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February 2025 Inside This Issue

Santa Clara County Real Estate Trends Report

Home Prices Up, Sales Down in January

The median sales price for single-family, re-sale homes was up 7.3% compared to last year. The median sales price was $1,840,000.

The average sales price for single-family, re-sale homes was up 9.5% year-over-year. The average sales price was $2,277,380.

Sales of single-family, re-sale homes were down 2.2%, year-over-year. There were 307 homes sold in Santa Clara County last month. The monthly average since 2000 is 987.

The sales price to list price ratio fell from 105.2% to 104.9%.

Pending sales were down 5.6% year-over-year. There are 340 homes in escrow.

Inventory of single-family, re-sale homes was up 27.9% compared to last year. As of February 5th, there were 408 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 17 days to 40 days. The average since 2003 is 89.

It took twenty-seven 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.

Condo prices were mixed last month. The median sales price for condos was down 0.5% compared to last January. The median sales price was $915,000. The average sales price gained 7.9% year-over-year. The average sales price was $1,051,020.

Condo sales were up 16.8%. There were 153 condos sold in January.

The sales price to list price ratio stayed at 101.4%.

Pending sales were up 4.5% year-over-year. There are 210 condos in escrow.

Condo inventory was up 77.7% compared to last January.

As of February 5th, there were 343 condos for sale in Santa Clara County. The average since January 2000 is 757.

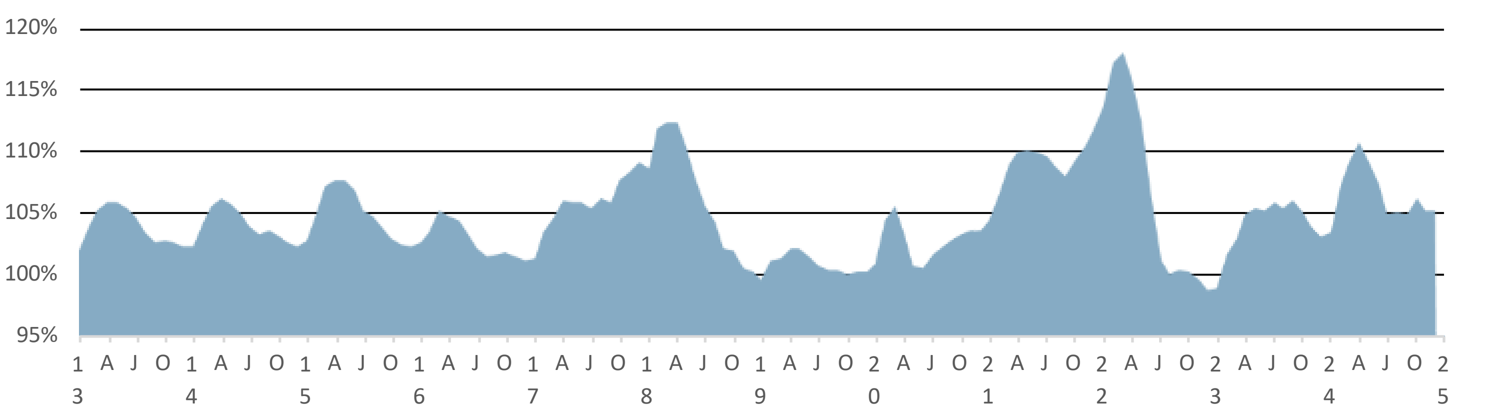
Days of inventory rose from twenty-nine to sixty-seven.

It took an average of forty-three days to sell a condo last month.

