

Inside This Issue

- > LOCAL MARKET TRENDS..... 1
- > MORTGAGE RATE OUTLOOK..... 2
- > HOME STATISTICS..... 2
- > FORECLOSURE STATS..... 3
- > CONDO STATISTICS..... 3
- > ANNUAL TABLES..... 4



Lynne Mercer
Alain Pinel Realtors
 578 University Avenue
 Palo Alto, CA 94301
 (650) 543-1000
 Lmercer@Lmercer.com
 http://www.Lmercer.com
 DRE #00796211

The Real Estate Report

local market trends

SAN MATEO COUNTY

San Mateo County Market Favors Sellers

When you have too much money chasing too few properties, what do you get? You have the San Mateo County real estate market. Due to a confluence of events, and perceptions, the real estate market in San Mateo County is out of balance.

The two major events in the Silicon Valley real estate market are a surging tech industry, plus its attendant IPOs, along with a surge of Chinese taking money out of China and moving it into the United States. See this link from USA Today for a full discussion: <http://tinyurl.com/cyuom4t>.

The major perception, or misperception, within the local real estate market by sellers is that the recent and imminent IPOs will generate a few thousand new millionaires thereby exacerbating demand and driving prices up further.

Unfortunately for these sellers', there's a new kid on the block, it's called the secondary stock market. Many of the paper millionaires have already cashed out all or some of their stock in the secondary market and they're now in the market for homes. See this link from Business Insider for more details: <http://tinyurl.com/6m23zv8>.

With inventory at its lowest level since March 2005, and at only 33% of its peak in June 2008, multiple offers are once again the norm. This is especially true in the best neighborhoods, i.e. those with the best school districts.

When we say multiple offers, we're not talking 3, 5, or 7 offers. No, we're talking 10, 20 and 30 offers, and, in some instances, 50 offers on the same home.

So, to all you potential sellers out there, it's time to re-think your strategy.

MARCH MARKET STATISTICS

As was to be expected, the largest median price increases for single-family, re-sale homes, year-over-year, were in Redwood City, up 16.9% year-over-year, East Palo Alto, up 9.9%, Hillsborough, up 9.3%, and Redwood Shores, up 9.7%.

Average prices were up even higher, reflecting the high demand for \$1MM+ homes. The average price in East Palo Alto gained 13.2% year-over-year. In Redwood City, the gain was 10.8%.

Home sales were up 16.8% year-over-year, this in spite of low inventory. As of February, the banks

Trends at a Glance (Single-family Homes)			
	Mar 12	Feb 12	Mar 11
Median Price:	\$ 690,000	\$ 600,000	\$ 670,500
Average Price:	\$ 904,905	\$ 806,083	\$ 915,409
Home Sales:	453	251	388
Pending Sales:	761	688	560
Inventory:	1,978	645	829
Sale/List Price Ratio:	99.3%	99.0%	98.2%
Days on Market:	57	64	56
Days of Inventory:	43	77	62

owned 1,165 properties, of which only a small percentage are currently listed. Compare that with the 645 homes actively for sale.

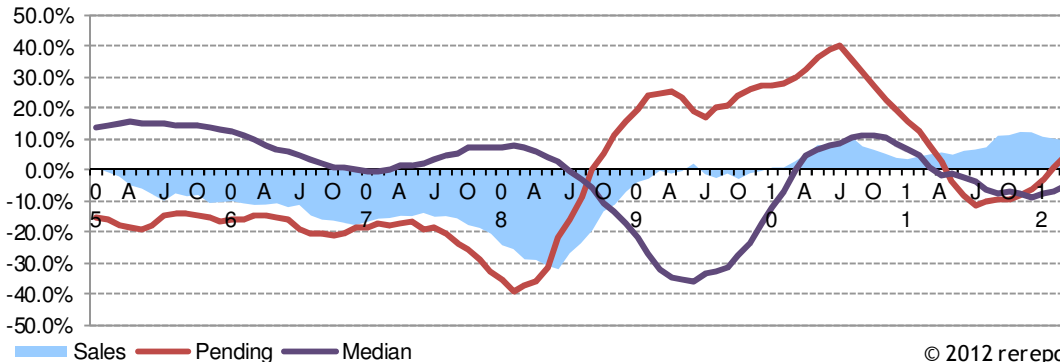
The median price for condos was up 6.8% compared to last March.

