



# Tom Stamos

Escondido Realty

Escondido, CA

(760) 432-8750

tstamos@EscondidoRealty.Net

http://www.EscondidoRealty.Net

CA BRE #01293411



# The Real Estate Report

## Zillow Sued Over Zestimates

**Do Zillow 'Zestimates' mislead condo buyers? Lawsuit claims yes.**

Suburban Chicago home builders filed legal action last week against the real estate marketing company Zillow, whose at-your-fingertips property-value approximations are misleading home buyers with lowball figures that roil sellers, the suit claims.

The so-called Zestimates that the Seattle-based Zillow app has calculated since 2006 pose as accurate appraisals in violation of the legal description in Illinois of an appraisal, which needs to be conducted by a licensed appraiser, according to the class-action complaint.

Zillow, for its part, maintains that its approximations are not actual appraisals, nor do they claim to be.

"We believe the claims in this case are without merit. We always say that the Zestimate is a starting point to determine a home's value, and isn't an official appraisal. It's a computer-automated estimate of your home's value," Emily Heffter, a Zillow spokeswoman, told MarketWatch.

Zillow says its value estimates are based on public records and other data using "a proprietary

formula." Public records such as those posted on property-tax assessment sites can also be far off prevailing sales prices. Zillow also provides a disclaimer about the accuracy of its approximations.

In Chicago, a Zestimate comes within 5.9% of the eventual sale price just over 44% of the time. Nationwide, Zillow Zestimates are within 5% of the actual sale price 53.9% of the time, within 10% of the sale price 75.6% of the time and within 20% of the closing price 89.7% of the time, according to the company.

Wow, that's not even good enough for government work!

As we wrote in this space last August, there is no way a computer program can give an accurate price for homes.

The problem begins with the fact that each home is different. Homes aren't like stock shares. Each share of Apple stock, for instance, is exactly the same as every other share of Apple stock.

Homes, on the other hand, are each completely different, regardless of whether they were built by the same builder and have the same plan.

## Trends at a Glance

(Single-family Homes)

	May 17	Apr 17	May 16
Median Price:	\$595,000	\$575,000	\$550,000
Average Price:	\$746,731	\$752,524	\$707,942
Home Sales:	2,350	2,076	2,418
Pending Sales:	3,267	3,102	3,828
Active Listings:	4,343	4,137	5,011

(Condos/Town Homes)

Median Price:	\$390,000	\$398,200	\$380,000
Average Price:	\$469,232	\$461,512	\$455,142
Condo Sales:	933	807	951
Pending Sales:	1,136	1,111	1,549
Active Listings:	1,141	1,076	1,431

The major problem with all automated home estimate sites is they are limited to the data on hand. Typically, that includes only square footage, number of beds and baths, recent sales prices and assessor tax values.

Not included are location nuances: is the property on a quiet street or next to a main thoroughfare. Not included are upgrades: did the owners remove that cheap carpeting and replace it with hardwood floors? Were the appliances replaced with high-end hardware? Granite countertops or tile? Dual-pane windows to replace single-pane windows. The list goes on.

There are three ways to get an accurate estimate of your home's worth.

Hire an appraiser. That costs money and they will be conservative.

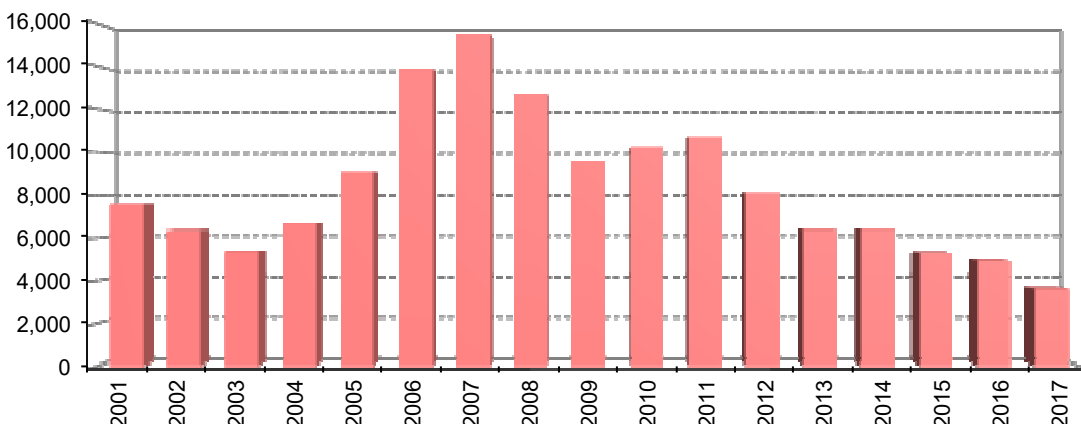
Have a local REALTOR® come by to look at your property. A local

