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April 2020 *Inside This Issue*

San Mateo County Real Estate Trends Report

Home Sales Fall in March

Sales of single-family, re-sale homes fell in March compared to last year. I think we all expected this amidst the Covid-19 pandemic. Home sales were down 9.8%. There were 267 homes sold in San Mateo County last month. The average since 2003 is 398.

We expect home sales to continue dropping for the next two months.

The sales price to list price ratio rose from 105% to 106.2%. That’s the highest it has been since October 2018.

Inventory of single-family, re-sale homes was down 23.3% compared to last year. That is the eighth month in a row inventory has been lower than the year before. As of April 5th, there were 329 homes for sale in San Mateo County. The average since January 2000 is 1,287.

The median sales price for single-family, re-sale homes was up, year-over-year, by 9.1%. The average price was up 9.8%.

The median sales price was up 13.7% compared to February. The average sales price was down 1.0%.

Days of Inventory, or the amount of time it would take to sell all homes for sale divided by how many homes have sold, fell eight days to thirty-seven days.

It took twenty-two days to sell a home last month. That is down from thirty in February. That is the time from when a home is listed to when it goes into contract.

The median sales price for re-sale condos rose 5.8% year-over-year. It was up 13.7% from February. The average sales price fell 1% from February. Year-over-year, the average sales price gained 9.8%.

Condo sales rose 13% year-over-year. Condo sales were up 29.6% from February.

Inventory fell 36.1% year-over-year. It was down 0.3% compared to February.

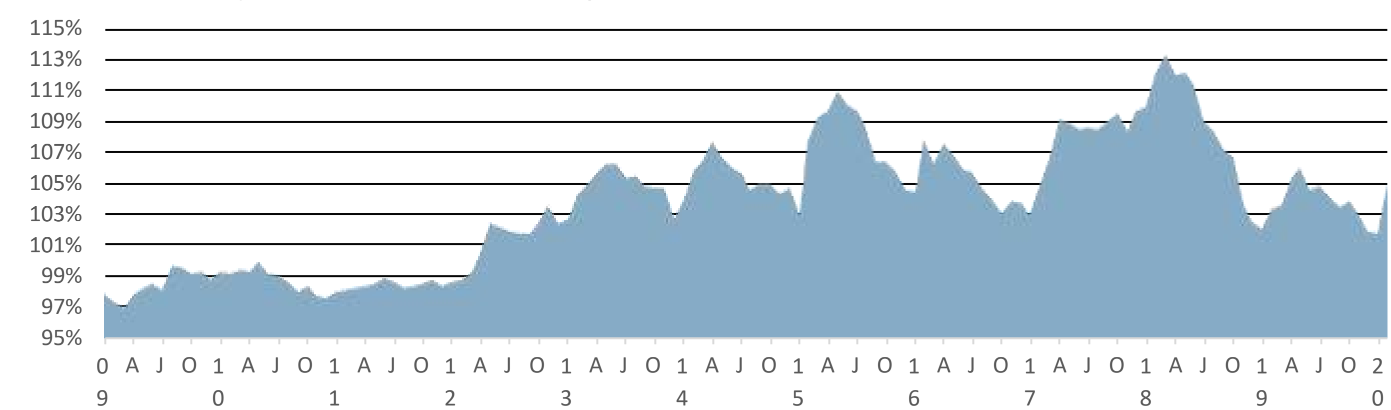
As of April 5th, there were 76 condos for sale in San Mateo County. The average since January 2003 is 350.

Days of inventory dropped to twenty from thirty-seven.

It took only seventeen days to sell a condo.