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

For a **focused review** (your city, your neighborhood) **of current and historical market trends** go to *http://avi.rereport.com/market_reports*

Santa Clara County Homes: Sales Price/Listing Price Ratio



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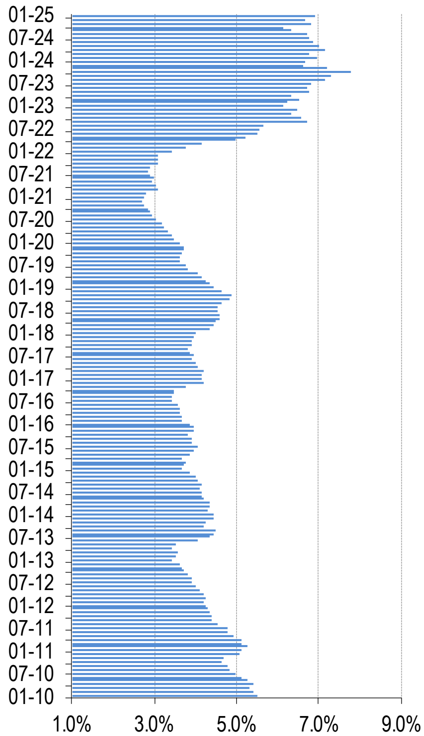
30-Year Fixed Mortgage Rates



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

Price Plateau

January 31, 2025 -- The Federal Reserve held a policy-setting meeting this week, ultimately deciding to take no action and leaving the federal funds rate unchanged. There was little new insight into the Fed's thinking in either the statement that closed the meeting or in Chairman Powell's post-meeting press conference.

In his prepared remarks, Mr. Powell noted "significant progress" made toward the Fed's two goals of full employment and price stability over the last two years, while acknowledging that inflation "remains somewhat elevated." While it is true that progress has been made toward those goals, it is also true that there really hasn't been much progress made in some time. Given pandemic distortion, it's difficult to compare the labor market two years ago to today; certainly, millions more people are on payrolls. However, the unemployment rate of late is currently higher than those days, too, running at 4.1% now as compared to 3.5% then.

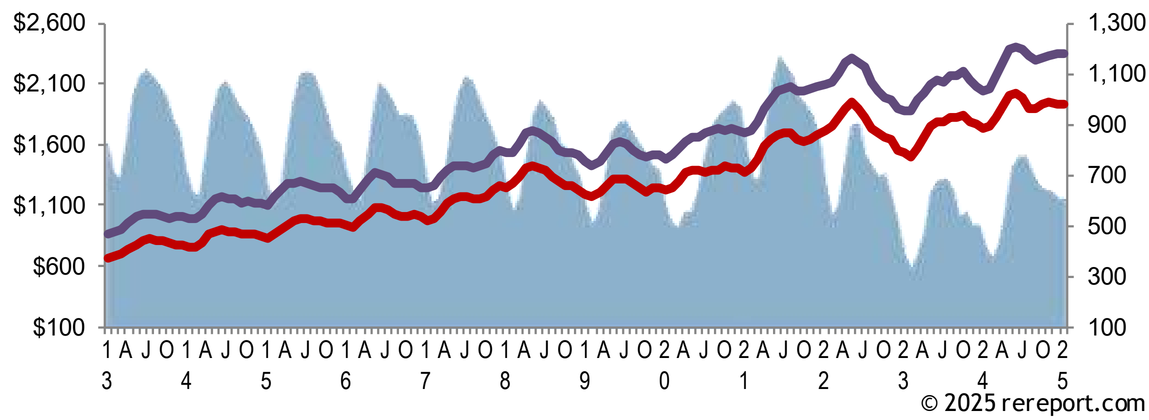
The improvement in inflation is easier to see; two years ago, headline PCE prices were running at a 5% annual rate, and core PCE at 4.4%, and steadily declining. Currently, those figures are 2.6% and 2.8%, and firming or firm. Annualized PCE inflation has risen by a half percentage point since September, so there's certainly no progress at all to be seen here. As well, annualized core PCE has held at the present level for the past three months, and is little better than it was last April, so there is no recent evidence of progress in getting inflation down to target levels. Given this, it's reasonable to think that the rate cut in December (and perhaps November as well) were perhaps less than optimally timed.