Inventory of both homes and condos continues to be weak. Home inventory was down 19.3% compared to last March. Condo inventory was down 65.1% year-over-year.

Pending home sales were up 35.9% year-over-year. Condo pending sales were up 22.8% year-over-year.

Please remember, while statistics are nice, they will not determine the price you pay or get for a property. That will come down to you and the buyer or seller.

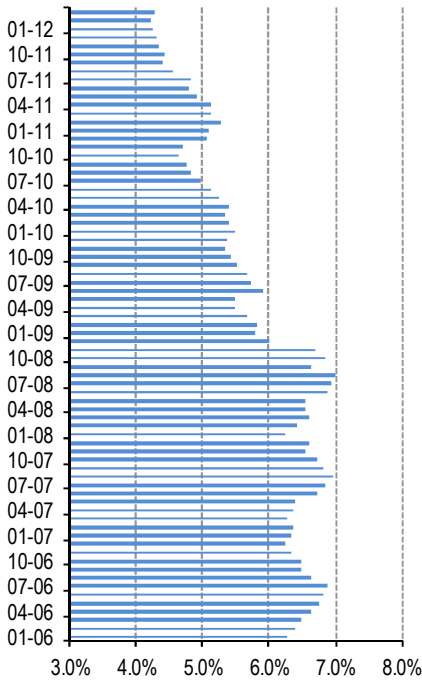
San Mateo County Homes: Sales Momentum



© 2012 rereport.com

Mortgage Rate Outlook

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.

Mar. 2, 2012 -- In a perfect recovery, economic growth would come in bursts above levels needed to foment a self-sustaining recovery without extraordinary supports. That's not been the case with this recovery, at least to date, but perhaps those days are approaching more quickly than previously expected.

That's not to make a claim that we are there yet, or that an even and steady gait is to be expected, or that supports will suddenly disappear, only that forward momentum seems to be occurring, the kind which might help us power through whatever headwinds might come. They may yet prove considerable but for the moment don't appear to be slowing us down much.

Some supports come in the form of Federal Reserve's policies to keep long-term interest rates and mortgage rates low. Although rates did move a tad higher in the last couple of weeks, grinding just above record lows, they remain a powerful inducement to finance or refinance a home.

HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages slipped by three basis points (.03%) from last week, easing to an average 4.22%. The FRMI's 15-year companion gave up just one basis

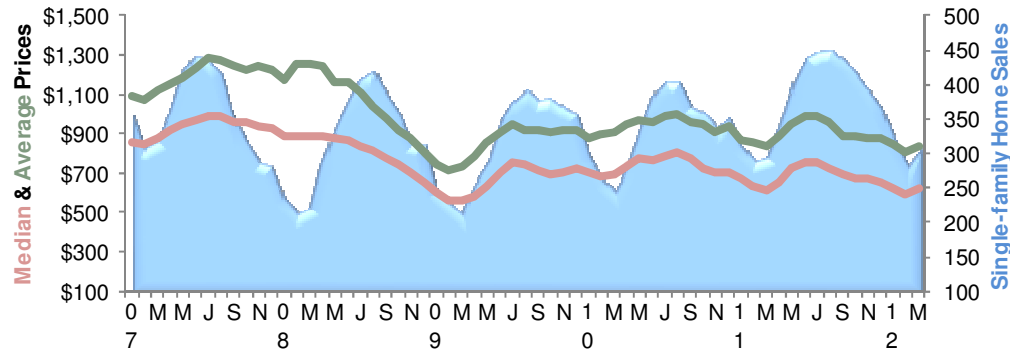
point of last week's rise to finish the weekly survey at an average 3.50%. Important to homebuyers and low-equity-stake refinancers, FHA-backed 30-year mortgages declined by a single hundredth of a percentage point to 3.85%, and the overall average for 5/1 Hybrid ARMs followed suit, falling one basis points to 3.01%.

