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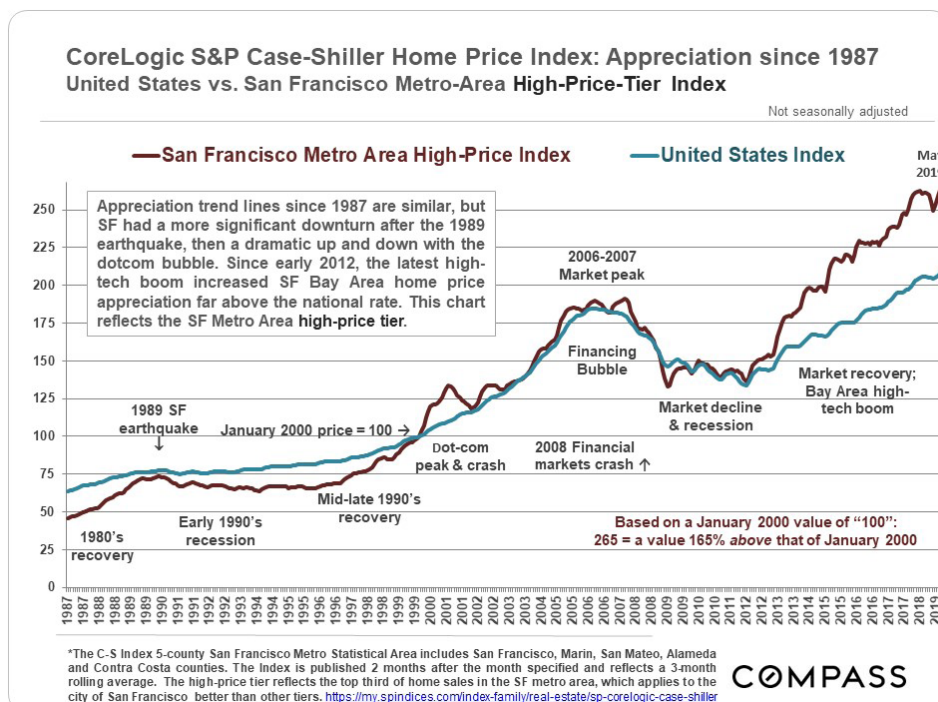
San Mateo Real Estate

Sales & Values by City and Price Segment, Market Seasonality, Market Dynamics by City,
Luxury Home Sales, Foreign Homebuyers

August 2019 Report

The May Case-Shiller Home Price Index was released in late July for the 5-county SF metro area. This chart illustrates the difference in appreciation rates between the Bay Area (higher price markets) and the entire country. Case-Shiller does not use median sales prices but its own algorithm to calculate appreciation. January 2000 home price = 100; 250 = a home price 150% above that of Jan. 2000.

Home Price Appreciation



Needless to say, there are many factors behind home sales and values in different communities. Home size is one of them, and median sales prices are not apples to apples comparisons: For example, in Atherton, the median house is over 4000 square feet, while in East Palo Alto, it is approximately 1300 square feet.

