San Mateo County

The Real Estate Market Trends Report

Prices Continue to Rise

Just two months ago we were reporting on whispers of a market correction. We debunked that wishful thinking.

Now, the median and average prices for single-family, re-sales homes have increased each month since the beginning of the year. The median price for homes has been over $1,000,000 every month but one since March 2014. Not to be undone, the median price for re-sale condominiums/townhomes has been higher than the year before every month but one since June 2012.

The median price for condos/townhomes went over $600,000 for the first time last May, and have stayed there ever since. The median price has been higher than the year before for the past fifty-nine months in a row.

March Sales Statistics

Single-Family Homes

Year-Over-Year

- Median home prices fell by 7.7% year-over-year to $1,200,000 from $1,300,000.
- The average home sales price rose by 1.5% year-over-year to $1,647,640 from $1,623,160.

Month-Over-Month

- Home sales fell by 15.5% year-over-year to 289 from 342.
- Total inventory* fell 13.7% year-over-year to 656 from 760.
- Sales price vs. list price ratio fell by 2.7% year-over-year to 106.3% from 109.3%.

Condominiums

Year-Over-Year

- Median condo prices increased by 10.0% year-over-year to $729,000 from $662,500.
- The average condo sales price rose by 7.5% year-over-year to $769,286 from $715,612.
- Condo sales fell by 6.9% year-over-year to 108 from 116.
- Total inventory* fell 8.3% year-over-year to 198 from 216.
- Sales price vs. list price ratio fell by 0.6% year-over-year to 105.9% from 106.6%.

Month-Over-Month

- Home sales fell by 5.4% year-over-year to 2,988 from 3,166.
- Total inventory* fell 13.7% year-over-year to 2,600 from 3,016.
- Sales price vs. list price ratio fell by 2.7% year-over-year to 106.6% from 109.3%.

Trends at a Glance

(Single-family Homes)

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Price</th>
<th>Average Price</th>
<th>Home Sales</th>
<th>Pending Sales</th>
<th>Active Listings</th>
<th>SPL/P Ratio</th>
<th>Days on Market</th>
<th>Days of Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 16</td>
<td>$1,200,000</td>
<td>$1,647,640</td>
<td>289</td>
<td>298</td>
<td>358</td>
<td>106.3%</td>
<td>23</td>
<td>37</td>
</tr>
<tr>
<td>Feb 16</td>
<td>$1,158,500</td>
<td>$1,460,890</td>
<td>186</td>
<td>223</td>
<td>347</td>
<td>108.4%</td>
<td>30</td>
<td>52</td>
</tr>
<tr>
<td>Mar 15</td>
<td>$1,300,000</td>
<td>$1,623,160</td>
<td>342</td>
<td>341</td>
<td>419</td>
<td>109.3%</td>
<td>22</td>
<td>37</td>
</tr>
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(Townhomes/Condos)

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<tr>
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<td>$755,000</td>
<td>$809,111</td>
<td>80</td>
<td>69</td>
<td>83</td>
<td>105.9%</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Mar 15</td>
<td>$662,500</td>
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<td>116</td>
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<td>89</td>
<td>106.6%</td>
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<td>23</td>
</tr>
</tbody>
</table>

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

San Mateo County Homes: Momentum

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**Yellen Talks Down Rates**

April 1, 2016 -- Apparently wary financial markets took the Fed's most recent message to heart this week, as Federal Reserve Chair Janet Yellen expounded on the reasons why the Fed is likely to keep rates down for a longer period of time.

While reiterating that the Fed will make policy choices based upon inbound economic data, she made it fairly clear that recent global risks to economic growth bear consideration, intimating that the Fed is in a better position to address too-rapid growth and inflation than to manage a situation where growth has faltered. As such, it's better to err on the side of caution, leaving rates lower for longer.

Low interest rates help to spur economic activity by encouraging (among other things) borrowing by businesses to invest in expanding operations. With domestic economic growth yet fairly soft and inflation still below the Fed's 2 percent limit, the Fed has plenty of space to be patient in lifting rates toward more normal levels. Current expectations are that the Fed will lift the federal funds target rate twice this year, with the next change probably still months away from happening. For would be homebuyers, this is good news: Provided there is housing inventory available to buy, low mortgage rates should help promote a solid spring homebuying season.

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 eased by two basis points (.02 percent), slipping back to an average 3.78 percent. The FRMI's 15-year companion found a little less space to fall, with this week's average trimming just a single basis point off of last week's tally to ease to an average rate of 3.16 percent. Popular with first-time homebuyers, rates on fully-insured FHA-backed 30-year FRMs remain considerably below their Fannie and Freddie counterparts and declined more than they did, falling by a five basis points to land at an average interest rate of 3.59 percent. Meanwhile, the overall 5/1 Hybrid ARM continued to edge closer to the 3 percent mark, easing by one one-hundredth of one percent to land at 3.01 percent for the week. At present, all rates remain closer to 2016 lows than highs as we begin the second quarter of the year.
San Mateo County Homes - Median & Average Prices & Sales
(3-month moving average—prices in $000's)

San Mateo 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.
Investors Corner

Home Price Increases Continue in January
According to the S&P/Case-Shiller Home Price Indices

New York, March 29, 2016 – 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 January 2016 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, 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 and more https://goo.gl/QMaHzr

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