

# The Real Estate Report

LOCAL MARKET TRENDS



SAN MATEO COUNTY



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## Home Sales and Inventory Continue Rising

Sales of single-family, re-sale homes gained 25.7% from the month before, but were off 19.5% year-over-year.

Inventory continued rising during the spring selling season. Single-family homes inventory rose 8.6%, up 7.6% year-over-year. Condo

Days of inventory dropped 28 days to 178 for single-family homes. For condos, days of inventory rose 24 days to 215.

The median price for homes in San Mateo County fell 1.7% from the month before, and was off 9.3% compared to last April. The average price rose 3.3% from Marvh. The average price was down 0.3% year-over-year.

Trends at a Glance (Single-family Homes)			
	Apr 08	Mar 08	Apr 07
Sale/List Price Ratio:	98.6%	98.0%	101.3%
Days of Inventory:	178	206	133
Days on Market:	49	53	39
Median Price:	\$884,500	\$900,000	\$975,000
Average Price:	\$1,202,430	\$1,163,600	\$1,205,490
Home Sales:	318	253	395

The real estate market is very hard to generalize. It is a market made up of many micro markets. For complete information on a particular neighborhood or for an evaluation of your home's worth, call me.

The median price for condos gained 0.5% to \$525,000, but it was down 10% year-over-year. The average price fell 0.1% to \$610,336, about the same compared to last April.

inventory gained 4.4% month-over-month, but was down 4.2% compared to last April.

The sales price to list price ratio rose 0.6 of a point to 98.6% for homes. The ratio for condos dropped 1.5 points to 97%.

Condo sales fell 7.3% from March, and were off 46.5% year-over-year.

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## The Problem with the Foreclosure Numbers

Foreclosures remain the story behind the real estate market.

According to DataQuick, The number of California homes going into foreclosure jumped last quarter to its highest level in more than 15 years.

One caveat here about these numbers. Whenever a notice of default is filed, it is added to any other notices of default already filed. For instance, if a property has a first loan, a second loan and a third loan, then three notices are filed on the same property.

Also, included in these numbers are: the initial notice of default, the notice of foreclosure auction, and the notice of REO (lender-owned

real estate that occurs after a foreclosed property fails to sell at auction and reverts back to the lender).

Makes one wonder about the veracity of these numbers, doesn't it?

Look at the numbers report by Dataquick for Notices of Default files in the first quarter of 2008 for California: 113,676.

ForeclosureS.com reports 120,684 notices of default filed in the first quarter.

The question is, how many of these homes actually get foreclosed?

ForeclosureS.com reports that in the first quarter of this year, there were 14,472 REO filings. So, roughly 12% of the homes that are

in pre-foreclosure actual go through with it. We're ignoring the foreclosure sales at court auction because there are very few of those.

"The foreclosure numbers and much of the economic news today sound scary, but let's get some perspective," says Alexis McGee, foreclosure information expert, educator, and president of ForeclosureS.com.

"Total outstanding U.S. mortgage debt totals more than \$10 trillion! Foreclosures are a drop in that bucket," McGee adds.

Also, says McGee, some of the "bad" economic news is actually good news long-term for housing markets:

Continued drops in housing starts and construction spending signal recognition that oversupply must catch up with demand.

New-home sales are down nearly 60% from their July 2005 peak, but overinflated prices fueled that peak.

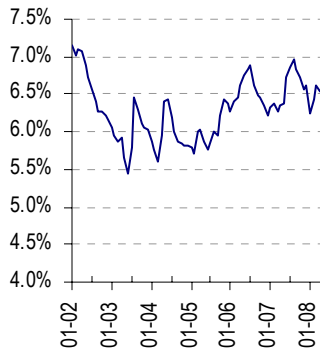
Foreclosures and pre-foreclosures are way up, but many are the result of subprime loans that shouldn't have been made in the 1st place.

"Markets will rally back to reality in the coming months as liquidity continues to improve and the economy picks up," adds McGee.