Sales of newly-constructed homes posted a 3.6% increase in December, landing at a 698.000 annual rate. This was a better showing than was expected, and November's initial estimate was revised higher by 10,000 units, too. The end-of-year improve-

(Continued on page 4)

Santa Clara County Homes - Median & Average Prices & Sales

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



Santa Clara County - January 2025												
Single-Family Homes								% Change from Year Before				
	Prices							Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	$ 1,850,000	$ 2,310,140	472	302	264	17	105.2%	7.3%	9.5%	-2.2%	-5.6%	27.9%
Campbell	$ 1,660,000	$ 1,882,000	5	7	6	36	97.0%	-9.8%	0.9%	-37.5%	-22.2%	-25.0%
Cupertino	$ 3,181,500	$ 3,511,620	8	9	7	26	106.4%	29.1%	36.1%	-20.0%	0.0%	-53.3%
Gilroy	$ 1,112,500	$ 1,186,930	24	21	40	50	100.5%	11.3%	12.9%	14.3%	0.0%	90.5%
Los Altos	$ 5,100,000	$ 5,605,640	7	6	8	34	100.4%	24.4%	40.7%	16.7%	-33.3%	0.0%
Los Altos Hills	$ 5,450,000	$ 5,630,000	3	3	7	70	95.9%	-9.9%	-12.0%	-25.0%	-25.0%	0.0%
Los Gatos	$ 2,580,000	$ 2,916,570	21	17	62	89	100.0%	72.0%	40.6%	90.9%	-19.0%	47.6%
Milpitas	$ 1,740,000	$ 1,991,000	5	8	12	72	105.1%	21.3%	34.2%	-37.5%	100.0%	50.0%
Monte Sereno	$ 4,717,500	$ 4,717,500	2	4	5	75	105.2%	9.3%	9.3%	0.0%	33.3%	25.0%
Morgan Hill	$ 1,440,000	$ 1,861,470	17	24	35	62	97.6%	-1.5%	16.9%	-22.7%	14.3%	84.2%
Mountain View	$ 2,837,500	$ 2,782,990	8	6	10	38	106.8%	22.0%	12.1%	-20.0%	-25.0%	11.1%
Palo Alto	$ 4,155,000	$ 5,147,080	6	12	28	140	102.4%	24.0%	40.8%	-57.1%	33.3%	16.7%
San Jose	$ 1,637,500	$ 1,831,590	162	178	167	31	106.4%	2.3%	8.1%	3.2%	-9.6%	39.2%
Santa Clara	$ 1,850,000	$ 1,895,630	17	21	10	18	107.4%	8.8%	4.9%	54.5%	16.7%	0.0%
Saratoga	$ 4,310,000	$ 3,962,380	16	11	11	21	104.5%	4.1%	-7.4%	14.3%	120.0%	-8.3%
Sunnyvale	$ 2,990,440	$ 2,898,610	8	16	14	53	120.3%	26.3%	25.5%	-57.9%	-20.0%	-17.6%

