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A unique "whole-istic" approach to real estate ownership

**June 2022** *Inside This Issue*

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# Santa Clara County Real Estate Trends Report

## Sales Prices Up, Sales Down

The median sales price for single-family, re-sale homes rose 16% compared to last year. It was \$1,925,000. That's the thirtieth month in a row the median sales price has been higher than the year before.

The average sales price for single-family, re-sale homes was up 14.1% year-over-year.

The sales price to list price ratio fell from 116.1% to 112.6%. Multiple offers continue to be the norm.

Sales of single-family, re-sale homes were down for the ninth month in a row, year-over-year, in May. Sales fell 19.5%. There were 886 homes sold in Santa Clara County last month. The monthly average since 2000 is 987.

Pending sales were up 0.8% year-over-year.

After being down, year-over-year, thirty months in a row, inventory of single-family, re-sale homes was up for the third month in a row. It gained 40.4% compared to last year.

As of June 5th, there were 924 homes for sale in Santa Clara County. The average since January 2000 is 2,703.

Days of Inventory, or how long it would take to sell all homes listed for sale at the current rate of sales, rose from 23 days to 31 days. The average since 2003 is 89.

It took only eleven days to sell a home last month. That is the time from when a home is listed for sale to when it goes into contract.

The median sales price for condos was up 20% compared to last May. It set a new high for the fourth month in a row. The average sales price gained 13.5% year-over-year.

Condo sales were down 6.6% year-over-year. There were 441 condos sold in May.

The sales price to list price ratio fell from 112% to 110.1%.

Condo inventory rose 12% compared to last May.

As of June 5th, there were 412 condos for sale in Santa Clara County. The average since January 2000 is 757.

Days of inventory rose from eighteen to twenty-eight.

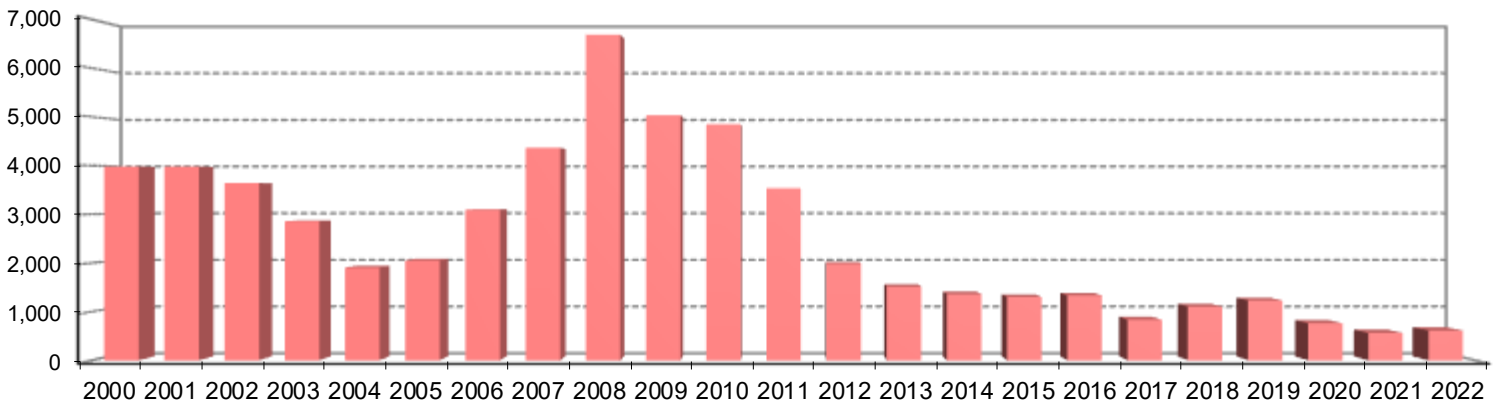
It took an average of twelve days to sell a condo last month.