### VISIT

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

**San Diego County**  
Average Monthly Active Listings SFR

© 2017 rereport.com



San Diego County Market Statistics

MAY SALES STATISTICS

SINGLE-FAMILY HOMES

Year-Over-Year

- Median home prices increased by 8.2% to \$595,000 from \$550,000.
- The average home sales price rose by 5.5% to \$746,731 from \$707,942.
- Home sales fell by 2.8% to 2,350 from 2,418.
- Total inventory\* fell 13.9% to 7,611 from 8,839.
- Sales price vs. list price ratio rose by 0.4% to 98.8% from 98.4%.
- The average days on market fell by 13.1% to 31 from 36.

Month-Over-Month

- Median home prices improved by 3.5% to \$595,000 from \$575,000.
- The average home sales price fell by 0.8% to \$746,731 from \$752,524.
- Home sales up by 13.2% to 2,350 from 2,076.
- Total inventory\* increased 5.1% to 7,611 from 7,240.
- Sales price vs. list price ratio increased by 0.1% to 98.8% from 98.7%.
- The average days on market dropped by 4.4% to 31 from 33.

CONDOMINIUMS

Year-Over-Year

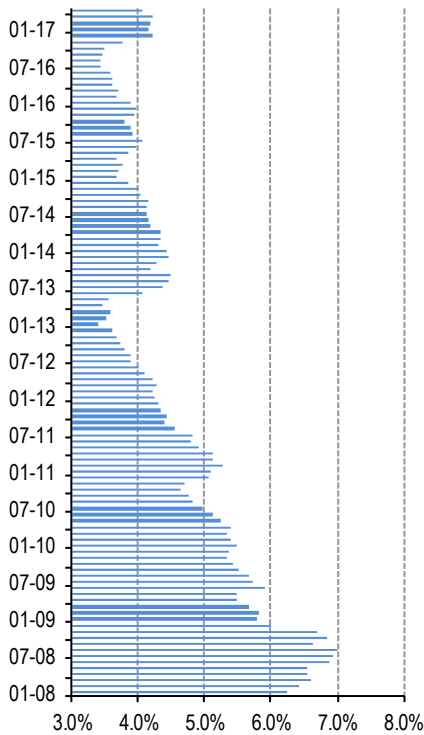
- Median condo prices increased by 2.6% to \$390,000 from \$380,000.
- The average condo sales price rose by 3.1% to \$469,232 from \$455,142.
- Condo sales fell by 1.9% to 933 from 951.
- Total inventory\* fell 23.6% to 2,277 from 2,980.
- Sales price vs. list price ratio rose by 0.7% to 99.3% from 98.6%.
- The average days on market fell by 28.1% to 24 from 33.

Month-Over-Month

- Median condo prices slipped by 2.1% to \$390,000 from \$398,200.
- The average condo sales price rose by 1.7% to \$469,232 from \$461,512.
- Condo sales up by 15.6% to 933 from 807.
- Total inventory\* increased 4.1% to 2,277 from 2,187.
- Sales price vs. list price ratio dropped by 0.1% to 99.3% from 99.4%.
- The average days on market dropped by 10.9% to 24 from 27.

