



A unique "whole-istic" approach to real estate ownership
Silicon Valley homes & investments nationwide

June 2020 *Inside This Issue*

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Santa Clara County Real Estate Trends Report

Telecommuting and Real Estate

What effect will telecommuting have on the Bay Area real estate market?

Some expect many telecommuters will move out of the Bar Area to lower-cost areas. If so, this will lower demand which will, in turn, put downward pressure on prices.

To read further about this, go here: <https://tinyurl.com/ybafszc2>.

Sales & Inventory Continue to Plummet

Sales of single-family, re-sale homes tanked 51.6% in May compared to last year. This is after a 35.8% drop in April. Home sales were down 13.6% compared to April. There were 478 homes sold in Santa Clara County last month. The average since 2000 is 987.

We expect home sales to continue dropping for the next two months.

Inventory of single-family, re-sale homes was down 39.6% compared to last year. That is the ninth month in a row inventory has been lower than the year before. As of June 5th, there were 971 homes for sale in Santa

Clara County. The average since January 2000 is 2,703.

The median sales price for single-family, re-sale homes in April was up 3.2% compared to last year. The average sales price was up 2.2% year-over-year.

The sales price to list price ratio dropped to 100.6% from 103.2%.

Days of Inventory, or how long it would take to sell all homes listed for sale at the current rate of sales, rose seventeen days to 61 days compared to April. The average since 2003 is 89.

It took only twenty-three days to sell a home last month. That is the time from when a home is listed for sale to when it goes into contract.

The median sales price for condos was down 5.5% from last May. The average sales price also fell 5.5% year-over-year.

Condo sales were down 62.6% year-over-year. There were 150 condos sold in May.

The sales price to list price ratio fell to 99.5% from 102.1%.

Condo inventory dropped 39.6% from last May.

As of June 5th, there were 450 condos for sale in Santa Clara County. The average since January 2000 is 757.

Days of inventory jumped to ninety from fifty-one.

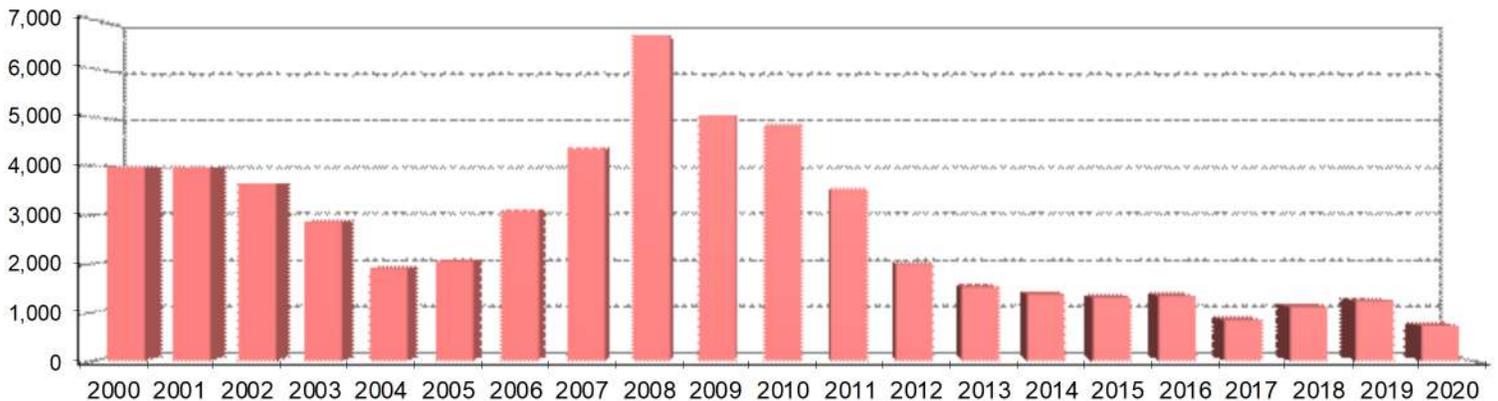
It took an average of twenty-four days to sell a condo last month.

