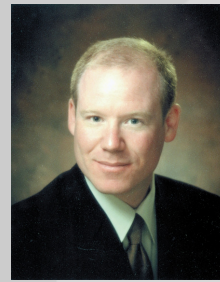


Inside This Issue

- > LOCAL MARKET TRENDS 1
- > MORTGAGE RATE OUTLOOK 2
- > HOME STATISTICS 2
- > BAY AREA RECOVERY 3
- > CONDO STATISTICS 3
- > CHARTS: SP/LP & SALES YTD 4



Mark Barber
Alain Pinel Realtors
 12988 Saratoga-Sunnyvale Road
 Saratoga, CA 95070
 (408) 316-8112
mbarber@apr.com
<http://HomesOfSiliconValley.com>
 DRE #01220031

The Real Estate Report

local market trends

SANTA CLARA COUNTY

Prices Up Year-Over-Year

Prices for single-family, re-sale homes were up in August, year-over-year, for the eleventh month in a row. The median price rose 13.7%, while the average price was up 15.4%, reflecting a higher share of \$1,000,000+ home sales.

Sales of single-family, re-sale homes continued to slide and were lower than the year before for the third straight month: -13.1%.

In a turn, pending sales were also lower than the year before for the first month since March 2008: -6.9%.

Inventory was higher than last year for the second month in a row: 18.4%.

The sales price to list price ratio for homes dropped below 100% for the first time since June 2009: 99.6%.

The median price for condos was up 5.3% year-over-year. This is the tenth month in a row the median price has been higher than the

year before. After nine straight months of year-over-year gains, the average prices for condos dropped 1.7%.

Condo sales were up 0.4% compared to last August.

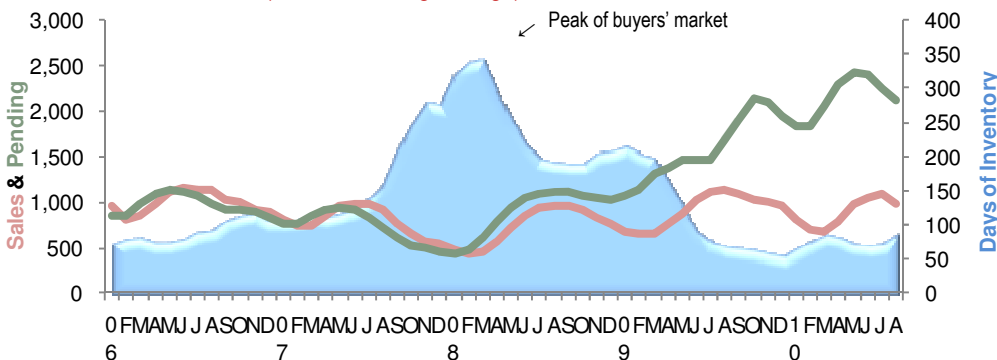
Pending sales were down from June, and were lower than the year before for the first time since March 2008: -11.2%.

Inventory for condos was higher than the year before for the third month in a row: 40.9%.

Remember, the real estate market is a matter of neighborhoods and houses. No two are the same. For complete information on a particular neighborhood or property, call me.

Trends at a Glance (Single-family Homes)			
	Aug 10	Jul 10	Aug 09
Median Price: \$	633,250	637,685	557,000
Average Price: \$	800,957	804,110	693,956
Home Sales:	868	1,004	999
Inventory:	2,900	2,899	2,449
Sale/List Price Ratio:	99.6%	100.2%	100.7%
Days on Market:	42	43	55
Days of Inventory:	100	87	74

Santa Clara County Homes - Sales, Pending & Days of Inventory
 (3-month moving average)