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## Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



May 2, 2008 -- Fixed rate mortgages moved a bit lower this week, according to HSH Associates' weekly survey of mortgage lenders. HSH's Fixed-Rate Mortgage Indicator (FRMI), which tracks 30-year fixed rate mortgages of all sizes -- conforming, expanded conforming, and jumbo together -- pegged the final national average at 6.55%, down five basis points. Mortgage rates have been mostly firm, nudged higher by concerns about inflation but pulled lower by some renewed "risk appetite" by investors.

Conforming 30-year FRMs eased by three basis points (.03%), and remain just a tad over 6% on average, while their jumbo cousins dipped by six basis points and remain well over 7%. That disparity persists despite any number of attempts to help close the gap in rates and new GSE and FHA-

backed offerings to compete with the private market. Presently, investors remain disinterested in mortgages, and demand by investors is the only thing which will appreciably close the differential in rates.

Five-one Hybrid ARMs saw an increase of just one basis points, closing the weekly survey at 6.36%. In the present market, these products may be most viable for jumbo borrowers, given the 29 basis point difference between jumbo 30-year FRMs and Jumbo 5/1 Hybrid ARMs -- much wider than the .18% seen between conforming varieties.

Fed announced on Friday considerable expansion in both their Term Auction Facility (TAF) program and their Term Securities Lending Facility (TSLF). The TAF provides loans against collateral on a short-term basis, and in is intended to provide

competition for LIBOR. The Fed's initiation of the TAF in December served to drag down LIBOR several percentage points -- a huge boon for holders of subprime and other ARMs -- but it has remained stubbornly high relative to other short-term interest rates.

The TSLF, originally intended for leveraging mortgage assets, was expanded to allow for borrowing against AAA-rated asset-backed securities, such as those backed by credit-card receivables or auto loans.

Collectively, the two moves should pump additional fresh cash into gummed up areas of the financial markets, theoretically (and eventually) making more loans available to potential borrowers and at lower rates.

## April Sales Statistics

### Single-family Homes

	Prices		Unit		Listings				Compared to Last Year				Compared to Last Month			
	Median	Average	Sales	New	Total	DOM	SP/LP	Med.	Ave.	Sales	Listed	Med.	Ave.	Sales	Listed	
County	\$884,500	\$1,202,430	318	776	1,886	49	98.6%	-9.3%	-0.3%	-19.5%	7.6%	-1.7%	3.3%	25.7%	8.6%	
Atherton	\$4,400,000	\$5,735,714	8	23	30	55	95.4%	31.3%	101.8%	14.3%	-9.1%	73.2%	137.6%	100.0%	11.1%	
Belmont	\$930,000	\$984,555	21	38	58	51	99.8%	-3.2%	-4.6%	5.0%	93.3%	-5.5%	-1.4%	50.0%	20.8%	
Burlingame	\$1,593,000	\$1,727,350	12	25	49	14	100.2%	11.9%	14.9%	-47.8%	53.1%	21.6%	10.1%	-29.4%	-7.5%	
Daly City	\$560,500	\$574,500	38	87	234	107	97.1%	-21.6%	-20.6%	46.2%	27.9%	-1.7%	-0.9%	40.7%	7.8%	
El Granada	\$873,500	\$964,250	4	11	31	108	95.8%	12.7%	8.5%	-33.3%	19.2%	27.1%	40.3%	100.0%	6.9%	
East Palo Alto	\$310,000	\$323,322	9	36	153	124	98.7%	-50.4%	-55.2%	12.5%	54.5%	-18.9%	-27.9%	12.5%	7.7%	
Foster City	\$1,099,500	\$1,128,833	6	18	26	62	97.2%	-1.7%	0.2%	-14.3%	30.0%	14.3%	8.3%	0.0%	73.3%	
Hillsborough	\$2,487,500	\$3,065,000	10	24	46	48	95.8%	13.1%	20.5%	-16.7%	4.5%	-0.4%	-6.9%	0.0%	17.9%	
Half Moon Bay	\$855,328	\$936,207	8	12	60	171	92.4%	-11.6%	-23.6%	-27.3%	13.2%	-12.3%	-25.3%	0.0%	-1.6%	
Millbrae	\$1,055,000	\$1,067,866	9	22	44	43	99.2%	-4.3%	-2.3%	-30.8%	46.7%	-2.0%	1.3%	50.0%	-2.2%	
Menlo Park	\$1,775,000	\$1,881,556	30	67	118	36	103.0%	12.0%	13.2%	-14.3%	25.5%	13.2%	11.9%	25.0%	21.6%	
Montara	\$970,000	\$970,000	1	4	21	10	98.1%	26.0%	7.9%	-85.7%	31.3%	38.8%	38.8%	0.0%	10.5%	
Moss Beach	\$747,500	\$747,500	2	7	18	26	97.2%	-28.8%	-28.8%	100.0%	28.6%	15.0%	15.0%	15.0%	38.5%	
Pacifica	\$664,500	\$676,115	16	38	110	62	98.2%	-9.6%	-10.2%	-23.8%	41.0%	7.2%	-2.8%	6.7%	14.6%	
Portola Valley	\$2,075,000	\$2,160,660	7	14	30	84	99.1%	2.0%	-1.7%	0.0%	11.1%	-34.1%	-31.7%	75.0%	36.4%	
Redwood City	\$910,500	\$954,710	44	98	247	68	98.0%	2.9%	-9.9%	4.8%	76.4%	5.0%	-9.2%	22.2%	13.8%	
Redwood Shores	\$1,040,000	\$1,089,714	7	10	13	17	98.5%	-8.4%	-10.7%	-22.2%	85.7%	-14.4%	-12.5%	0.0%	-27.8%	
San Bruno	\$645,000	\$636,225	20	38	112	107	96.2%	-17.3%	-24.5%	25.0%	67.2%	1.7%	3.8%	42.9%	6.7%	
San Carlos	\$915,000	\$1,042,775	22	41	64	37	101.3%	-10.8%	-4.5%	-37.1%	48.8%	-23.7%	-18.2%	-15.4%	23.1%	
San Mateo	\$925,000	\$1,057,851	47	86	190	46	99.2%	5.6%	-3.8%	-19.0%	49.6%	17.2%	10.2%	80.8%	6.7%	
S. San Francisco	\$585,000	\$621,839	19	44	146	101	94.1%	-20.4%	-26.5%	18.8%	35.2%	-8.6%	-5.6%	18.8%	7.4%	
Woodside	\$2,460,500	\$2,697,750	4	16	37	127	99.1%	0.4%	-4.8%	-33.3%	2.8%	100.1%	119.4%	100.0%	19.4%	