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

Santa Clara County
Average Active Listings SFR YTD

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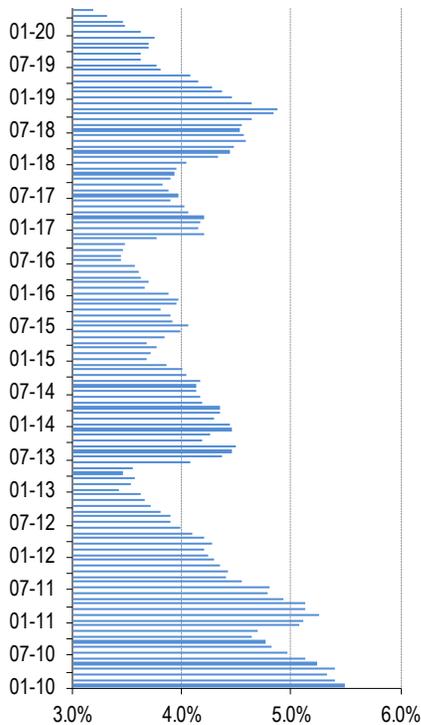
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30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by <http://www.freddiemac.com/>.

New Record For Rates (Again)

May 29, 2020 -- Mortgage rates set new "all-time" lows again this week, and having written it several times already, the headline above or one similar to it is one we'll likely be writing with some regularity in the coming weeks and months.

If you think about it, low rates are a blessing as a result of a curse. Low borrowing costs can help homeowners lower monthly mortgage carry costs, help ease budgetary burdens or even free up funds for new spending or trimming other debts down to manageable levels. As well, lower rates can help potential homebuyers qualify for larger mortgages on a given income, helping them to be able to participate in today's COVID-19 distorted housing markets.

But these low rates come at a cost, and are the result of a true economic calamity around the globe and certainly here in the U.S. They are here because demand and commerce have both been crushed, already-modest price pressures are being pushed down further and due to both investor demand for safe-haven assets and monetary policy engineered by the Federal Reserve. These low rates reflect the economic misery of many millions who have seen their incomes and livelihoods interrupted, some temporarily but increasingly on a more permanent basis.

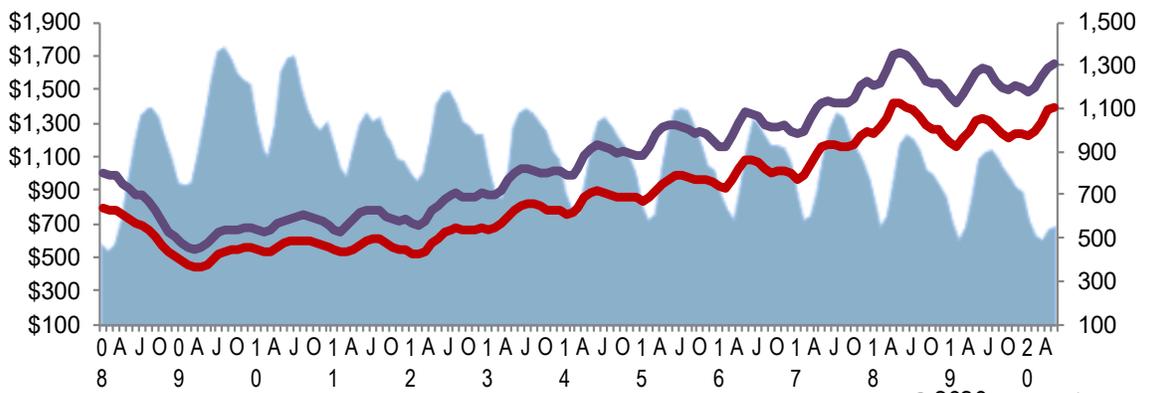
Low borrowing costs are only of value if you need or want to borrow money, and more specifically, if you can qualify to borrow that money. No matter how generous they may be or how long they may be available, unemployment insurance funds don't count as income (in most cases) for mortgage qualifying, and there may be millions of potential borrowers who want or need to borrow money but cannot, and may not be able to do so for some time.

That's also the case with millions of homeowners in mortgage-payment forbearance plans, although recent clarity from Fannie Mae and Freddie Mac now indicates that a borrower will be again eligible for another mortgage once three timely payments are made at the end of any forbearance period. Still, a request for forbearance is an indication that the borrower can't make existing mortgage payments, and a borrower in such straits may or may not be able to afford a new mortgage in the future even if they can manage to resume making existing payments by some means.

