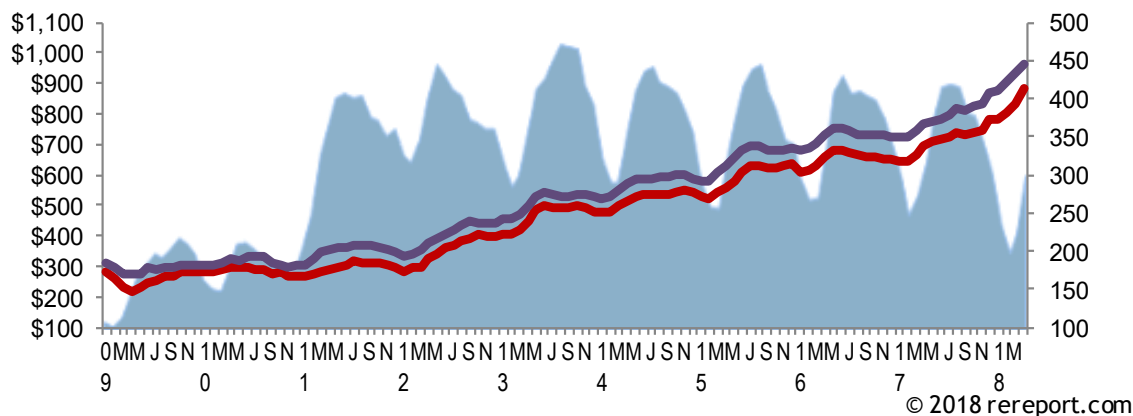
If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

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 &amp; Average Prices &amp; 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.

## Santa Clara County - April 2018

Condominiums									% Change from Year Before				
Prices									Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP		Med	Ave	Sales	Pend'	Inven'
SCC	\$ 915,444	\$ 966,725	382	345	229	17	114.8%		28.9%	24.5%	8.5%	-17.9%	-27.8%
Campbell	\$ 970,000	\$ 934,792	12	14	3	7	116.8%		15.5%	14.8%	33.3%	40.0%	0.0%
Cupertino	\$ 1,430,000	\$ 1,448,950	11	4	7	18	117.5%		21.0%	21.7%	22.2%	-20.0%	40.0%
Gilroy	\$ 544,000	\$ 544,000	2	2	4	58	102.0%		3.6%	3.6%	0.0%	100.0%	100.0%
Los Altos	\$ 2,010,000	\$ 2,010,000	1	4	2	58	121.9%		-32.9%	-32.9%	0.0%	-20.0%	0.0%
Los Gatos	\$ 1,281,500	\$ 1,280,430	14	11	5	10	114.5%		0.1%	15.4%	55.6%	22.2%	0.0%
Milpitas	\$ 985,000	\$ 897,085	27	20	19	20	116.8%		17.3%	11.3%	58.8%	-9.1%	46.2%
Morgan Hill	\$ 702,500	\$ 693,400	10	8	4	12	105.2%		17.3%	16.6%	233.3%	14.3%	-50.0%
Mountain View	\$ 1,350,000	\$ 1,312,400	25	31	15	17	121.3%		40.2%	25.7%	-21.9%	24.0%	7.1%
Palo Alto	\$ 1,730,000	\$ 1,672,000	5	4	10	58	116.7%		73.0%	36.8%	66.7%	-20.0%	42.9%
San Jose	\$ 820,000	\$ 828,165	216	185	122	16	113.1%		32.3%	27.6%	4.3%	-29.4%	-45.0%
Santa Clara	\$ 915,000	\$ 1,029,040	28	30	18	19	117.2%		43.4%	38.8%	3.7%	-11.8%	-10.0%
Saratoga	\$ 1,500,000	\$ 1,322,960	3	2	3	29	111.3%		76.6%	20.8%	-25.0%	100.0%	-50.0%
Sunnyvale	\$ 1,360,000	\$ 1,325,640	28	30	17	18	120.7%		27.1%	28.1%	-3.4%	-11.8%	70.0%

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

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

(Continued from page 2)

Before applying for an ARM, find out how high your monthly payments can go during the life of the loan. An ARM includes two caps or limits on interest rate increases; one cap states the boundary for how high your interest rate can go during each adjustment period, and the other cap sets the maximum total amount of all interest adjustments over the entire term of the loan.

The rates of an ARM typically change once or twice a year, and there is usually a lifetime cap on both the individual rate adjustments and the total amount the rate can change over the life of the loan. By applying the terms of the caps to your mortgage payments, you can anticipate the worst-case scenario prior to applying and determine if this figure is in line with your finances.

## REVERSE MORTGAGES

A reverse mortgage is a loan made to senior homeowners that allows them to convert the equity in their homes to cash for living expenses, home improvements, in-home health care, or other needs.

To obtain a reverse mortgage, you must meet certain criteria that differ greatly from the qualification requirements for other mortgages. Re-

verse mortgages are generally limited to borrowers 62 years or older who own their own homes either outright or nearly so. Homes also must be clear of tax liens. And, unlike other mortgages, seniors don't have to meet income or credit requirements to qualify for a reverse mortgage.

Borrowers typically have the option of receiving the reverse mortgage's proceeds in the form of a lump-sum payment, fixed monthly payments for life, or a line of credit. A reverse mortgage's interest rate is usually an adjustable rate that fluctuates monthly or yearly. However, the size of monthly payments that borrowers receive doesn't change.

## BALLOON MORTGAGES

Balloon loans are short-term mortgages with some of the features of a fixed-rate mortgage, like low interest rates, but without the benefit of full amortization. As opposed to a 30-year fixed-rate mortgage, balloon loan payments only cover part of what you've borrowed during the term of the loan. At the end of the term, you're required to pay off the loan's balance by refinancing or making a lump-sum payment.

Balloon mortgages are typically five-, seven- or 10-year loans, so they can be beneficial to bor-

rowers who anticipate selling or refinancing their homes in a short period of time.

Many companies offer a conversion feature at the end of the loan's term. For example, the loan may convert to a 30-year fixed loan at the 30-year market rate plus a certain percentage point. To qualify for a conversion, you usually need to be in good standing with the payments on your balloon loan. Balloon mortgage programs with conversion options are also called a 7/23 convertibles or 5/25 convertibles.

## BUY-DOWN MORTGAGES

Today's mortgage lenders have developed variations on the old buy-down method of offering an interest rate that is 2 percent below the fixed rate for the first year and 1 percent below the fixed rate for the second year, followed by 28 years of paying the regular fixed rate. Buy-downs now charge higher interest in the beginning of the loan to cover the future yields.

For example, if the current market rate for a fixed-rate loan is 8.5 percent at a cost of 1.5 points, the buy-down gives the borrower a first-year rate of 6.5 percent, a second-year rate of 7.5 percent and a third- through 30th year rate of 8.5 percent. The cost would be 4.5 points.

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](http://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

### S&P CORELOGIC CASE-SHILLER NATIONAL HOME PRICES: CITIES IN THE WEST CONTINUE TO LEAD HOUSING MOMENTUM

**NEW YORK, APRIL 24, 2018** – 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 February 2018 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/2h1N5N>