**JULY MARKET STATISTICS**

**Year-Over-Year**
- Median home prices increased by 18.2% year-over-year to $1,300,000 from $1,100,000.
- The average home sales price rose by 21.3% year-over-year to $1,641,270 from $1,353,100.
- Home sales fell by 9.6% year-over-year to 435 from 481.
- Total inventory* fell 27.2% year-over-year to 748 from 1,028.
- Sales price vs. list price ratio rose by 3.9% year-over-year to 109.7% from 105.6%.

**Month-Over-Month**
- Median home prices slipped by 0.0% to $1,300,000 from $1,300,000.
- The average home sales price fell by 0.7% to $1,641,270 from $1,652,150.
- Home sales up by 5.8% to 435 from 411.
- Total inventory* dropped 27.2% year-over-year to 748 from 1,028.
- Sales price vs. list price ratio rose by 3.9% year-over-year to 109.7% from 105.6%.

**CONDOMINIUMS**

**Year-Over-Year**
- Median condo prices increased by 12.4% year-over-year to $707,250 from $629,000.
- The median price for single-family, re-sale homes went over $1,200,000 in February. Then, it proceeded to march straight up to a new record of $1,325,000 in May. Then in June it dipped to $1,300,000.
- In July, the median price stayed at $1,300,000. Of course, one month a trend doesn’t make. Yet, reports from the field signal a slowing down in activity.
- Sales of single-family, re-sale homes were up slightly in July from June, but, after three months of double-digit declines, managed to decline by only single digits.
- Active listings actually grew last month and were at their highest level last September. Nevertheless, they were down by double-digits for the fifteenth month in a row. Not just down, but down by over 30%.
- Pending sales showed a double-digit decline.
- The sales price to list price ratio has been over 100% for thirty-nine months in a row.
- Looking at median price market momentum, after peaking in the middle of 2013, it has been pretty flat since the middle of 2014.
- There is still an enormous amount of money chasing low inventory.
- The average condo sales price rose by 11.4% year-over-year to $755,668 from $678,350.
- Condo sales fell by 25.9% year-over-year to 120 from 162.
- Total inventory* fell 40.8% year-over-year to 164 from 277.
- Sales price vs. list price ratio rose by 1.4% year-over-year to 106.4% from 105.0%.

**Month-Over-Month**
- Median condo prices improved by 2.1% to $707,250 from $692,500.
- The average condo sales price rose by 4.8% to $755,668 from $721,132.
- Condo sales down by 7.7% to 120 from 130.
- Total inventory* dropped 2.4% to 164 from 168.
- Sales price vs. list price ratio dropped by 1.7% to 106.4% from 108.2%.

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

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**SAN MATEO COUNTY**

**Trends at a Glance**

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<thead>
<tr>
<th>(Single-Family Homes)</th>
<th>Jul 15</th>
<th>Jun 15</th>
<th>Jul 14</th>
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<tbody>
<tr>
<td>Median Price</td>
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<td>Average Price</td>
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<td>Home Sales</td>
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<td>Sale/List Price Ratio</td>
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<td>105.6%</td>
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<td>Days on Market</td>
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<td>20</td>
<td>25</td>
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<tr>
<td>Days of Inventory</td>
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<td>26</td>
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</tbody>
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**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](http://www.650and408homes.com)
MORTGAGE RATE OUTLOOK

Fed Provides "Some" Clues
July 31, 2015 -- What's in a word? Perhaps little, perhaps much. In the end, it all depends on the word or who is uttering it. In terms of communication goes, one word isn't much to go on.

The Federal Reserve ended its July meeting on Wednesday, and while no change to policy was expected, we did see the most subtle of changes in the message the Fed uses to describe its thinking.

In characterizing its present stance of policy and when the Fed might make a change to the short-term interest rate it controls, the Fed indicated that it would be likely to make the first move when it has seen "some" further improvement in the labor market. Previously, it merely said "seen further improvement." While "some" isn't much to go on, it is an acknowledgment that the job market has improved, and only needs to improve a tad further before the Fed will feel comfortable kicking off what is likely to be a very slow and protracted process of normalizing interest rates.

For their part, mortgage rates have eased a bit in recent days; although each recent message from the Fed says they will make a move before long, financial markets are starting to sense that it will be a long, slow process.

