Sales prices for both single-family and condo re-sale properties hit record highs in May. Not only were record highs set for the month, they were set for our 3-month and 12-month moving averages.

Home sales were off from the year before for the fourth month in a row. Condo sales were also down for the fourth month in a row.

**Reading the Graphs**

We changed our absorption rate graph from a 3-month moving average to a 12-month moving average to remove seasonal variation.

Whichever way you look at it, the raging sellers’ market continues.

Our Prices & Sales graph charts the median and average prices along with unit sales on a 3-month moving average. Using the average smooths out month-to-month variations, while still showing seasonal differences.

As you can see, and probably very well know, sales start increasing in the spring and peak in late summer.

This increase in demand pushes up prices.

The Sales Breakdown graph is mostly irrelevant at this time. It is used to track how much of the active inventory is bank-owned or listed as a short sale.

When this graph becomes relevant, we will be in a buyers’ market.

Days of Inventory graphs the ratio of properties for sale divided by the number of properties that have sold.

Nationally, the average DOI is 180. But, as you know, real estate is very localized. The average days of inventory for Silicon Valley since 2000 is about 100 days.

The last time we were even close to that figure was February 2012.

Days of Inventory has been between 29 and 48 since March 2014.

Our 4-page printable newsletter has a few more graphs: Pending & Existing Home Sales and Sales Price to List Price Ratio.

You can get more information at:

http://avi.rereport.com/market_reports

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**San Mateo County**

**The Real Estate Market Trends Report**

**Prices Set Record Highs, Again**

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**Trends at a Glance**

(Single-family Homes)

<table>
<thead>
<tr>
<th></th>
<th>May 16</th>
<th>Apr 16</th>
<th>May 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price</td>
<td>$1,380,000</td>
<td>$1,325,000</td>
<td>$1,320,000</td>
</tr>
<tr>
<td>Average Price</td>
<td>$1,733,190</td>
<td>$1,816,080</td>
<td>$1,643,730</td>
</tr>
<tr>
<td>Home Sales</td>
<td>369</td>
<td>319</td>
<td>398</td>
</tr>
<tr>
<td>Pending Sales</td>
<td>365</td>
<td>322</td>
<td>398</td>
</tr>
<tr>
<td>Active Listings</td>
<td>486</td>
<td>479</td>
<td>474</td>
</tr>
<tr>
<td>SP/LP Ratio</td>
<td>106.9%</td>
<td>107.9%</td>
<td>110.9%</td>
</tr>
</tbody>
</table>

(Townhomes/Condos)

<table>
<thead>
<tr>
<th></th>
<th>May 16</th>
<th>Apr 16</th>
<th>May 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price</td>
<td>$622,500</td>
<td>$817,000</td>
<td>$725,000</td>
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<tr>
<td>Average Price</td>
<td>$873,615</td>
<td>$885,853</td>
<td>$776,534</td>
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<tr>
<td>Home Sales</td>
<td>112</td>
<td>117</td>
<td>125</td>
</tr>
<tr>
<td>Pending Sales</td>
<td>98</td>
<td>97</td>
<td>122</td>
</tr>
<tr>
<td>Active Listings</td>
<td>107</td>
<td>113</td>
<td>87</td>
</tr>
<tr>
<td>SP/LP Ratio</td>
<td>107.5%</td>
<td>106.8%</td>
<td>110.3%</td>
</tr>
</tbody>
</table>

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**SMC SFR: Absorption Rate & Median Price**

- 3-month moving average, prices in $1,000s

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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
**MAY SALES STATISTICS**

**SINGLE-FAMILY HOMES**

- Median home prices increased by 4.5% year-over-year to $1,380,000 from $1,320,000.
- The average home sales price rose by 5.4% year-over-year to $1,733,190 from $1,643,730.
- Home sales fell by 7.3% year-over-year to 369 from 398.
- Total inventory* fell 2.4% year-over-year to 851 from 872.
- Sales price vs. list price ratio fell by 3.7% year-over-year to 106.9% from 110.9%.
- The average days on market rose by 11.9% year-over-year to 20 from 18.

**Month-Over-Month**

- Median home prices improved by 4.2% to $1,380,000 from $1,325,000.
- The average home sales price fell by 4.6% to $1,733,190 from $1,816,080.
- Home sales up by 15.7% to 369 from 319.
- Total inventory* increased 6.2% to 851 from 801.
- Sales price vs. list price ratio dropped by 0.9% to 106.9% from 107.9%.
- The average days on market dropped by 10.3% to 20 from 22.

**CONDONIMIUMS**

**Year-Over-Year**

- Median condo prices increased by 13.4% year-over-year to $822,500 from $725,000.
- The average condo sales price rose by 12.5% year-over-year to $873,615 from $776,534.
- Condo sales fell by 10.4% year-over-year to 112 from 125.
- Total inventory* fell 1.9% year-over-year to 205 from 209.
- Sales price vs. list price ratio fell by 2.5% year-over-year to 107.5% from 110.3%.
- The average days on market fell by 7.6% year-over-year to 14 from 15.
The Silicon Valley's real estate market is a derivative of the local economy, it prospers and withers depending on how well the local knowledge-based sector performs. The San Jose Mercury News tracks the largest 150 publicly traded companies headquartered in Silicon Valley via an index called the SV150, which you can lookup at www.mercurynews.com. Stocks are valued based on many criteria, but the most important criterion is a company's future earnings. Therefore, I view the SV150 as a leading indicator for the Silicon Valley's real estate market. View this month's annual index chart.

**Investors Corner**

**HOME PRICES CONTINUE STEADY GAINS IN MARCH ACCORDING TO THE S&P/CASE-SHILLER HOME PRICE INDICES**

NEW YORK, MAY 31, 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 March 2016 shows 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 Indices’ housing blog: www.housingviews.com Read more at https://goo.gl/pRg6ar

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