



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

June 2023 *Inside This Issue*

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Santa Clara County Real Estate Trends Report

Market Continues to Weaken

The median sales price for single-family, re-sale homes fell, month-over-month. It was down 0.1% from April. It was down 7.1% compared to last year.

The average sales price for single-family, re-sale homes was up 1.3%, month-over-month. It was down 7.6% year-over-year.

Sales of single-family, re-sale homes were down for the seventeenth month in a row, year-over-year, in May. Sales fell 16%. There were 747 homes sold in Santa Clara County last month. The monthly average since 2000 is 987.

The sales price to list price ratio rose from 104.8% to 105.4%.

Pending sales were down 6.3% year-over-year.

Inventory of single-family, re-sale homes was down for the second month in a row. It fell

37.7% compared to last year. As of May 5th, there were 647 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 36 days to 26 days. The average since 2003 is 89.

It took eighteen 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 10.9% compared to last May. The average sales price fell 6.5% year-over-year.

Condo sales were down 36.3% year-over-year. There were 283 condos sold in May.

The sales price to list price ratio rose from 103.2% to 103.4%.

Condo inventory was down 52.2% compared to last May.

As of May 5th, there were 221 condos for sale in Santa Clara County. The average since January 2000 is 757.

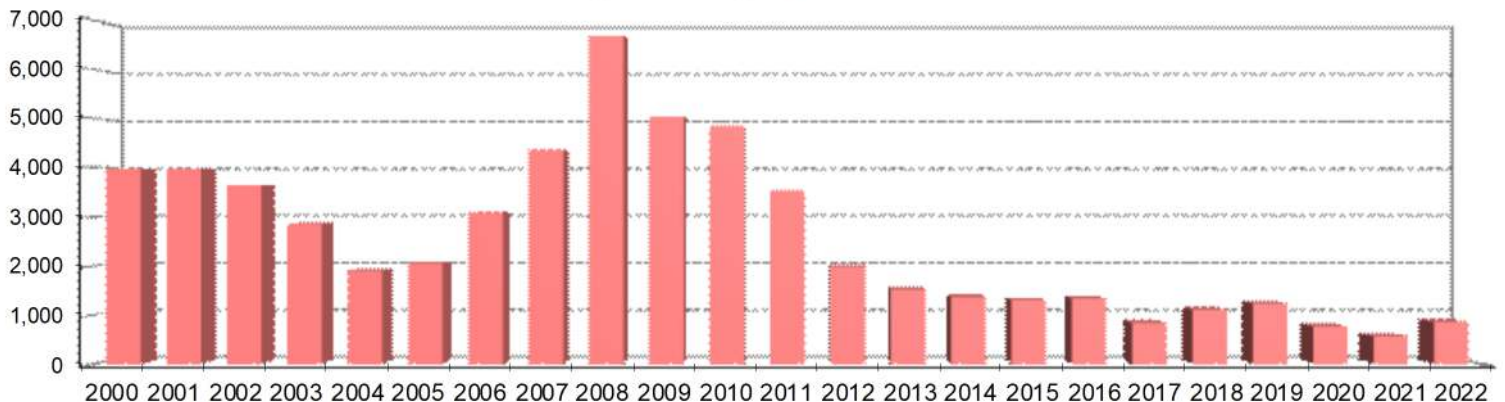
Days of inventory fell from thirty to twenty-three.

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

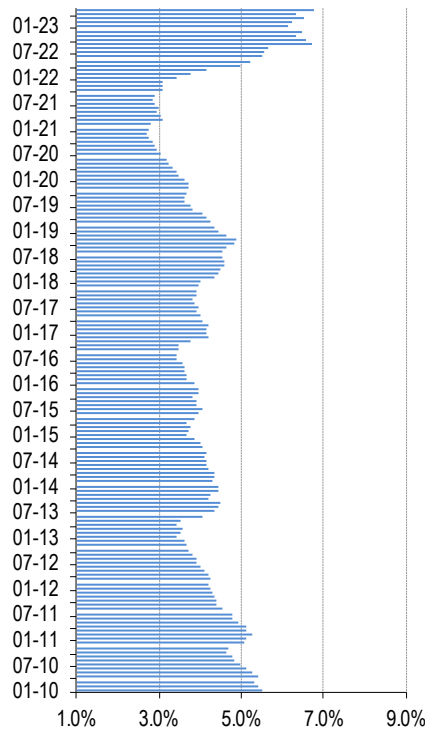
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Santa Clara County
Average Active Listings SFR YTD

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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/>.