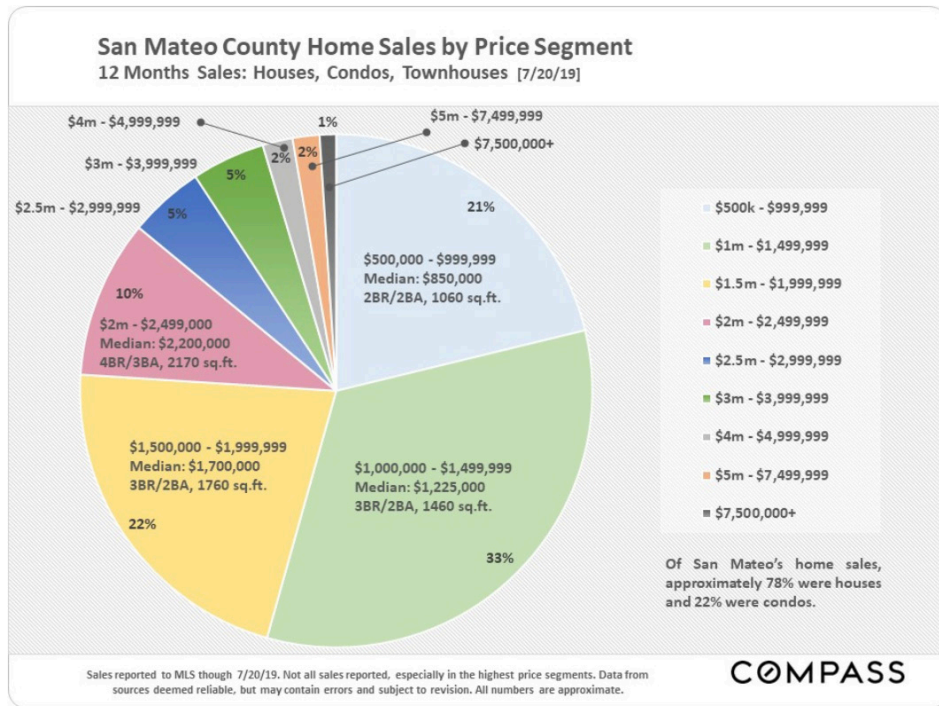
Note that median sales prices often peak for the year in Q2.

Market by City

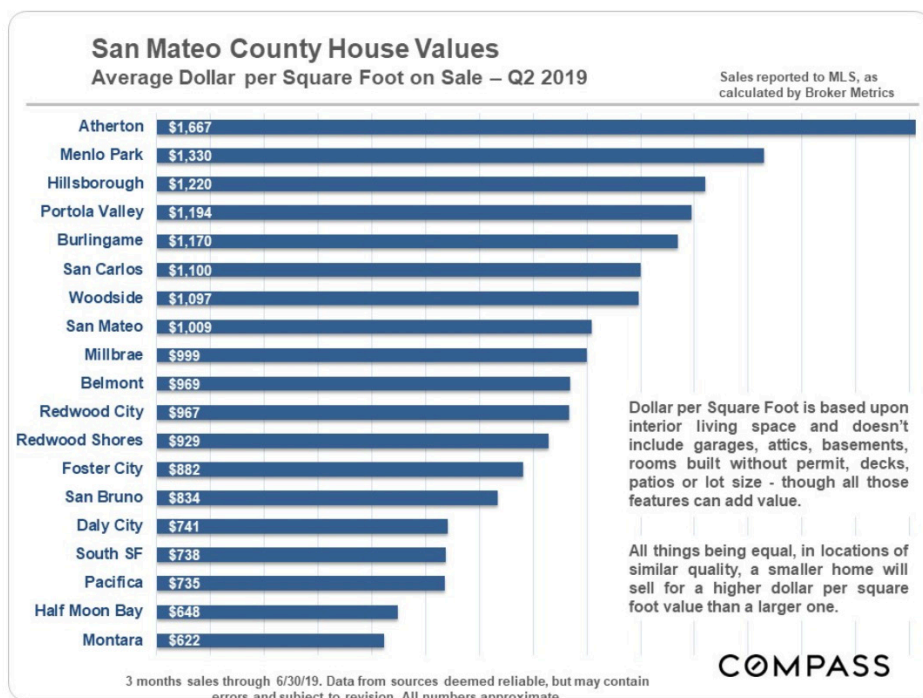


Home Sales by Price Range & Bedroom Count

All things being equal (which they rarely are), a smaller home will sell for a higher dollar per square foot value. However, Atherton has the highest median home size (and price) and the highest dollar per square foot value. It probably has the largest average lot size as well - which is another big factor.

