

SANTA CLARA COUNTY

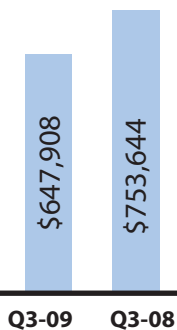
A market overview of single-family detached home sales

Q3
2009

UNIT SALES



MEDIAN PRICE



Tighter Inventory of Homes Pushes Sales Higher Across County During Third Quarter of 2009

Increased competition for low- to mid-priced homes across Santa Clara County fueled a 5 percent quarter-over-quarter and 19 percent year-over-year jump in closed sales of existing single-family detached homes during the third quarter of 2009, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

Countywide, 3,288 detached homes changed hands in the third quarter, up from 3,119 in the second quarter and 2,764 a year ago as multiple and all-cash offers became more common in most communities and all but the highest price ranges. With 1,937 total sales, San Jose accounted for 70 percent of third-quarter closings, followed by Sunnyvale (181 sales), Gilroy (168), Santa Clara (163), Cupertino (111) and Palo Alto (110). More than half of the county's 15 communities experienced sales increases from the second quarter and 11 of 15 showed strong, double-digit sales growth compared with the third quarter of 2008.

The median price of single-family detached homes sold in the county during the third quarter increased

9 percent from \$594,088 in the second quarter to \$647,908 in the most recent quarter but was down 14 percent from the third quarter of last year. Nine of 15 communities saw home sales prices rise between the second and third quarters, although the median price in all markets declined by double-digits from a year ago. Annualized median price declines were the most modest at 9 percent in Santa Clara and at 11 percent in Cupertino, Gilroy, Los Gatos, Mountain View and Sunnyvale.

Homebuyers in higher-end markets like Monte Sereno, Palo Alto and Los Altos experienced a boost in inventory as fence-sitters with a desire or need to sell entered the market. Even so, the availability of mortgage financing for this segment of the market remained constrained. At the lower price ranges, buyers armed with the promise of FHA financing grew increasingly frustrated with competition in the form of multiple offers from investors wielding cash. Buyers waiting for prices to continue to fall before entering the market may want to rethink that strategy if demand and competition remain strong in the months ahead.

M A R K E T C O M P A R I S O N									
City	Homes Sold Q3/09	Homes Sold Q3/08	% Change	Avg DOM* Q3/09	Avg DOM* Q3/08	Change 09/08 (days)	Median** Price Q3/09	Median** Price Q3/08	% Change
Campbell	54	55	-2	33	50	-17	\$680,000	\$770,000	-12
Cupertino	111	89	25	37	25	12	\$1,065,000	\$1,200,000	-11
Gilroy	168	153	10	62	78	-16	\$378,500	\$425,000	-11
Los Altos	84	67	25	51	36	15	\$1,606,340	\$1,952,000	-18
Los Altos Hills	19	17	12	55	57	-2	\$2,255,000	\$2,585,000	-13
Los Gatos	87	89	-2	65	59	6	\$1,095,000	\$1,232,500	-11
Milpitas	85	79	8	45	48	-3	\$495,300	\$585,000	-15
Monte Sereno	12	8	50	73	57	16	\$1,791,000	\$2,505,000	-29
Morgan Hill	108	83	30	82	100	-18	\$573,750	\$705,000	-19
Mountain View	80	69	16	54	24	30	\$873,000	\$980,000	-11
Palo Alto	110	99	11	51	28	23	\$1,298,000	\$1,700,000	-24
San Jose	1,937	1,581	23	57	54	3	\$485,000	\$550,000	-12
Santa Clara	163	132	23	52	40	12	\$585,000	\$642,500	-9
Saratoga	89	71	25	64	31	33	\$1,400,000	\$1,675,000	-16
Sunnyvale	181	172	5	41	32	9	\$780,000	\$875,000	-11

* 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 weighted mean of median home prices of cities within Santa Clara County.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed.

All percentages rounded to nearest whole number.

Produced by the Prudential California Realty Research Division.