

# HAPPY NEW YEAR Real Estate Views

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Santa Clara County Region

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## Mortgage Rates\*

30-year Fixed (Zero Points, \$417,000, 4.301 APR)	<b>4.25%</b>
15-year Fixed (Zero Points, \$417,000, 3.606 APR)	<b>3.50%</b>

\* As of January 12, 2016. For reference only.

## Santa Clara County Market Snapshot\* December 2016

# of Listings (Single Family Homes)	495
Average selling price	\$1,185,940
% of asking price	101.2%
Avg. number of days on market	34
Number of Homes Sold	719

\* MLSListings.com

## How Does The Election Affect Real Estate?

By far, the most common question that I received in the last month has been how will the presidential election affect our real estate market? Will new economic policies help or hurt real estate activity? According to the California Association of Realtors® (C.A.R.), “Presidential elections have historically had little or no negative impact on the California housing market.” While sales data dating back to 1990 confirm this conclusion, I can’t help thinking that this year might be different.

One of the items on the new administration’s agenda is job and wage growth. The aim is to not only put more people to work, but to put more money in their pockets. If successful, more people

will have more money to make larger purchase decisions.

A reduction in the corporate tax rate is another item on the agenda that might help real estate activity. A lower rate is supposed to help companies grow and expand. That not only helps with the job and wage issue, but it also improves the stock of the companies. A lot of people are tied into the stock market via stocks, 401k programs, and mutual fund investments. As personal portfolios grow, more people might move their money into real estate either by improving their living situation or purchasing investment properties.

While the new agenda may give reasons to believe there will be more

real estate activity, there are opposing forces that cannot be ignored. The biggest factor is interest rates. As the current economy is already on course for future interest rate hikes (as signaled by Fed Chairperson Yellen), the new agenda may accelerate the pace of those rate hikes. Just as low rates have fueled the housing market’s recovery over the last 5 years, higher rates can really slow things down.

Like most things in the world of prognostication, compelling arguments can be made for a thriving real estate market or a slower one. Regardless of what unfolds, I know this: It will be interesting to watch and I will work diligently to help guide you in making the best real estate decisions that suit your agenda.

## My New Year’s Resolution To You

Like many people during this time of year, I’m prone to making resolutions. Not all of them work out the way I want, but this is one that I’m confident will.

My resolution is that my top priority will be to serve as a real estate resource for you. It would be nice if I get the opportunity to participate in your transaction, but “selling” will not be my primary focus.

To this end I will study the market and report relevant facts. I will offer

opinions of what the data means to help you better understand current trends.

My goal is to generate dialogue with you. The more we engage, the better we understand, not only the market, but each other.

My primary goal is to inform and educate. It is not to sell anybody on anything. My hope is that you see value in the information and perspective that I offer and that you utilize me as a trusted resource.