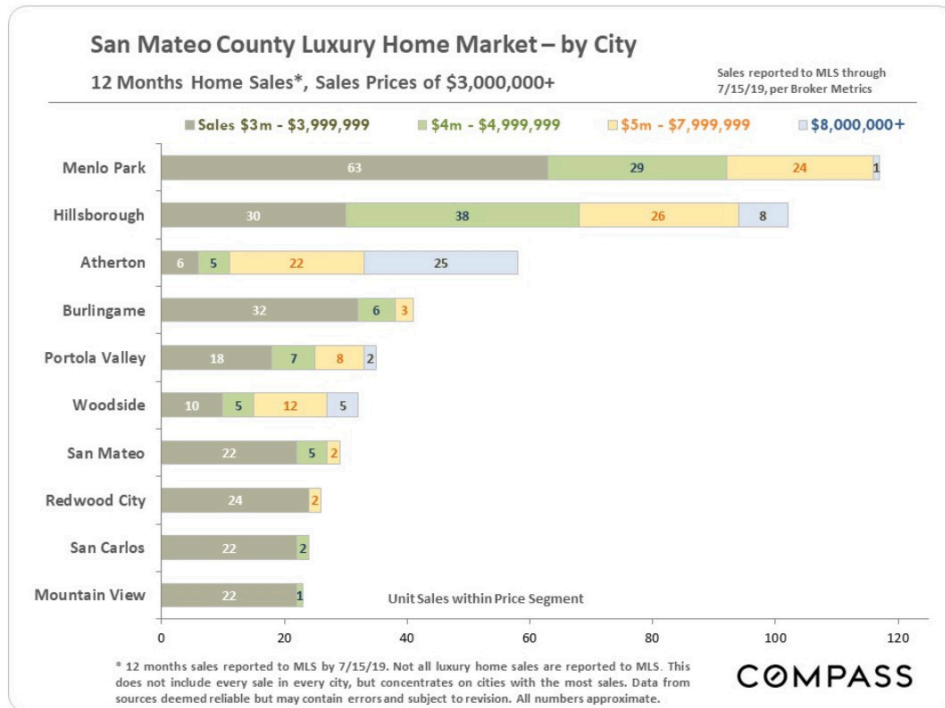


County House Values

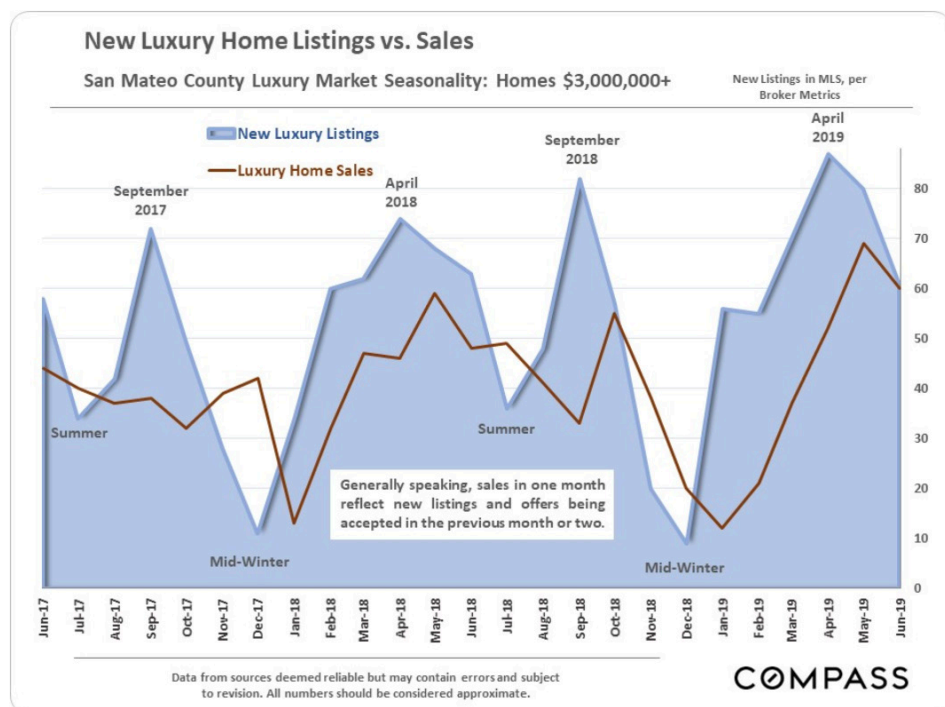


The Luxury Home Market

Menlo Park and Hillsborough dominate home sales of \$3 million and above in San Mateo County, but Atherton - the most expensive city in the Bay Area - dominates home sales at the very highest prices.