Uncertainty Regarding Pause Increasing

Jun 2, 2023 -- It's starting to feel like any decision to pause rate hikes by the Fed -- even for a single meeting -- is going to be a close call. The Fed has theoretically moved to a more data-dependent decision process for monetary policy, as it tries to manage both the lagged economic effects of previous rate hikes and the forward uncertainty created by bank stresses earlier this spring. Since the last Fed meeting, the available data hasn't suggested much by way of a continued cooling in the economy, additional slackening in the labor market or a more appreciable downturn for prices, making the upcoming decision on holding rates steady rather less certain than it seemed a few weeks ago.

Should an economic downturn come, and depending on the shape and form that it takes, the overall housing market may actually do surprisingly well in such conditions. Most typically, the drop in overall demand for goods and services helps lower inflation; this in turn helps lower long-term mortgage rates, sparking refinancing and luring potential homebuyers back into the market, and of course the Fed may look to cut rates, too. Of course, much well the housing market does would depend on

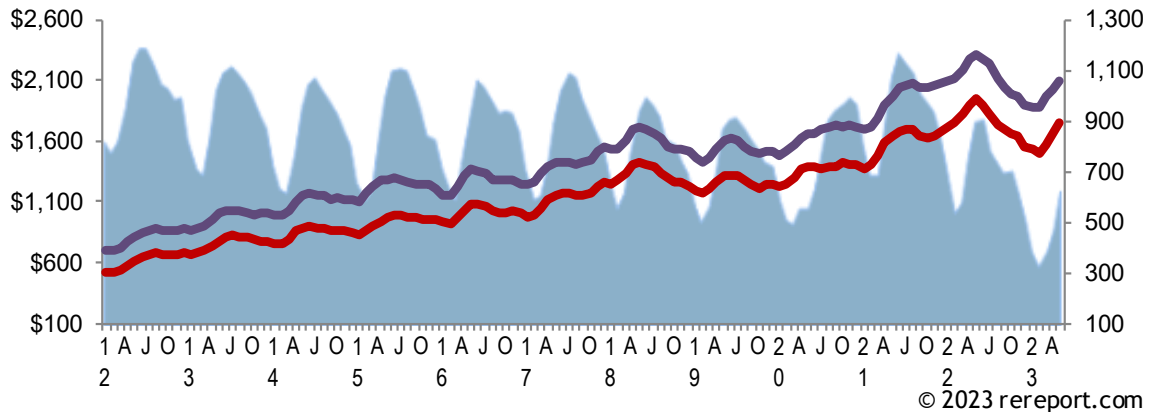
how the job market performs during this time as well as other factors, but it's not uncommon for the housing market to lead the way out of a recession.

We don't have a recession right now, and we certainly don't have the low interest rates (or other conditions) that would help stoke the housing market. The opposite of this is more the case at the moment, and headwinds remain, but that's not to say there are no signs of life here and there for housing.

For example, existing home sales remain burbling along at a low level. Sales did decline a little bit more in April, falling by 3.4% compared to March, and are about 21% below year ago levels. That's actually an improvement of sorts, since existing home sales were down by 37% compared to a year ago as recently as February. Year-ago comparisons will start to look more favorable before long; for example, if the present annual rate of sales holds through July, the same year-ago comparison will show just a 12.3% decline, and so on.

(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 2023										
Single-Family Homes								% Change from Year Before		
Prices								Prices		
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Inven'
SCC	\$ 1,788,000	\$ 2,133,550	747	1,243	647	26	105.4%	-7.1%	-7.6%	-16.0%
Campbell	\$ 1,950,000	\$ 2,081,480	21	20	18	26	106.8%	-9.7%	-3.7%	-40.0%
Cupertino	\$ 2,802,000	\$ 2,747,450	22	41	22	30	104.0%	-13.0%	-21.0%	22.2%
Gilroy	\$ 1,145,000	\$ 1,291,310	33	54	50	45	103.3%	-5.4%	3.3%	-32.7%
Los Altos	\$ 4,000,000	\$ 4,261,300	23	47	29	38	103.5%	-14.9%	-12.7%	-14.8%
Los Altos Hills	\$ 4,825,000	\$ 4,757,900	5	10	15	90	97.6%	-15.4%	-27.8%	-44.4%
Los Gatos	\$ 2,315,000	\$ 2,442,660	53	67	75	42	106.5%	-7.4%	-20.5%	17.8%
Milpitas	\$ 1,482,500	\$ 1,490,690	18	23	12	20	110.1%	-4.8%	-11.6%	12.5%
Monte Sereno	\$ -	\$ -	0	7	5	0	0.0%	-31.0%	-18.8%	0.0%
Morgan Hill	\$ 1,467,880	\$ 1,434,520	37	52	38	31	99.8%	-5.3%	-13.2%	-21.3%
Mountain View	\$ 2,500,000	\$ 2,717,800	25	52	17	20	107.7%	-2.0%	3.7%	8.7%
Palo Alto	\$ 3,630,000	\$ 3,973,790	39	81	59	45	103.7%	-3.8%	-7.7%	-7.1%
San Jose	\$ 1,528,000	\$ 1,647,930	346	590	237	21	105.7%	-11.7%	-11.5%	-23.5%
Santa Clara	\$ 1,706,000	\$ 1,718,320	39	57	23	18	108.2%	-10.7%	-12.3%	-15.2%
Saratoga	\$ 3,800,000	\$ 4,218,720	29	42	22	23	101.2%	-8.4%	2.4%	31.8%
Sunnyvale	\$ 2,307,500	\$ 2,279,160	58	106	34	18	108.0%	-10.9%	-9.2%	-6.5%

