Although prices for single-family, re-sale homes are down year-over-year, they are showing signs of picking up. The median sales price was flat in April compared to March. The average sales price dipped 2.1% from March.

The sales price to list price ratio, which had a peak last spring of 113.3%, had dropped to a low of 102.4% in January. Last month it was up to 105.3%.

Home sales were down, year-over-year, for the sixth month in a row. There were 315 homes sold in San Mateo County last month. The average since 2003 is 398.

Inventory continues to expand. It has been higher than the year before eleven months in a row. Last month, it was up 21.5% over last year.

Days of Inventory, or the amount of time it would take to sell all homes for sale divided by how many homes have sold, was down to 45 days.

As of May 5th, there were 486 homes for sale in San Mateo County. The average since January 2003 is 1,287.

It is taking twenty-four days to sell a home. That is the time from when a home is listed to when it goes into contract.

Prices for re-sale condos were up last month from the month before but they were down year-over-year.

Condo sales dropped 26.2% year-over-year.

Inventory continues to expand. It has been higher than the year before nine months in a row.

As of May 5th, there were 127 condos for sale in San Mateo County. The average since January 2003 is 350.

Days of inventory rose to forty.

It is taking only twenty-one days to sell a condo.

If you are planning on selling your property, call me for a free comparative market analysis.

For a focused review (your city, your neighborhood) of current and historical market trends go to http://avi.rereport.com/market_reports
April 26, 2019 — At the end of last year, rising short- and long-term rates and tightening financial market conditions threatened to bring economic growth to a standstill. Then, to start 2019, we got a partial shutdown of the federal government, which muddied, delayed and distorted the normal stream of economic data needed by the Fed and others to ascertain the recent and current economic climate.

Feeling its way through the muck, the Federal Reserve pulled an about-face in terms of policy, essentially telling the markets that it was likely done with increasing interest rates and that its active portfolio reduction would soon come to an end. Soothed, markets reacted very positively to this change, and as the quarter wended its way to a close and the smoke began to clear, the picture revealed was a pretty good one, and one good enough to quell talk of impending recession.

Home sales have been mixed-to-positive in the early part of 2019. The latest figures covering sales of existing homes in March was a little disappointing, as a 4.9% drop in sales from February occurred, leaving the annual rate of sale at 5.1 million units. Even with the decline, this is still the second strongest figure since last November, and so might be considered fair. It’s also worth remembering that sales in March are actually reflective of demand conditions 45 to 60 days prior, so back as far as perhaps early February, and before a meaningful decline in mortgage rates happened. It’s also worth noting as we have on many occasions that what’s holding back sales has less to do with high interest rates than with severely depleted inventories of homes available to buy, and those at inflated prices. Stockpiles have improved somewhat in recent months, but the present 3.9 months of supply relative to current sales remains

**San Mateo County - April 2019**

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

**Cities**
- SMC
- Atherton
- Belmont
- Brisbane
- Burlingame
- Daly City
- East Palo Alto
- El Granada
- Foster City
- Half Moon Bay
- Hillsborough
- Menlo Park
- Millbrae
- Montara
- Moss Beach
- Pacifica
- Portola Valley
- Redwood City
- Redwood Shores
- S. San Francisco
- San Bruno
- San Carlos
- San Mateo
- Woodside

**Prices**
- Median
- Average
- Sales
- Pend
- Inven
- DOI
- SP/LP

**% Change from Year Before**
- Med
- Ave
- Sales
- Pend
- Inven

(Continued on page 4)
### Trends at a Glance

**Single-family Homes**

<table>
<thead>
<tr>
<th>Apr 19</th>
<th>Month %</th>
<th>Mar 19</th>
<th>Year %</th>
<th>Apr 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price:</td>
<td>$1,620,000</td>
<td>0.0%</td>
<td>$1,620,000</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Average Price:</td>
<td>$1,958,510</td>
<td>-2.1%</td>
<td>$2,000,120</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Home Sales:</td>
<td>365</td>
<td>12.1%</td>
<td>281</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Pending Sales:</td>
<td>307</td>
<td>-12.0%</td>
<td>349</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Active Listings:</td>
<td>486</td>
<td>22.1%</td>
<td>398</td>
<td>21.5%</td>
</tr>
<tr>
<td>SP/LP Ratio:</td>
<td>105.3%</td>
<td>1.9%</td>
<td>103.4%</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Days on Market:</td>
<td>24</td>
<td>-16.6%</td>
<td>28</td>
<td>44.8%</td>
</tr>
<tr>
<td>Days of Inventory:</td>
<td>45</td>
<td>5.3%</td>
<td>42</td>
<td>28.4%</td>
</tr>
</tbody>
</table>

