The Real Estate Report

Silicon Valley market trends report

California pending home sales lift in January

LOS ANGELES (Feb. 25) – Pending home sales rose from December’s extreme lows and posted month-to-month and year-to-year increases in January, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) said today.

Additionally, California REALTORS® responding to C.A.R.’s January Market Pulse Survey saw more price reductions and an increase in open house traffic, compared to a year ago.

Pending home sales data:

- California pending home sales increased in January, with the Pending Home Sales Index (PHSI)* rising 26.7% from 70.9 in December to 89.8 in January, based on signed contracts. The month-to-month increase was better than the long-run average increase of 16.3% observed in the last six years, and is primarily due to seasonal factors.
- California pending home sales were up 6% from the 84.7 index recorded in January 2014. The yearly average was the largest since May 2012.
- San Mateo County, on the other hand, while showing a monthly increase in pending home sales month-over-month in January and February, showed year-over-year declines in both months.

FEBRUARY MARKET STATISTICS

Year-Over-Year
- Median home prices increased by 28.5% year-over-year to $1,240,000 from $965,000.
- The average home sales price rose by 20.5% year-over-year to $1,486,050 from $1,233,120.
- Home sales fell by 12.3% year-over-year to 193 from 220.
- Total inventory* fell 32.4% year-over-year to 576 from 852.
- Sales price vs. list price ratio rose by 1.8% year-over-year to 107.9% from 106.0%.

Compared To Last Month
- Median home prices improved by 24.0% to $1,240,000 from $1,000,000.
- The average home sales price fell by 0.0% to $1,486,050 from $1,486,730.
- Home sales up by 15.6% to 193 from 167.
- Total inventory* fell 39.5% to 576 from 413.
- Sales price vs. list price ratio increased by 4.9% to 107.9% from 102.9%.

CONDOMINIUMS

Year-Over-Year
- Median condo prices increased by 13.6% year-over-year to $698,500 from $615,000.

San Mateo County Homes: Momentum

- The average condo sales price rose by 27.7% year-over-year to $800,646 from $627,153.
- Condo sales rose by 2.5% year-over-year to 82 from 80.
- Total inventory* fell 42.6% year-over-year to 163 from 284.
- Sales price vs. list price ratio rose by 1.5% year-over-year to 105.9% from 104.3%.

* Total inventory is active listings plus contingent or pending listings. Active listings do not include contingent listings.

Is NOW a good time to buy your Silicon Valley Home?
For more information go to the “Seminars” tab on my web site http://www.650and408homes.com

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MORTGAGE RATE OUTLOOK

Mortgage Rates Easing Back Again
Feb 27, 2015 -- mortgage markets and rates have become more volatile of late. January's rate declines trended into early February, were virtually erased over a couple of week span, and now that upward blip is in the process of being at least partially erased at the moment.

All of this has occurred in perhaps a quarter-percentage point range for interest rates, and is fair warning about the kind of market climate we’re likely to see in the period before the Fed actually does begin the process of "liftoff". At some point, will show some more reliable traction and head up from recent ranges. When that will be is still not clear, as it appears the Fed remains noncommittal at the moment.

HSH.com’s broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages declined by four basis points this week (0.04%) slipping to 3.92 percent, breaking a two-week increase. The FRMI’s 15-year companion eased by three-hundredths of one percent, sending the weekly average back down to 3.25 percent.

Popular with first-time homebuyers, perhaps more so now that the annual MIP has been lowered, rates on fully-insured FHA-backed 30-year FRMs remain well below their conforming counterparts but shed only a single basis point from last week’s average, ticking downward to land at 3.74 percent this week. More erratic than its fixed-rate counterparts of late, the overall 5/1 Hybrid ARM decreased by six basis points (0.06%), drifting back down to 3.08 percent for the week.

Housing could drive the economy higher in the months ahead, but traction remains tough to come by.

Very thin stockpiles of homes for sale seem to be a cause for limited growth in sales of existing homes, and this situation may come to vex the spring housing market this year. In January, sales of existing homes declined by 4.9 percent to a 4.82 million (annualized) rate; this was the slowest rate of sale since last May. Inventories of homes for sale did expand a little, rising to 4.7 months in January from 4.4 in December, but the truth is that for many potential buyers, there’s simply nothing desirable to buy in their price range. Tight supplies do create well-supported prices, and even though there was a month-to-month dip, median home prices are still some 6.2 percent above the same period last year.

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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.
Foreclosure Statistics

Notices of default, the first step in the foreclosure process, in San Mateo County fell 15.9% in January from December. Year-over-year, notices were down 38.3%. There were 58 notices.

Notices of sale, which set the date and time of an auction, and serve as the homeowner’s final notice before sale, fell 43.2% from December, and they were down 68.4% year-over-year. There were 25 notices.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons including: successful short sale or loan modification, a filing error, or a legal requirement to re-file the notice after extended postponements.

Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank’s opening bid, the property will be sold to the third party; if not, it will go back to the bank.

In January, cancellations fell 8.7% from December, and they were down 36.4% year-over-year.

Properties going back to the bank were flat in January from December. Year-over-year, properties going back to the bank were up 33.3%. Four properties went back to the banks.

The total number of properties that have had a notice of default filed rose 27.2% from December, but they were down 55.8% compared to January 2014.

The total number of properties scheduled for sale declined 37.5% year-over-year.

The total number of properties owned by banks was down 8.7% year-over-year. The banks now own approximately 526 properties in the county.

For further details and a city-by-city breakdown of foreclosure statistics, go to http://propertyradar.com.

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.
San Mateo County Homes: Year-Over-Year Median Price Change

San Mateo County Homes: Sales Price/Listing Price Ratio

Investors Corner

Home Prices Grew at Twice the Rate of Inflation in 2014 According to the S&P/Case Shiller Home Price Indices

New York, February 24, 2015 — S&P Dow Jones Indices today released the latest results for the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices. Data released today for December 2014 shows a slight up tick in home prices across the country. Nine cities reported monthly increases in prices. More than 27 years of history for these data series is available, and can be accessed in full by going to www.homeprice.spdji.com. Additional content on the housing market can also be found on S&P Dow Jones Indices’ housing blog: www.housingviews.com. Year-over-Year Both the 10-City and 20-City Composites saw year-over-year increases in December compared to November. The 10-City Composite gained 4.3% year-over-year, up from 4.2% in November. The 20-City Composite gained 4.5% year-over-year, compared to a 4.3% increase in November. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 4.6% annual gain in December 2014 versus 4.7% in November. Read more at http://goo.gl/kQgcrM

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