



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

**October 2022** *Inside This Issue*

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# Santa Clara County Real Estate Trends Report

## Home Sales Prices Mixed

The median sales price for single-family, re-sale homes rose, month-over-month. It was up 3% from August. It was up 5.6% compared to last year.

The average sales price for single-family, re-sale homes was up 1.8%, month-over-month. It was down 4% year-over-year.

Sales of single-family, re-sale homes were down for the thirteenth month in a row, year-over-year, in September. Sales fell 22.8%. There were 726 homes sold in Santa Clara County last month. The monthly average since 2000 is 987.

The sales price to list price ratio rose from 100% to 100.4%. Multiple offers continue to be the norm.

Pending sales were down 12.9% 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 seventh month

in a row. It gained 37.6% compared to last year. As of October 5th, there were 929 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, fell from 38 days to 37 days. The average since 2003 is 89.

It took twenty-eight 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 down 0.9% compared to last September. The average sales price rose 3.4% year-over-year.

Condo sales were down 29.2% year-over-year. There were 320 condos sold in September.

The sales price to list price ratio fell from 100.1% to 100%.

Condo inventory fell 4.3% compared to last September.

As of October 5th, there were 396 condos for sale in Santa Clara County. The average since January 2000 is 757.

Days of inventory fell from forty to thirty-six.

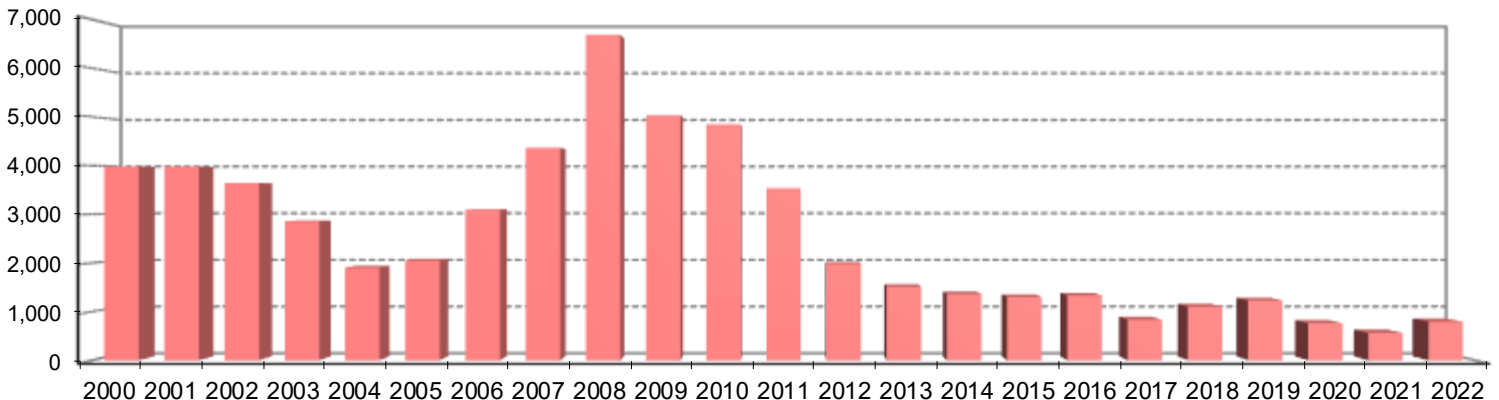
It took an average of twenty-eight days to sell a condo last month.

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

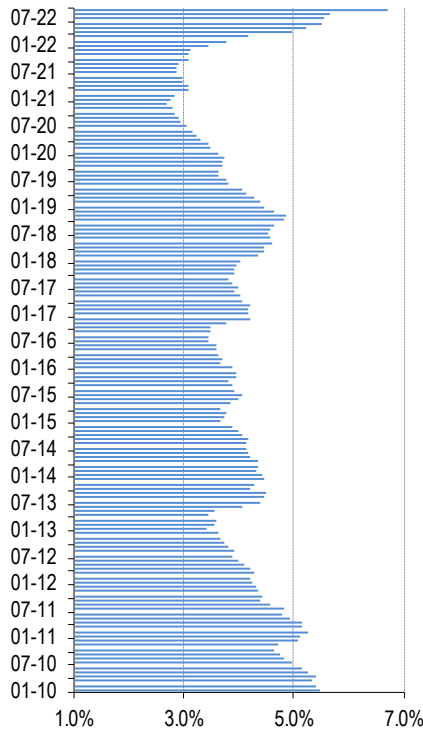
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**Santa Clara County**  
Average Active Listings SFR YTD



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/>.

The Labor Leg

**Sept 30, 2022** -- Once the labor market begins to slow, inflation will likely start to decline. Of course, the question is "when will that start to happen?", but outside of "probably not too long from now", the timing is uncertain. It is perhaps the last leg of an economic tripod that has yet to respond to the new economic climate.

