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A unique "whole-istic" approach to real estate ownership
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February 2019 *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

San Mateo County Real Estate Trends Report

Home Median Sales Price Down for Second Month

The median sales price of single-family, re-sale homes fell year-over-year for the second month in a row. Year-over-year, the median price was down 1.7%. The average sales price was up 1.5% year-over-year.

The sales price to list price ratio, or what buyers are paying over what sellers are asking, continued falling in January. It was down 0.1% of a point to 102.4%.

Home sales were down 4.8% from last January.

Inventory continues to expand. It has been higher than the year before eight months in a row. In January it was up 81.5% over last year.

As of February 5th, there were 372 homes for sale in San Mateo County.

Days of, or the number of days it would take to sell the current inventory divided by home sales, jumped thirty-four days to seventy-one days. Since January 2003, San Mateo County has averaged eighty days of inventory.

It is taking thirty-seven days to sell a home. That is the time from when a home is listed to when it goes into contract.

The median sales price for re-sale condos was up 23.3% last month, year-over-year. The average sales price was up 5.2%.

The sales price to list price ratio rose 0.5% of a point to 101.7%.

Condo sales were up 22.9% in January.

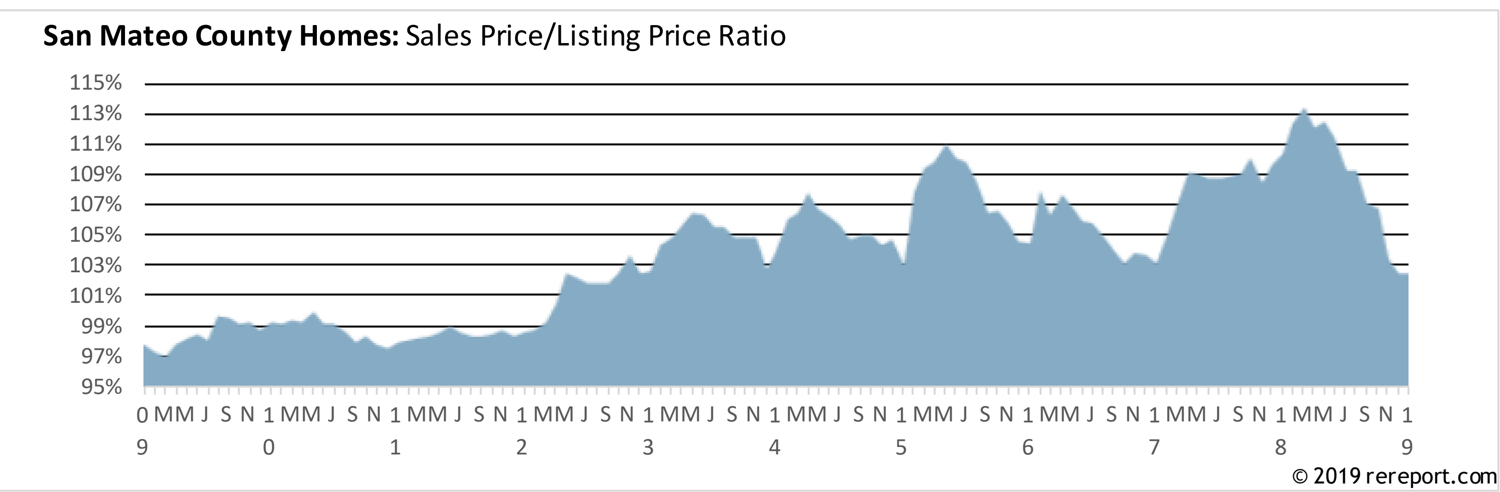
Inventory continues to expand. It has been higher than the year before six months in a row. In January it was up 138.3% over last year.

As of February 5th, there were 112 condos for sale in San Mateo County.

Days of inventory more than doubled to seventy-eight.

It is taking thirty-three days to sell a condo.

If you are planning on selling your property, call me for a free comparative market analysis.



