

The Real Estate Report

LOCAL MARKET TRENDS



SAN MATEO COUNTY

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April 2009

Home Prices Rise Second Month in a Row

The prices for single-family, re-sale homes rose again in March, compared to the month before. The median price was up 2.1% in March, while the average price was up 6.4%. Year-over-year, the median price was down 35.9%, and the average price was off 31.1%.

Home sales were up 21.4% from February, but off 11% compared to last March. Year-to-date, home sales are down 6.6%.

Inventory was up 6.3% from February, a normal occurrence this time of year, but off 14.8% compared to last March.

Our Days of Inventory indicator fell 23 days to 162 days.

The sales price to list price ratio dropped 0.2 of a point to 97.1%.

Trends at a Glance (Single-family Homes)			
	Mar 09	Feb 09	Mar 08
Sale/List Price Ratio:	97.1%	97.3%	98.0%
Days of Inventory:	162	185	170
Days on Market:	61	61	54
Median Price:	\$576,940	\$565,000	\$900,000
Average Price:	\$788,931	\$741,302	\$1,145,140
Home Sales:	250	206	281

Condo sales were up 51.1% from February, but were off 23.7% year-over-year.

The median price for condos fell 4.3% month-over-month, and was off 24.1% compared to last March.

The average price for condos fell 6.3%, month-over-month, and was down 33.1% year-over-year.

Condo inventory gained 9.6% month-over-month, but was down 11.8% year-over-year.

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 property, call

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C.A.R. launches Mortgage Protection Program

LOS ANGELES (April 2) – The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) today launched the C.A.R. Housing Affordability Fund Mortgage Protection Program (C.A.R.H.A.F. MPP) for first-time home buyers. Through the Housing Affordability Fund Mortgage Protection Program, first-time home buyers who lose their jobs due to layoffs may be eligible to receive up to \$1,500 per month, for six months, to help make their mortgage payments. A qualified co-buyer also can participate in the program, and receive a monthly benefit of \$750 per month for up to six months. Program benefits also include coverage for accidental disability and a \$10,000

death benefit. C.A.R.'s Housing Affordability Fund is dedicating \$1 million toward its Mortgage Protection Program, and estimates that as many as 3,000 families will benefit from the program this year.

"The Mortgage Protection Program was developed to help ease the anxiety of consumers who are concerned about potential job loss and its impact on their ability to pay their mortgage should they purchase a home," said C.A.R. President James Liptak. "It also provides peace of mind to those buyers who are actively searching for a home."

- To qualify for the Mortgage Protection Program, appli-

cants must: Be a first-time home buyer – someone who has not owned a home in three or more years

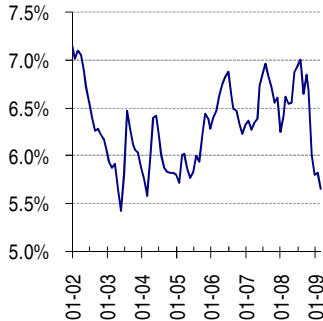
- Open escrow April 2, 2009, or later, and close on or before Dec. 31, 2009
- Use a California REALTOR® in the transaction
- Purchase the property in California
- Be a W-2 employee (cannot be self-employed)

To apply for the program, home buyers must request an application for the H.A.F. Mortgage Protection Program from their REALTOR®.

The Real Estate Report

Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



Apr. 3, 2009 -- Amid a week of somewhat brighter economic news, mortgage rates still managed to slip backwards. Some rates -- including closely-watched conforming mortgages -- continued to stake out new record-low territory, while others settled for only multi-year lows. As far as the markets went, Treasury yields rose late in the week as the Dow Jones Industrial Average actually retook the 8,000 level. Perhaps the week's decline in mortgage rates and the improvement in stocks was a coincidence, but it was the first week in a while without any major new government initiative to roil the markets.

Overall, fixed-rate mortgages eased back by seven basis points (.07%), closing the first survey week of April at 5.47%, the lowest average rate for HSH's Fixed-Rate Mortgage Indicator since late June 2003. For

its part, the FRMI's a 5/1 Hybrid counterpart shed six basis points to finish the survey week at 5.24%.

Conforming 30-year FRM tripped back by four basis points to their latest record-low average, just below 5%. Jumbo 30-year FRMs continued to decline; the week's 6.44% puts us back at rates last seen two years ago this week.

Since the turn of the decade, some 480 weeks have elapsed. Those contending that jumbo rates are "too high" would do well to learn that only 166 of those 480 weeks have featured an average interest rate below this week's value -- and that the remaining 314 have not only been above (but often well above) today's figure. As a reference point, we are only about 89 basis points from the decade's low average for Jumbos, but 253 below the high.