The strong bout of inflation helped foster the steepest rise in mortgage rates in many decades, leaving them now at about 15-year highs. As might be expected, the fast run-up in rates has crushed the housing market, first cutting off the refinancing market, where skipping a monthly payment and then starting a new loan with lower payments freed up billions of spendable dollars, further fueling the economy and keeping aggregate demand high. Refinancing activity has declined to about a 22-odd year now, and even higher mortgage rates of late will keep it from returning anytime soon.

Homebuying was next. Already challenged by spiking home prices due to an imbalance of supply and demand, the monthly payment increases that higher prices and more-than-decade high mortgage rates brought have cooled home sales by 25% or

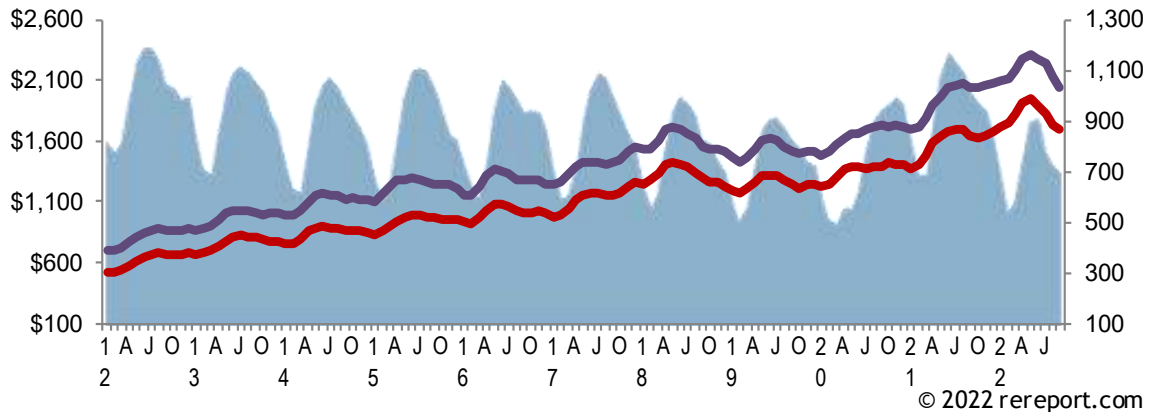
more. Although sales of new homes managed a bump for August, where a 28.8% month-to-month increase put the annualized rate of sale at 685,000 units, consider this to be an outlier in a downtrend that began in January. Mortgage rates in August suddenly and unexpectedly had a short-but-significant drop, with Freddie Mac's offered rate for a 30-year FRM ticking back to 4.99% for a brief time. Folks in the market jumped at the chance to grab the lowest rate in months, but this doesn't change the overall picture.

July's 532,000 annual rate of new home sales was 36% below the pace at the beginning of the year, and even with the August improvement the decline is still 18%. Builders also moved likely inventory at a faster clip using discounts, since the median price of a new single-family home sold last month was about \$33K less than one sold in July, a 6.3% month-to-month decline. Since that temporary August low for rates, mortgage rates have risen almost 1.75 percentage points and potential buyers have retreated.

We learned last week that sales of existing homes eased in August, posting a 0.4% drop to a 4.80 million annual rate, the slowest pace of existing sales in

(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 - September 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	\$ 1,700,000	\$ 1,995,050	726	1,191	929	37	100.4%	5.6%	-4.0%	-22.8%	-12.9%	37.6%
Campbell	\$ 1,720,000	\$ 1,821,620	28	32	20	21	99.3%	-2.3%	-9.4%	-9.7%	-13.5%	25.0%
Cupertino	\$ 2,788,000	\$ 2,876,570	19	35	25	38	99.7%	-2.2%	-3.9%	-42.4%	-22.2%	56.3%
Gilroy	\$ 1,115,000	\$ 1,284,970	38	53	66	50	98.6%	6.2%	15.1%	-15.6%	-17.2%	78.4%
Los Altos	\$ 4,125,000	\$ 4,150,100	32	40	41	37	99.2%	7.1%	-1.4%	-3.0%	29.0%	70.8%
Los Altos Hills	\$ 3,893,850	\$ 3,893,850	2	12	18	261	100.6%	-24.8%	-22.0%	-71.4%	-47.8%	50.0%
Los Gatos	\$ 2,580,000	\$ 2,940,640	27	64	63	68	99.5%	11.4%	9.9%	-43.8%	-15.8%	-1.6%
Milpitas	\$ 1,291,000	\$ 1,457,010	18	24	23	37	100.1%	-9.4%	-3.1%	-28.0%	-20.0%	27.8%
Monte Sereno	\$ 3,450,000	\$ 3,900,000	4	8	7	51	102.2%	-30.9%	-25.8%	-33.3%	60.0%	-41.7%
Morgan Hill	\$ 1,550,000	\$ 1,639,490	31	58	44	41	98.5%	17.0%	12.2%	-32.6%	7.4%	15.8%
Mountain View	\$ 2,157,000	\$ 2,414,460	23	43	26	33	101.7%	-21.0%	-8.6%	-25.8%	26.5%	62.5%
Palo Alto	\$ 3,248,000	\$ 3,562,980	33	66	72	63	102.6%	-6.5%	-14.4%	-10.8%	4.8%	50.0%
San Jose	\$ 1,450,000	\$ 1,556,090	374	581	441	34	100.4%	0.9%	-0.2%	-24.1%	-8.6%	39.1%
Santa Clara	\$ 1,713,060	\$ 1,774,930	46	54	28	18	101.3%	8.4%	6.8%	-17.9%	-18.2%	0.0%
Saratoga	\$ 3,780,000	\$ 3,952,530	17	38	26	44	99.0%	3.6%	2.3%	-51.4%	-22.4%	4.0%
Sunnyvale	\$ 2,055,000	\$ 2,194,890	35	78	40	33	103.6%	-6.3%	2.0%	-23.9%	0.0%	42.9%