**Condominiums**

<table>
<thead>
<tr>
<th>Apr 19</th>
<th>Month %</th>
<th>Mar 19</th>
<th>Year %</th>
<th>Apr 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price:</td>
<td>$975,000</td>
<td>4.8%</td>
<td>$930,000</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Average Price:</td>
<td>$1,032,220</td>
<td>4.8%</td>
<td>$985,061</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Home Sales:</td>
<td>93</td>
<td>2.2%</td>
<td>91</td>
<td>-26.2%</td>
</tr>
<tr>
<td>Pending Sales:</td>
<td>90</td>
<td>-13.5%</td>
<td>104</td>
<td>-23.1%</td>
</tr>
<tr>
<td>Active Listings:</td>
<td>127</td>
<td>18.7%</td>
<td>107</td>
<td>71.6%</td>
</tr>
<tr>
<td>SP/LP Ratio:</td>
<td>103.6%</td>
<td>1.5%</td>
<td>102.1%</td>
<td>-8.8%</td>
</tr>
<tr>
<td>Days on Market:</td>
<td>21</td>
<td>-30.7%</td>
<td>30</td>
<td>78.2%</td>
</tr>
<tr>
<td>Days of Inventory:</td>
<td>40</td>
<td>12.3%</td>
<td>35</td>
<td>132.5%</td>
</tr>
</tbody>
</table>

---

### San Mateo County Condos - Median & Average Prices & Sales

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

<table>
<thead>
<tr>
<th>City</th>
<th>Median Price</th>
<th>Average Price</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 Pend’ Inven’</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMC</td>
<td>$975,000</td>
<td>$1,032,220</td>
<td>93</td>
<td>90</td>
<td>127</td>
<td>40</td>
<td>103.6%</td>
<td>-3.5%</td>
<td>-5.6%</td>
<td>-26.2% -23.1% 71.6%</td>
</tr>
<tr>
<td>Belmont</td>
<td>$830,000</td>
<td>$1,070,000</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>58</td>
<td>99.7%</td>
<td>-28.7%</td>
<td>-23.1%</td>
<td>-25.0% -25.0% 700.0%</td>
</tr>
<tr>
<td>Burlingame</td>
<td>$1,425,000</td>
<td>$1,271,670</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>58</td>
<td>108.2%</td>
<td>27.5%</td>
<td>14.2%</td>
<td>-71.4% 50.0% 200.0%</td>
</tr>
<tr>
<td>Daly City</td>
<td>$767,500</td>
<td>$763,750</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>29</td>
<td>106.7%</td>
<td>-3.1%</td>
<td>7.3%</td>
<td>14.3% -83.3% 200.0%</td>
</tr>
<tr>
<td>Foster City</td>
<td>$1,200,000</td>
<td>$1,123,560</td>
<td>9</td>
<td>18</td>
<td>17</td>
<td>55</td>
<td>104.6%</td>
<td>-12.5%</td>
<td>-9.3%</td>
<td>-23.1% 21.4% 333.3%</td>
</tr>
<tr>
<td>Menlo Park</td>
<td>$1,710,000</td>
<td>$1,758,710</td>
<td>7</td>
<td>14</td>
<td>18</td>
<td>75</td>
<td>99.7%</td>
<td>-41.7%</td>
<td>26.3%</td>
<td>-50.0% 14.3% 260.0%</td>
</tr>
<tr>
<td>Pacifica</td>
<td>$730,300</td>
<td>$792,860</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>101.1%</td>
<td>-42.9%</td>
<td>-31.0%</td>
<td>-16.7% 0.0% 25.0%</td>
</tr>
<tr>
<td>Redwood City</td>
<td>$1,070,000</td>
<td>$1,004,300</td>
<td>5</td>
<td>10</td>
<td>58</td>
<td>58</td>
<td>105.4%</td>
<td>-10.0%</td>
<td>-12.0%</td>
<td>-27.3% -50.0% -20.0%</td>
</tr>
<tr>
<td>Redwood Shores</td>
<td>1,283,420</td>
<td>1,283,410</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>58</td>
<td>104.7%</td>
<td>-4.2%</td>
<td>-12.9%</td>
<td>-83.3% -66.7% -50.0%</td>
</tr>
<tr>
<td>San Bruno</td>
<td>$409,500</td>
<td>$433,500</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>51</td>
<td>102.5%</td>
<td>-2.3%</td>
<td>18.9%</td>
<td>-14.3% -37.5% 150.0%</td>
</tr>
<tr>
<td>San Carlos</td>
<td>$1,375,000</td>
<td>$1,332,050</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>17</td>
<td>100.8%</td>
<td>-6.0%</td>
<td>-15.5%</td>
<td>33.3% 66.7% 700.0%</td>
</tr>
<tr>
<td>San Mateo</td>
<td>$945,000</td>
<td>$1,018,420</td>
<td>27</td>
<td>24</td>
<td>35</td>
<td>38</td>
<td>104.2%</td>
<td>4.5%</td>
<td>-7.1%</td>
<td>-6.7% 3.1% -29.2%</td>
</tr>
<tr>
<td>S. San Francisco</td>
<td>650,000</td>
<td>663,111</td>
<td>9</td>
<td>13</td>
<td>9</td>
<td>29</td>
<td>106.2%</td>
<td>-4.4%</td>
<td>2.5%</td>
<td>0.0% -23.5% -30.8%</td>
</tr>
</tbody>
</table>