While there are no signs of any imminent economic rebound, we are starting to be more encouraged by little signals that at least some firming is beginning to take place here and there. While there are no guarantees that things will get better, perhaps they may not continue to get worse, either.

Aside from the labor market, is it too soon to suggest that we may have seen the worst of the downturn, even as we remain in its midst? We think that's quite possible. If the maelstrom has reached its peak and might now be easing somewhat, it stands to reason that, if its already been as dark as its going to get, that we might start to plan for the light which will eventually follow.

March 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	\$576,940	\$788,931	250	634	1,353	61	97.1%	-35.9%	-31.1%	-11.0%	-14.8%	2.1%	6.4%	21.4%	6.3%
Atherton	\$1,752,500	\$2,859,166	6	20	45	24	90.5%	-31.0%	18.5%	50.0%	66.7%	-5.2%	54.7%	500.0%	36.4%
Belmont	\$810,000	\$873,842	13	29	59	63	96.2%	-17.7%	-12.5%	-7.1%	22.9%	13.4%	22.2%	116.7%	20.4%
Burlingame	\$1,050,000	\$1,044,500	7	33	64	94	93.1%	-19.8%	-33.4%	-58.8%	20.8%	-23.6%	-24.5%	-22.2%	23.1%
Daly City	\$500,000	\$502,641	31	44	134	82	100.1%	-12.3%	-13.3%	14.8%	-38.2%	-2.0%	-22.8%	-11.4%	-13.0%
El Granada	\$0	\$0	0	7	35	0	0.0%	-100.0%	-100.0%	-100.0%	20.7%	-100.0%	-100.0%	-100.0%	12.9%
East Palo Alto	\$247,500	\$270,021	14	29	116	118	96.5%	-35.3%	-39.8%	75.0%	-18.3%	0.0%	4.2%	-30.0%	-1.7%
Foster City	\$960,000	\$946,666	3	16	41	120	91.2%	-0.2%	-9.2%	-50.0%	173.3%	-19.0%	-20.1%	50.0%	24.2%
Hillsborough	\$4,420,000	\$4,420,000	2	20	55	12	99.6%	77.0%	34.3%	-80.0%	41.0%	80.4%	72.2%	-33.3%	10.0%
Half Moon Bay	\$1,074,500	\$1,074,500	2	17	86	118	97.8%	10.2%	-14.2%	-75.0%	41.0%	173.8%	173.8%	0.0%	7.5%
Millbrae	\$667,500	\$667,500	2	15	38	37	98.7%	-38.0%	-36.7%	-66.7%	-15.6%	-40.1%	-29.8%	-66.7%	-7.3%
Menlo Park	\$984,000	\$894,150	20	71	136	53	95.5%	-37.2%	-46.8%	-16.7%	40.2%	-3.2%	-13.8%	11.1%	20.4%
Montara	\$525,000	\$525,000	1	2	16	14	97.2%	-24.9%	-24.9%	0.0%	-15.8%	n/a	n/a	n/a	-5.9%
Moss Beach	\$705,000	\$705,000	2	4	16	320	94.1%	8.5%	8.5%	100.0%	23.1%	n/a	n/a	n/a	14.3%
Pacifica	\$500,000	\$495,260	15	26	90	137	97.7%	-19.4%	-28.8%	0.0%	-6.3%	1.4%	-0.9%	25.0%	-1.1%
Portola Valley	\$1,580,000	\$1,710,000	3	12	26	110	93.6%	-49.8%	-45.9%	-25.0%	18.2%	-4.0%	4.0%	200.0%	13.0%
Redwood City	\$560,000	\$750,085	37	76	187	99	96.8%	-35.4%	-28.6%	2.8%	-13.8%	5.7%	10.7%	54.2%	2.2%
Redwood Shores	\$955,000	\$955,000	2	5	20	57	95.8%	-21.4%	-23.3%	-71.4%	11.1%	-9.0%	-12.3%	-50.0%	5.3%
San Bruno	\$500,000	\$527,521	15	22	56	106	97.4%	-21.1%	-13.9%	7.1%	-46.7%	-9.1%	0.0%	7.1%	0.0%
San Carlos	\$865,000	\$892,076	17	43	82	41	97.5%	-27.9%	-30.1%	-34.6%	57.7%	-17.6%	-16.5%	54.5%	15.5%
San Mateo	\$627,000	\$750,910	28	83	175	81	97.6%	-20.6%	-21.8%	7.7%	-1.7%	-16.4%	-6.6%	33.3%	15.1%
S. San Francisco	\$495,500	\$531,347	23	41	119	130	94.0%	-22.6%	-19.4%	43.8%	-12.5%	-0.9%	-1.6%	53.3%	2.6%
Woodside	\$1,798,750	\$1,866,375	4	12	48	96	97.7%	46.3%	51.8%	100.0%	54.8%	-28.1%	-25.3%	300.0%	6.7%

The Real Estate Report

Pending Home Sales Up, Housing Affordability Sets New Record

Pending home sales have edged up, hinting at a possible pickup of sales activity in coming months, according to the National Association of Realtors®.