HOW TO READ THE CHART

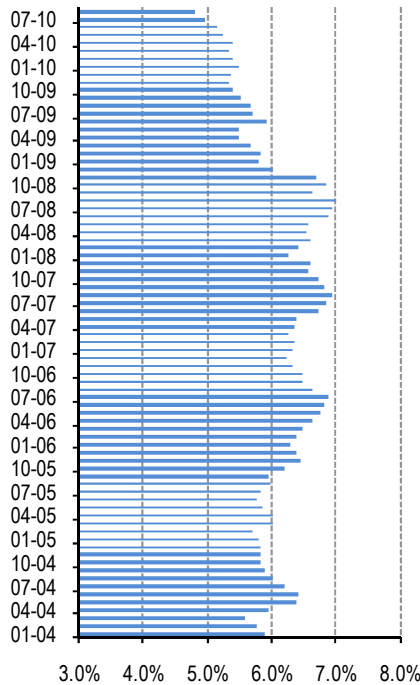
The blue area is the number of days it would take to sell all the homes for sale at the current rate of sales.

The green line shows the number of homes in escrow. Normally, this line tracks closely with the red line, which shows actual sales.

As you can see, the two lines have diverged over the past year. This is due to many homes being put into escrow as short-sales, contingent upon the banks' approval. This is being done even before the banks know about the short sale. Subsequently, many of these escrows do not close.

Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



Sept. 3, 2010 -- The economic news has certainly been nothing to cheer about over the last month or two, but at least some important indicators don't suggest that any double-dip recession is imminent.

HSH's overall mortgage monitor -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- dipped back by another two basis points, closing our survey at an average 4.76%, a new low. The FRMI includes rates for conforming, jumbo, and most recently the GSE's "high-limit" conforming products and so covers much of the mortgage-borrowing public. For borrowers who don't need a long-term, fixed rate mortgages, a viable choice might be a Hybrid 5/1 ARM, which ended the week at an unchanged average rate of 3.73%.

The Federal Reserve released the minutes of its August 10 meeting, and most clearly identified perhaps the chief reason the economy cannot seem to get out of its own way, economic "stimulus" and low rates or not. Whether you're a consumer or run a business, it all comes down to confidence.

From the minutes: "A number of participants reported that business contacts again indicated that uncertainty about future taxes, regulations, and health-care costs made them reluctant to expand their workforces. Instead, businesses had continued to meet

growth in demand for their products largely through productivity gains and by increasing existing employees' hours."

Consumers and businesses have been reluctant to spend or borrow money, and each are expressions of confidence about future prospects. By most accounts, the Fed has done a good job of getting low interest rates into the marketplace -- but if no one wants to (or is able to) borrow, the economic benefit is minimal.

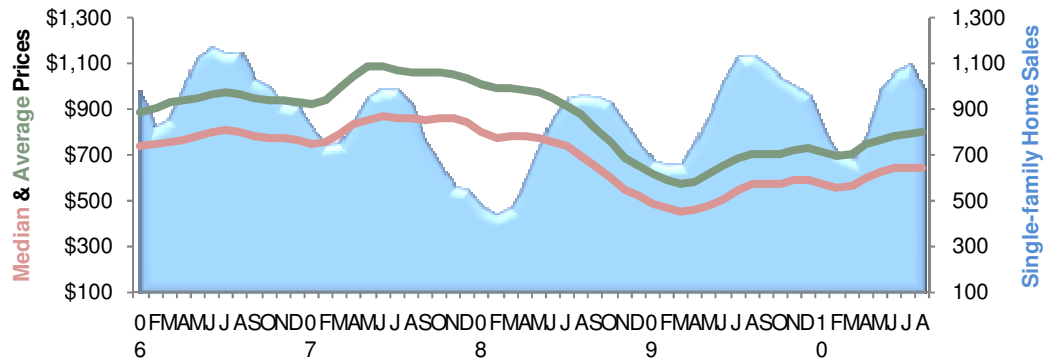
Personal income growth has been meager, but households are using what little there is of it to buttress savings and pay off debt. Incomes rose by 0.2% in July, a little less than expected, with wages increasing 0.3%. For the first time in a couple of months, personal spending rose more than incomes, rising by 0.4%, so the nation's saving rate eased to 5.9% for the month.