Mortgage rates are only one component of the transaction, though. Fees and insurance costs of course play a role as well. Housing and Urban Development (HUD) announced this week an increase in FHA insurance premiums, starting April 1. The required fee to get into the FHA insurance pool is rising from 1% of the loan amount to 1.75%, and annual recurring premiums are rising by about 10% overall. The FHA is looking for any way possible to shore up its insurance pool, which has been decimated by losses from loans in the early years of the housing crisis, largely 2007-2009. While these are not huge increases, it does mean that it will be a little tougher for some borrowers to get cheap, low down payment loans. The move is also one means of pushing borrowers back toward private lenders, most notably "jumbo" borrowers, as those higher MI costs are a deterrent to using an FHA mortgage.

San Mateo County - March 2012												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend2	Inven
County	\$ 690,000	\$ 904,905	453	761	1,978	43	99.3%	2.9%	-1.1%	16.8%	35.9%	-19.3%
Atherton	\$ 2,325,000	\$ 2,997,100	6	11	19	95	97.3%	-49.5%	-37.1%	50.0%	175.0%	-34.5%
Belmont	\$ 900,000	\$ 912,643	21	36	25	36	101.6%	7.1%	-0.8%	23.5%	89.5%	8.7%
Burlingame	\$ 987,500	\$ 1,021,920	19	30	25	39	103.1%	-1.1%	-8.0%	46.2%	7.1%	-30.6%
Daly City	\$ 425,000	\$ 447,802	37	87	45	36	98.0%	-10.0%	-6.6%	-2.6%	-11.2%	-60.9%
El Granada	\$ 594,000	\$ 659,612	8	9	17	64	95.3%	n/a	n/a	n/a	n/a	n/a
East Palo Alto	\$ 255,000	\$ 277,343	14	34	18	39	99.6%	9.9%	13.2%	16.7%	-22.7%	-25.0%
Foster City	\$ 950,150	\$ 972,807	14	14	9	19	99.1%	-0.9%	-1.9%	75.0%	16.7%	-62.5%
Hillsborough	\$ 2,560,000	\$ 2,923,310	13	16	48	111	96.6%	9.3%	4.3%	8.3%	6.7%	-18.6%
Half Moon Bay	\$ 746,000	\$ 826,700	10	18	44	132	98.0%	-2.2%	-9.3%	150.0%	12.5%	-45.0%
Millbrae	\$ 944,750	\$ 917,321	14	18	13	28	97.6%	2.4%	-4.6%	40.0%	0.0%	-51.9%
Menlo Park	\$ 1,094,000	\$ 1,387,650	36	31	30	25	101.9%	-10.0%	-9.2%	24.1%	-34.0%	-55.9%
Montara	\$ 672,000	\$ 673,500	4	3	8	60	96.6%	8.6%	8.8%	300.0%	-25.0%	-42.9%
Moss Beach	\$ 551,000	\$ 890,500	4	2	6	45	93.2%	28.1%	69.1%	33.3%	-33.3%	20.0%
Pacifica	\$ 495,000	\$ 522,593	32	55	54	51	98.1%	-2.9%	-1.7%	18.5%	48.6%	-29.9%
Portola Valley	\$ 1,075,000	\$ 1,059,670	3	8	21	210	99.1%	-22.9%	-42.5%	-57.1%	-46.7%	-22.2%
Redwood City	\$ 707,500	\$ 741,954	56	90	68	36	99.1%	16.9%	10.8%	33.3%	5.9%	-50.0%
Redwood Shores	\$ 1,040,000	\$ 1,029,000	5	4	4	24	99.7%	9.7%	8.5%	150.0%	33.3%	-20.0%
San Bruno	\$ 450,000	\$ 485,446	23	44	23	30	99.2%	-24.2%	-21.1%	27.8%	18.9%	-57.4%
San Carlos	\$ 875,000	\$ 1,025,220	23	49	20	26	101.2%	-11.1%	3.8%	4.5%	58.1%	-60.8%
San Mateo	\$ 821,000	\$ 875,354	63	100	63	30	99.9%	-4.0%	-4.3%	23.5%	25.0%	-38.8%
S. San Francisco	\$ 454,000	\$ 499,075	29	76	25	26	100.3%	-7.8%	-2.1%	3.6%	49.0%	-67.9%
Woodside	\$ 1,592,500	\$ 1,967,750	12	12	38	95	94.1%	-9.9%	-4.1%	50.0%	-40.0%	-25.5%