The luxury home market is even more affected by seasonality than the general market (which is discussed later in this report). September typically sees a large surge in new listings which fuels the autumn selling season. High-price homes that don't sell by Thanksgiving are often then pulled off the market to wait for the winter holiday season to pass.



Market Indicators by City

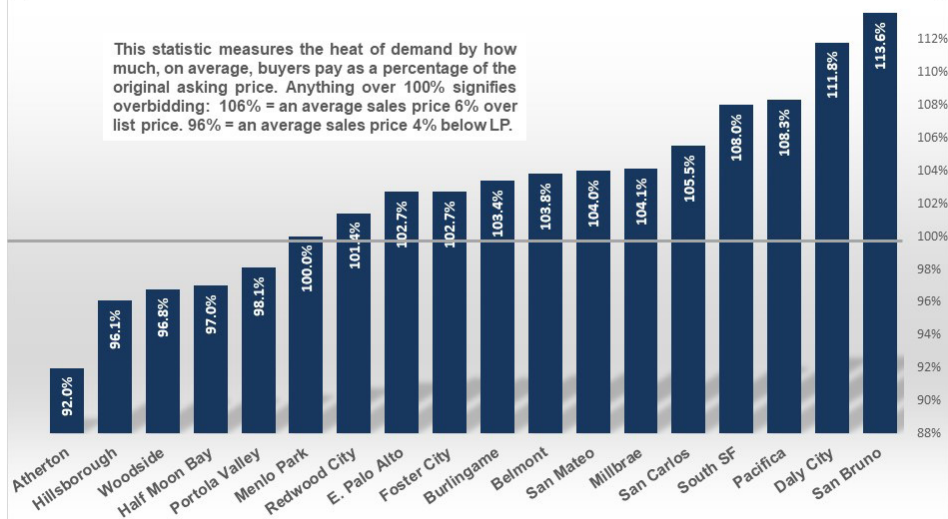
Two things should be kept in mind regarding the next 3 charts: 1) Q2 is often the highest demand market of the year, which will be reflected in the statistics illustrated, and 2) It is not unusual for higher price markets to have softer demand dynamics than more affordable areas. Needless to say, there are many fewer buyers for the most expensive homes, but also, overpricing is a more common issue with such homes. Still, in every city and price segment, there are homes that sell very quickly, homes that go through price reductions, and homes that don't sell at all.

Sales Price to Original List Price Percentage

San Mateo County, Selected Cities, Q2 2019 Sales

House sales as reported to
MLS, per Broker Metrics

This statistic measures the heat of demand by how much, on average, buyers pay as a percentage of the original asking price. Anything over 100% signifies overbidding: 106% = an average sales price 6% over list price. 96% = an average sales price 4% below LP.



Data derived from sources deemed reliable, but may contain errors and subject to revision. Adjusted for outlier sales data, when identified. All numbers to be considered approximate.