**VISIT**

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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)

	Sep 22	Month %	Aug 22	Year %	Sep 21
Median Price:	\$1,700,000	3.0%	\$1,650,000	5.6%	\$1,610,000
Average Price:	\$1,995,050	1.8%	\$1,959,160	-4.0%	\$2,078,340
Home Sales:	726	-1.1%	734	-22.8%	941
Pending Sales:	1,191	-8.7%	1,305	-12.9%	1,368
Active Listings:	929	-0.5%	934	37.6%	675
Sale/List Price Ratio:	100.4%	0.4%	100.0%	-7.0%	107.9%
Days on Market:	28	12.6%	25	84.7%	15
Days of Inventory:	37	-2.8%	38	78.4%	21

(Condominiums)					
	Sep 22	Month %	Aug 22	Year %	Sep 21
Median Price:	\$920,000	4.2%	\$882,543	-0.5%	\$925,000
Average Price:	\$1,009,470	3.2%	\$978,446	3.4%	\$976,742
Home Sales:	320	12.7%	284	-29.2%	452
Pending Sales:	368	-25.4%	493	-34.9%	565
Active Listings:	396	3.7%	382	-4.3%	414
Sale/List Price Ratio:	100.0%	-0.1%	100.1%	-3.3%	103.4%
Days on Market:	28	14.1%	25	48.8%	19
Days of Inventory:	36	-11.1%	40	35.1%	27

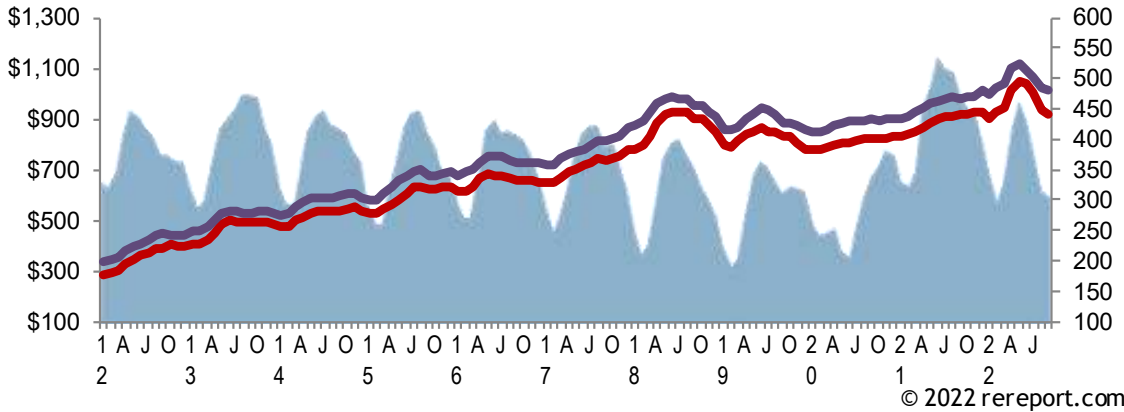
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If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