Social distancing and other roadblocks may continue to bedevil the existing home market for some time, but that's less the case with new construction, which may seem relatively better supported at the moment. Low mortgage rates will continue to help create demand for both measures, but

(Continued on page 4)

Santa Clara County Homes - Median & Average Prices & Sales
(3-month moving average—prices in \$000's)



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Santa Clara County - May 2020												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
SCC	\$ 1,372,500	\$ 1,667,680	478	917	971	61	100.6%	3.2%	2.2%	-51.6%	10.0%	-39.6%
Campbell	\$ 1,697,500	\$ 1,866,890	14	27	26	56	101.9%	23.0%	34.2%	-44.0%	8.0%	-33.3%
Cupertino	\$ 2,175,000	\$ 2,281,950	11	24	26	71	101.3%	-7.4%	-3.1%	-63.3%	-4.0%	-10.3%
Gilroy	\$ 883,990	\$ 1,164,230	19	80	72	114	99.3%	12.0%	37.1%	-67.8%	25.0%	-20.9%
Los Altos	\$ 2,965,000	\$ 3,246,120	16	30	35	66	98.0%	-13.6%	-16.5%	-59.0%	-14.3%	-16.7%
Los Altos Hills	\$ 3,700,000	\$ 3,959,000	5	12	20	120	94.4%	-17.8%	-19.0%	0.0%	33.3%	-28.6%
Los Gatos	\$ 1,925,000	\$ 2,055,780	25	54	99	119	99.0%	-8.9%	-4.1%	-43.2%	-1.8%	-6.6%
Milpitas	\$ 1,125,000	\$ 1,128,200	5	27	21	126	95.4%	2.3%	0.5%	-82.8%	-3.6%	-30.0%
Monte Sereno	\$ 2,405,000	\$ 2,831,670	3	6	8	80	107.2%	-35.0%	-30.7%	-50.0%	0.0%	-52.9%
Morgan Hill	\$ 1,025,000	\$ 1,103,340	37	64	57	46	97.6%	2.5%	-5.4%	-24.5%	-1.5%	-39.4%
Mountain View	\$ 2,200,000	\$ 2,200,000	9	23	25	83	98.8%	-0.1%	0.4%	-75.7%	-4.2%	-21.9%
Palo Alto	\$ 2,840,000	\$ 3,222,700	26	27	71	82	101.2%	-15.6%	-14.3%	-25.7%	17.4%	14.5%
San Jose	\$ 1,205,000	\$ 1,276,700	227	427	408	54	101.1%	3.0%	3.4%	-52.8%	-15.6%	-38.5%
Santa Clara	\$ 1,330,000	\$ 1,409,150	26	45	43	50	103.3%	-8.3%	-5.8%	-55.2%	-6.3%	-30.6%
Saratoga	\$ 2,622,500	\$ 3,010,400	12	26	39	98	100.6%	-2.3%	10.0%	-62.5%	-35.0%	-40.9%
Sunnyvale	\$ 1,900,000	\$ 1,838,660	41	45	39	29	102.1%	9.1%	1.9%	-24.1%	-16.7%	-39.1%

VISIT

<http://avi.rereport.com/>

for a free on-line market analysis of your property. You can also perform your own personal search of properties for sale.

Market Statistics

Trends at a Glance

(Single-family Homes)

	May 20	Month %	Apr 20	Year %	May 19
Median Price:	\$1,372,500	-1.3%	\$1,390,000	3.2%	\$1,330,000
Average Price:	\$1,667,680	3.1%	\$1,617,660	2.2%	\$1,632,550
Home Sales:	478	-13.6%	553	-51.6%	987
Pending Sales:	917	55.4%	590	10.0%	834
Active Listings:	971	15.2%	843	-39.6%	1,608
Sale/List Price Ratio:	100.6%	-2.5%	103.2%	-1.4%	102.1%
Days on Market:	23	47.0%	16	2.6%	23
Days of Inventory:	61	37.9%	44	24.7%	49

(Condominiums)