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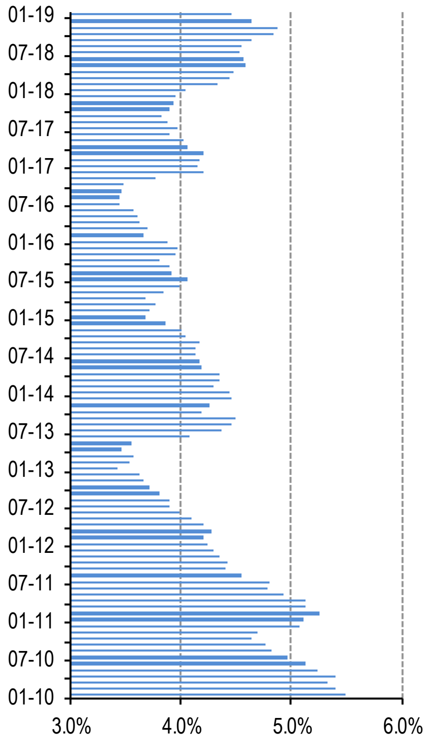
30-Year Fixed Mortgage Rates



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

Friendlier Fed, Softer Rates Countered By Improving Data

February 1, 2019 -- After a stumble in December, the Federal Reserve seemed to present a more cohesive message to markets at the close of its January meeting this week. Last month, markets responded poorly to what they perceived as a Fed intent on lifting rates until the economy broke, and one that would not alter a balance sheet reduction plan that was said to be on "autopilot."

The January statement was quite clear about the central bank's intentions: "In light of global economic and financial developments and muted inflation pressures, the Committee will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support these outcomes."

Wholly omitted from the statement was any reference to the balance of risks to the economy, an indication that Fed members may not be certain if risks of concern are accumulating somewhere.

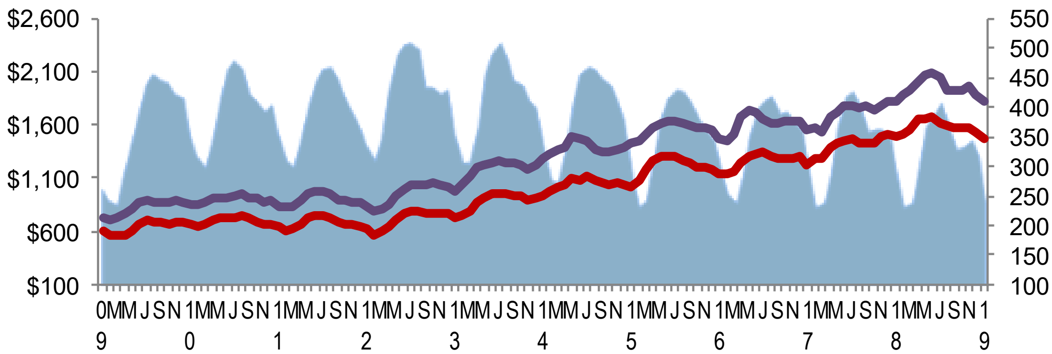
Perhaps more important was the removal of any "forward guidance"; last month, the statement indicated that the Committed judged "that some further gradual increases in the target range for the federal funds rate will be consistent" with meeting their twin goals of stable employment and prices. Six weeks later, and it's simply "what future adjustments... may be appropriate".

In the press conference after the meeting, Mr. Powell notably said that "The case for raising rates has weakened somewhat."

Collectively, investors liked what they heard, and both a sizable rally in stocks and a fall in bond yields happened in the aftermath. The former was enough to provide stock markets their best January in 30 years (unfortunately, it came on the heels of the worst December for stocks in about 90 years).

