January 2017 Sales Statistics

San Mateo County Inventory Remains Problematic

The inventory of actively listed single-family, re-sales homes in San Mateo County continues to define the market. There were 257 homes for sale as of February 5th. The average number of homes for sale each month since January 2000 is over 1,200.

Low inventory results in lower sales and higher prices. Prices were up year-over-year, with the median price higher than the year before every month but three since June 2012.

The sales price to list price ratio stayed over 100%, All-in-all, what we’re seeing is an uptick in multiple offers.

January 2017 Sales Statistics

**Single-Family Homes**

- **Year-Over-Year**
  - Median home prices increased by 8.1% year-over-year to $1,135,000 from $1,050,000.
  - The average home sales price rose by 10.3% year-over-year to $1,456,710 from $1,320,630.
  - Home sales fell by 12.1% year-over-year to 181 from 206.
  - Total inventory* fell 4.3% year-over-year from 444.
  - Sales price vs. list price ratio fell by 1.4% year-over-year to 103.0% from 104.5%.
  - The average days on market rose by 16.9% year-over-year to 39 from 33.

- **Compared To Last Month**
  - Median home prices slipped by 14.3% to $1,135,000 from $1,325,000.
  - The average home sales price fell by 11.7% to $1,456,710 from $1,649,200.
  - Home sales down by 39.9% to 181 from 301.
  - Total inventory* increased 17.2% to 444 from 379.
  - Sales price vs. list price ratio dropped by 0.7% to 103.0% from 103.8%.
  - The average days on market increased by 24.8% to 39 from 31.

**Condominiums**

- **Year-Over-Year**
  - Median home prices fell by 6.7% year-over-year to $682,000 from $731,000.
  - The average home sales price rose by 1.3% year-over-year to $711,835 from $761,825.
  - Home sales fell by 7.1% year-over-year to 65 from 70.
  - Total inventory* rose 11.8% year-over-year to 133 from 119.
  - Sales price vs. list price ratio fell by 2.9% year-over-year to 101.9% from 105.0%.
  - The average days on market rose by 33.6% year-over-year to 41 from 31.

- **Compared To Last Month**
  - Median home prices slipped by 1.9% to $682,000 from $695,000.
  - The average home sales price fell by 0.8% to $711,835 from $777,695.
  - Home sales down by 34.3% to 65 from 99.
  - Total inventory* increased 9.9% to 133 from 121.
  - Sales price vs. list price ratio increased by 0.3% to 101.9% from 101.8%.
  - The average days on market increased by 13.6% to 41 from 36.

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

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

- **12-month moving average, prices $1,000s**

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Fed, Mortgage Rates Hold Steady Amid Busy Week

Feb. 3, 2017 -- Thanks to an early-week settling of interest rates from a soft stock market, our expected small bump for mortgage rates failed to materialize this week. That's actually a good sign, given the onslaught of new data to process and a Federal Reserve meeting to digest, situations that have produced higher rates in the not-that-distant past.

The Federal Reserve met on Tuesday and Wednesday to discuss monetary policy. No action by the central bank was expected, and none came, but we did detect perhaps a bit more confidence being expressed by the Fed in the statement that closed the two-day affair. Although the text was mostly unchanged from the prior missive, those usually noted that "Inflation is expected to rise to 2 percent over the medium term"; the latest was more absolute, stating that "inflation will rise to 2 percent over the medium term."

Futures markets had already discounted the likelihood of a move by the Fed at its next meeting in mid-March to less than a 20 percent chance, but new data in the days after the meeting took this to below 10 percent by late Friday. Our view is that a lot can change in six weeks, and if the Fed is serious about making perhaps three moves in short-term rates this year it may not want to cram them all in to the last half of 2017. We'll see how all that plays out as we go.

Mortgage rates seem to us to be back in a place where they are in no hurry to run strongly in one direction or the other, at least not by much and not for long. As such, we'll figure on a wobble of a few basis points in Freddie Mac's average 30-year FRM, probably downward (but nearly equally as likely to rise).
**Table Definitions**

<table>
<thead>
<tr>
<th>Table Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Median Price</strong></td>
</tr>
<tr>
<td>The price at which 50% of prices were higher and 50% were lower.</td>
</tr>
<tr>
<td><strong>Average Price</strong></td>
</tr>
<tr>
<td>Add all prices and divide by the number of sales.</td>
</tr>
<tr>
<td><strong>SP/LP</strong></td>
</tr>
<tr>
<td>Sales price to list price ratio or the price paid for the property divided by the asking price.</td>
</tr>
<tr>
<td><strong>DOI</strong></td>
</tr>
<tr>
<td>Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.</td>
</tr>
<tr>
<td><strong>Pend</strong></td>
</tr>
<tr>
<td>Property under contract to sell that hasn’t closed escrow.</td>
</tr>
<tr>
<td><strong>Inven</strong></td>
</tr>
<tr>
<td>Number of properties actively for sale as of the last day of the month.</td>
</tr>
</tbody>
</table>