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

San Mateo County Homes: Sales Price/Listing Price Ratio



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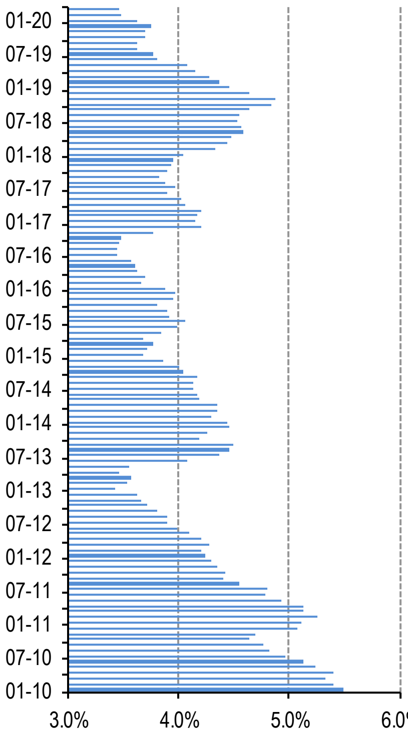
30-Year Fixed Mortgage Rates



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

Hard Economic Realities

Mar. 27, 2020 -- The first signs of the effects of the shutdown of broad regions and wide swaths of the economy showed this week, even as the Federal Reserve and federal government moved to improve the functioning of financial markets and try to ameliorate the damage of a hard stop for most economic activity.

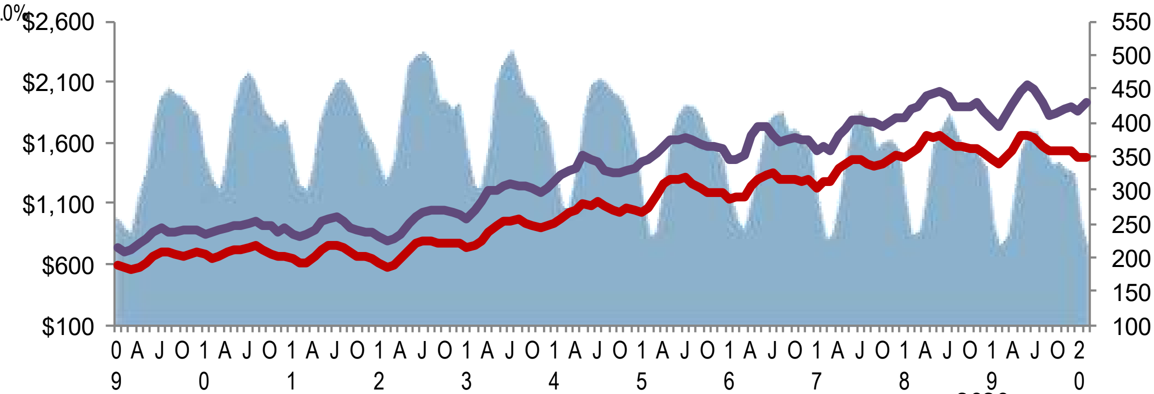
Last week, the Federal Reserve announced a re-start of QE programs to buy up Treasuries and MBS – $500 billion and $200 billion, respectively. After the Fed ran through much of that cash in just the fire few days of the program, markets began to seize up again as investors continued a mad dash to sell holdings and rush to cash. Likely fearing another terrible opening for the financial markets on Monday morning, the Fed announced it would have no limits on how many Treasuries or MBS it would purchase, saying "The Federal Reserve will continue to purchase Treasury securities and agency mortgage-backed securities in the amounts needed to support smooth market functioning and effective transmission of monetary policy to broader financial conditions."

This reassured investors that there would be a purchaser in the markets for these instruments regardless of price or yield, and did finally seem to have the desired effect. Interest rates began to settle; the yield on the 10-year Treasury was as high as 1.26% last Thursday, but closed on Friday at about 0.68%. Stock markets rallied starting Tuesday as the shape of the $2 trillion stimulus bill began to show, but faded on Friday. The selloff did show that markets were functioning more normally – stocks selling off led to bond buys, driving yields down. In recent weeks, both stocks and bonds were being liquidated, so stock prices were falling and bond yields were rising.