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

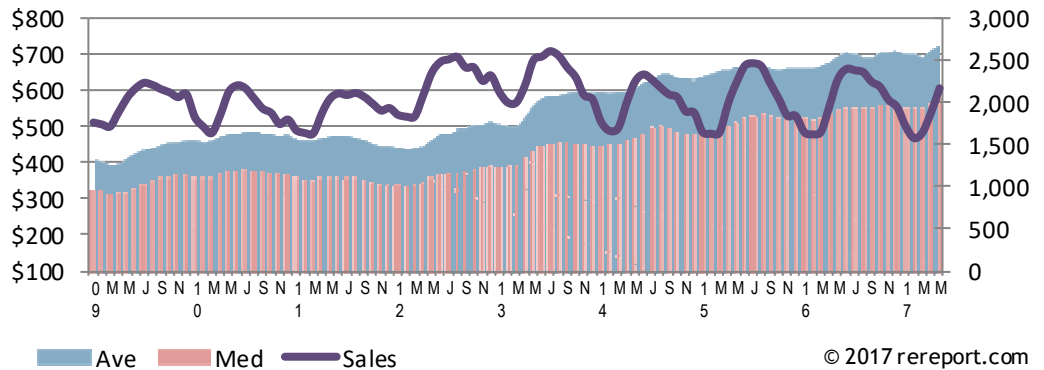
30-Year Fixed Mortgage Rates



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

San Diego County — Homes: Sold Prices & Unit Sales

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

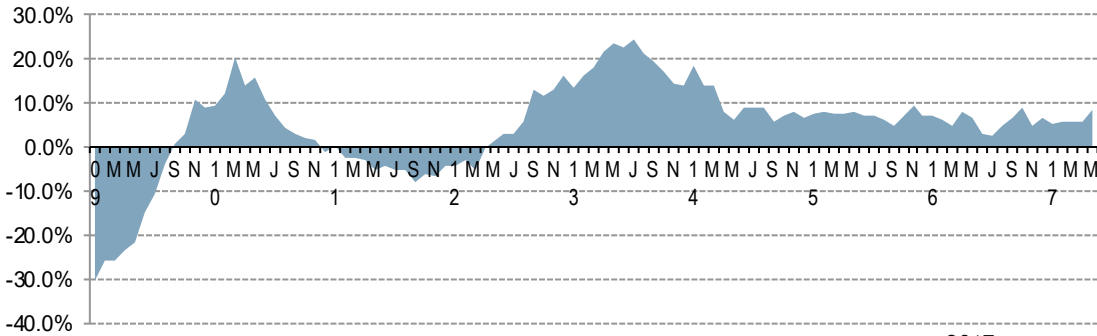


© 2017 rereport.com

**TOM STAMOS**  
 ESCONDIDO REALTY  
 (760) 432-8750  
 TSTAMOS@ESCONDIDOREALTY.NET  
 CA BRE #01293411

North San Diego County Inland - May 2017												
SINGLE-FAMILY HOMES								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven
County	\$ 595,000	\$ 746,731	2,350	3,267	4,343	55	98.8%	8.2%	5.5%	-2.8%	-14.7%	-13.3%
North County Inland	\$ 610,000	\$ 685,644	777	1,070	1,469	57	98.9%	8.0%	9.7%	-1.9%	-12.1%	-15.2%
Bonsall	\$ 540,000	\$ 639,252	8	12	32	120	96.1%	-27.9%	-6.8%	60.0%	20.0%	-13.5%
Borrego Springs	\$ 260,000	\$ 226,500	9	21	66	220	91.4%	58.5%	18.9%	28.6%	40.0%	-15.4%
Escondido	\$ 550,000	\$ 592,429	151	230	307	61	98.9%	14.7%	13.6%	-12.2%	-3.4%	-9.2%
Julian	\$ 291,250	\$ 297,550	8	18	36	135	97.9%	n/a	n/a	n/a	n/a	n/a
Mira Mesa	\$ 563,000	\$ 562,243	37	47	31	25	99.9%	7.2%	10.7%	-5.1%	-9.6%	6.9%
Poway	\$ 740,000	\$ 937,880	62	68	103	50	98.2%	5.9%	18.8%	17.0%	-24.4%	-19.5%
Ramona	\$ 520,000	\$ 572,205	53	70	107	61	99.1%	10.3%	15.1%	10.4%	-21.3%	-13.7%
Rancho Bernardo	\$ 842,000	\$ 962,062	111	150	166	45	99.0%	9.7%	9.4%	8.8%	-1.3%	-35.2%
Rancho Penasquitos	\$ 742,550	\$ 753,767	40	49	30	23	100.7%	3.1%	5.2%	-18.4%	-26.9%	-37.5%
San Marcos	\$ 612,500	\$ 624,412	90	105	99	33	98.4%	-3.3%	-3.3%	3.4%	-25.5%	4.2%
Scripps Miramar	\$ 867,500	\$ 912,535	36	47	30	25	99.3%	7.8%	7.0%	-14.3%	-11.3%	-60.0%
Valley Center	\$ 600,000	\$ 591,376	21	27	69	99	98.8%	23.6%	16.7%	-38.2%	-27.0%	-21.6%
Vista	\$ 534,500	\$ 534,246	84	116	140	50	99.0%	8.1%	2.6%	10.5%	-10.8%	-21.8%