If we haven't been before, we are truly at a crossroads for the recovery. Low rates exist, benefiting the limited number of those who want to (or can) borrow, but hurting those who save, and the stimulative effect of even lower rates is uncertain.

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.

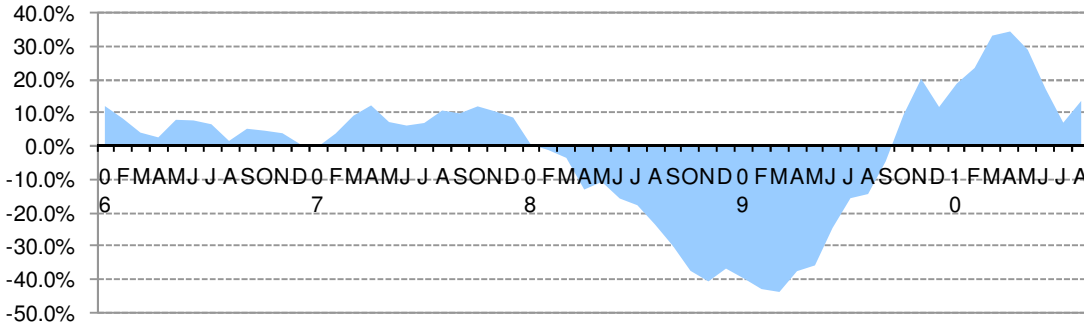
Santa Clara County Homes - Prices & Sales

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



Santa Clara County - August 2010												
Single-Family Homes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend2	Inven
County	\$ 633,250	\$ 800,957	868	2,027	2,900	100	99.6%	13.7%	15.4%	-13.1%	-6.9%	18.4%
Campbell	\$ 662,450	\$ 709,161	18	31	68	113	98.9%	3.5%	-8.5%	63.6%	-22.5%	-8.1%
Cupertino	\$ 1,050,000	\$ 1,011,940	30	46	86	86	99.6%	-4.5%	-10.2%	-9.1%	-9.8%	-17.3%
Gilroy	\$ 422,500	\$ 443,144	38	124	130	103	102.2%	11.2%	8.8%	-20.8%	-8.1%	18.2%
Los Altos	\$ 1,745,000	\$ 1,839,550	28	27	54	58	96.4%	4.6%	-0.9%	21.7%	-15.6%	-28.0%
Los Altos Hills	\$ 2,310,000	\$ 2,729,110	9	11	65	217	94.5%	3.8%	26.5%	80.0%	-15.4%	-4.4%
Los Gatos	\$ 1,295,000	\$ 1,407,610	26	58	149	172	97.6%	22.9%	14.8%	4.0%	70.6%	-8.0%
Milpitas	\$ 495,000	\$ 541,904	26	58	77	89	99.5%	-1.0%	-1.9%	-3.7%	-29.3%	67.4%
Monte Sereno	\$ 2,330,000	\$ 2,330,000	2	5	27	405	91.8%	37.9%	19.4%	-60.0%	0.0%	8.0%
Morgan Hill	\$ 582,500	\$ 638,979	34	94	159	140	98.9%	8.5%	20.6%	-2.9%	8.0%	23.3%
Mountain View	\$ 940,000	\$ 979,796	27	36	54	60	100.1%	10.3%	7.5%	50.0%	5.9%	-6.9%
Palo Alto	\$ 1,275,000	\$ 1,433,290	35	33	90	77	101.3%	-1.8%	-4.1%	29.6%	-32.7%	-6.3%
San Jose	\$ 550,000	\$ 604,553	477	1,258	1,480	93	100.1%	14.6%	13.3%	-18.2%	-9.3%	36.0%
Santa Clara	\$ 616,000	\$ 609,306	32	92	113	106	98.9%	1.8%	0.5%	-34.7%	-1.1%	61.4%
Saratoga	\$ 1,504,000	\$ 1,865,290	29	35	128	132	96.8%	11.2%	17.4%	-6.5%	-7.9%	-7.9%
Sunnyvale	\$ 840,000	\$ 764,660	46	82	126	82	99.0%	11.3%	8.4%	-27.0%	2.5%	16.7%

Santa Clara County Homes: Year-Over-Year Median Price Change



BAY AREA REAL ESTATE RECOVERING FASTER THAN MOST

The California Association of REALTORS® reported last month that the median price of single-family, detached homes in The San Francisco Bay Area, which includes San Francisco, Oakland, Fremont, and San Mateo County, was up 52.2% in July from the trough in February 2009.

