

Limited Inventory Slows Countywide Home Sales

But Santa Clara County Still Outpaces Other Bay Area Markets

FOURTH QUARTER 2010

SANTA CLARA COUNTY

A limited inventory of homes on the market in Santa Clara County meant fewer existing, single-family detached homes changed hands in the fourth quarter of 2010 compared with both the previous quarter and fourth quarter of 2009, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Yet Santa Clara County's 2,547 home sales in the fourth quarter was tops in the nine-county San Francisco Bay Area, even though its fourth quarter performance was down 7 percent from 2,725 homes sold in the third quarter and 14 percent below the 2,969 homes sold in the final quarter of 2009. San Jose registered more than half of all home sales in the fourth quarter, compiling 1,383 total sales, down from 1,471 in the third quarter and 1,744 in the fourth quarter of 2009. Santa Clara was next in line with 138 sales for the quarter, followed by Sunnyvale and Gilroy with 126 each and Palo Alto with 122 closed transactions.

A decline in sales of more expensive homes caused the countywide median sales price to drop 7 percent from \$728,041 in the third quarter to \$676,216 in the fourth quarter. Even so, the fourth quarter median price was 2 percent

higher than it was in the final quarter of 2009, when it stood at \$661,137. Median sales price results were mixed in the 15 communities included in the report. Gilroy, Campbell, Los Altos, Milpitas and Monte Sereno each experienced modest year-over-year median price increases, while Mountain View, Palo Alto, San Jose and Morgan Hill recorded relatively minor declines of less than 5 percent on an annualized basis.

In a further sign of market stability, the average number of days a home was on the market before sale remained steady in this year's fourth quarter compared with the same period of 2009. As banks process short sale transactions at a faster pace, the number of days before sale conceivably could be reduced in future quarters.

Looking ahead, favorable interest rates and an increase in housing inventory in the coming months should draw the attention of additional homebuyers. Expect fewer bargain-basement bank REO properties from which to choose than in the past as banks move toward short sales. Multiple offers on competitively priced properties can be expected, meaning buyers will need to be both patient and ready to move quickly on the home of their choosing.



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SANTA CLARA 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 (days)	Median Price Q4/10	Median Price Q4/09	% Change
Campbell	51	70	-27	66	40	26	\$690,000	\$671,500	3
Cupertino	93	78	19	40	51	-11	\$1,073,000	\$1,154,444	-7
Gilroy	126	166	-24	66	63	3	\$404,750	\$400,000	1
Los Altos	84	79	6	54	52	2	\$1,605,000	\$1,500,000	7
Los Altos Hills	25	26	-4	84	73	11	\$2,150,000	\$2,391,944	-10
Los Gatos	94	95	-1	65	63	2	\$1,032,500	\$1,175,000	-12
Milpitas	79	81	-2	50	42	8	\$520,000	\$466,000	12
Monte Sereno	9	5	80	90	121	-31	\$1,875,000	\$1,655,000	13
Morgan Hill	84	112	-25	76	96	-20	\$565,000	\$590,000	-4
Mountain View	73	75	-3	46	48	-2	\$900,000	\$905,000	-1
Palo Alto	122	110	11	39	39	0	\$1,315,000	\$1,351,500	-3
San Jose	1,383	1,744	-21	61	51	10	\$486,000	\$500,000	-3
Santa Clara	138	126	10	51	33	18	\$598,000	\$620,500	-4
Saratoga	60	55	9	38	61	-23	\$1,242,000	\$1,366,100	-9
Sunnyvale	126	147	-14	39	40	-1	\$714,230	\$770,000	-7

* 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 Santa Clara County. Data are sourced from multiple listing services and are deemed reliable but not guaranteed.
All percentages rounded to nearest whole number.