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

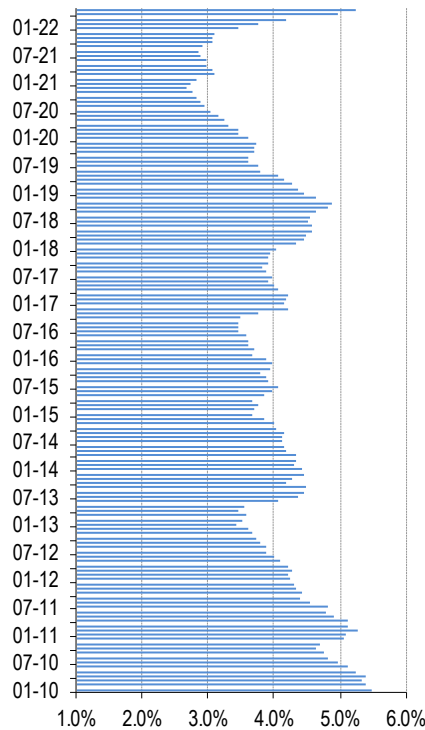
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**Santa Clara County**  
Average Active Listings SFR YTD



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/>.

# A Little Off the Top

**May 27, 2022** -- It's a little too soon to make any kind of declarations that the considerable inflation pressures we've been experiencing for more than a year may have peaked. There are still plenty of influences on prices that may yet kick costs higher, including lockdowns in China to combat COVID-19 further distorting supply chains, the effects of the War in Ukraine and sanctions on Russia and still-rising labor costs here in the U.S. All that said, the latest indications on price pressures nonetheless suggest that a little has come off the top of inflation of late.

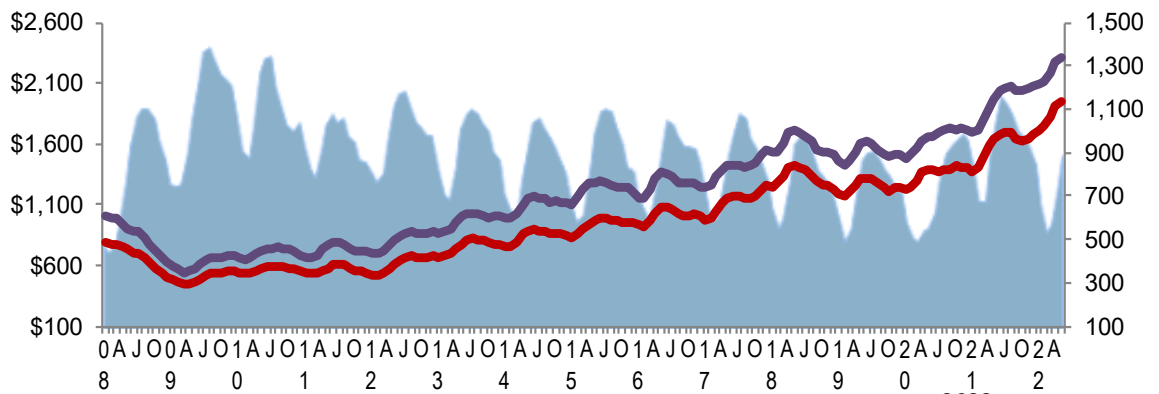
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This revelation was a little different for the central bank, who has a history of raising rates until inflation or the economy has broken, and suggests a more cautious approach in an uncertain economic and political climate. To be fair, the Fed does not actually know where "neutral" is for the federal funds rate; some have suggested that this may be 2.5%, some higher. Keeping in mind that even if the Fed does raise the funds rate by a half-percentage point at both the June and July meetings that this would only place it at 2%, and still rather below even conservative estimates of "neutral".