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)

	May 23	Month %	Apr 23	Year %	May 22
Median Price:	\$1,788,000	-0.1%	\$1,790,000	-7.1%	\$1,925,000
Average Price:	\$2,133,550	1.3%	\$2,105,860	-7.6%	\$2,309,350
Home Sales:	747	42.0%	526	-16.0%	889
Pending Sales:	1,243	1.9%	1,220	-6.3%	1,327
Active Listings:	647	0.5%	644	-37.7%	1,039
Sale/List Price Ratio:	105.4%	0.6%	104.8%	-6.3%	112.6%
Days on Market:	18	-1.4%	19	66.2%	11
Days of Inventory:	26	-26.8%	36	-25.9%	35

	May 23	Month %	Apr 23	Year %	May 22
Median Price:	\$960,000	3.1%	\$931,000	-10.9%	\$1,077,500
Average Price:	\$1,037,780	0.1%	\$1,036,400	-6.5%	\$1,109,820
Home Sales:	283	29.8%	218	-36.3%	444
Pending Sales:	409	-0.5%	411	-19.6%	509
Active Listings:	221	-2.6%	227	-52.2%	462
Sale/List Price Ratio:	103.4%	0.2%	103.2%	-6.1%	110.0%
Days on Market:	18	-8.7%	19	46.4%	12
Days of Inventory:	23	-22.4%	30	-25.0%	31

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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)

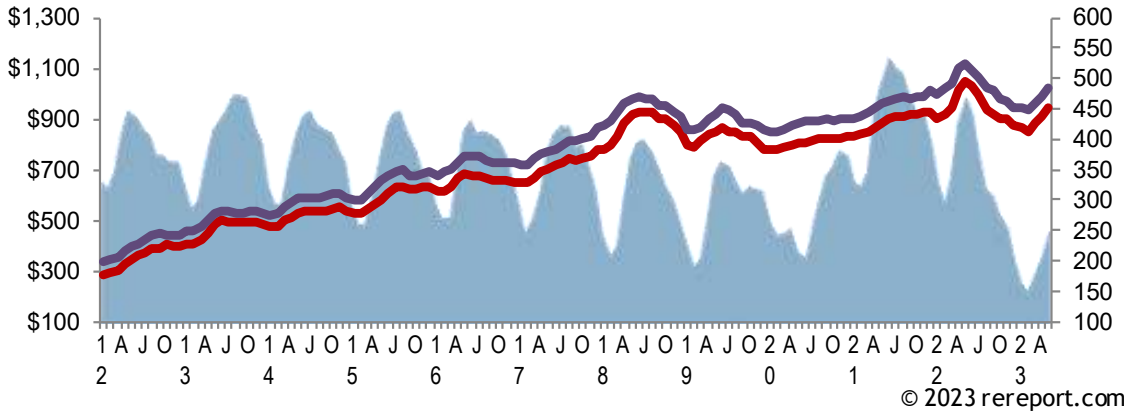


Table Definitions

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.

