

# The Real Estate Report

LOCAL MARKET TRENDS



January/February 2012

Pacific Union

GMAC Real Estate

One Letterman Drive  
Building C, Suite 300  
San Francisco, CA 94129  
(415) 929-7100

[alex.markle@pacunion.com](mailto:alex.markle@pacunion.com)

<http://www.pacunion.com>

DRE #00528032



## Sales Up, Prices Down in 2011

Both single-family, re-sales homes and condo/loft sales were strong in 2011. Home sales were up 5.1% over 2010. Condo/loft sales rose for the third year in a row, gaining 16.5% over 2010.

Home prices fell last year after making substantial gains in 2010. The median price for homes dropped 7.3% while the average price was off 5.5%. The median price for condos/lofts was down for the fifth year in a row: 13.4%. The average price dropped 11.4%.

### CALIFORNIA ASSOCIATION OF REALTORS® 2011 FORECAST

The California Association of REALTORS® expects the median home price to increase 1.7% in 2012. They forecast sales to increase by 1%.

"2012 will be another transition year for the California housing market, as the continued uncertainty about the U.S. financial system, job growth, and the stability of the overall economy remain in the forefront for all market participants," said C.A.R. Vice President and Chief Economist Leslie Appleton-Young. "An improvement in job growth, consumer spending, and corresponding gains in housing are essential to a broader recovery in the economy, but would-be buyers will remain cautious as they weigh these myriad uncertainties against the clear opportunities presented by today's very affordable housing market.

"The most likely scenario is for the modest recovery to continue, and this should push sales up slightly next year by 1 percent and maintain levels that are significantly higher than those recorded during the depths of the housing downturn.

"The wild cards for 2012 are many, including federal, fiscal, monetary, and housing policies; the contentious political

climate during an election year; and the strength of the U.S. economic recovery," said Appleton-Young.

### MEDIAN PRICE FOR HOMES ENDS YEAR ON DOWN NOTE

The median price for homes was down year-over-year for the twelfth month in a row, dropping 6.9%. The average price was down 1.4%.

Sales of single-family, re-sale homes fell 1.2% compared to last December.

### SALES MOMENTUM...

was flat at +5.

Trends at a Glance (Single-family Homes)			
	Dec 11	Nov 11	Dec 10
Median Price:	\$392,000	\$404,500	\$420,888
Average Price:	\$479,636	\$469,445	\$486,640
Home Sales:	853	858	863
Sale/List Price Ratio:	98.4%	98.5%	98.0%
Days on Market:	56	54	58

### WE CALCULATE...

sales momentum by using a 12-month moving average to eliminate seasonality. By comparing this year's 12-month moving average to last year's, we get a percentage showing market momentum.

### PRICING MOMENTUM...

peaked at +14% in October 2010

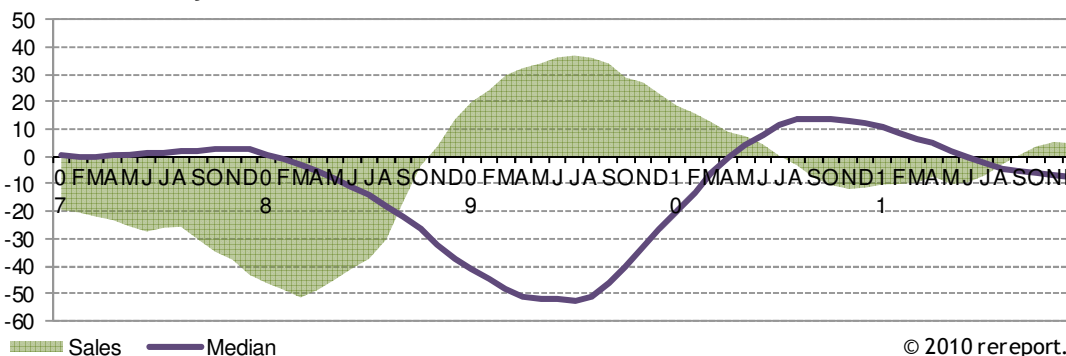
and has been slowly declining every since. In December, pricing momentum was down one point to -8.