**San Diego County Homes: Year-Over-Year Median Price Change**

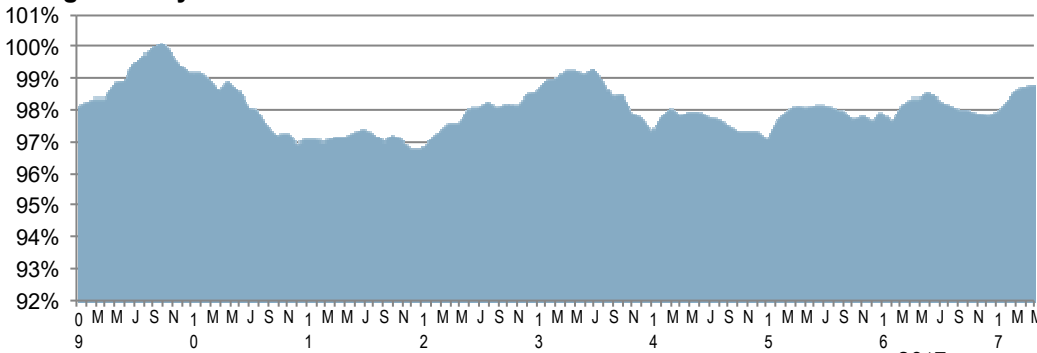


© 2017 rereport.com

**TOM STAMOS**  
 ESCONDIDO REALTY  
 (760) 432-8750  
 TSTAMOS@ESCONDIDOREALTY.NET  
 CA BRE #01293411

*If your house is currently listed with another broker this is not intended as a solicitation of that listing.*

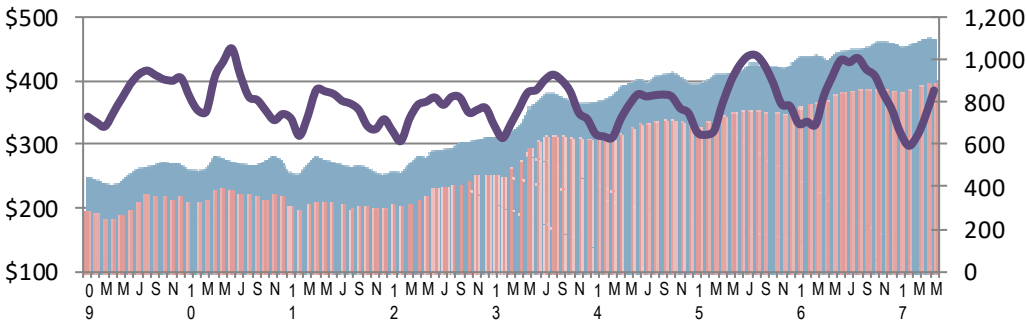
**San Diego County Homes: Sales Price/List Price Ratio**



© 2017 rereport.com

**San Diego County — Condos: Sold Prices & Unit Sales**

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



Ave Med Sales

© 2017 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.