Suffice it to say that the Fed actions are a virtual firehose of liquidity aimed at as many facets of the financial markets as the Fed can reach. It seems very likely that if stress shows someplace else, the Fed will look to quickly address it. One such place might be seen in our own backyard, so to speak, for

(Continued on page 4)

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



San Mateo County - March 2020												
Single-Family Homes								% Change from Year Before				
	Prices							Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SMC	$ 1,750,000	$ 2,126,710	267	242	329	37	106.2%	9.4%	9.8%	-9.8%	-25.1%	-23.3%
Atherton	$ 7,000,000	$ 6,493,000	5	2	22	132	95.3%	31.6%	-22.2%	-16.7%	-33.3%	0.0%
Belmont	$ 1,950,000	$ 2,082,700	8	16	12	45	104.9%	10.6%	14.7%	-50.0%	14.3%	100.0%
Brisbane	$ 1,489,000	$ 1,489,000	2	4	0	0	101.8%	25.7%	25.7%	100.0%	33.3%	0.0%
Burlingame	$ 2,150,000	$ 2,661,000	13	8	14	32	104.4%	-25.9%	-11.7%	-18.8%	-46.7%	-36.4%
Daly City	$ 1,227,500	$ 1,246,030	18	19	12	20	113.5%	35.0%	29.0%	28.6%	-36.7%	-33.3%
East Palo Alto	$ 900,000	$ 900,000	2	2	12	180	99.0%	-20.8%	-17.1%	-75.0%	-85.7%	71.4%
El Granada	$ 1,175,000	$ 1,175,000	1	4	4	120	102.2%	-5.6%	-11.2%	-66.7%	33.3%	-20.0%
Foster City	$ 1,988,890	$ 1,972,980	11	7	5	14	107.4%	18.7%	10.8%	83.3%	-30.0%	66.7%
Half Moon Bay	$ 1,525,000	$ 1,703,570	7	9	15	64	101.0%	8.9%	20.8%	-36.4%	-25.0%	-25.0%
Hillsborough	$ 5,275,000	$ 5,144,290	7	9	28	120	98.7%	52.5%	32.6%	0.0%	-25.0%	3.7%
Menlo Park	$ 2,625,000	$ 2,804,390	22	18	19	26	104.3%	19.3%	9.7%	-4.3%	-21.7%	-59.6%
Millbrae	$ 1,550,000	$ 1,652,000	5	9	10	60	99.8%	-19.1%	-13.3%	-44.4%	-40.0%	-44.4%
Montara	$ 1,337,500	$ 1,337,500	2	1	8	120	100.2%	1.7%	-0.9%	-66.7%	-88.9%	166.7%
Moss Beach	$ 1,340,000	$ 1,340,000	2	2	8	120	101.1%	-55.0%	-55.0%	100.0%	0.0%	-11.1%
Pacifica	$ 1,332,500	$ 1,328,930	14	11	19	41	112.6%	31.9%	29.4%	-12.5%	-52.2%	111.1%
Portola Valley	$ 4,300,000	$ 4,533,290	4	4	17	128	97.6%	-28.3%	-24.4%	100.0%	-20.0%	30.8%
Redwood City	$ 1,900,000	$ 1,998,560	41	33	35	26	104.4%	16.5%	5.3%	2.5%	-34.0%	-30.0%
Redwood Shores	$ 2,150,000	$ 2,150,000	1	3	0	0	113.2%	29.9%	32.0%	-66.7%	0.0%	-33.3%
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	$ 1,245,000	$ 1,218,640	14	14	7	15	107.7%	10.4%	11.5%	0.0%	16.7%	0.0%
San Carlos	$ 2,252,500	$ 2,340,890	20	9	8	12	102.9%	3.8%	8.3%	-4.8%	-66.7%	-60.0%
San Mateo	$ 1,725,000	$ 1,852,470	43	32	28	20	109.7%	6.8%	8.1%	26.5%	-28.9%	-22.2%
Woodside	$ 1,795,000	$ 2,830,380	8	9	29	109	98.4%	-35.0%	1.0%	33.3%	80.0%	20.8%

