



Brandi Jones

David Lyng Real Estate
2170 41st Avenue
Capitola, CA 95010
(831) 588-5145

bjones@davidlyng.com
<http://brandijones.rereport.com>
<http://www.brandijones.com>
CalBRE #01385191



The Real Estate Report

Prices Up, Sales Down in 2016

Prices for single-family homes and condos/townhomes reached new highs in 2016. The median prices for homes gained 8% compared to 2015. The median price for condos/townhomes rose 14.8% from 2015. (See tables on next page for details.)

Sales, on the other hand, were down last year. Single-family home sales fell 15.6% year-over-year. Condo/townhome sales were down 5.9%.

The sales price to list price ratio stayed just under 100% at 99.5%, indicating it is still a sellers' market. The ratio for condos was 99.8%.

NEW FHA LOAN LIMITS FOR 2016

The Federal Housing Finance Agency has released the conforming loan limits change for 2017. This change resulted in higher loan limits beginning in January for many counties across the country.

The Federal Housing Administration is insuring loans for people looking to purchase a home or refinance a home with a little equity. The program insures loans up to the maximum loan limit in the county in which the property is located.

Using Sonoma County, California, as an example, the maximum loan limit for 2016 was \$554,600. This number is rising to \$595,600 for 2017. This represents a significant change for people looking to purchase a home who have good income, sufficient credit, and a healthy debt-to-income ratio who are otherwise tight on cash to close. This applies to a home buyer by allowing them to purchase up to \$615,000 in the county of Sonoma with just 3.5% down. This change represents bigger borrowing power in nearly every county across the United States.

The fact that both FHA and the Conforming loan balances are now higher in nearly every county nationwide represents a growing trend of a more exuberant economy. Higher loan balance limits can mean the difference between renting and owning for many. This is particularly beneficial because the FHA Loan, while allowing a low down payment, is also very flexible in unique or difficult circumstances consumers sometimes are faced with.

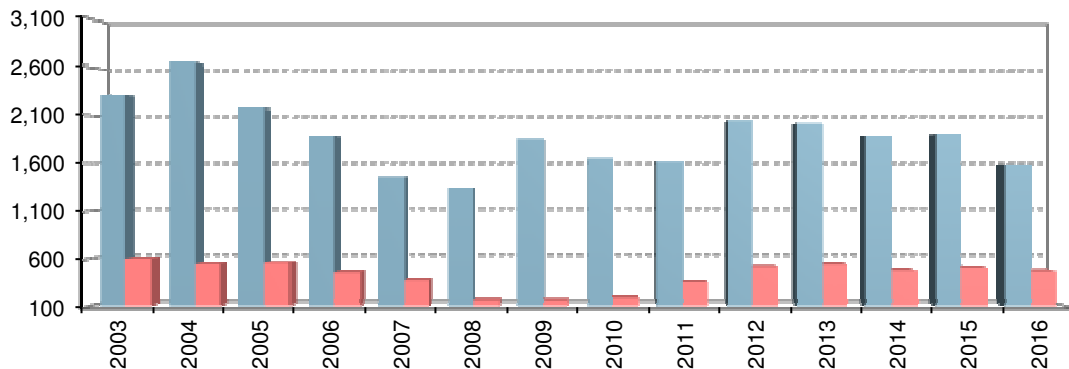
Some of the things included are:

- Debt-to-income ratios as high as 55%
- Credit scores as low 580 for loans up to \$424,100 and 640 score for loans exceeding \$424,100

Trends at a Glance (Single-family Homes)			
	Dec 16	Nov 16	Dec 15
Median Price:	\$805,000	\$790,000	\$700,000
Average Price:	\$864,779	\$860,176	\$801,516
Units Sold:	116	137	150
Pending Sales:	51	0	79
Active Listings:	196	275	210
Sale/List Price Ratio:	98.2%	99.3%	98.9%
Days on Market:	49	47	56
Days of Inventory:	51	58	42
(Townhomes/Condos)			
	Dec 16	Nov 16	Dec 15
Median Price:	\$507,000	\$475,000	\$435,000
Average Price:	\$539,764	\$583,973	\$454,312
Home Sales:	34	43	34
Pending Sales:	24	26	17
Active Listings:	46	67	51
SP/LP Ratio	99.8%	97.8%	99.1%
Days on Market:	43	38	58
Days of Inventory:	41	45	45