The same report shows the median price in Santa Clara County was up 41.6% from the trough.

C.A.R. also reported the median price decrease from the peak. In the San Francisco Bay Area, the median price was off 28.9% from the peak month of May 2007.

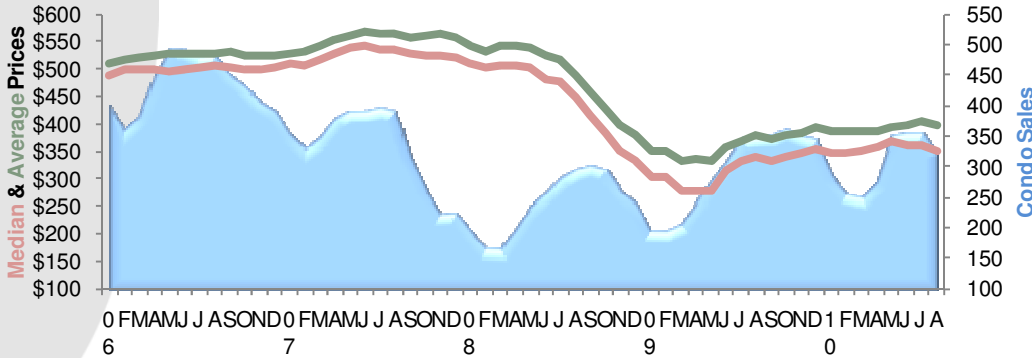
For Santa Clara County, the median price was off 27.5% from the peak month of April 2007.

(Continued on page 4)

Trough vs. Current Price — July 2010				
Region	Trough Month	Trough Price	Jul-10 Median	% Chg From Trough
San Francisco Bay Area	9-Feb	\$399,040	\$607,510	52.20%
Monterey Region	9-Feb	\$241,130	\$344,740	43.00%
Santa Clara	9-Feb	\$445,000	\$630,000	41.60%
Palm Springs/Lower Desert	9-Apr	\$150,140	\$194,320	29.40%
CALIFORNIA	9-Feb	\$245,230	\$314,850	28.40%
Ventura	9-Feb	\$359,630	\$444,230	23.50%
Riverside/San Bernardino	9-Apr	\$156,840	\$190,870	21.70%
Orange County	9-Jan	\$423,100	\$514,180	21.50%
High Desert	9-May	\$106,210	\$128,950	21.40%
San Diego	9-Mar	\$326,830	\$389,440	19.20%
Northern Wine Country	9-Feb	\$310,950	\$367,690	18.20%
Los Angeles	9-Mar	\$295,100	\$345,410	17.00%
San Luis Obispo	9-Apr	\$338,160	\$383,720	13.50%
Sacramento	9-Apr	\$167,340	\$186,180	11.30%
Northern California	10-May	\$243,200	\$247,520	1.80%