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 - September 2022

Condominiums								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 920,000	\$ 1,009,470	320	368	396	36	100.0%	-0.5%	3.4%	-29.2%	-34.9%	-4.3%
Campbell	\$ 980,000	\$ 1,016,710	7	8	8	33	101.7%	3.2%	8.9%	-69.6%	-27.3%	-38.5%
Cupertino	\$ 1,301,500	\$ 1,344,610	9	14	14	45	100.4%	-0.6%	1.4%	-40.0%	-22.2%	16.7%
Gilroy	\$ 660,000	\$ 609,967	3	4	3	29	99.9%	5.7%	-6.1%	0.0%	-33.3%	0.0%
Los Altos	\$ 1,817,500	\$ 1,933,750	4	3	11	80	98.2%	17.3%	6.3%	-33.3%	0.0%	37.5%
Los Gatos	\$ 1,292,500	\$ 1,195,000	6	9	19	92	97.6%	-1.7%	0.3%	-70.0%	-50.0%	5.6%
Milpitas	\$ 1,150,000	\$ 1,069,540	13	21	15	33	98.6%	17.9%	10.3%	-40.9%	-47.5%	25.0%
Morgan Hill	\$ 870,000	\$ 864,555	7	4	11	46	98.6%	11.5%	10.5%	0.0%	-71.4%	266.7%
Mountain View	\$ 1,320,000	\$ 1,269,320	22	35	34	45	101.6%	0.0%	-0.2%	-37.1%	-14.6%	-2.9%
Palo Alto	\$ 1,385,000	\$ 1,471,900	10	12	15	44	99.2%	-4.8%	-7.3%	-28.6%	0.0%	-11.8%
San Jose	\$ 835,000	\$ 856,846	177	198	200	33	100.3%	7.1%	4.1%	-20.3%	-30.0%	7.5%
Santa Clara	\$ 825,000	\$ 944,828	29	28	22	22	98.5%	-9.8%	-4.3%	-6.5%	-42.9%	-24.1%
Saratoga	\$ 1,268,000	\$ 1,268,000	2	6	4	58	102.3%	42.5%	21.6%	-60.0%	500.0%	-33.3%
Sunnyvale	\$ 1,428,000	\$ 1,383,250	31	26	40	37	100.2%	10.5%	15.9%	-31.1%	-54.4%	-20.0%

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

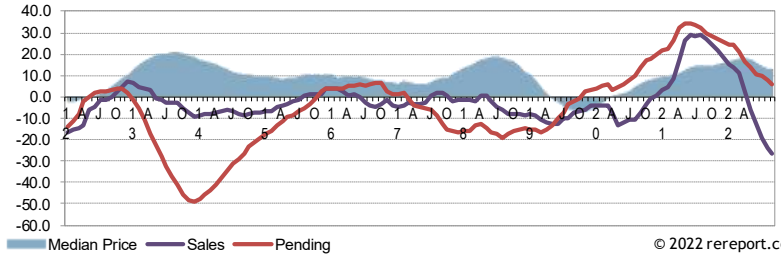
For more information go to <http://urban.realtor/home-buyers-seminar/>

**Santa Clara County**  
Sales Year-to-Date



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Condos	2,039	2,627	2,715	3,068	3,439	3,577	3,418	3,251	3,302	3,196	2,903	2,620	2,360	4,026	3,175
Homes	7,137	9,309	9,193	7,873	9,053	8,390	7,836	8,176	7,668	7,751	7,214	6,814	6,141	8,514	6,458

**Santa Clara County Homes: Momentum**



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(Continued from page 2)

more than eight years. This also represents as 26% decline from the start of this year. With conditions for potential homebuyers worsening as the summer came to a close, fewer contracts to purchase homes were executed in August, and the National Association of Realtors Pending Home Sales Index declined by another 2% last month. Declines in pending home sales have been notched in nine of the last ten months, with only May's 0.4% increase breaking the string of slowness. Leaving out the hard-stop months of the early pandemic, when it wasn't clear how to buy homes at a time of extreme social distancing, the present value for the PHSI is akin to that seen in May 2011, when the housing market was still a huge mess.

So home sales have been crushed, which hurts a range of service-related industries in real estate and finance. Despite a low-rate-infused August bump, home construction has also slowed, dropping from a 1.78 million-unit annual rate of construction in January to July's 1.40 million level (about a 21% drop, with August still an 11.3% drop over that time). As new home construction influences industries ranging from lumber to transportation, the drop in activity is likely starting to slow a range of hard-goods industries.

It's not clear how much more slowing in housing the Fed would like to see. It's not likely that they are hoping for widespread home value declines, which are said to produce a kind of reverse wealth effect and curtailing consumer spending, but how the market values a piece of real estate probably doesn't much concern the Fed. At his press conference last week, Chairman Powell noted "For the longer term what we need is supply and demand to get better aligned so that housing prices go up at a reasonable level, at a reasonable pace, and that people can afford houses again, and I think we, so we probably in the housing market have to go through a correction to get back to that place." He went on to say that "But from a sort of business cycle standpoint, this difficult correction should put the housing market back into better balance."

For the moment, although increases in home prices are cooling, home values still remain well supported.

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 Continued It's Deceleration In July

**NEW YORK, SEPTEMBER 27, 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 July 2022 show that home price gains decelerated across the United States. More than 27 years of history are available for the data series and can be accessed in full by going to [CLICK HERE](#)

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