- Waiting time on previous short sale: three years
- Waiting time on previous foreclosure: three years
- Waiting time on previous Chapter 7 Bankruptcy: two years
- Will allow a borrower to refinance a second mortgage up to 96.5 loan-to-value

Santa Cruz County Sales Year-to-Date



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Homes	2,297	2,645	2,166	1,874	1,445	1,327	1,845	1,655	1,618	2,036	2,008	1,880	1,892	1,580
Condos	594	534	546	443	361	162	159	189	343	502	530	464	493	456

If you are looking to buy a home in 2017, an FHA loan could be a favorable vehicle to help get you there. An experienced mortgage lender who specializes in FHA loans may be the best place to begin looking.

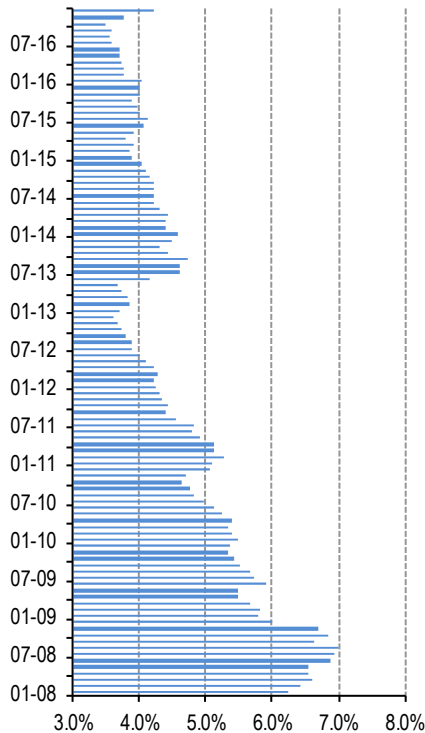
VISIT

<http://brandijones.rereport.com>

for a free on-line market analysis of your property. You can also search for recent sales & listings in your neighborhood.

Mortgage Rates Start 2017 With Retreat

30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by HSH.com. The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

January 6, 2017 -- After many weeks of creeping (or surging) higher, mortgage rates took a step back to start the new year. Although there is a chance that they may ease a bit more now that the Fed has moved and we have turned the calendar past the end of the fourth quarter and the end of the calendar year, borrowers that are in the market at the moment would be well-advised to take advantage of the dip in rates and lock in their interest rate.

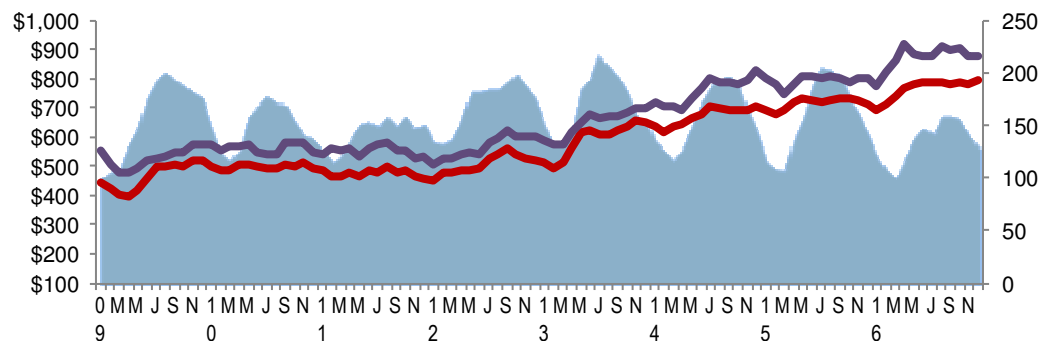
We would have likely seen a little more decline in rates next week, or at least that's the way things were heading until Friday's employment report for December was released. No, there was no surge in hiring to end the year; in fact, the 156,000 new hires that took place during the month was less than forecast and could actually be counted among the smallest increases of the year. Rather, it was information that average hourly earnings rose a relatively stout 0.4 percent, leaving 2016 with a 2.9 percent growth rate for wages, the fastest in about 7 years. While that's of course good for consumers, it is a consideration for the Fed, as faster wage growth can be the spark that lifts inflation over time.