Santa Clara County Condos- Prices & Sales

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



Santa Clara County - August 2010

Santa Clara County - August 2010												
Condos/Townhomes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inven	DOI	SP/LP	Med	Ave	Sales	Pend2	Inven
County	\$ 347,500	\$ 374,824	330	795	1,112	101	99.5%	5.3%	-1.7%	0.3%	-11.2%	40.9%
Campbell	\$ 375,000	\$ 359,600	10	26	41	123	96.5%	-19.4%	-17.9%	-9.1%	44.4%	64.0%
Cupertino	\$ 670,000	\$ 660,455	11	16	27	74	97.0%	-4.6%	-8.2%	10.0%	220.0%	-12.9%
Gilroy	\$ 180,350	\$ 156,783	3	9	1	10	99.7%	3.1%	-18.8%	-40.0%	0.0%	-83.3%
Los Altos	\$ 510,000	\$ 510,000	2	5	14	210	96.4%	-6.4%	-13.0%	-50.0%	-16.7%	-30.0%
Los Gatos	\$ 589,250	\$ 537,250	6	14	48	240	97.5%	-15.6%	-16.2%	-40.0%	40.0%	11.6%
Milpitas	\$ 255,000	\$ 282,208	12	39	47	118	98.7%	-31.5%	-25.3%	33.3%	0.0%	147.4%
Morgan Hill	\$ 313,000	\$ 290,862	8	30	11	41	100.1%	n/a	n/a	n/a	n/a	n/a
Mountain View	\$ 508,500	\$ 549,060	24	46	91	114	98.0%	-18.1%	-6.0%	4.3%	15.0%	44.4%
Palo Alto	\$ 725,000	\$ 751,225	4	16	38	285	98.4%	-5.2%	-17.2%	-20.0%	-11.1%	0.0%
San Jose	\$ 300,000	\$ 323,861	204	516	613	90	100.1%	13.2%	9.0%	0.5%	-17.8%	46.7%
Santa Clara	\$ 328,000	\$ 384,507	23	45	65	85	100.6%	-30.9%	-15.4%	0.0%	-30.8%	22.6%
Saratoga	\$ 750,000	\$ 710,417	3	8	19	190	97.3%	32.7%	25.7%	50.0%	166.7%	26.7%
Sunnyvale	\$ 460,500	\$ 458,950	20	25	97	146	99.1%	13.7%	5.2%	-16.7%	-41.9%	86.5%

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.

THE REAL ESTATE REPORT
Santa Clara County



Mark Barber
Alain Pinel Realtors
12988 Saratoga-Sunnyvale Road
Saratoga, CA 95070
(408) 316-8112
mbarber@apr.com
<http://HomesOfSiliconValley.com>
DRE #01220031

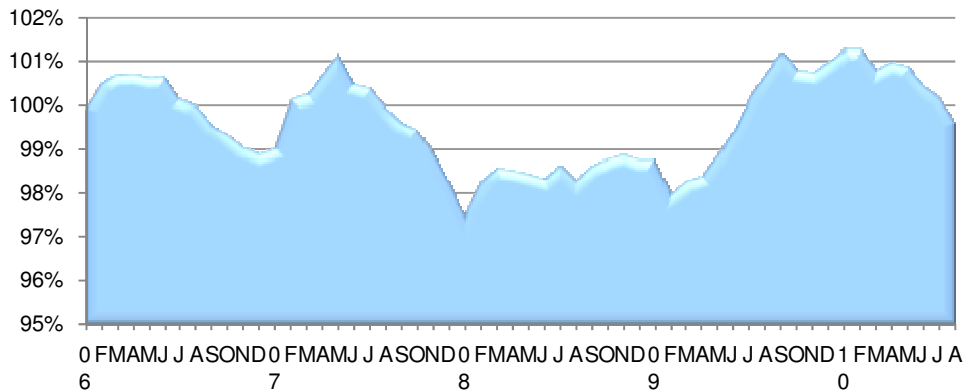
(Continued from page 3)

These two areas showed the least depreciation in the state.

Statewide, the ten cities with the highest median home price in July 2010 were:

Beverly Hills	\$1,677,500
Los Altos	\$1,560,000
Saratoga	\$1,490,000
Manhattan Beach	\$1,490,000
Palo Alto	\$1,317,500
Palos Verdes Estates	\$1,200,000
Newport Beach	\$1,187,000
Los Gatos	\$1,147,500
Mill Valley	\$972,000
Rancho Palos Verdes	\$920,000
Santa Monica	\$920,000
Cupertino	\$885,000

Santa Clara County Homes: Sales Price/Listing Price Ratio



© 2010 rereport.com

Santa Clara County Sales Year-to-Date

