

Silicon Valley home prices hit record highs, again

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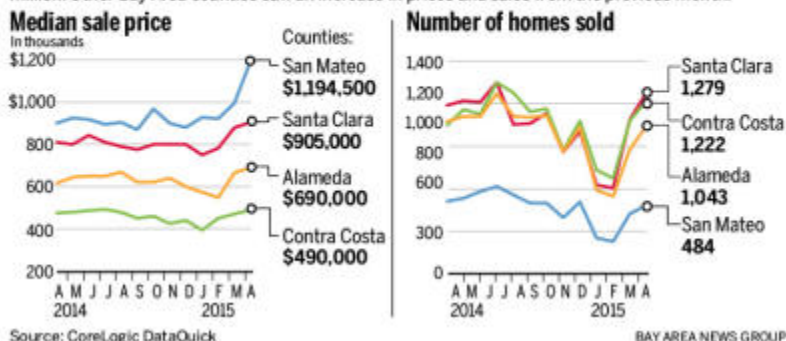
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How high does this ladder stretch? With spring buyers vying for a limited number of properties, the median price for Santa Clara County homes reached yet another all-time high in April, climbing to \$905,000. San Mateo County set a record, as well -- \$1,194,500 -- as did Alameda County, where the median price tag rose to \$690,000.

Sticker shock spread throughout the region, with prices for single-family homes jumping from a year ago in all nine counties, according to figures released by CoreLogic, the real estate information service. In Contra Costa County, the \$490,000 median represented a \$20,000 increase over March and the highest it's been since last summer. All in all, it was a hot start to the Bay Area's spring home-buying season, with Silicon Valley setting the pace.

San Mateo County home prices cross \$1 million

The median sale price of existing single-family homes in San Mateo County for April was \$1.19 million. Other Bay Area counties saw an increase in prices and sales from the previous month.



Agents encountered the usual spring uptick in homes for sale, but not enough new inventory to relieve the upward pressure on prices.

"Prices are jumping," said Kristine Kim-Suh, a Palo Alto-based agent for the Sereno Group. "Some properties are selling for \$30,000, \$40,000 or \$50,000 beyond last month's comparables, and it's making buyers that much more aggressive. For example, they know that the comparable is \$825,000 and they're

bidding \$885,000, they're so anxious. It's even surprising the listing agents."

The April sales volume was 7.5 percent higher than a year ago in Santa Clara County, representing a three-year high, and 16.5 percent higher in Contra Costa County, making for a five-year high. But sales dropped by 10.4 percent in San Mateo County and by 3.1 percent in Alameda County. Looking at the region as a whole, Bay Area sales were up by 7 percent over last year.

There's a down side to the steady up, up, up of prices: "What might be encouraging to an existing homeowner might not be encouraging to the couple who's intending to become a homeowner," said Andrew LePage, data analyst for CoreLogic. "Affordability remains a major topic for so many people, including both employees and employers."

The degree of the home-buying frenzy varies according to city and neighborhood. Based in Walnut Creek, Alain Pinel agent Margaret Garber-Teeter has seen fewer multiple offers on houses in recent weeks: "The market is still very strong, but the buyers are a little tired, the ones that have been competing," she said. "As we get a little more inventory, the market calms down."

But not too much: When Garber-Teeter listed a midcentury Eichler home in Walnut Creek's popular Northgate neighborhood, more than 100 people attended the weekend open houses, including "many from the Peninsula," she said. One woman said she had put in a bid on "almost the exact same house near Stanford for \$1.3 million."

The Walnut Creek Eichler sold for \$901,000, more than \$50,000 above the listing price.

On the Peninsula, "nothing has slowed down," said Alain Pinel agent Nick Granoski, who recently worked with first-time homebuyers Becky and Brandon Stroy, who had been outbid and worn out since their house-hunting began in December.

But by throwing an extra \$400,000 on top of the \$1,350,000 list price on a Mountain View ranch-style home in the Varsity Park neighborhood, the Stroys were finally winners.

"There were 17 other offers and ours was sort of just barely high enough to win," said Brandon, an attorney. He received news of the successful bid while on his way to work, taking it in with "a mixture of joy and relief and surprise -- and then terror, I guess."

For buyers, speed often is of the essence.

David Yeh, a semiconductor engineer, grew up in Houston and attended college in Austin, Texas: "But as hot as the real estate market is there, it's not as hot as it is here, for sure. I was not expecting houses to go in seven days, and probably even sooner as cash offers."

Nor did he expect to land his own place in less than 24 hours, but he did: a townhouse near downtown San Jose.

Kim-Suh, the Serreno agent, helped him bid on another townhouse in the same development last month. He lost. In early May, while perusing the MLS listings, she spotted the second townhouse: same size, same layout. She called Yeh, who gave her the green light to negotiate. She called the listing agent, who encouraged her to make a bid, as the sellers were hoping for a fast sale. Sight unseen, Yeh offered more than the \$620,000 asking price and, after some phone jockeying, the deal was sealed that night: "Zero days on market," Kim-Suh noted.

The hot market doesn't show signs of abating, so luck and timing help.

Michael and Anat Yoder were looking to improve their rush-hour commute time -- and their young daughter's hourlong drive to school -- by moving from Concord to Walnut Creek. They presented their agent with several nonnegotiable features: that the new house would be on a cul-de-sac near downtown; that it would be close to office and school; and that it would have an open floor plan with a big open kitchen flowing out into the TV and family room.

Martin Hendren, their Redfin agent, told them such a home might appear once a month, if they were lucky.

It did: in March, during spring break when other families were out of town, apparently.

The Yoders went to the open house: "And it was empty," Michael Yoder said, disbelievingly. "Empty! Here's our dream house, and there was no one else there."

He and Anat offered the listing price, \$1.5 million, and soon sealed a deal.

"And last night we watched the Warriors game while we were cooking dinner."

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