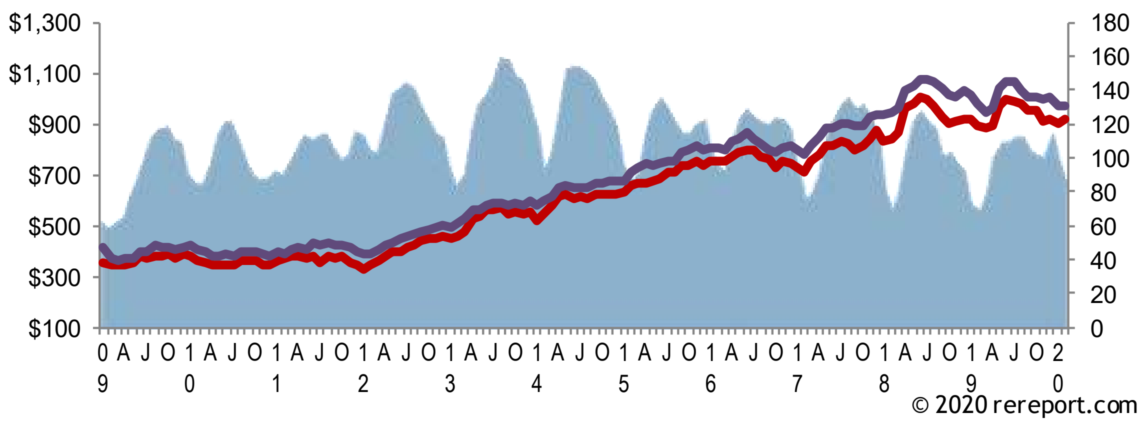
Trends at a Glance

(Single-family Homes)

	Mar 20	Month %	Feb 20	Year %	Mar 19
Median Price:	$1,750,000	13.7%	$1,538,500	9.4%	$1,600,000
Average Price:	$2,126,710	-1.0%	$2,148,380	9.8%	$1,937,100
Home Sales:	267	29.6%	206	-9.8%	296
Pending Sales:	242	-6.2%	258	-25.1%	323
Active Listings:	329	-0.3%	330	-23.3%	429
SP/LP Ratio	106.2%	1.1%	105.0%	2.5%	103.5%
Days on Market	22	-26.6%	30	-21.8%	28
Days of Inventory:	37	-17.6%	45	-15.0%	43
(Condominiums)					
	Mar 20	Month %	Feb 20	Year %	Mar 19
Median Price:	$1,000,000	5.2%	$951,000	5.8%	$945,000
Average Price:	$1,047,920	7.6%	$974,077	6.1%	$987,536
Home Sales:	113	54.8%	73	13.0%	100
Pending Sales:	113	-23.6%	148	17.7%	96
Active Listings:	76	-20.8%	96	-36.1%	119
SP/LP Ratio	103.8%	0.6%	103.1%	1.7%	102.1%
Days on Market	17	-55.1%	37	-43.6%	30
Days of Inventory:	20	-45.2%	37	-43.5%	36

San Mateo County Condos - Median & Average Prices & Sales

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



San Mateo County - March 2020

Condominiums	Prices							% Change from Year Before Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SMC	$ 1,000,000	$ 1,047,920	113	113	76	20	103.8%	5.8%	6.1%	13.0%	17.7%	-36.1%
Belmont	$ 1,044,000	$ 1,046,620	6	0	1	5	101.1%	-28.7%	-12.4%	-25.0%	-25.0%	700.0%
Burlingame	$ 1,345,000	$ 1,259,000	6	4	3	15	99.5%	27.5%	14.0%	-71.4%	50.0%	200.0%
Daly City	$ 655,000	$ 635,333	15	10	2	4	105.2%	-3.1%	-2.8%	14.3%	-83.3%	200.0%
Foster City	$ 1,277,440	$ 1,209,820	16	12	8	15	103.9%	-12.5%	10.2%	-23.1%	21.4%	333.3%
Menlo Park	$ 1,655,000	$ 1,537,500	6	6	6	30	100.4%	4.5%	-8.3%	20.0%	-25.0%	-66.7%
Pacifica	$ 807,500	$ 799,833	6	2	2	10	105.5%	7.6%	-10.0%	-75.0%	33.3%	100.0%
Redwood City	$ 1,290,230	$ 1,116,480	7	7	9	39	106.8%	-10.0%	-6.4%	-27.3%	-50.0%	-20.0%
Redwood Shores	$ 1,365,000	$ 1,365,000	1	2	2	60	113.9%	-4.2%	5.2%	-83.3%	-66.7%	-50.0%
San Bruno	$ 631,000	$ 631,000	2	3	6	90	102.9%	-2.3%	26.6%	-14.3%	-37.5%	150.0%
San Carlos	$ 1,340,500	$ 1,300,750	16	38	6	11	103.1%	-6.0%	5.8%	33.3%	66.7%	700.0%
San Mateo	$ 1,055,000	$ 974,182	16	21	18	34	103.6%	4.5%	9.7%	-6.7%	3.1%	-29.2%
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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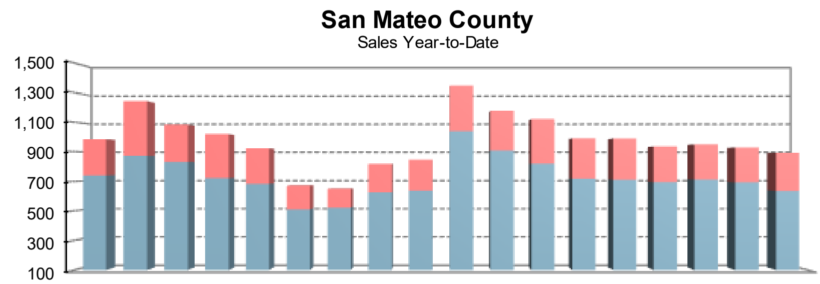