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 fell by five basis points (0.05%) this week to an average of 4.06 percent, its lowest rate since early June, while the FRMI's 15-year companion ticked lower by four basis points to an average interest rate of 3.35 percent. Popular with first-time homebuyers, rates on fully-insured FHA-backed 30-year FRMs remain considerably below their conforming counterparts and managed a three basis point decline, landing at an average 3.85 percent. Lastly, the overall 5/1 Hybrid ARM retreated by four basis points, coming to a halt at an average rate of 3.05 percent for the week. HSH's FRMIs are combined averages and include both conforming and jumbo rates, providing borrowers with a wider view of mortgage conditions.

We'll get a new look at the labor market come next week (and again in early September, well in advance of that FOMC meeting). At the moment, and unless the next two reports are well below expectations, we are of the mind that we will see a quarter-point lift in the Fed Funds target rate at that time... and that this may be it until perhaps February 2016.
C.A.R. 2015 Home buyers Survey findings

Improving economy and job growth draw buyers back to housing market, forming more households, REALTOR® survey finds

With an improving economy and job market over the past year, home buyers have started forming households again, and buyers who previously experienced a foreclosure or short sale are back in the housing market, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) “2015 Survey of California Home Buyers.”

In 2015, more households were formed as the share of buy-ers who previously lived with their parents increased to 12 percent – the highest in the survey’s history, up from 2 percent in 2014. Additionally, the share of those who previously rented dipped from 40 percent in 2014 to 39 percent in 2015, and those who previously owned fell from 59 percent in 2014 to 47 percent in 2015.

With distressed sales at record lows, California is returning to normalcy is reflected in the share of buyers who were previously “underwater” on their homes, which increased to 23 percent in 2015, up from 4 percent in 2014.

Additional findings from C.A.R.’s “2015 Survey of California Home Buyers” include:

• In what could further exacerbate a future housing inventory shortage, buyers in 2015 indicated they plan to keep their home longer than ever – an average of 20 years – substantially longer than the six years cited by home buyers in 2013.

• Buyers cited “tired of renting” (15 percent), “wanted a place to live” (14 percent), “desired larger home” (12 percent), “changed jobs/relocated” (11 percent), and “desired better/other location” (8 percent) as the top reasons for purchasing a home. In looking specifically at first-time buyers, “tired of renting” (15 percent), “wanted a place to live” (14 percent), “desired larger home” (12 percent) were higher and 50% were lower.

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(Continued on page 4)
renting" was the top reason for purchasing a home (21 percent), followed by “wanted
a place to live” (19 percent).

• Despite the recent run up in home prices, the vast majority (85 percent) felt that
their home was worth the price they paid, while 14 percent said the price was too
high, and 1 percent said the price was too low.

• While the majority of buyers (75 percent) were satisfied with their home purchase,
one-fourth made compromises, with 13 percent saying they selected the best house
given the limited supply in their desired neighborhood, and 12 percent who said they
selected the best house in an affordable neighborhood because prices were too high
in their preferred neighborhood.

• Buyers put an average of 24 percent down on their home purchase in 2015, down
from 28 percent in 2014, and 25 percent in 2013, but more than what has been the
traditional 20 percent since 2009.

• The primary source of down payment for first-time buyers was personal savings,
cited by 49 percent of first-time buyers, followed by “borrowed or gift,” cited by 33
percent of first-time buyers. The primary sources of down payment for repeat
buyers were personal savings (34 percent) and proceeds from sale of previ-
ous residence (34 percent).

• Buyers spent an average of 18 weeks considering buying a home before
contacting a real estate agent in 2015, down from an average of 19 weeks in
2014 and a high of an average of 24 weeks in 2013. They spent an average
of 14 weeks investigating homes and neighborhoods before contacting an
agent in 2015, down from an average of 21 weeks in 2014 and a high of an
average 29 weeks in 2013.

• In 2015, it took home buyers an average of 12 weeks to look for a home, the longest since C.A.R. began the survey. It took an average of 10 weeks in
2014 and 2013 for home buyers to find a home. In a sign of less market
competition, buyers made fewer offers in 2015 compared to previous years –
an average of 2.6 offers, down from an average of 3.6 offers in 2014, and an
average of 3 offers in 2013.

Investors Corner

Home Price Gains Lead Housing
According to the S&P/Case-Shiller Home Price Indices
New York, July 28, 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 May 2015 show that home prices continued their rise across the country over the last 12 months.
More than 27 years of history for these data series is available at https://goo.gl/8x6Xc

Is it time to seriously consider investing in real estate?
Signup for my Real Estate Investment Alerts and you’ll receive my real estate investment opportunities

For City by City Trend Report go to the Market Trends Report tab on my web site at www.650and408homes.com