(Continued on page 4)

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



San Mateo County - January 2019												
Single-Family Homes								% Change from Year Before				
	Prices							Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SMC	$ 1,425,000	$ 1,787,210	157	171	372	71	102.4%	-1.7%	1.5%	-4.8%	-19.3%	81.5%
Atherton	$ 2,845,000	$ 2,845,000	2	2	16	240	114.1%	115.3%	115.3%	-50.0%	-66.7%	6.7%
Belmont	$ 1,579,000	$ 1,529,330	6	11	9	45	102.3%	1.5%	-15.4%	-25.0%	83.3%	0.0%
Brisbane	$ -	$ -	0	5	3	0	0.0%	-21.0%	-16.6%	-75.0%	400.0%	200.0%
Burlingame	$ 1,775,000	$ 1,943,430	6	4	14	70	99.1%	-12.1%	-11.0%	-25.0%	-55.6%	133.3%
Daly City	$ 902,500	$ 931,214	14	16	20	43	107.5%	-21.7%	-15.4%	-26.3%	6.7%	25.0%
East Palo Alto	$ 990,000	$ 1,090,000	7	5	15	64	99.8%	5.3%	11.6%	16.7%	0.0%	275.0%
El Granada	$ 1,170,000	$ 1,170,000	2	3	4	60	101.7%	14.5%	14.5%	0.0%	-50.0%	33.3%
Foster City	$ 1,762,500	$ 1,902,500	6	7	4	20	103.8%	9.1%	17.8%	500.0%	75.0%	33.3%
Half Moon Bay	$ 1,525,000	$ 1,400,670	3	9	23	230	98.8%	10.9%	1.0%	-50.0%	-18.2%	228.6%
Hillsborough	$ 4,720,500	$ 6,728,500	6	4	20	100	95.7%	-65.8%	-51.2%	500.0%	-20.0%	25.0%
Menlo Park	$ 2,249,000	$ 2,480,400	10	9	27	81	100.6%	14.5%	-7.0%	0.0%	-25.0%	145.5%
Millbrae	$ 1,680,000	$ 1,680,000	1	5	9	270	109.9%	-7.2%	-9.5%	-85.7%	-50.0%	50.0%
Montara	$ 1,700,000	$ 1,700,000	1	4	8	240	94.7%	32.8%	32.8%	-50.0%	100.0%	60.0%
Moss Beach	$ -	$ -	0	1	7	0	0.0%	2.0%	2.0%	0.0%	-50.0%	600.0%
Pacifica	$ 1,095,000	$ 1,138,400	10	8	22	66	109.3%	16.4%	15.4%	42.9%	-38.5%	144.4%
Portola Valley	$ -	$ -	0	4	4	0	0.0%	-1.6%	-22.7%	-20.0%	0.0%	-50.0%
Redwood City	$ 1,587,500	$ 1,684,570	20	26	51	77	100.8%	-19.0%	-11.5%	-25.9%	4.0%	142.9%
Redwood Shores	$ 1,880,000	$ 1,795,000	3	2	3	30	94.6%	-25.5%	-28.9%	50.0%	-50.0%	700.0%
S. San Francisco	$ 949,000	$ 968,911	36	27	8	6	110.7%	6.0%	3.0%	44.0%	8.0%	-71.4%
San Bruno	$ 1,180,000	$ 1,180,670	9	4	11	37	105.0%	0.0%	2.7%	12.5%	-71.4%	175.0%
San Carlos	$ 1,650,000	$ 1,828,330	9	8	22	73	96.5%	-17.0%	-12.5%	-25.0%	-38.5%	450.0%
San Mateo	$ 1,310,000	$ 1,420,160	29	16	36	37	101.7%	-6.4%	-1.9%	38.1%	-36.0%	63.6%
Woodside	$ 8,300,000	$ 8,300,000	2	3	21	315	92.2%	111.5%	105.3%	-50.0%	-40.0%	61.5%

Trends at a Glance

(Single-family Homes)

	Jan 19	Month %	Dec 18	Year %	Jan 18
Median Price:	$1,425,000	-3.6%	$1,478,000	-1.7%	$1,450,000
Average Price:	$1,787,210	4.0%	$1,719,270	1.5%	$1,760,780
Home Sales:	157	-31.7%	230	-4.8%	165
Pending Sales:	171	-19.3%	212	-19.3%	212
Active Listings:	372	31.9%	282	81.5%	205
SP/LP Ratio	102.4%	-0.1%	102.5%	-7.1%	110.2%
Days on Market	37	23.0%	30	32.0%	28
Days of Inventory:	71	93.3%	37	90.7%	37