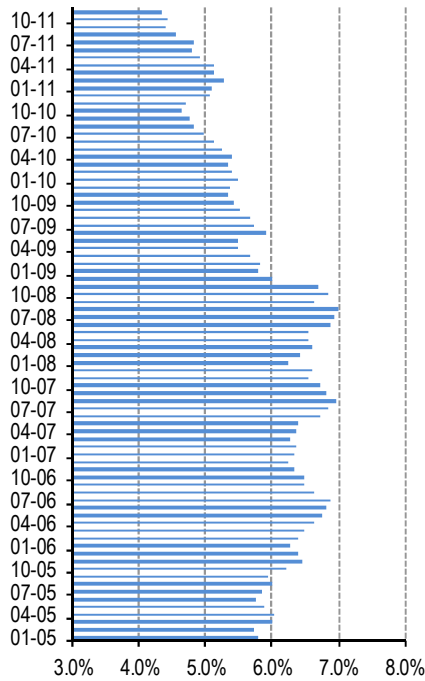
Please remember, while statistics are nice, they will not determine the price you pay or get for a property. That will come down to you and the buyer or seller.

### INSIDE THIS ISSUE:

LOCAL MARKET TRENDS	1
MORTGAGE RATE OUTLOOK	2
HOME STATISTICS	2
FORECLOSURE STATISTICS	3
CONDO STATISTICS	3
CHARTS: SP/LP & DOM	4

Alameda County Homes: Sales & Price Momentum





# The Real Estate Report

## Mortgage Rate Outlook

Jan. 13, 2011 -- Mortgage rates eased a little bit this week, sufficient to produce new record lows for fixed rate mortgages. The statistical wobble is one we've seen many times over the past 11 weeks, as mortgage interest rates have held fast to a narrow range. In reality, they are little different today than they were a month ago, but the lengthening period of stable and low rates is having a beneficial effect on home sales.

HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages slid by seven basis points (.07%) from last week, easing to an average 4.19%, while the FRMI's 15-year companion increased lost six basis points (.06%) to finish the weekly survey at an average 3.50%. Important to homebuyers and low-equity-stake refiners, FHA-backed 30-year mortgages retreated by just a single hundredth of a percentage point to 3.88%, while the overall average for 5/1 Hybrid ARMs erased six basis points to end at 3.01%. All of these loans are again at record lows.

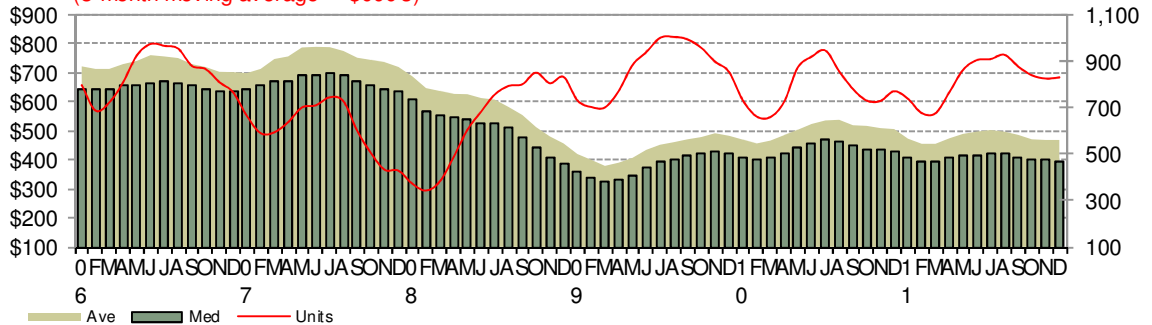
Easing price pressures may give the Fed more leeway to keep rates lower for longer periods of time, or even institute additional forms of monetary stimulus with little fear of stoking inflation. Some analysts have start-

ed to speculate that the Fed might institute a new Treasury or MBS-buying program this year, but that's speculative at this point.

Mortgage rates started to support home sales to a greater degree once they slipped below the 4.5% threshold or thereabouts. Low and stable mortgage rates are essential to allow for the planning and execution of a home purchase, and the last 10 weeks of near-stasis in rates is an important component of strengthening the housing market in 2012. Next week, we'll get a couple of indicators to help see if we are progressing in that regard, including data from the home builders, on housing starts and existing home sales, plus a few other key indicators.

That said, over the next few weeks we will start to see the impact of Congress' decision to raise the cost of the mortgage guarantee fees imposed by Fannie Mae and Freddie Mac. These increase will tend to keep rates firmer than they would otherwise be, increasing interest rates and/or fees consumers will pay by anywhere from an eighth percentage point or more (or increasing the fees to consumers, instead). With rates at or near record lows, it will probably be difficult to find anyone who notices or cares about the increase in cost.

**Alameda County Homes: Prices & Sales**  
(3-month moving average — \$000's)



**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.

**SP/OLP:** Sales price to the original list price ratio, or the price paid for the property divided by the original asking price.

