

# Favorable Interest Rates, Prices Attract Peninsula Homebuyers

## Sales Remain Steady, Despite Limited Inventory

THIRD QUARTER 2011

### SAN MATEO COUNTY

Favorable home prices and mortgage interest rates and San Mateo County's proximity to downtown San Francisco and the Silicon Valley helped sales of existing, single-family detached homes maintain the status quo during the third quarter of 2011 – despite a 15 percent year-over-year decline in the number of homes available for purchase, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

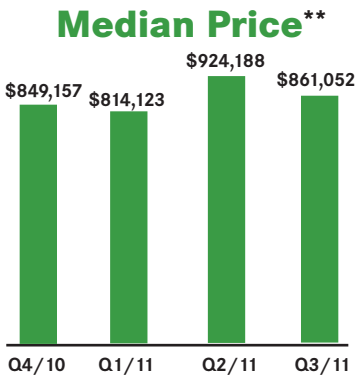
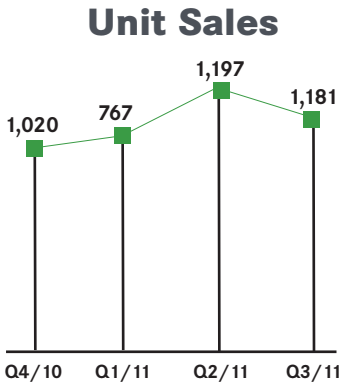
Countywide, 1,181 existing, single-family detached homes were sold during the third quarter, down 1 percent from 1,197 homes sold in the second quarter but up 6 percent from 1,109 homes sold a year ago, when home sales temporarily slowed following the expiration of the federal tax credit for homebuyers. Sales totals might have been higher if not for a limited inventory of homes, particularly in moderately priced communities. In those areas, first-time homebuyers attracted by record affordability and low interest rates continued to compete with investors offering cash for properties they could quickly refurbish and return to the market.

The City of San Mateo led the way with 180 homes sold, up from 150 in the second quarter and 157 a year ago, followed

by Redwood City and Daly City with 156 and 100 closed sales, respectively. San Mateo was one of four communities – Belmont, East Palo Alto and Foster City were the others – that registered both quarter-over-quarter and year-over-year increases in the number of homes sold.

Countywide, the third quarter median sales price slipped to \$861,052 from \$924,188 in the second quarter and \$911,786 a year ago as homebuyers focused on properties priced below \$1 million or well above it. Both Belmont, with a third quarter median price of \$895,000, and Half Moon Bay, at \$862,500 for the quarter, recorded quarterly and annualized increases. So did luxury-priced Atherton, where the median price jumped 7 percent from a year ago to \$3,552,500, and Woodside, where the median sales price was \$1,925,000 in the third quarter, up 8 percent from 2010.

Absent a substantial increase in new listings or change in the economy, consumers can anticipate sales and median price trends to continue. Short sales are expected to remain common as lenders seek to shrink the percentage of distressed properties in their portfolios.



### SAN MATEO COUNTY YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q3/11	Homes Sold Q3/10	% Change	Avg DOM* Q3/11	Avg DOM* Q3/10	Change (days)	Median Price Q3/11	Median Price Q3/10	% Change
Atherton	18	18	0	35	66	-31	\$3,552,500	\$3,307,500	7
Belmont	49	48	2	48	39	9	\$895,000	\$887,000	1
Brisbane	8	8	0	133	146	-13	\$542,500	\$744,500	-27
Burlingame	66	65	2	46	52	-6	\$1,185,000	\$1,160,000	2
Daly City	100	86	16	57	37	20	\$467,750	\$535,000	-13
East Palo Alto	53	43	23	48	51	-3	\$252,000	\$245,000	3
Foster City	38	34	12	47	36	11	\$921,500	\$945,000	-2
Half Moon Bay	28	27	4	116	87	29	\$862,750	\$645,000	34
Hillsborough	39	43	-9	51	75	-24	\$2,290,000	\$2,400,000	-5
Menlo Park	94	109	-14	39	42	-3	\$1,038,750	\$1,231,000	-16
Millbrae	44	41	7	56	48	8	\$876,500	\$870,000	1
Pacifica	65	70	-7	80	42	38	\$450,500	\$515,000	-13
Portola Valley	18	15	20	68	81	-13	\$1,905,000	\$2,000,000	-5
Redwood City	156	134	16	51	49	2	\$741,000	\$847,000	-13
San Bruno	57	63	-10	47	46	1	\$510,000	\$545,000	-6
San Carlos	83	69	20	43	28	15	\$900,000	\$959,700	-6
San Mateo	180	157	15	46	46	0	\$689,750	\$730,000	-6
So. San Francisco	61	68	-10	54	53	1	\$475,000	\$504,500	-6
Woodside	24	11	118	120	49	71	\$1,925,000	\$1,780,000	8

\* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.  
 \*\* The median home price for the entire county is the mean of median home prices of cities within San Mateo County.  
 Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number.



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