(Condominiums)

	Jan 19	Month %	Dec 18	Year %	Jan 18
Median Price:	$900,000	-8.2%	$980,000	23.3%	$730,000
Average Price:	$940,958	-16.0%	$1,120,080	5.2%	$894,602
Home Sales:	43	-37.7%	69	22.9%	35
Pending Sales:	62	3.3%	60	-23.5%	81
Active Listings:	112	45.5%	77	138.3%	47
SP/LP Ratio	101.7%	0.5%	101.2%	-5.8%	107.9%
Days on Market	33	-15.1%	38	93.9%	17
Days of Inventory:	78	133.4%	33	94.0%	40

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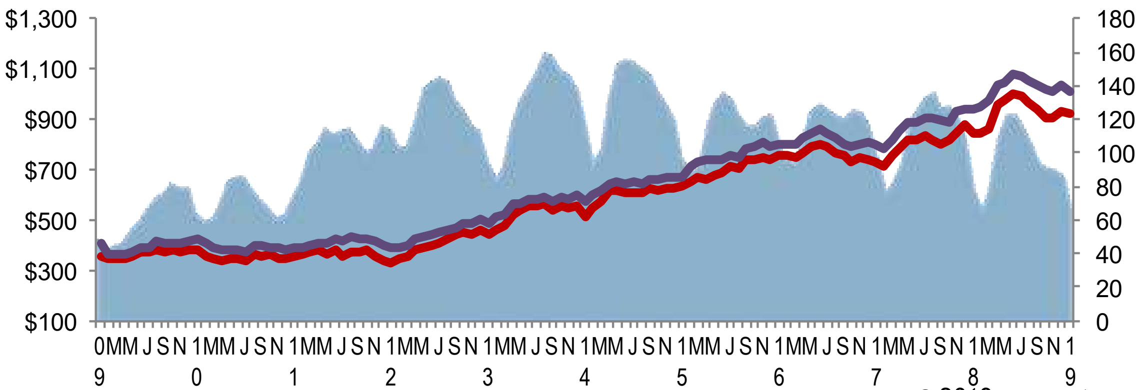
or email me
to schedule
a complementary and confidential meeting.

San Mateo County Condos- Median & Average Prices & Sales

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



San Mateo County - January 2019												
Condominiums								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SMC	$ 900,000	$ 940,958	43	62	112	78	101.7%	23.3%	5.2%	22.9%	-23.5%	138.3%
Belmont	$ 1,050,000	$ 1,050,000	1	1	9	270	95.5%	60.6%	60.6%	0.0%	0.0%	350.0%
Burlingame	$ 1,488,000	$ 1,488,000	1	0	5	150	96.0%	-17.5%	-17.5%	100.0%	-50.0%	100.0%
Daly City	$ 676,500	$ 702,000	4	10	6	45	105.4%	11.4%	16.5%	0.0%	-37.5%	50.0%
Foster City	$ 1,040,000	$ 1,052,750	4	4	14	105	100.6%	-26.8%	-25.9%	100.0%	-42.9%	366.7%
Menlo Park	$ 1,628,000	$ 1,628,000	2	3	6	90	97.7%	19.1%	7.2%	-66.7%	-25.0%	50.0%
Pacifica	$ 725,000	$ 725,000	1	3	3	90	107.4%	-9.8%	-8.5%	-83.3%	-40.0%	0.0%
Redwood City	$ 925,000	$ 987,000	5	6	11	66	104.3%	14.6%	22.2%	150.0%	20.0%	266.7%
Redwood Shores	$ 950,000	$ 950,000	2	0	3	45	100.1%	-24.3%	-24.3%	0.0%	50.0%	200.0%
San Bruno	$ 405,000	$ 451,000	4	5	11	83	103.3%	-17.3%	-11.6%	33.3%	66.7%	1000.0%
San Carlos	$ 1,384,500	$ 1,384,500	2	5	2	30	100.6%	-10.7%	-10.7%	100.0%	66.7%	100.0%
San Mateo	$ 956,250	$ 966,517	12	19	27	68	101.1%	35.6%	24.5%	71.4%	-32.1%	0.0%
S. San Francisco	$ 650,000	$ 663,111	9	13	9	29	106.2%	-4.4%	2.5%	0.0%	-23.5%	-30.8%

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 pf properties actively for sale as of the last day of the month.