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Condos	243	372	254	296	239	162	128	190	208	307	271	305	271	277	240	236	235	257
Homes	741	871	829	723	683	509	521	626	637	1,039	907	817	719	712	695	713	693	635

(Continued from page 2)

while government-engineered or -backed mortgage markets remain functional, private mortgage markets for non-QM loans remain largely closed and jumbo mortgages somewhat more difficult to come by.

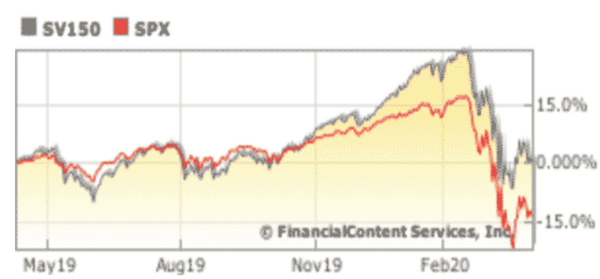
In recent weeks, investors have shunned risk, and there certainly can be plenty of risk in making money available to mortgage lenders who are making loans without government backing to borrowers. As such, funding for these kinds of loans has dried up; at the same time, there are few investors at the moment who might be interested in buying up any loans or MBS comprised of non-guaranteed mortgages. Jumbo markets are still supported in both direct and indirect ways; Fannie and Freddie will buy loans with amounts of up to $765,600 in "high-cost" areas, and depository institutions are almost always interested in making high-dollar loans to customers with the best possible credentials, if probably less so at the moment.

It is good that the Fed has pledged unlimited amounts of MBS purchases, because selling them to investors might prove difficult for a while. Risks of investing in mortgages are on the rise, not only from consumers losing their incomes due to shutdowns creating payment risk but also from various government forbearance programs that may allow mortgage holders to skip making payments for up to a full year. Couple this with the surge in prepayment risk from able homeowners refinancing (something that will likely cool due to job loss in the near term, but may re-fire as mortgage rates will probably test "all-time" lows again in the coming weeks or months), and keeping in mind that new MBS will likely be issued at or near record low yields, it's not hard to see why investors might not want them... and why the Fed may need to buy up a huge number of them.

Of course, risks in mortgages are likely to persist long after the coronavirus pandemic has been quelled as the effects of the government mandated recession. This will probably result in at least some future need for measures beyond temporary forbearance for some borrowers, and while it's too soon to tell, we may again be looking at the need for loan modifications for some borrowers at some point.

Sales of new homes were still solid in February, running at a 765,000 annual clip, down a little from an upwardly-revised 800K figure for January. There were 5 months of available supply of new homes at the February sales pace, with 319,000 actual units built and ready to be sold. That was the lowest figure since August 2018, and suggested that we would see a faster pace of building heading into the spring. Again, this is no longer likely.

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

S&P CORELOGIC CASE-SHILLER INDEX SHOWS CONTINUED GROWTH IN ANNUAL HOME PRICE GAINS TO START 2020

NEW YORK, March 31, 2020 – 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 January 2020 show that home prices continue to increase at a modest rate across the U.S. More than 27 years of history are available for these data series, and can be accessed in full by going to

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