**North San Diego County Inland - May 2017**

CONDOS									% Change from Year Before				
Prices									Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend	Inven	
County	\$ 390,000	\$ 469,232	933	1,136	1,141	37	99.3%	2.6%	3.1%	-1.9%	-26.7%	-20.3%	
North County Inland	\$ 368,000	\$ 392,686	191	251	146	23	99.8%	0.8%	5.1%	-5.9%	-22.8%	-42.7%	
Escondido	\$ 264,000	\$ 287,500	21	30	16	23	98.6%	-15.9%	-11.5%	-12.5%	-16.7%	-59.0%	
Mira Mesa	\$ 336,000	\$ 348,037	24	40	14	18	102.2%	-2.9%	-5.5%	41.2%	8.1%	16.7%	
Poway	\$ 486,500	\$ 475,000	4	3	4	30	98.3%	11.8%	9.8%	-33.3%	50.0%	-50.0%	
Ramona	\$ 306,500	\$ 265,400	5	3	3	18	97.1%	15.7%	-5.1%	66.7%	-50.0%	-57.1%	
Rancho Bernardo	\$ 425,000	\$ 447,158	71	82	40	17	100.1%	18.1%	13.2%	0.0%	-22.6%	-51.8%	
Rancho Penasquitos	\$ 386,500	\$ 399,300	15	7	6	12	101.4%	1.7%	8.9%	-16.7%	-66.7%	-14.3%	
San Marcos	\$ 449,000	\$ 413,403	32	42	21	20	99.3%	7.4%	1.1%	0.0%	-23.6%	-32.3%	
Scripps Miramar	\$ 450,000	\$ 430,000	3	17	10	100	101.6%	5.6%	3.7%	-78.6%	-37.0%	-58.3%	
Vista	\$ 332,500	\$ 330,167	12	24	12	30	98.7%	18.3%	10.5%	-20.0%	-17.2%	-40.0%	



**Tom Stamos**  
**Escondido Realty**  
Escondido, CA

For a **FREE** subscription and the city by city breakdown, go to our web-site at:

*(Continued from page 1)*

REALTOR® will be familiar with your community, what's sold, the condition of the property, what's for sale and how desirable the property is in today's market.

The third way is to do it yourself. You've probably lived in the neighborhood for years and visited with your neighbors so you know what has been done to their homes. Plus, with our Recent Sales & Listings module, available on our on-line Market Trends Report, you can keep track of the activity going on in your neighborhood.

Remember, in the final analysis, your home is worth what you and a ready, willing and able buyer decide it's worth.

If you are thinking of selling your home and would like a proper estimate of what it will sell for in today's market, call me, please.

## Softer Data, Softer Rates

**Jun. 2, 2017** -- Even with a Monday holiday, there was lots of fresh data out this week for markets to consider, but most of it seemed to tend toward the softer side of things. As expected, mortgage rates were mostly level this week, but current indications are that we might see a bit of a decline next week, should markets hold where they are at the moment.

Spending on new construction projects dropped off in April. The overall decline of 1.4 percent in outlays contained no bright spots this time around, as outlays for residential projects fell 0.7 percent, commercial construction dipped by 0.6 percent, and spending on public-works projects slumped by 3.7 percent. The residential figure is surprising, but already suspected from the easing in the housing starts report; commercial interests are probably growing a little way given the troubles that retailers are having, but there should be plenty of public works projects that need attention. Spending on roads and schools and the like using taxpayer dollars have now declined in four of the last six months.

A spate of mostly modest to moderate data (to borrow a phrase from the Beige Book) and a lack of emergent price pressures would be sufficient to trim interest rates a little bit even if we didn't continue to have a difficult political climate.

Expectations for significant tax and regulatory relief haven't completely bled out of the market, but those hopes have faded considerably on recent months, tempering the outlook and expectation that the economy will soon be growing faster. Collectively, the environment is sufficient to keep rates both low and stable, and we'll need to see some warmer news to move rates up. That may come, but probably not next week; based upon where we finished this one, we are likely looking at another 3-4 basis point decline in the average conforming 30-year fixed rate mortgage as reported by Freddie come next Thursday morning.