---

**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.
well below optimal levels of about 6 months. As well, although price gains have moderated, costs of homes are still rising at a 3.8% annual clip and continue to outstrip income growth.

With limited supplies of existing homes to buy, at least some folks have taken to the new home market, where conditions are much looser. Sales of new homes rose continued on an upward trajectory in March, rising by 4.5% to an annualized 692,000 homes sold, the highest such figure since November 2017. Unlike existing homes, supply here both more plentiful and elastic; after all builders can add more as demand warrants. Currently, though, with supply levels at an adequate 6 months, they probably won’t be in a big hurry to add more stock, and given a 5.3% decline in prices, it appears as though there was a little bit of a sale on new homes last month to help move product out the door.

As they are tallied when a contract is signed, the bump in sales of new homes may also be more reflective of the decline in mortgage rate at the end of March which may have spurred demand a bit. Of course, one other interesting tidbit to consider is that with the dip in prices for new homes and smaller increases in costs for existing, the differential in monthly payment between the two (30-year FRM, 4.25%, 10% down for each) is just $179 per month, making the leap to a new home arguably more palatable for a number of borrowers.

After a refi-fueled spurt, applications for mortgages have again tailed off, with the Mortgage Bankers Association of America reporting a 7.3% decline in the week ending April 19. Refinance applications have petered out now for the last three weeks, but this week were also joined be a slump in applications for purchase-money mortgages, too. Even with the recent slides, activity overall remains close to about two year highs, but even slightly firmer mortgage rates have been sufficient to curtail refinancing activity on a number of occasions this cycle.

The Silicon Valley’s Real estate market is a derivative of the local economy--it prospers and withers depending on how well the local innovation-based sector performs. The San Jose Mercury News tracks the performances of the largest 150 publicly traded companies headquartered in Silicon Valley through an index called the SV150, which may be found at www.mercurynews.com. Stocks are valued based on several criteria, but one of the more important criteria is a company’s future earnings. Therefore, I see the SV150 as a leading indicator for Silicon Valley’s real estate market.

Investors Corner

S&P CORELOGIC CASE-SHILLER INDEX SHOWS ANNUAL GAINS CONTINUE TO DECLINE

APRIL 30, 2019 – 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 February 2019 shows that the rate of home price increases across the U.S. has continued to slow. More than 27 years of history for these data series is available, and can be accessed in full by going to https://bit.ly/2JnRTeR

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