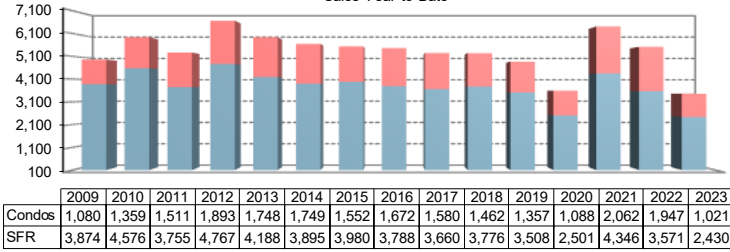
Santa Clara County - May 2023

Condominiums								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 960,000	\$ 1,037,780	283	409	221	23	103.4%	-10.9%	-6.5%	-36.3%	-19.6%	-52.2%
Campbell	\$ 1,159,000	\$ 1,163,170	12	9	4	10	102.7%	-3.5%	-11.3%	-20.0%	-35.7%	-66.7%
Cupertino	\$ 1,317,500	\$ 1,373,500	7	10	3	13	105.8%	-27.8%	-23.3%	0.0%	0.0%	-70.0%
Gilroy	\$ 716,500	\$ 716,500	2	3	3	45	96.4%	5.4%	6.7%	-50.0%	-40.0%	-40.0%
Los Altos	\$ 1,365,000	\$ 1,335,000	6	6	10	50	104.9%	6.6%	-14.6%	20.0%	100.0%	66.7%
Los Gatos	\$ 1,200,000	\$ 1,246,780	9	21	11	37	101.3%	-6.5%	-4.6%	-55.0%	50.0%	-31.3%
Milpitas	\$ 1,205,000	\$ 1,183,560	9	36	12	40	106.8%	-1.6%	0.5%	-73.5%	2.9%	-36.8%
Morgan Hill	\$ 890,000	\$ 877,292	12	7	5	13	101.5%	-14.2%	-8.9%	-14.3%	-30.0%	-44.4%
Mountain View	\$ 1,045,000	\$ 1,124,700	19	37	19	30	104.0%	-18.4%	-16.6%	-42.4%	-5.1%	-50.0%
Palo Alto	\$ 1,850,000	\$ 1,804,380	11	15	13	35	103.7%	15.6%	18.4%	22.2%	15.4%	-51.9%
San Jose	\$ 840,000	\$ 887,636	151	196	108	21	103.1%	-23.6%	-25.6%	#####	#####	620.0%
Santa Clara	\$ 1,089,000	\$ 990,412	16	32	12	23	105.6%	-8.1%	-13.1%	-52.9%	-38.5%	-75.5%
Saratoga	\$ 2,110,000	\$ 2,110,000	2	4	3	45	92.8%	111.0%	52.0%	-60.0%	-33.3%	50.0%
Sunnyvale	\$ 1,140,000	\$ 1,220,700	27	31	18	20	104.1%	-20.0%	-11.7%	-41.3%	-34.0%	-69.0%

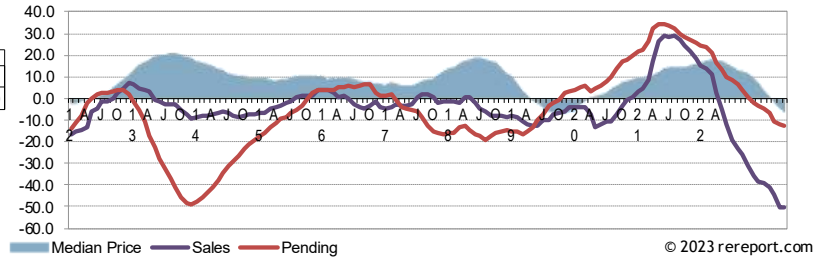
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Santa Clara County Sales Year-to-Date



Santa Clara County Homes: Momentum



(Continued from page 2)

This is also something to consider when looking at what's happening with home prices. On a monthly basis, the median price of an existing home sold peaked in June 2022 at \$413,800; by January of this year, it hit a seasonal bottom of \$361,200 -- about a 12.7% decline. Since that bottom, that same median price has picked up by 7.6% to \$388,800 -- and is only about 6% below last year's peak. Direct annual comparisons -- e.g. April to April, May to May, etc. -- will continue to look highly unfavorable, since prices in 2022 were still increasing until June while prices in 2023 aren't likely to firm up a whole lot more unless mortgage rates decline meaningfully and spark more buyer demand.

As has been the case, tight inventories of homes for sale continues to provide support for prices, but also serves to throttle the volume of sales. The traditional spring homebuying season is looking like a modest one at best this year amid still-considerable headwinds. With a measure of pending home sales (signed contracts to buy) fading or only holding steady at a low level, it doesn't appear that even the current modest level of demand that has helped prop up prices this spring is likely to continue. As such, home prices may resume settling as the year progresses.

Rather opposite conditions are being seen in the market for newly constructed homes. When sales slowed appreciably last year from high interest rates and high new home costs, builders began to take steps to stem and reverse the downtrend, offering things not available in the existing home market, such as considerable price concessions or subsidized financing offers. As well, the new construction market offers supply elasticity -- that is, more homes can be built to meet demand. At the same time, it is true that most large-scale residential housing construction takes place at greater distances from center cities, and so isn't a direct substitute or exchange for a greater supply of existing homes to buy, and is not a perfect fit for all buyers.

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 Rebound Continued in March

NEW YORK, MAY 30, 2023: 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 2023 show a continuing recovery in housing prices, as all 20 major metro markets reported month-over-month price increases. 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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