With this in mind, and if inflation shows further signs of slowing by then, it would be reasonable to expect quarter-point moves in September and perhaps December. With half-point increases already fully expected for the next two meetings, futures markets currently place a 56% chance of a 25 basis point lift in September, and a better-than-average likelihood of additional quarter-point increases in November and December. Should that happen, fed funds would be at 2.75%. Adding to these policy changes is the effect of

(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 - May 2022												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 1,925,000	\$ 2,312,090	886	1,375	924	31	112.6%	16.0%	14.1%	-19.5%	0.8%	40.4%
Campbell	\$ 2,160,000	\$ 2,160,460	35	30	26	22	112.8%	17.9%	10.1%	16.7%	-11.8%	36.8%
Cupertino	\$ 3,219,000	\$ 3,475,780	18	41	26	43	114.1%	11.0%	21.1%	-33.3%	7.9%	23.8%
Gilroy	\$ 1,210,000	\$ 1,250,550	49	76	51	31	106.3%	12.3%	5.4%	-18.3%	-11.6%	88.9%
Los Altos	\$ 4,700,000	\$ 4,882,440	27	42	33	37	111.6%	22.1%	21.8%	-30.8%	0.0%	65.0%
Los Altos Hills	\$ 5,700,000	\$ 6,593,330	9	12	20	67	112.3%	8.1%	26.3%	50.0%	-29.4%	-23.1%
Los Gatos	\$ 2,500,000	\$ 3,071,820	45	70	55	37	111.0%	3.1%	18.4%	-32.8%	-16.7%	3.8%
Milpitas	\$ 1,557,500	\$ 1,687,230	16	26	25	47	110.1%	9.1%	17.4%	-33.3%	-29.7%	212.5%
Monte Sereno	\$ 5,525,000	\$ 5,525,000	1	9	8	240	101.4%	60.1%	64.8%	-80.0%	-10.0%	14.3%
Morgan Hill	\$ 1,550,000	\$ 1,652,390	47	68	55	35	105.8%	17.0%	16.2%	-36.5%	-12.8%	77.4%
Mountain View	\$ 2,550,000	\$ 2,620,910	23	51	31	40	116.5%	2.8%	1.2%	-56.6%	70.0%	47.6%
Palo Alto	\$ 3,800,000	\$ 4,351,480	41	76	52	38	108.6%	14.8%	11.2%	-24.1%	43.4%	4.0%
San Jose	\$ 1,742,500	\$ 1,864,960	450	656	441	29	113.0%	22.7%	21.1%	-28.3%	6.7%	66.4%
Santa Clara	\$ 1,910,000	\$ 1,959,850	46	64	32	21	117.5%	18.3%	22.6%	-8.0%	-7.2%	6.7%
Saratoga	\$ 4,150,000	\$ 4,126,260	22	56	32	44	112.2%	35.3%	22.8%	-38.9%	55.6%	0.0%
Sunnyvale	\$ 2,588,480	\$ 2,510,050	62	95	43	21	119.0%	17.7%	13.4%	-1.6%	30.1%	16.2%

**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)

	May 22	Month %	Apr 22	Year %	May 21
Median Price:	\$1,925,000	-1.3%	\$1,950,000	16.0%	\$1,660,000
Average Price:	\$2,312,090	0.0%	\$2,312,260	14.1%	\$2,026,750
Home Sales:	886	-7.7%	960	-19.5%	1,101
Pending Sales:	1,375	-1.2%	1,392	0.8%	1,364
Active Listings:	924	22.1%	757	40.4%	658
Sale/List Price Ratio:	112.6%	-3.0%	116.1%	2.3%	110.1%
Days on Market:	11	11.2%	10	-17.6%	13
Days of Inventory:	31	36.8%	23	74.5%	18

## (Condominiums)

	May 22	Month %	Apr 22	Year %	May 21
Median Price:	\$1,080,000	2.9%	\$1,050,000	20.0%	\$900,000
Average Price:	\$1,111,630	-1.0%	\$1,123,240	13.5%	\$979,615
Home Sales:	441	-11.3%	497	-6.6%	472
Pending Sales:	520	-12.5%	594	-15.0%	612
Active Listings:	412	32.9%	310	12.0%	368
Sale/List Price Ratio:	110.1%	-1.7%	112.0%	5.3%	104.6%
Days on Market:	12	21.4%	10	-38.7%	20
Days of Inventory:	28	54.9%	18	19.8%	23