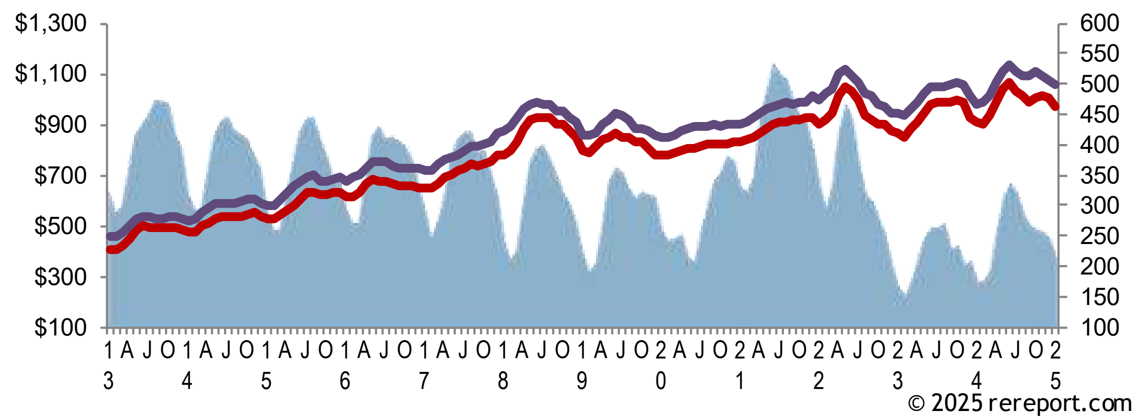
Market Statistics

Trends at a Glance					
(Single-family Homes)					
	Jan 25	Month %	Dec 24	Year %	Jan 24
Median Price:	$1,840,000	-4.4%	$1,925,000	6.0%	$1,736,000
Average Price:	$2,277,380	-2.8%	$2,341,850	14.3%	$1,991,790
Home Sales:	307	-51.5%	633	-24.4%	406
Pending Sales:	340	-35.8%	530	2.4%	332
Active Listings:	408	1.7%	401	56.9%	260
Sale/List Price Ratio:	104.9%	-0.3%	105.2%	1.8%	103.1%
Days on Market:	27	23.7%	22	18.0%	23
Days of Inventory:	40	117.7%	18	108.2%	19
(Condominiums)					
	Jan 25	Month %	Dec 24	Year %	Jan 24
Median Price:	$915,000	-4.8%	$961,500	-0.5%	$920,000
Average Price:	$1,051,020	0.5%	$1,046,000	7.9%	$974,135
Home Sales:	153	-30.5%	220	16.8%	131
Pending Sales:	210	24.3%	169	4.5%	201
Active Listings:	343	61.0%	213	77.7%	193
Sale/List Price Ratio:	101.4%	-0.1%	101.4%	0.3%	101.1%
Days on Market:	43	20.4%	36	17.7%	37
Days of Inventory:	67	131.6%	29	52.2%	44

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)



Santa Clara County - January 2025												
Condominiums								% Change from Year Before				
	Prices							Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	$ 915,000	$ 1,051,020	153	210	343	67	101.4%	-0.5%	7.9%	16.8%	4.5%	77.7%
Campbell	$ 1,128,000	$ 1,052,670	3	3	11	110	99.4%	22.6%	14.4%	200.0%	50.0%	450.0%
Cupertino	$ 1,140,000	$ 1,428,800	5	8	8	48	99.9%	-11.3%	1.5%	25.0%	0.0%	14.3%
Gilroy	$ 655,000	$ 655,000	2	1	2	30	101.8%	29.3%	29.3%	0.0%	0.0%	100.0%
Los Altos	$ 1,222,000	$ 1,763,710	7	4	13	56	99.3%	1.8%	47.0%	600.0%	300.0%	116.7%
Los Gatos	$ 1,420,000	$ 1,345,400	5	8	19	114	99.0%	-19.2%	-14.2%	-16.7%	14.3%	375.0%
Milpitas	$ 1,062,500	$ 1,033,500	8	9	16	60	104.0%	-3.0%	-8.4%	33.3%	12.5%	128.6%
Morgan Hill	$ 941,500	$ 898,826	8	13	5	19	100.2%	26.0%	20.2%	300.0%	160.0%	600.0%
Mountain View	$ 1,357,500	$ 1,485,400	10	17	21	63	106.8%	-3.7%	3.9%	100.0%	-5.6%	10.5%
Palo Alto	$ 1,360,500	$ 1,430,860	8	3	8	30	98.7%	10.7%	7.8%	100.0%	-40.0%	-11.1%
San Jose	$ 769,000	$ 860,497	76	104	180	71	101.0%	-0.8%	1.4%	-10.6%	-11.9%	68.2%
Santa Clara	$ 752,000	$ 838,550	10	18	28	84	100.9%	-36.0%	-29.8%	100.0%	20.0%	86.7%
Saratoga	$ -	$ -	0	3	6	0	0.0%	-41.8%	-41.8%	0.0%	200.0%	500.0%
Sunnyvale	$ 1,452,000	$ 1,325,360	11	18	22	60	104.5%	49.7%	23.8%	22.2%	63.6%	46.7%