	May 20	Month %	Apr 20	Year %	May 19
Median Price:	\$809,000	-1.1%	\$818,000	-5.5%	\$855,800
Average Price:	\$879,578	-2.6%	\$903,299	-5.5%	\$931,026
Home Sales:	150	-26.1%	203	-62.6%	401
Pending Sales:	281	30.7%	215	-13.0%	323
Active Listings:	450	25.3%	359	-39.6%	745
Sale/List Price Ratio:	99.5%	-2.5%	102.1%	-1.7%	101.2%
Days on Market:	24	59.1%	15	0.9%	24
Days of Inventory:	90	75.5%	51	61.5%	56

Get straight answers to your real estate questions?
 Call 650-305-1111 or [email me](#) to schedule a complementary and confidential meeting.

Santa Clara County Condos - Median & Average Prices & Sales

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

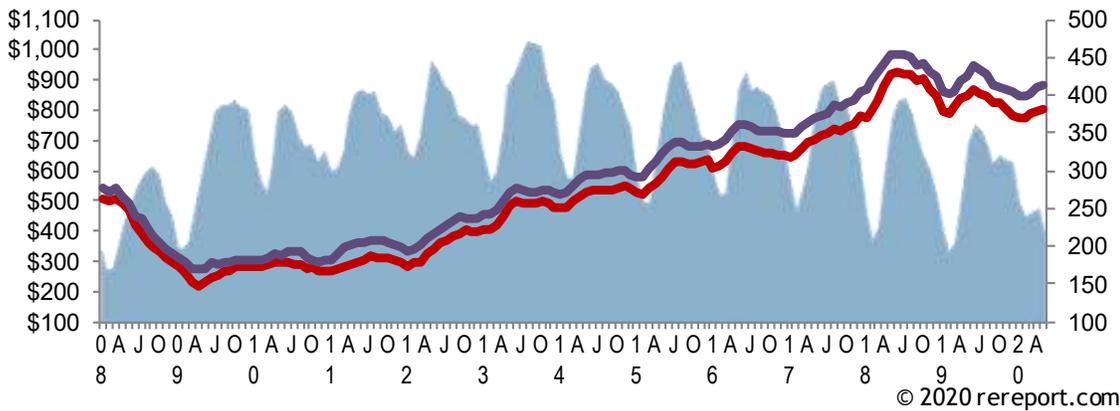


Table Definitions

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.

Santa Clara County - May 2020

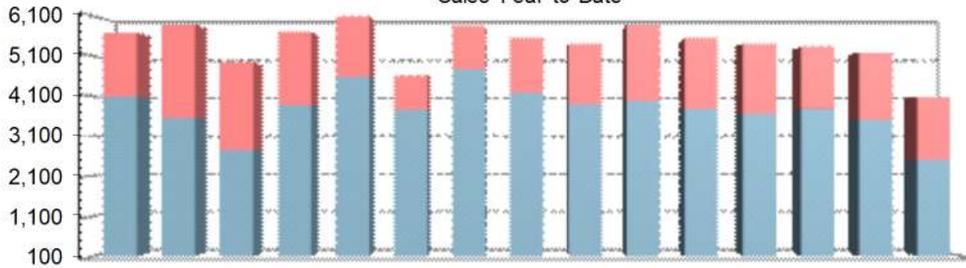
Condominiums	Prices							% Change from Year Before				
	Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend'
SCC	\$ 809,000	\$ 879,578	150	281	450	90	99.5%	-5.5%	-5.5%	-62.6%	-13.0%	-39.6%
Campbell	\$ 1,060,000	\$ 1,022,290	7	12	12	51	98.3%	9.8%	12.8%	-36.4%	9.1%	400.0%
Cupertino	\$ 1,417,500	\$ 1,417,500	2	9	13	195	98.9%	-6.3%	8.3%	-50.0%	-63.6%	350.0%
Gilroy	\$ 555,000	\$ 555,000	1	4	5	150	98.2%	15.9%	5.3%	25.0%	133.3%	100.0%
Los Altos	\$ 1,487,500	\$ 1,487,500	2	3	6	90	99.2%	-27.4%	-1.7%	300.0%	100.0%	-66.7%
Los Gatos	\$ 1,180,000	\$ 1,056,250	4	5	16	120	98.1%	19.6%	-12.7%	-22.2%	0.0%	16.7%
Milpitas	\$ 1,050,000	\$ 1,008,080	5	17	14	84	96.1%	-22.3%	18.4%	28.6%	-34.5%	291.7%
Morgan Hill	\$ 650,000	\$ 632,500	4	30	18	135	99.8%	-13.5%	-7.0%	-25.0%	9.1%	500.0%
Mountain View	\$ 1,066,500	\$ 1,161,000	16	21	26	49	98.6%	-6.4%	-7.1%	-48.3%	88.0%	154.5%
Palo Alto	\$ 1,295,000	\$ 1,389,000	4	6	20	150	102.6%	-43.9%	-18.8%	-50.0%	40.0%	250.0%
San Jose	\$ 725,000	\$ 730,812	86	135	235	82	100.0%	0.0%	-4.4%	-57.2%	-24.2%	-35.4%
Santa Clara	\$ 1,060,000	\$ 1,006,000	9	20	47	157	99.8%	3.1%	11.5%	-34.6%	33.3%	344.4%
Saratoga	\$ 798,750	\$ 798,750	2	3	7	105	98.2%	-100.0%	-42.0%	50.0%	0.0%	100.0%
Sunnyvale	\$ 1,114,000	\$ 1,123,380	8	16	30	113	98.7%	-5.5%	-5.1%	-11.1%	14.8%	211.1%