As such, bond markets turned a wary eye toward the report, and the rallying in bond yields that has seen the 10-year Treasury's return fall to about 2.35 percent abruptly halted and reversed, chopping off a fair bit of the decline by the close of business Friday. This will stanch the decline in mortgage rates for at least the moment.

With about half the rally in the 10-year Treasury yield wiped out on Friday, it's unlikely that mortgage rates will decline again by the time Freddie Mac reports next Thursday morning. Between now and then, there are no milestone economic reports that might cause a decline from present levels, so the 12-basis point dip in the conforming 30-year FRM we saw to start the year seems likely to be at least partially erased next week. The decline this week was rather more than we expected, and the retracement will probably total 5 or 6 basis points, so look for an uptick of this amount next week. An optimist might note that this will be the second lowest rate of 2017, so that's something to consider, at least.

Santa Cruz County Homes - Median, Average & Sales

(3-month moving average—prices in \$000's)



© 2017 rereport.com

Santa Cruz County - December 2016												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inv	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven
SZC	\$ 805,000	\$ 864,779	116	51	196	51	98.2%	15.0%	7.9%	-22.7%	-16.5%	-6.7%
Aptos	\$ 900,000	\$ 1,064,300	23	13	33	43	95.8%	17.0%	11.2%	4.5%	-18.8%	10.0%
Boulder Creek	\$ 598,000	\$ 626,467	15	6	15	30	99.5%	14.4%	11.9%	7.1%	-33.3%	15.4%
Capitola	\$ 875,000	\$ 1,009,000	5	0	8	48	100.1%	-5.7%	7.5%	66.7%	-33.3%	14.3%
Felton	\$ 597,500	\$ 610,250	8	2	6	23	98.1%	25.3%	26.0%	-11.1%	-71.4%	-40.0%
Soquel	\$ 975,000	\$ 995,800	5	2	8	48	100.9%	28.1%	-8.7%	-28.6%	100.0%	-27.3%
Scotts Valley	\$ 655,000	\$ 795,429	7	6	11	47	102.7%	-9.7%	1.0%	-22.2%	-33.3%	-47.6%
Santa Cruz	\$ 889,500	\$ 1,002,880	32	18	56	53	97.5%	6.6%	0.6%	-23.8%	50.0%	-5.1%
Watsonville	\$ 572,750	\$ 654,857	14	12	38	81	98.6%	3.7%	22.6%	-41.7%	0.0%	11.8%

Brandi Jones
 (831) 588-5145
 bjones@davidlyng.com
 CalBRE #01385191

November Statistics

Brandi Jones
 (831) 588-5145
 bjones@davidlyng.com
 CalBRE #01385191

SINGLE-FAMILY HOMES

Year-Over-Year

- Median home prices increased by 15.0% year-over-year to \$805,000 from \$700,000.
- The average home sales price rose by 7.9% year-over-year to \$864,779 from \$801,516.
- Home sales fell by 22.7% year-over-year to 116 from 150.
- Total inventory* fell 9.3% year-over-year to 262 from 289.
- Sales price vs. list price ratio fell by 0.7% year-over-year to 98.2% from 98.9%.
- The average days on market fell by 13% year-over-year to 49 from 56.

Compared To Last Month

- Median home prices improved by 1.9% to \$805,000 from \$790,000.
- The average home sales price rose by 0.5% to \$864,779 from \$860,176.
- Home sales down by 15.3% to 116 from 137.
- Total inventory* dropped 22.7% to 262 from 339.
- Sales price vs. list price ratio dropped by 1.1% to 98.2% from 99.3%.
- The average days on market increased by 3.9% to 49 from 47.