The Pending Home Sales Index, a forward-looking indicator based on contracts signed in February, rose 2.1 percent to 82.1 from a reading of 80.4 in January, but is 1.4 percent below February 2008 when it was 83.3.

Lawrence Yun, NAR chief economist, said the market is continuing to underperform. "Pending home sales have a way to go for there to be a meaningful increase, but recent increases in shopping activity are hopeful indicators that we'll see additional sales gains," he said. "More buyers are getting into the market to take advantage of stimulus

incentives and much improved housing affordability conditions, but it will take a few months before we could see this turn up in measurable sales contract activity."

Also in February, NAR's Housing Affordability Index rose to a new high.

The PHSI in the Northeast rose 10.6 percent to 63.9 in February but is 11.2 percent below a year ago. In the Midwest the index jumped 14.5 percent to 83.1 and is 3.4 percent higher than February 2008. The index in the South rose 4.4 percent to 85.8 in February but is 0.1 percent below a year ago. In the West the index fell 13.5 percent to 89.6 and is 1.7 percent below February 2008.

NAR President Charles McMillan, a broker with Coldwell Banker

Residential Brokerage in Dallas-Fort Worth, said home buyers are in an excellent position. "The drop in mortgage interest rates and home prices mean the buying power of a typical family has never been better," he said. "If you have a good job and long-term plans, it's unlikely that you'll find a much better time to buy a home. This is especially true for first-time buyers who can qualify for an \$8,000 tax credit this year, have a great selection of homes to choose from, and are in a favorable negotiating position."

NAR's Housing Affordability Index rose 0.9 percentage points to a record high of 173.5 in February from an upwardly revised index of 172.6 in January, and is 36.3 percentage points higher than a year ago. The HAI, a broad measure of housing affordability

using consistent values and assumptions over time, shows that the relationship between home prices, mortgage interest rates and family income is the most favorable since tracking began in 1970.

A median-income family, earning \$59,700, could afford a home costing \$285,600 in February with a 20 percent downpayment, assuming 25 percent of gross income is devoted to mortgage principal and interest. Affordability conditions for first-time buyers with the same income and small down payments are roughly 80 percent of that amount. The affordable price is considerably higher the median existing single-family home price in February, which was only \$164,600.

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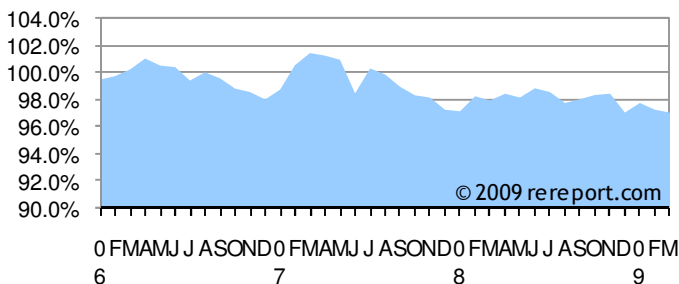
March Sales Statistics

Condos/Townhomes

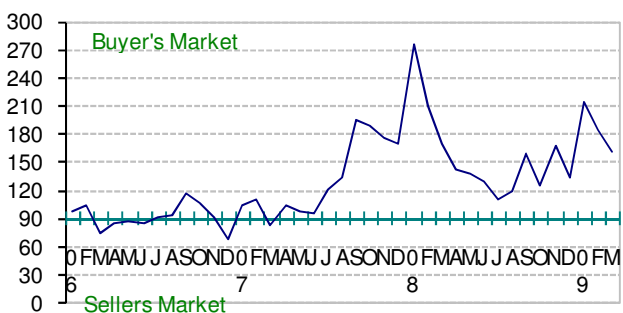
	Prices		Unit Sales	Listings				Compared to Last Year				Compared to Last Month			
	Median	Average		New	Total	DOM	SP/LP	Med.	Ave.	Sales	Listed	Med.	Ave.	Sales	Listed
County	\$383,000	\$399,913	71	195	435	51	97.4%	-24.1%	-33.1%	-23.7%	-11.8%	-4.3%	-6.3%	51.1%	9.6%
Burlingame	\$650,000	\$650,000	2	6	25	79	94.6%	48.6%	48.6%	0.0%	13.6%	n/a	n/a	n/a	4.2%
Daly City	\$300,000	\$296,788	13	9	39	76	96.6%	-14.3%	-14.7%	85.7%	-45.1%	13.2%	2.2%	30.0%	-18.8%
Foster City	\$690,000	\$669,000	5	33	57	44	95.9%	2.9%	9.1%	-37.5%	62.9%	58.6%	42.6%	25.0%	35.7%
Menlo Park	\$400,000	\$400,000	1	26	46	273	84.2%	-63.6%	-61.6%	-88.9%	109.1%	-66.2%	-66.2%	0.0%	84.0%
Redwood City	\$330,000	\$348,000	3	8	24	50	96.3%	-25.0%	-20.9%	200.0%	-29.4%	-12.0%	-7.2%	50.0%	4.3%
Redwood Shores	\$485,000	\$535,000	3	9	24	40	95.9%	-38.0%	-29.4%	-62.5%	-29.4%	-11.8%	-10.6%	0.0%	14.3%
San Bruno	\$215,000	\$227,000	5	20	46	49	99.3%	-14.0%	-16.8%	0.0%	24.3%	-39.0%	-35.6%	150.0%	27.8%
San Carlos	\$607,500	\$607,500	2	12	29	55	97.3%	-5.4%	-10.0%	-60.0%	52.6%	-1.6%	-1.6%	0.0%	20.8%
San Mateo	\$383,000	\$395,131	19	29	109	58	97.5%	-29.7%	-35.5%	-36.7%	-7.6%	-13.6%	-12.9%	35.7%	-5.2%
S. San Francisco	\$320,000	\$316,841	12	18	47	65	96.1%	-18.8%	-24.6%	50.0%	-14.5%	-13.6%	-16.8%	100.0%	-4.1%