## December Sales Statistics

(Single-family Homes)

County	Prices		Unit		Change from last year			Change from last month			
	Median	Average	Sales	DOM	SP/LP	Median	Average	Sales	Median	Average	Sales
Alameda	\$392,000	\$479,636	853	56	98.4%	-6.9%	-1.4%	-1.2%	2.2%	-3.1%	-0.6%
Albany	\$530,000	\$544,311	28	64	98.2%	-10.2%	-11.5%	-6.7%	-3.1%	1.0%	-15.2%
Berkeley	\$455,000	\$463,188	10	36	100.3%	-26.1%	-24.5%	0.0%	-31.9%	-15.7%	42.9%
Berkeley	\$635,000	\$662,030	47	50	100.5%	24.5%	13.2%	27.0%	-14.1%	-0.7%	-9.6%
Castro Valley	\$486,555	\$490,534	35	69	97.6%	13.5%	0.0%	25.0%	7.4%	7.6%	-5.4%
Dublin	\$565,000	\$564,948	29	37	98.2%	-17.5%	-19.0%	0.0%	3.9%	9.7%	-12.1%
Fremont	\$464,500	\$530,243	98	51	98.8%	-15.5%	-16.7%	-21.6%	-4.4%	-6.2%	-6.7%
Hayward	\$270,000	\$504,567	111	57	98.5%	-6.2%	54.5%	-5.9%	73.0%	-3.2%	16.8%
Livermore	\$406,000	\$472,437	68	47	97.4%	0.5%	-0.9%	-19.0%	2.8%	8.3%	-13.9%
Newark	\$376,912	\$390,268	23	39	98.9%	-5.8%	-5.4%	-8.0%	2.6%	6.5%	0.0%
Oakland	\$268,500	\$365,468	216	52	99.4%	4.1%	-0.5%	-0.5%	-6.2%	-10.4%	3.8%
Piedmont	\$1,187,556	\$1,333,764	8	27	97.0%	12.5%	18.2%	-20.0%	-11.8%	-18.1%	-11.1%
Pleasanton	\$665,000	\$794,070	57	69	96.0%	-5.7%	-9.9%	11.8%	2.4%	3.1%	39.0%
San Leandro	\$267,000	\$285,749	65	82	98.0%	-16.9%	-14.4%	25.0%	-6.5%	-11.0%	-4.4%
San Lorenzo	\$250,000	\$256,471	17	52	101.6%	-14.4%	-14.5%	-10.5%	-5.3%	2.0%	-5.6%
Union City	\$395,500	\$437,451	40	79	98.5%	-9.1%	-3.6%	48.1%	0.8%	-3.5%	-18.4%

# The Real Estate Report

## Foreclosure Statistics

In December, notices of default, the first step in the foreclosure process, in Alameda County fell 24.2% from November. Year-over-year, notices were down 33.2%, according to [ForeclosureRadar.com](http://ForeclosureRadar.com).

Notices of sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were up 6.7% year-over-year. Month-over-month, notices of sale spiked 23.3%.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements. Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank and become part of that bank's REO inventory.

Year-over-year, cancellations were up 39.5%. Compared to November, cancellations were down 1.7%.

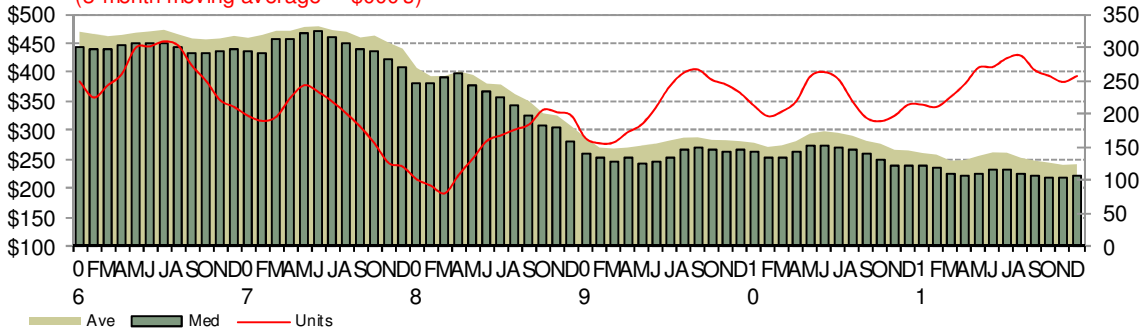
Property that went back to banks surged 23.3% from November, but were down 1.4% year-over-year.