San Mateo County Homes - Prices & Sales

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



FORECLOSURE STATISTICS

Notices of default, the first step in the foreclosure process, in San Mateo County plunged 24.3% in February from January. Year-over-year, notices were down 34.8%.

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were down 24.3% from January, and down 29.9% year-over-year.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements. Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank.

In February, cancellations were up 13% year-over-year, but down 25.3% from January.

Properties going back to the bank were down in February from January by 31%. Year-over-year, the number of properties going back to the bank was down 33.3%.

The total number of homes that have had a notice of default filed decreased by 31.4% in February compared to February 2011.

The total number of homes scheduled for sale declined by 13.4% year-over-year

Unfortunately, the total number of homes owned by the bank was up 4.8% year-over-year. The banks now own approximately 1,165 properties in San Mateo County.

For further details and a city-by-city breakdown of foreclosure statistics, go to <http://foreclosureradar.com>.

San Mateo County Condos - Prices & Sales

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

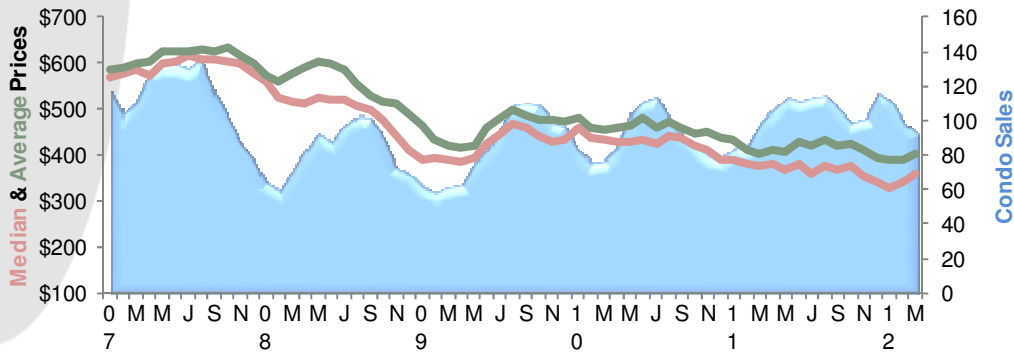


Table Definitions

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.