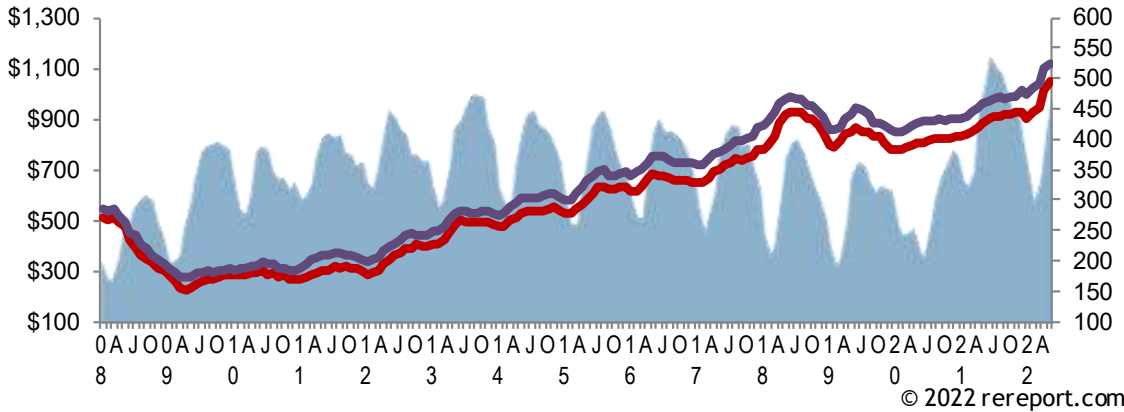
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 or [email me](#)  
 to schedule a complimentary and confidential meeting.

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)



### 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

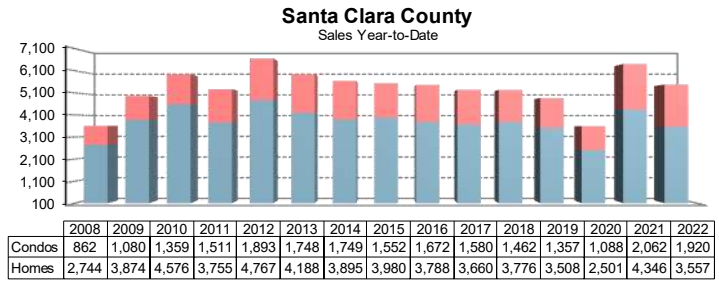
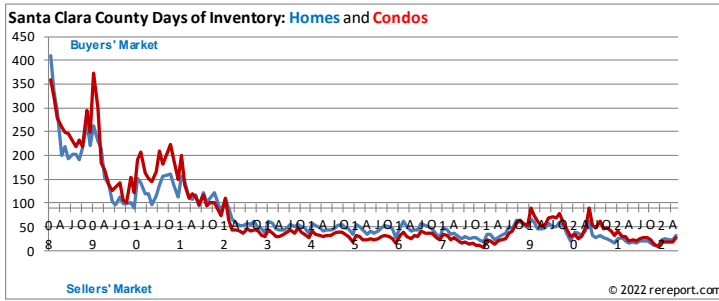
Number of properties actively for sale as of the last day of the month.