# The Real Estate Report

## What to Know When Buying a Home

Buying a home is one of the most complicated transactions you will ever do. So many people and companies are involved that it is easy for mistakes to be made. Freddie Mac offers a number of tips:

- Get pre-approved for a loan. With a pre-approved loan, you'll have more clout as the seller considers your offer.
- Make sure it's in writing. Don't settle for verbal agreements. If the seller says he'll replace the carpet or leave his washer and dryer, get it in writing.
- Get a good-faith estimate. Your mortgage lender is required to provide you with a good-faith estimate of closing costs within three days of receiving your application. They need to provide it in writing. If you don't have to pay loan application fees, you may want to compare lenders and compare closing costs.
- Don't settle for the first lender you come across. Contact at least three lenders and compare rates.
- Lock-in your rate. One of the most stressful parts of the loan process is watching rates inch up and down each day and trying to figure out when to lock in your rate. Once you do lock in, be sure to get a written statement that outlines your interest rate and length of the lock.
- Get a home inspection. A professional home inspector will examine the house's major systems and let you know if there are any problems or

defects. You can then use the information in your negotiations. Look for an inspector who is a member of the American Society of Home Inspectors. Members are required to have completed at least 250 paid professional home inspections and passed two written exams that test the inspector's knowledge. Also, ask for references.

- Shop for homeowners' insurance as soon as your offer is accepted. The National Association of Realtors recently cautioned homebuyers to not take homeowners insurance for granted. You and your spouse may have a clean claims history and a stellar credit history - something insurance companies use to determine whether they will

insure you - but it's not just you they're looking at. If the house you're eyeing has had claims, there's a chance they won't insure you, especially if it's a water-related claim.

- Read everything. When you have the closing meeting to sign the mountain of papers, make sure you read through everything carefully and don't hesitate to ask questions if there is anything you don't understand.