CONDOMINIUMS

Year-Over-Year

- Median home prices increased by 16.6% year-over-year to \$507,000 from \$435,000.
- The average home sales price rose by 18.8% year-over-year to \$539,764 from \$454,312.
- Home sales fell by 0.0% year-over-year to 34 from 34.
- Total inventory* rose 2.9% year-over-year to 70 from 68.
- Sales price vs. list price ratio rose by 0.7% year-over-year to 99.8% from 99.1%.
- The average days on market fell by 26.2% year-over-year to 43 from 58.

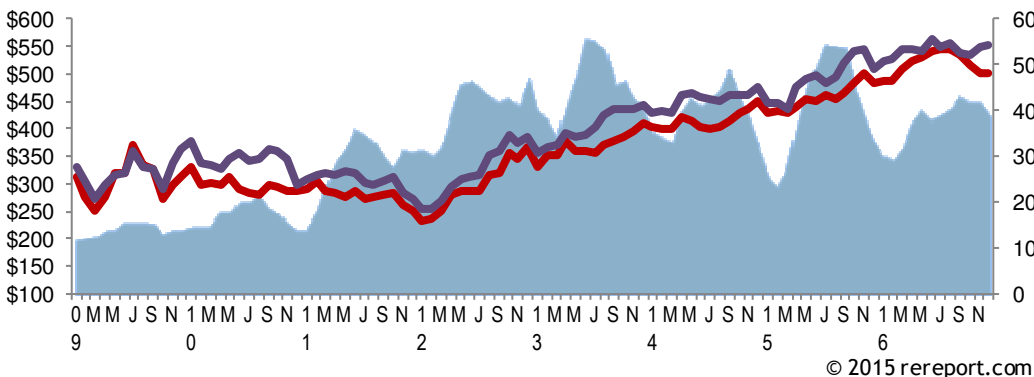
Compared To Last Month

- Median home prices improved by 6.7% to \$507,000 from \$475,000.
- The average home sales price fell by 7.6% to \$539,764 from \$583,973.
- Home sales down by 20.9% to 34 from 43.
- Total inventory* dropped 24.7% to 70 from 93.
- Sales price vs. list price ratio increased by 2.0% to 99.8% from 97.8%.
- The average days on market increased by 11.9% to 43 from 38.

* Total inventory is active listings plus pending listings. Active listings do not include pending.

Santa Cruz County Condos - Median, Average & Sales

(3-month moving average—prices in \$000's)



© 2015 rereport.com

Table Definitions

Median Price

The price at which 50% of prices were higher and 50% were lower.

Average Price

Add all prices and divide by the number of sales.

SP/LP

Sales price to list price ratio or the price paid for the property divided by the asking price.

DOI

Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.

Pend

Property under contract to sell that hasn't closed escrow.

Inven

Number of properties actively for sale as of the last day of the month.

Santa Cruz County - December 2016

Condos/Townhomes									% Change from Year Before				
Prices									Prices				
Cities	Median	Average	Sales	Pend	Inv	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven	
SZC	\$ 507,000	\$ 507,000	34	24	46	41	99.8%	16.6%	18.8%	0.0%	41.2%	-9.8%	
Aptos	\$ 579,650	\$ 579,650	6	4	16	80	98.5%	-2.6%	-7.7%	20.0%	0.0%	6.7%	
Boulder Creek	\$ 355,000	\$ 355,000	2	1	2	30	100.6%	-56.4%	-58.8%	-66.7%	0.0%	0.0%	
Capitola	\$ 710,000	\$ 710,000	2	3	4	60	102.4%	78.6%	73.9%	-50.0%	200.0%	0.0%	
Scotts Valley	\$ 552,000	\$ 552,000	4	1	2	15	100.0%	-6.8%	4.8%	33.3%	-50.0%	0.0%	
Santa Cruz	\$ 516,500	\$ 516,500	14	11	10	21	100.0%	14.8%	31.8%	27.3%	120.0%	-37.5%	
Watsonville	\$ 350,000	\$ 350,000	4	4	11	83	100.8%	21.1%	10.3%	-20.0%	300.0%	37.5%	



Brandi Jones
David Lyng Real Estate
2170 41st Avenue
Capitola, CA 95010

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