### Santa Clara County - May 2022

Condominiums	Prices							% Change from Year Before				
	Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'
SCC	\$1,080,000	\$1,111,630	441	520	412	28	110.1%	20.0%	13.5%	-6.6%	-15.0%	12.0%
Campbell	\$1,201,000	\$1,310,870	15	13	12	24	117.2%	28.4%	36.1%	-46.4%	-31.6%	0.0%
Cupertino	\$1,826,000	\$1,790,860	7	10	10	43	112.8%	47.9%	38.3%	-56.3%	-47.4%	-9.1%
Gilroy	\$680,000	\$671,750	4	5	5	38	104.9%	33.3%	30.0%	33.3%	-28.6%	150.0%
Los Altos	\$1,280,000	\$1,564,000	5	3	6	36	112.4%	-16.3%	-0.1%	-50.0%	-25.0%	-50.0%
Los Gatos	\$1,284,000	\$1,307,580	20	16	13	20	106.5%	-5.2%	6.3%	0.0%	45.5%	18.2%
Milpitas	\$1,225,000	\$1,177,200	34	34	18	16	111.2%	22.0%	16.4%	21.4%	-5.6%	28.6%
Morgan Hill	\$1,037,780	\$962,884	14	10	9	19	107.8%	25.0%	21.5%	55.6%	-33.3%	200.0%
Mountain View	\$1,280,000	\$1,348,320	33	39	30	27	110.3%	6.7%	11.9%	-32.7%	-20.4%	11.1%
Palo Alto	\$1,600,000	\$1,523,760	9	13	26	87	106.0%	11.9%	9.0%	-18.2%	30.0%	30.0%
San Jose	\$912,500	\$931,407	216	271	184	26	110.0%	20.4%	17.3%	-29.2%	-3.9%	2.2%
Santa Clara	\$1,221,000	\$1,149,970	33	53	45	41	111.7%	48.3%	24.5%	10.0%	35.9%	9.8%
Saratoga	\$1,000,000	\$1,388,000	5	6	2	12	107.0%	-19.9%	9.3%	-28.6%	-25.0%	-71.4%
Sunnyvale	\$1,425,000	\$1,382,300	46	47	52	34	108.9%	7.5%	8.4%	2.2%	-16.1%	40.5%

# 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)

Quantitative Tightening as the Fed start running off its balance sheet next week. This process may add the equivalent of another quarter-point increase over time, too.

Although the Fed has lifted short-term rates just a bit, market-engineered interest rates (including mortgage rates) have flared considerably higher since the calendar turned. Although plateauing of late, the damage of higher interest rates applied against ever-rising home costs is beginning to show in a more pronounced way. Case-in-point is the April report covering sales of new homes; although subject to considerable revision, the latest report detailed a 16.6% month-to-month decline in sales of newly-built dwellings, with the 591,000 annual run rate the lowest since December 2018. Falling affordability is at the heart of the decline; the price of a new home came in at a record \$450,600, up 19.6% from a year ago, and these purchases would need to be financed with about a 5% thirty-year fixed-rate mortgage. As recently as five months ago, that pairing would have been \$398,500 and about 3%, so the change in affordability has been abrupt and ongoing. With the slump in sales, the inventory-to-sales ratio rose to nine months of supply, an actual 440,000 units ready to go, the highest number in about 14 years. If sales don't start to pick up in the months ahead, it's a logical assumption that construction of new homes will start to retreat, too.

Affordability issues aren't limited to just the new home market. Sales of existing homes have been tailing of late from the same adverse conditions, exacerbated by a lack of existing homes to buy. Expect more of the same heading into the summer. The National Association of Realtors Pending Home Sales Index declined by another 3.9% in April, a sixth consecutive monthly decline in the number of contracts signed to purchase a home, and sales initiated by these contract signings won't show up in existing home sales numbers until May and June (released late June and July, respectively). The current level of the index is roughly equivalent to that last seen in December 2018 (leaving out the hard stop of the first two months of the pandemic in 2020, when shutdowns prevented any kind of activity, let alone buying a home). At this level, existing home sales will probably drop into the 5.3 million or so range.

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 Index Reports Annual Home Price Gain of 20.6% in March

**NEW YORK, MAY 31, 2022:** S&P Dow Jones Indices (S&P DJI) 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 March 2022 show that home prices continue to increase across the U.S. More than 27 years of history are available for the data series and can be accessed in full by going to [CLICK HEAR](#)

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