Finally, give yourself enough time between your closing and your move date, just in case there are delays in the closing process.

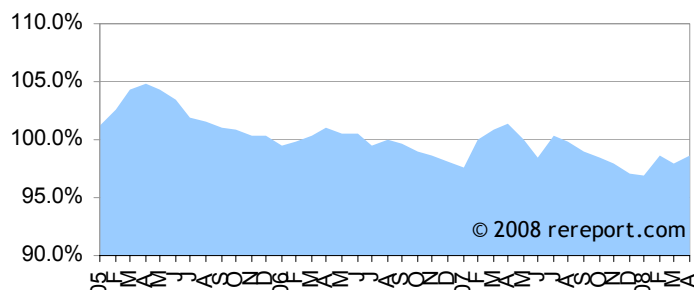
## April Sales Statistics

### Condos/Townhomes

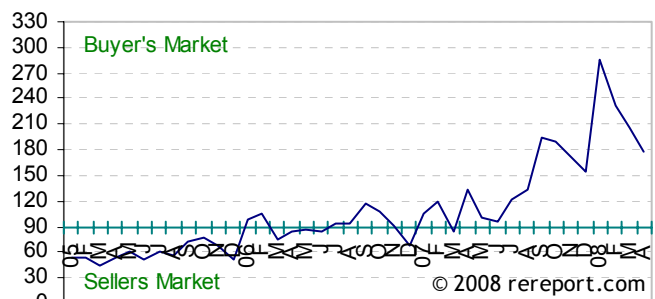
County	Prices		Unit Listings					Compared to Last Year				Compared to Last Month			
	Median	Average	Sales	New	Total	DOM	SP/LP	Med.	Ave.	Sales	Listed	Med.	Ave.	Sales	Listed
County	\$525,000	\$610,336	76	203	544	69	97.0%	-10.0%	0.0%	-46.5%	-4.2%	0.5%	-0.1%	-7.3%	4.4%
Burlingame	\$810,000	\$1,161,000	3	9	23	6	99.3%	12.5%	59.6%	-50.0%	-25.8%	85.1%	165.4%	50.0%	4.5%
Daly City	\$476,500	\$482,000	4	21	78	128	95.0%	19.1%	15.5%	-69.2%	44.4%	36.1%	38.6%	-42.9%	9.9%
Foster City	\$680,000	\$623,166	6	19	37	39	98.7%	-2.2%	-9.8%	-40.0%	23.3%	1.5%	1.6%	-25.0%	5.7%
Menlo Park	\$1,091,000	\$1,041,250	8	13	25	53	97.5%	48.4%	23.0%	-20.0%	212.5%	-0.8%	-0.1%	-11.1%	13.6%
Redwood City	\$440,000	\$438,000	4	5	33	136	96.4%	-20.7%	-23.4%	33.3%	57.1%	0.0%	-0.5%	300.0%	-2.9%
Redwood Shores	\$640,000	\$636,375	12	10	26	70	97.1%	-13.6%	-16.8%	20.0%	36.8%	-18.2%	-16.1%	50.0%	-23.5%
San Bruno	\$280,000	\$290,000	3	15	44	38	97.6%	-22.2%	-18.3%	-40.0%	-13.7%	12.0%	6.2%	-40.0%	18.9%
San Carlos	\$585,000	\$624,000	5	11	21	58	97.8%	-18.2%	-17.4%	-44.4%	162.5%	-8.9%	-7.5%	0.0%	10.5%
San Mateo	\$517,500	\$545,795	22	46	127	74	98.7%	-7.7%	-9.8%	-46.3%	-13.0%	-5.0%	-10.9%	-26.7%	7.6%
S. San Francisco	\$460,000	\$450,000	3	21	64	74	89.9%	-9.8%	-13.7%	-76.9%	36.2%	16.8%	7.1%	-62.5%	16.4%

### San Mateo County: Homes

Sales Price/Listing Price Ratio



### Days of Inventory: Homes



# THE REAL ESTATE REPORT

## SAN MATEO COUNTY



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Go online to see the full monthly report including the city-by-city breakdown:

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This is not intended as a solicitation if your home is currently listed.

### San Mateo County Homes: Prices & Sales

(3-month moving average — 000's)