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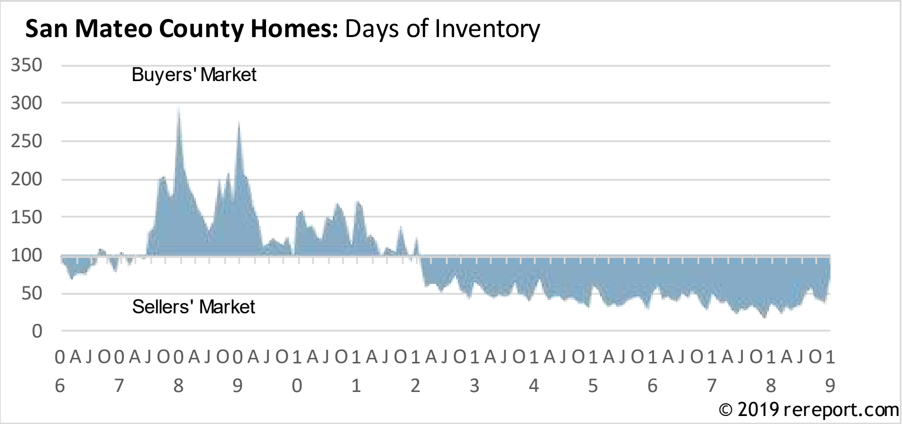

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We have known for some time that home sales were slowing due to a combination of higher home prices, higher mortgage rates and a lack of desirable inventory. As well, we saw measurable declines in homebuilder sentiment indexes in November and December as they fell back to earth from lofty levels, but believed that a couple of point rebound in January might have revealed an uptick in sales of new homes.

In fact, the delayed November report covering sales of new homes out this week did just that, revealing that a significant rebound in sales took place during November. The report noted that the annualized rate of sale rose by 95,000 to 657,000 units, the best reading since March 2018; Of course, this flare in sales was arguably caused by price cutting by builders to help clear inventory, as the month-to-month change in median sales prices fell by more than 10%. With the boos in sales, inventory levels at the present pace of sale fell back to six months (some 330,000 units, the highest actual-unit figure of the years-long recovery and expansion).

It's unlikely that existing homeowners would (or could) cut prices so aggressively, which in turn would help fuel more sales of existing homes, so potential buyers will have to content themselves with mortgage rates about a half-percentage point below recent peaks to help offset affordability troubles. That said, lower rates may not be sufficient to provide much immediate help, as the National Association of Realtors reports that Pending Home Sales Index declined another 2.2% in December, a twelfth consecutive month that this index has posted year-over-year declines.

For the moment, though, markets think a Fed on hold and not saying where it thinks it is going is a good thing. That said, data will drive interest rates, and after the "dovish" Fed messaging Wednesday saw rates trending lower, solid data countered that on Thursday and Friday, firming them back up again. Overall, the yield on the influential 10-year Treasury ended the week at a lower level than where it began, so we think there's a good chance that the average 30-year FRM reported by Freddie Mac next week will likely shed a few basis points, perhaps even 5 or 6... unless investors change their thinking, of course.

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

SOUTHWEST REGION LEADS IN ANNUAL GAINS ACCORDING TO S&P CORELOGIC CASE-SHILLER INDEX

NEW YORK, JANUARY 29, 2019 – 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 November 2018 shows that the rate of home price increases across the U.S. has continued to slow. More than 27 years of history for these data series is available, and can be accessed in full by going to: https://bit.ly/2HY7m6h

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