Is NOW a good time to buy your Silicon Valley Home?

For more information go to <http://urban.realtor/home-buyers-seminar/>

Santa Clara County

Sales Year-to-Date



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Condos	1,589	2,313	2,200	1,822	1,515	862	1,080	1,359	1,511	1,893	1,748	1,749	1,552	1,672	1,580
Homes	4,083	3,555	2,744	3,874	4,576	3,755	4,767	4,188	3,895	3,980	3,788	3,660	3,776	3,508	2,501

(Continued from page 2)

the existing home sales market may not start to revive for a few months yet. That's at least the takeaway from the latest housing data; the National Association of Realtors Pending Home Sales Index for April rang in a new-low of 69, down from 88.2 in March and well below February's pre-pandemic 111.4 mark, so the downtrend in sales of existing homes can be expected to continue. The NAR's PHSI is a measure of contracts signed to buy existing homes, which can take 30-60 days to complete and be recorded as actually sold - so April's pending sales may show up in May or even June sales tallies.

Sales of new homes did fare a little better in April than in March. With a 0.6% increase to 623,000 (annualized) units sold, the uptick was both unexpected and likely the reason for the small rebound in builder sentiment we detailed here last week. However, the slight improvement didn't much make a dent in available supply, which slipped to 6.3 months of stock (325,000 actual units) from 6.4 months, so builders won't be in any rush to accelerate building any time soon. Sales of new homes may have also been goosed a bit by builder discounting; on a year-over-year basis, the cost of a new home in April was 4.3% below a comparable year ago level and on this basis prices have been declining in five of the last six months, and three in a row. Contrast this with the prices of existing homes, which continue to rise strongly, posting a 7.4% year-over-year gain in April. At least for April, the gap between the median price of a new home sold and an existing one was \$25,600 -- only about \$111 per month more for a new home than for existing, a smaller gap than usual.

Reflecting increased interest in home buying, applications for purchase-money mortgages continued on a six-week positive string, rising by 8.6% in the week ending May 22. The Mortgage Bankers Association's report also showed a now six-week decline in applications for refinancing with a 0.2% fall. This week's small move to a new record notwithstanding, mortgage rates have been pretty level for about the last two months, and there are only so many homeowners who can profitably refinance at a given interest rate level. With the decline and associated headlines of "record low rates" it's reasonable to expect that we'll see a pick up in refinance apps in the next week or so.

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

ANNUAL HOME PRICE GAINS INCREASED TO 4.4% IN MARCH ACCORDING TO S&P CORELOGIC CASE-SHILLER INDEX

NEW YORK, MAY 26, 2020 – 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 March 2020 show that home prices continue to increase at a modest rate across the U.S. More than 27 years of history are available for these data series, and can be accessed in full by going to [click here](#)

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For City by City Trend Report go to http://avi.rereport.com/market_reports

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