

# Real Estate Views

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Santa Clara County Region

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## Mortgage Rates\*

30-year Fixed (Zero Points, \$424,100, 4.312 APR)	<b>4.25%</b>
15-year Fixed (Zero Points, \$424,100, 3.677 APR)	<b>3.625%</b>

\* As of February 12, 2017. For reference only.

## Santa Clara County Market Snapshot\* January 2017

# of Listings (Single Family Homes)	626
Average selling price	\$1,228,310
% of asking price	101.4%
Avg. number of days on market	37
Number of Homes Sold	469

\* MLSListings.com

## Sell Your Home & Keep Your Property Tax Base

Are you an empty nester looking to downsize, but hesitant to sell because of a higher tax rate on the new property? Well, Proposition 60 could have been written with you in mind.

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.

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, Tuolumne 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.

These rules are great if you're considering downsizing. If you want to take advantage of them, contact me and I will be more than happy to guide you through the process.



## Buyers Aggressively Start The Year Early

For the second year in a row, buyers came out aggressively in January to get an early jump on the new buying season. Agents who've hosted open houses reported high traffic counts despite rainy weekends for most of the month.

Typically, buyers don't come out in big numbers until late February. However, with inventory so low again this year it's not surprising. Buyers know they're likely to face heavy competition and they want to get to the market before everyone else does.

The other factor motivating buyers to take quick action could be the anticipation of higher interest rates in the coming months. What has become a stale message in the past couple of years has gotten more credibility with the improving economy, a recent rate increase, and messages from the Fed that there are more to follow.

I expect more inventory to come this month and bring a little more balance to the market. Until then, buyers will experience a tough market.