San Mateo County: Homes

Sales Price/Listing Price Ratio



Days of Inventory: Homes



THE REAL ESTATE REPORT

SAN MATEO COUNTY

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Zephyr Real Estate

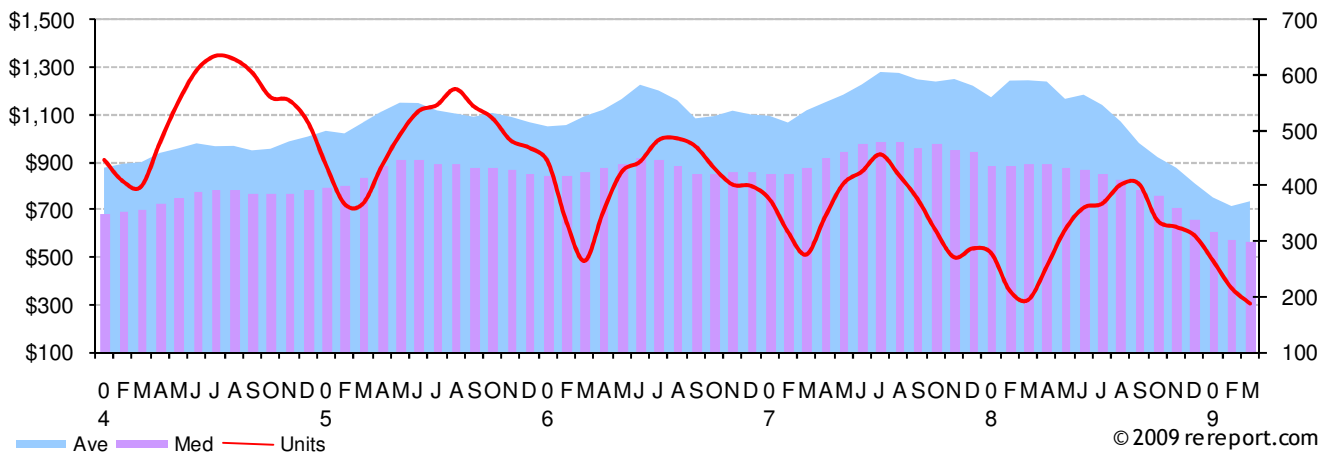
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Go online to see the full monthly report including the city-by-city breakdown:

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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)



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(Continued from page 3)

“Obviously, potential home buyers need to be managing their existing debt effectively,” McMillan said. “A Realtor® can counsel you on what you may be able to afford given your personal financial situation. In some cases, buyers who want to build their future through homeownership may need to start reducing their debt and improving

their credit score before entering the housing market.”

Last year at this time, the typical family could afford a home costing \$265,600, which is \$20,000 less than the current affordable price. “Homes in many areas are now selling for less than replacement construction costs – clearly this is an abnormal situation which will change once inventory is drawn down and supply and demand

come closer into balance,” McMillan said.

Yun said he expects housing inventories to rise through early summer from a normal seasonal pattern of more sellers appearing in the spring. “But with the positive housing stimulus incentives now in place, we expect home sales to gain momentum in the second half of the year with first-time buyers absorbing a lot of the excess

inventory,” he said. “Under these conditions, we should see price stabilization in most markets by the end of the year.”