

HAPPY HOLIDAYS Real Estate Views

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Santa Clara County Region

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Mortgage Rates*

30-year Fixed (Zero Points, \$424,100, 3.935 APR)	3.875%
15-year Fixed (Zero Points, \$424,100, 3.588 APR)	3.50%

* As of Dec 6, 2017. For reference only.

Santa Clara County Market Snapshot* November 2017

# of Listings (Single Family Homes)	461
Average selling price	\$1,619,100
% of asking price	108.5%
Avg. number of days on market	22
Number of Homes Sold	792

* MLSListings.com

Will The Housing Market Change In 2018?

2017 proved to be a challenging year for many in the local real estate market. Buyers faced tough odds on winning bids in multiple offer situations. If a buyer's offer was accepted, it was likely at a higher price than originally listed. Many who considered selling their home chose not to put their house on the market because they did not want to deal with the challenges of buying another home. The great profits they might receive for their current home would be absorbed by the purchase price of the next home, not to mention being subject to a new property tax rate.



Our quality of life and excellent employment opportunities have created this conundrum. More people are coming to this region than leaving it. Housing, of any type, is in short supply. Limited land availability is a challenge to new housing projects. Developers are opting for dense, multi-unit complexes rather than single family homes, putting even more pressure on the single family home market.

Going into the New Year, it's hard to imagine things will change any time soon. Economic indicators suggest continued job strength and wage stability, especially in light of the new proposed tax plan that is likely to be in effect. Many expect the repatriation of tax dollars by this region's multi-national companies is likely to be reinvested which will further strengthen the area's economic environment.

Two factors that can possibly soften demand in 2018 are higher interest rates and implementation of the new tax laws. If the economy sustains 3% GDP growth and wages go up, it's very likely inflation becomes a factor resulting in higher interest rates. As for the new tax laws, demand may soften due to the removal of key homeownership incentives. If demand softens due to fewer buyers, the rate of home value appreciation will likely slow down and buyers may not have as much competition when making offers.

At this point it's hard to predict what exactly will happen in 2018. However, one thing is certain. You can count on me to track the market and offer opinions as the year progresses.

On A Personal Note...

In the spirit of the season, I want to extend to all of you—my friends, family, associates, and followers of this column—a heartfelt **THANK YOU** for your support of me and your continuing interest in my perspectives on the real estate market. There are a lot of sources of information and plenty of agents vying for your attention and I appreciate you including me as one of them.

I hope your holiday season is filled with joy and happiness. May you enjoy time with family and friends and experience moments that create memories. Be safe in all of your travels. And finally...

HAPPY NEW YEAR

May this be your best year ever!