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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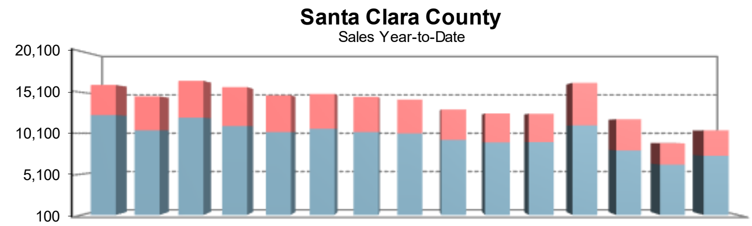
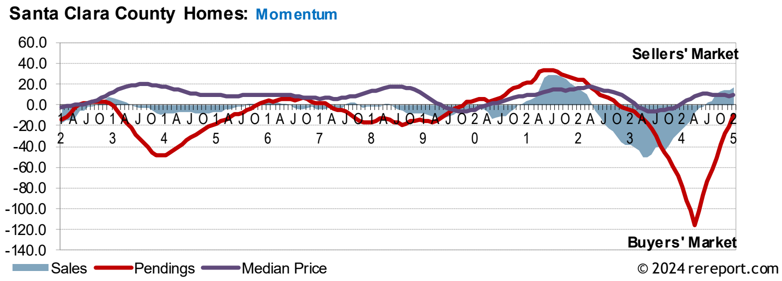


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Condos	3,691	4,149	4,517	4,754	4,491	4,272	4,309	4,142	3,713	3,551	3,472	5,206	3,818	2,601	3,109
SFR	12,313	10,454	11,990	10,981	10,248	10,633	10,235	10,068	9,287	8,957	9,006	11,056	7,992	6,251	7,332



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ment came despite high mortgage rates, as consumers seem to be drawn in by ample inventory of homes available to buy and builder incentives such as price reductions and financing support. The supply of new homes at the present rate of sales edged down to 8.5 months; the actual (annualized) number of units ready to be sold was 494,000, the highest figure since December 2007, some 18 years ago and just before the financial crisis and Great Recession fully upended the housing market.

That's not to say the housing market isn't still upended in some ways; it is, but for different reasons now, like record high existing home prices and generationally-high mortgage rates. Both those items (plus the effect of holidays) damped the number of home purchase contracts signed in December. The trio of conditions resulted in the Pending Home Sales Index from the National Association of Realtors record a 5.5% decline to close 2024, its first retreat since July. Since it can take 30-60 days for a signed contract to turn into a sale, we'd expect to see the impact of the decline in PHSI reflected mostly in February's sales figures. Reckoning off the 4.24 million pace for December, this would see existing home sales drop back to about the 4.00 million level by then.

With mortgage rates high and fairly steady it's not likely we'll see any kind of sudden change in the number of folks applying for mortgages. The Mortgage Bankers Association reported that there was a 2% decline in the number of requests for mortgage credit in the week ending January 24. Applications for funds to purchase homes eased by 0.4% for the week, while those to refinance existing mortgages dropped 6.8%. To get much by way of improvement in demand for loans, we'll likely need to see mortgage rates drop back to perhaps 6.5% or so, if not lower.

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 Records 3.6% Annual Gain in October 2024

NEW YORK, DECEMBER 31, 2024: S&P Dow Jones Indices (S&P DJI) today released the October 2024 results for the S&P CoreLogic Case-Shiller Indices. The leading measure of U.S. home prices recorded a 3.6% annual gain in October 2024, a slight deceleration from the previous annual gains in 2024. 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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