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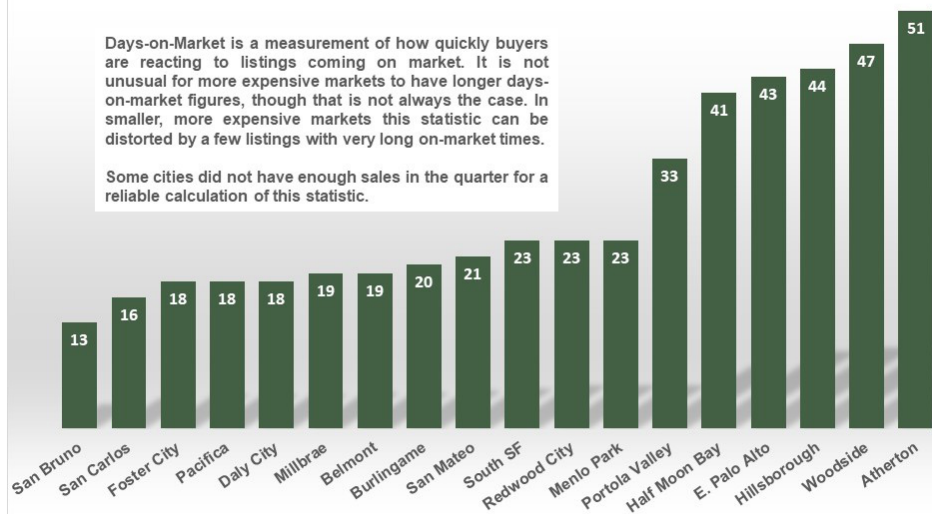
Average Days on Market

Prior to Acceptance of Offer
San Mateo County, Selected Cities, Q2 2019 Sales*

House sales as reported to
MLS, per Broker Metrics

Days-on-Market is a measurement of how quickly buyers are reacting to listings coming on market. It is not unusual for more expensive markets to have longer days-on-market figures, though that is not always the case. In smaller, more expensive markets this statistic can be distorted by a few listings with very long on-market times.

Some cities did not have enough sales in the quarter for a reliable calculation of this statistic.

