

Real Estate Views

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Santa Clara County Region

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Mortgage Rates*

30-year Fixed (Zero Points, \$417,000, 3.810 APR)	3.75%
15-year Fixed (Zero Points, \$417,000, 3.105 APR)	3.00%

* As of April 8, 2016. For reference only.

Santa Clara County Market Snapshot* March 2016

# of Listings (Single Family Homes)	1035
Average selling price	\$1,328,750
% of asking price	105.3%
Avg. number of days on market	23
Number of Homes Sold	705

* MLSListings.com

Sellers May Have To Adjust Expectations

I spend a fair amount of time every month pouring over real estate and economic data to offer insight and opinion on what's currently going on in the real estate market. I do this with the intent of helping you gain a perspective you may not otherwise get. Because I tend to look deeper into the data than many other agents, I often notice subtle things that lead me to think a little differently than a lot of my peers.

For example, this month's sales data would probably lead most agents to say our region is still very much a seller's market. Inventory remains low with respect to historical average, most properties receive multiple offers, the price-to-list ratio is still well over 100%, homes are selling quickly with days on the

market in the low 20's, and home prices continue to appreciate year-over-year. While I don't disagree with the general opinion, I see several signs that the market may be softening for sellers.

There are two trends that I've taken notice. The first trend is the year-over-year price-to-list ratio. That ratio is 2-3% lower this year than last. Despite multiple bids in most cases, buyers are not as aggressive this year (at least not so far). Are they tired? Have they hit a ceiling of affordability? Regardless of cause, sellers aren't benefitting from the bidding frenzy of the past few years.

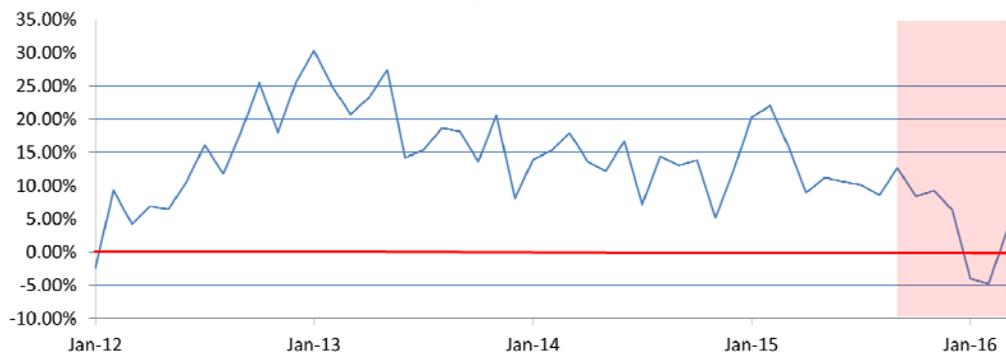
The other trend that has my attention is the annual rate of appreciation. From June 2012 through July 2015, our region has experienced

double-digit year-over-year average price appreciation in all but 4 months. However, in the past 8 months, only 1 month had double-digit appreciation from a year ago and 2 months were negative. Those negative months were the first decline in value since January 2012.

So, even though multiple bids still prevail in most areas, the final price on average does not exceed the list price as much as before. And even though home prices continue to escalate, the rate of appreciation is much lower than the previous 3 years.

The market is still good for sellers, but to me the data shows a cooling trend. I'll continue to track the data in the months ahead as things can change quickly. For now, if you're a seller, adjust your expectations accordingly.

Year-Over-Year Average Price Appreciation Rate



In the last 7 months, the rate of appreciation in Santa Clara County has trended lower than the previous 3+ years.