San Mateo County - March 2012

Condos/Townhomes										% Change from Year Before				
Prices										Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend2	Inven		
County	\$ 390,000	\$ 420,060	119	242	170	43	99.4%	6.8%	3.4%	-6.3%	22.8%	-65.1%		
Burlingame	\$ 588,000	\$ 594,800	5	11	9	54	104.0%	22.2%	23.7%	400.0%	175.0%	-43.8%		
Daly City	\$ 291,600	\$ 288,300	14	29	11	24	102.2%	49.5%	14.2%	27.3%	3.6%	-73.2%		
Foster City	\$ 473,000	\$ 486,375	8	27	14	52	100.1%	-11.7%	-11.3%	-33.3%	17.4%	-61.1%		
Menlo Park	\$ 662,500	\$ 844,333	6	11	12	60	97.3%	8.0%	17.3%	0.0%	57.1%	-55.6%		
Redwood City	\$ 516,000	\$ 510,831	8	14	11	41	96.6%	48.3%	36.7%	60.0%	180.0%	-21.4%		
Redwood Shores	\$ 500,000	\$ 496,286	7	13	8	34	100.0%	-23.7%	-18.2%	-22.2%	-7.1%	-57.9%		
San Bruno	\$ 174,950	\$ 174,475	4	26	17	127	97.5%	4.8%	-22.0%	-71.4%	4.0%	-15.0%		
San Carlos	\$ 485,000	\$ 485,900	10	7	7	21	100.1%	7.8%	-8.9%	42.9%	16.7%	-78.8%		
San Mateo	\$ 374,500	\$ 422,481	31	47	41	40	97.8%	-12.9%	-3.3%	10.7%	0.0%	-61.7%		
S. San Francisco	\$ 247,000	\$ 234,727	11	29	16	44	98.6%	-29.4%	-24.8%	57.1%	81.3%	-33.3%		

THE REAL ESTATE REPORT

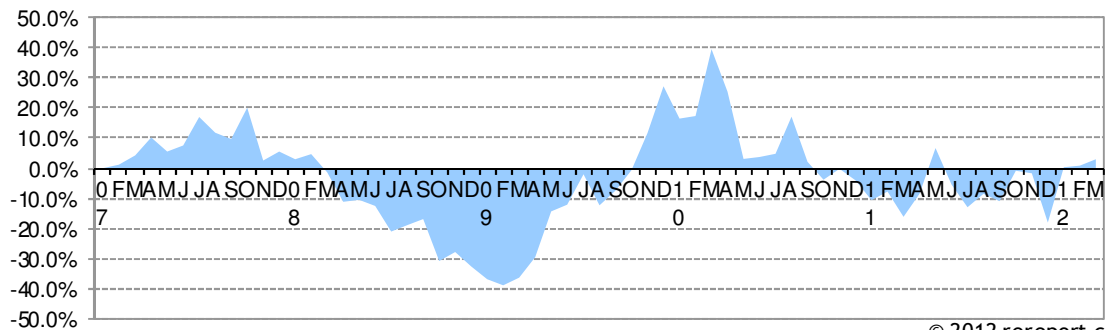
San Mateo County



Lynne Mercer
Alain Pinel Realtors
578 University Avenue
Palo Alto, CA 94301
(650) 543-1000
Lmercer@Lmercer.com
<http://www.Lmercer.com>

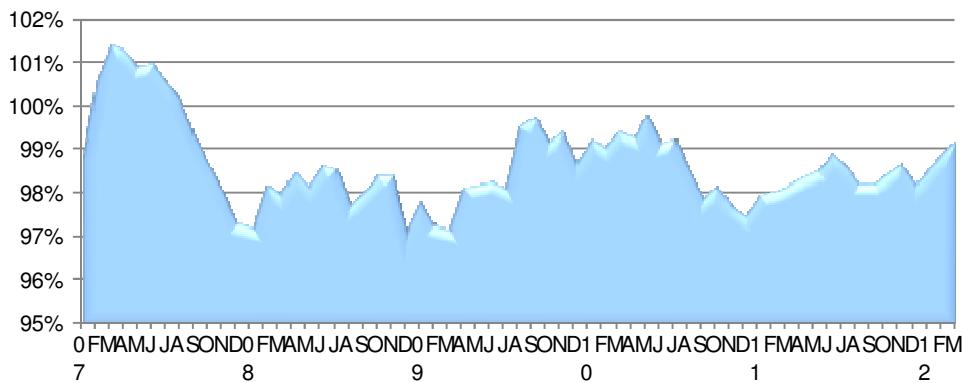
This is not intended as a solicitation if your home is currently listed.

San Mateo County Homes: Year-Over-Year Median Price Change



© 2012 rereport.com

San Mateo County Homes: Sales Price/Listing Price Ratio



© 2012 rereport.com