

HAPPY HOLIDAYS

Real Estate Views

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Santa Clara County Region

December 2016



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Mortgage Rates*

30-year Fixed (Zero Points, \$417,000, 4.426 APR)	4.375%
15-year Fixed (Zero Points, \$417,000, 3.695 APR)	3.625%

* As of December 5, 2016. For reference only.

Santa Clara County Market Snapshot* November 2016

# of Listings (Single Family Homes)	834
Average selling price	\$1,297,260
% of asking price	101.6%
Avg. number of days on market	31
Number of Homes Sold	850

* MLSListings.com

The Year In Review And What's To Come

Another year is winding down and it's time to reflect on the real estate market's last 12 months and see how it can help forecast the New Year.

Heading into 2016, most indicators pointed to a continuance of a hot market that favored sellers. The local economy was strong, unemployment was below 4%, and the number of homes available for sale remained low, which meant prices would continue to rise.

Despite the many signs that pointed to another hot year for sellers, 2016 proved to be only warm. This year, only 2 months posted year-over-year price increases of more than 5%. From 2012 through 2015, 46 of 48 months increased more than 5% and 35 of those months were over 10%.

Another area that cooled off was the price-to-list ratio. In 2015, 6 months had a ratio higher than 105%. This year, only 1 exceeded 105%.

Overall, inventory in 2016 was 3.5% higher than 2015, but unit sales were 7% lower. Usually more inventory leads to more sales, not less.

These data points show that 2016 proved to be a transitional year toward a more balanced market. Buyers gained more leverage and sellers had to settle for more moderate price appreciation.

I think 2017 will continue the trend towards a balanced market. I believe buyers will continue to focus more on value than availability and I think sellers will grow to accept slow price appreciation as the new norm.

Things to monitor in 2017 are interest rates and lending practices. Higher rates might temper sales, but easier lending procedures might offset it.

Things change quickly. I'll be sure to keep you updated and offer my perspectives. Thank you for following this column.



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!