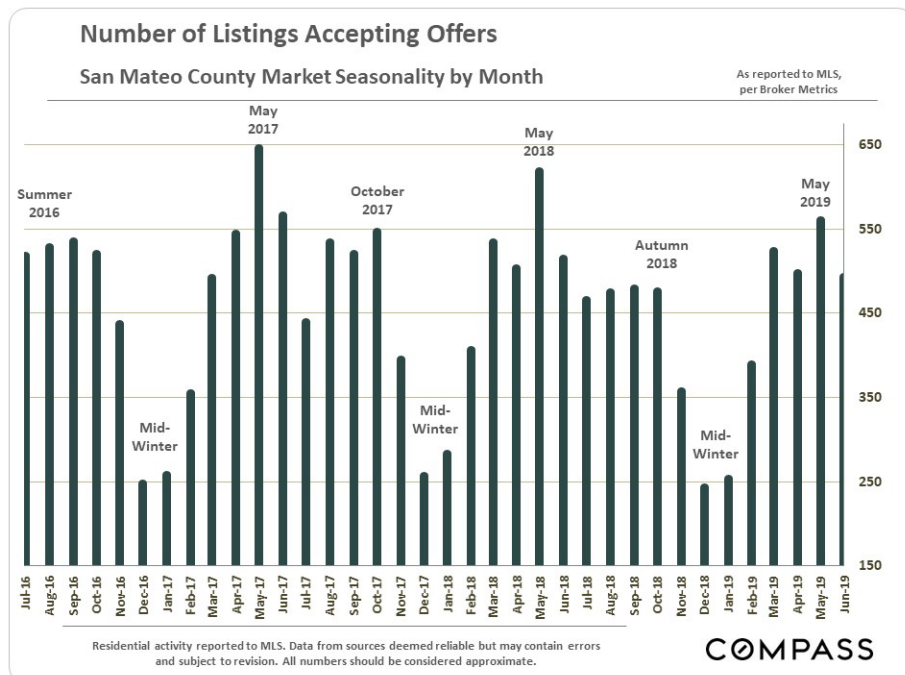


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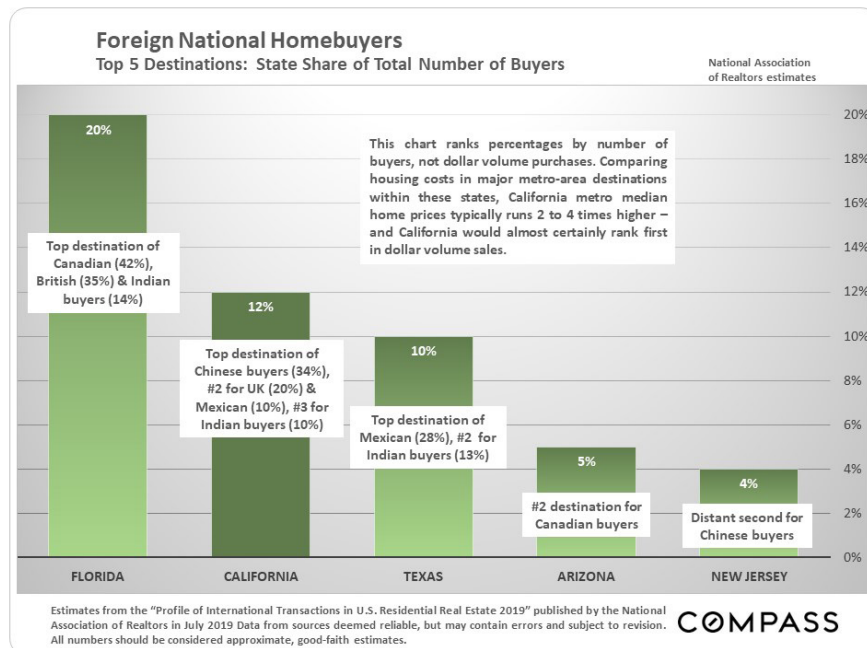
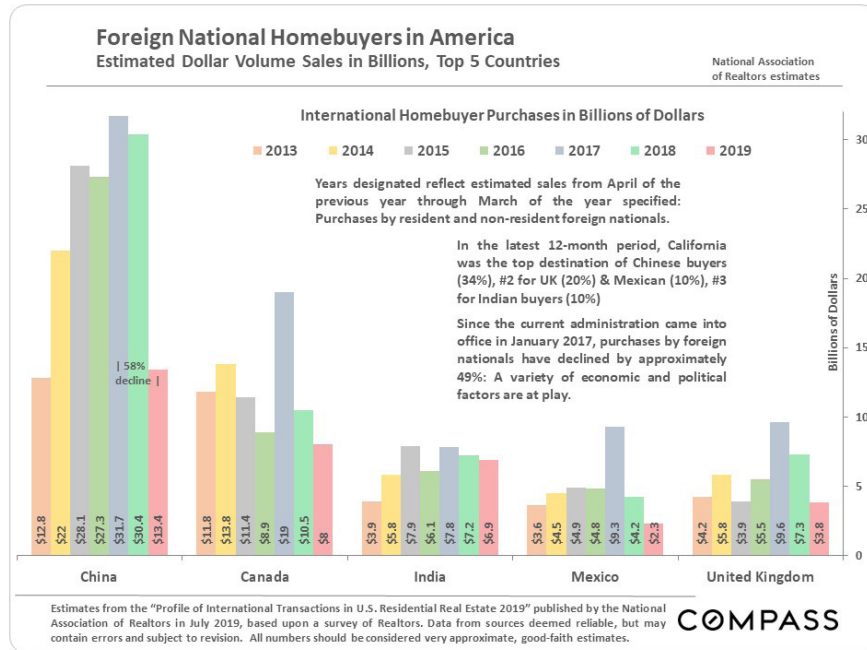
Market Seasonality: The Autumn Spike, Then the Winter Doldrums

Market activity usually slows during the late summer months, then spikes back up for the relatively short autumn selling season. This typically begins with a surge of new listings coming on market in September. Come mid-November, activity commonly plunges for the winter holidays, and the market won't wake up until late January or February - though homes continue to sell in every season.



Foreign National Home Buying Tumbles

According to a new report by the National Association of Realtors - based on a survey of its member agents - the purchase of U.S. homes by foreign nationals plunged in the 12 months through March 2019. The drop was particularly steep for Chinese nationals, for whom California has been the top destination.



Stock Market Hits New High

The last 12 months have been an extremely dramatic time for financial markets as illustrated below. The alternating confidence and fear generated by its swings have been considerable factors in Bay Area real estate markets. A parallel dynamic has occurred with the swings in interest rates.