**San Mateo County - December 2016**

<table>
<thead>
<tr>
<th>Cities</th>
<th>Median</th>
<th>Average</th>
<th>Sales</th>
<th>Pend</th>
<th>Inven</th>
<th>DOI</th>
<th>SP/LP</th>
<th>Med</th>
<th>Ave</th>
<th>Sales</th>
<th>Pend'</th>
<th>Inven'</th>
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<tr>
<td>SMC</td>
<td>$695,000</td>
<td>$695,000</td>
<td>99</td>
<td>47</td>
<td>74</td>
<td>22</td>
<td>101.6%</td>
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<td>0.6%</td>
<td>-15.4%</td>
<td>-34.7%</td>
<td>39.6%</td>
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<td>Belmont</td>
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<td>$678,000</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>104.2%</td>
<td>-3.8%</td>
<td>4.0%</td>
<td>-40.0%</td>
<td>-50.0%</td>
<td>0.0%</td>
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<tr>
<td>Brisbane</td>
<td>$780,000</td>
<td>$780,000</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>102.9%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>0.0%</td>
<td>-66.7%</td>
<td>100.0%</td>
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<td>Burlingame</td>
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<td>$864,500</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>97.8%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Daly City</td>
<td>$575,000</td>
<td>$575,000</td>
<td>12</td>
<td>8</td>
<td>3</td>
<td>8</td>
<td>103.5%</td>
<td>40.2%</td>
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<td>$670,000</td>
<td>8</td>
<td>2</td>
<td>8</td>
<td>30</td>
<td>99.9%</td>
<td>51.0%</td>
<td>-20.5%</td>
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<td>Menlo Park</td>
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<td>$1,150,000</td>
<td>9</td>
<td>1</td>
<td>3</td>
<td>10</td>
<td>101.1%</td>
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<td>350.0%</td>
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<td>$595,000</td>
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<td>1</td>
<td>5</td>
<td>25</td>
<td>100.6%</td>
<td>9.7%</td>
<td>0.4%</td>
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<td>180.0%</td>
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<td>6</td>
<td>14</td>
<td>42</td>
<td>103.9%</td>
<td>9.7%</td>
<td>4.1%</td>
<td>25.0%</td>
<td>100.0%</td>
<td>180.0%</td>
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<tr>
<td>Redwood Shores</td>
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<td>3</td>
<td>0</td>
<td>0</td>
<td>105.1%</td>
<td>38.2%</td>
<td>33.8%</td>
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<td>0.0%</td>
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<td>San Bruno</td>
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<td>$425,000</td>
<td>7</td>
<td>0</td>
<td>5</td>
<td>21</td>
<td>104.1%</td>
<td>38.9%</td>
<td>39.2%</td>
<td>75.0%</td>
<td>25.0%</td>
<td>25.0%</td>
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<tr>
<td>San Carlos</td>
<td>$1,028,000</td>
<td>$1,028,000</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>120</td>
<td>100.0%</td>
<td>-13.6%</td>
<td>-13.6%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>300.0%</td>
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<tr>
<td>San Mateo</td>
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<td>$720,000</td>
<td>25</td>
<td>13</td>
<td>21</td>
<td>25</td>
<td>101.2%</td>
<td>-1.0%</td>
<td>7.6%</td>
<td>-30.6%</td>
<td>-27.8%</td>
<td>61.5%</td>
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<td>S. San Francisco</td>
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<td>2</td>
<td>4</td>
<td>4</td>
<td>60</td>
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<td>16.4%</td>
<td>8.8%</td>
<td>-71.4%</td>
<td>0.0%</td>
<td>-20.0%</td>
</tr>
</tbody>
</table>

Looking to Downsize?

**Keep Your Property Tax Base**

Under Proposition 60, California homeowners 55 and older get a one-time chance to sell their primary residence and transfer its property-tax assessment to a new one, but the market value of the new home generally must be equal to or less than the market value of the old home.

Prop. 60 was designed to help longtime California homeowners who want to downsize but don’t want to give up the low property-tax assessment they enjoy in their existing home.

Under Proposition 13, homes are reassessed for property-tax purposes when there is a change in ownership or new construction. In between ownership changes, the assessed value can go up by an inflation rate not to exceed 2% a year.

(Homeowners can get temporary reductions when property values go down.)

Prop. 60 lets homeowners 55 or older transfer their base-year value from an existing primary residence to a new primary residence, but there are restrictions.

The new home must be in the same county as the old one or, as Proposition 90 added, in one of eleven counties that accept transfers of base-year value from other counties. The eleven counties are: Alameda, El Dorado, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Tuolomne and Ventura.

Also, the new home must be purchased or built within two years - before or after the sale of the original property.

If the new house is purchased before the old house is sold, the market value of the new house on its purchase date cannot exceed 100% of the old home’s market value on the date it is sold.

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San Mateo County Condos - Median & Average Prices & Sales

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

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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.[/image]

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Investors Corner

THE S&P CORELOGIC CASE-SHILLER NATIONAL INDEX HITS NEW PEAK AS HOME PRICE GAINS CONTINUE

YORK, January 31, 2017— S&P Dow Jones Indices today released the latest results for the S&P CoreLogic Case-Shiller Indices, the leading measure of U.S. home prices. Data released today for November 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...can be accessed in full by going to: https://goo.gl/G3mNQz

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