The total number of homes that have had a notice of default filed decreased by 29.6% in December compared to December 2010.

The total number of homes scheduled for sale decreased by 24.4%.

The number of homes owned by the bank dipped 2% year-over-year.

**Alameda County Condos: Prices & Sales**  
(3-month moving average — \$000's)



## December Sales Statistics

(Condos/Town Homes)

County	Prices		Unit			Change from last year			Change from last month		
	Median	Average	Sales	DOM	SP/LP	Median	Average	Sales	Median	Average	Sales
County	\$230,000	\$244,694	259	62	98.0%	-6.2%	-9.9%	3.6%	3.3%	4.3%	0.8%
Alameda	\$299,544	\$304,718	16	84	98.1%	-26.9%	-32.9%	45.5%	-7.6%	-19.9%	33.3%
Albany	\$278,000	\$251,000	3	88	95.4%	7.4%	-3.0%	50.0%	2.0%	13.2%	-62.5%
Berkeley	\$339,500	\$380,750	4	26	99.4%	-34.1%	-28.9%	0.0%	29.8%	7.8%	33.3%
Castro Valley	\$212,500	\$245,250	4	86	99.2%	-47.3%	-54.6%	-33.3%	-10.8%	-22.7%	100.0%
Dublin	\$313,000	\$335,008	30	56	98.6%	2.6%	5.2%	30.4%	4.6%	-5.7%	36.4%
Emeryville	\$240,000	\$256,007	15	53	96.5%	-9.4%	0.6%	36.4%	-0.5%	-2.6%	25.0%
Fremont	\$230,000	\$266,356	51	50	97.5%	-13.2%	-9.3%	-7.3%	-4.0%	2.4%	2.0%
Hayward	\$169,000	\$172,669	24	75	98.5%	10.8%	6.7%	-20.0%	4.7%	9.0%	-41.5%
Livermore	\$249,000	\$233,047	21	35	98.9%	0.8%	-4.3%	50.0%	28.8%	43.9%	50.0%
Newark	\$190,000	\$201,333	3	47	97.0%	-6.4%	-5.7%	-62.5%	17.2%	10.8%	-50.0%
Oakland	\$185,000	\$207,769	39	61	97.8%	-17.8%	-19.2%	-4.9%	-8.8%	-9.3%	-25.0%
Pleasanton	\$231,200	\$250,046	20	68	97.9%	-24.9%	-21.8%	100.0%	-15.7%	-23.6%	233.3%
San Leandro	\$130,000	\$162,771	17	112	95.5%	-21.3%	4.7%	112.5%	-8.3%	-24.6%	41.7%
Union City	\$172,000	\$187,983	12	56	101.7%	-17.1%	-10.8%	-50.0%	-15.2%	-11.8%	9.1%

# THE REAL ESTATE REPORT

## ALAMEDA COUNTY



**Pacific Union**  
**GMAC Real Estate**  
One Letterman Drive  
Building C, Suite 300  
San Francisco, CA 94129

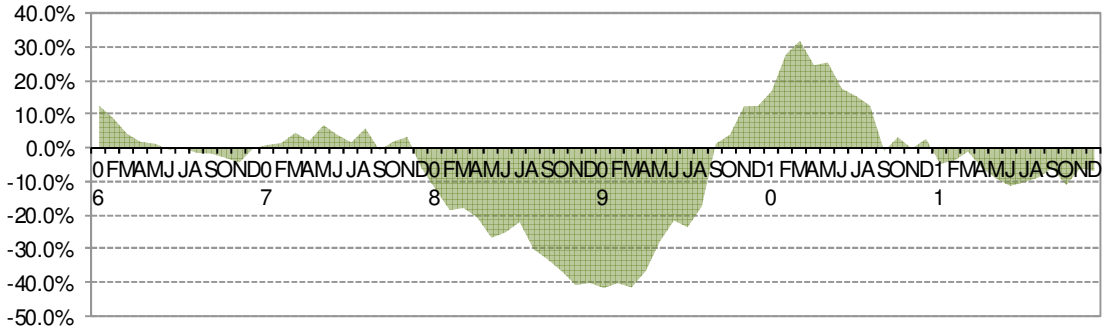
GMAC Real Estate

Go online to see the full report  
with the city by city breakdown:

<http://www.pacunion.com>

If your home is currently listed, this is not intended as a solicitation.

**Alameda County Homes: Year-Over-Year Median Price Change**



**Alameda County Homes: Sales Price/Listing Price Ratio**

