

# Favorable Prices, Interest Rates Attract Buyers

## As Affordability Nears 30-Year Peak

FOURTH QUARTER 2010

### SAN MATEO COUNTY

Low mortgage interest rates and a slight decline in the median price of a home sold in San Mateo County during the fourth quarter of 2010 have combined to create among the most favorable conditions for homebuyers in three decades, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Despite the expiration of state and federal tax credit programs that inspired an increase in home purchases for much of the previous two years, sales of existing, single-family detached homes in San Mateo County remained relatively stable. Countywide, 1,020 homes changed hands during the fourth quarter, down slightly from 1,069 homes sold in the third quarter and 1,066 homes sold in the last quarter of 2009. Pent-up demand helped drive an increase in sales activity in several higher-priced communities, while potential homebuyers in the most affordable north and south areas of the county discovered the combination of rising rents and continued low interest rates mean it may be cheaper to buy a home than to rent as housing affordability hovers around 30-year highs.

Even with a somewhat slower pace of sales in most communities, the median price of an existing, single-family detached home increased slightly on a year-over-year basis to \$849,157, although that price was down 8 percent from \$921,093 in the third quarter. Compared with a year ago, the median sales price was flat or slightly higher in affordable East Palo Alto and Daly City, and was up slightly in San Mateo, Belmont, Hillsborough and Menlo Park. Year-over-year price declines were confined to single digits in Atherton, Millbrae, San Bruno, San Carlos, Pacifica, South San Francisco, Half Moon Bay and Burlingame.

Looking ahead, distressed properties, which had dominated the market in recent quarters, now account for fewer than half of the county's home sales – good news for homeowners who may have been waiting for market conditions to stabilize before putting their home on the market. With interest rates at or near record lows and a continued tight inventory of homes available for sale, sellers with equity may want to consider getting a jump-start on the market by listing their move-in condition property in advance of the Spring/Summer sales season.



Victor Pais, REALTOR®

DRE#: 01709269

Mobile: 916-622-0363

victor@eyeforhomes.com

www.Facebook.com/

EyeforHomes

www.EyeforHomes.com

**Better Homes and Gardens**  
REAL ESTATE

MASON-McDUFFIE

J F FINNEGAN REALTORS  
HIGHLAND PARTNERS  
TRI-VALLEY REALTY  
SONOMA GOLD

### SAN MATEO COUNTY YEAR-TO-YEAR MARKET COMPARISON

| City                | Homes Sold Q4/10 | Homes Sold Q4/09 | % Change | Avg DOM* Q4/10 | Avg DOM* Q4/09 | Change '10/'09 (days) | Median Price Q4/10 | Median Price Q4/09 | % Change |
|---------------------|------------------|------------------|----------|----------------|----------------|-----------------------|--------------------|--------------------|----------|
| Atherton            | 29               | 19               | 53       | 101            | 85             | 16                    | \$2,700,000        | \$2,851,000        | -5       |
| Belmont             | 49               | 45               | 9        | 50             | 29             | 21                    | \$864,200          | \$823,000          | 5        |
| Brisbane            | 3                | 8                | -63      | 42             | 46             | -4                    | \$430,000          | \$615,000          | -30      |
| Burlingame          | 56               | 62               | -10      | 56             | 50             | 6                     | \$1,070,000        | \$1,162,500        | -8       |
| Daly City           | 83               | 88               | -6       | 62             | 32             | 30                    | \$518,000          | \$525,250          | -1       |
| East Palo Alto      | 52               | 56               | -7       | 50             | 34             | 16                    | \$251,000          | \$250,000          | .4       |
| Foster City         | 29               | 28               | 4        | 40             | 37             | 3                     | \$965,000          | \$1,070,000        | -10      |
| Half Moon Bay       | 24               | 25               | -4       | 79             | 133            | -54                   | \$647,500          | \$699,000          | -7       |
| Hillsborough        | 24               | 34               | -29      | 77             | 82             | -5                    | \$2,205,500        | \$2,050,000        | 8        |
| Menlo Park          | 79               | 85               | -7       | 52             | 64             | -12                   | \$1,250,000        | \$1,150,000        | 9        |
| Millbrae            | 34               | 38               | -11      | 68             | 51             | 17                    | \$872,500          | \$915,000          | -5       |
| Pacifica            | 54               | 63               | -14      | 73             | 44             | 29                    | \$522,500          | \$557,000          | -6       |
| Portola Valley      | 10               | 13               | -23      | 102            | 54             | 48                    | \$1,427,500        | \$1,553,000        | -8       |
| Redwood City        | 153              | 159              | -4       | 54             | 52             | 2                     | \$735,000          | \$710,000          | 4        |
| San Bruno           | 53               | 48               | 10       | 60             | 41             | 19                    | \$525,000          | \$555,000          | -5       |
| San Carlos          | 63               | 75               | -16      | 43             | 42             | 1                     | \$830,000          | \$875,000          | -5       |
| San Mateo           | 144              | 148              | -3       | 54             | 43             | 11                    | \$757,500          | \$740,000          | 2        |
| South San Francisco | 66               | 60               | 10       | 60             | 43             | 17                    | \$498,500          | \$532,500          | -6       |
| Woodside            | 15               | 12               | 25       | 141            | 120            | 21                    | \$1,755,000        | \$1,965,000        | -11      |

\* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.  
\*\* The median home price for the entire county is the mean of median home prices of cities within San Mateo County.  
Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number.