

San Carlos ...: 07.06-06.07 ::

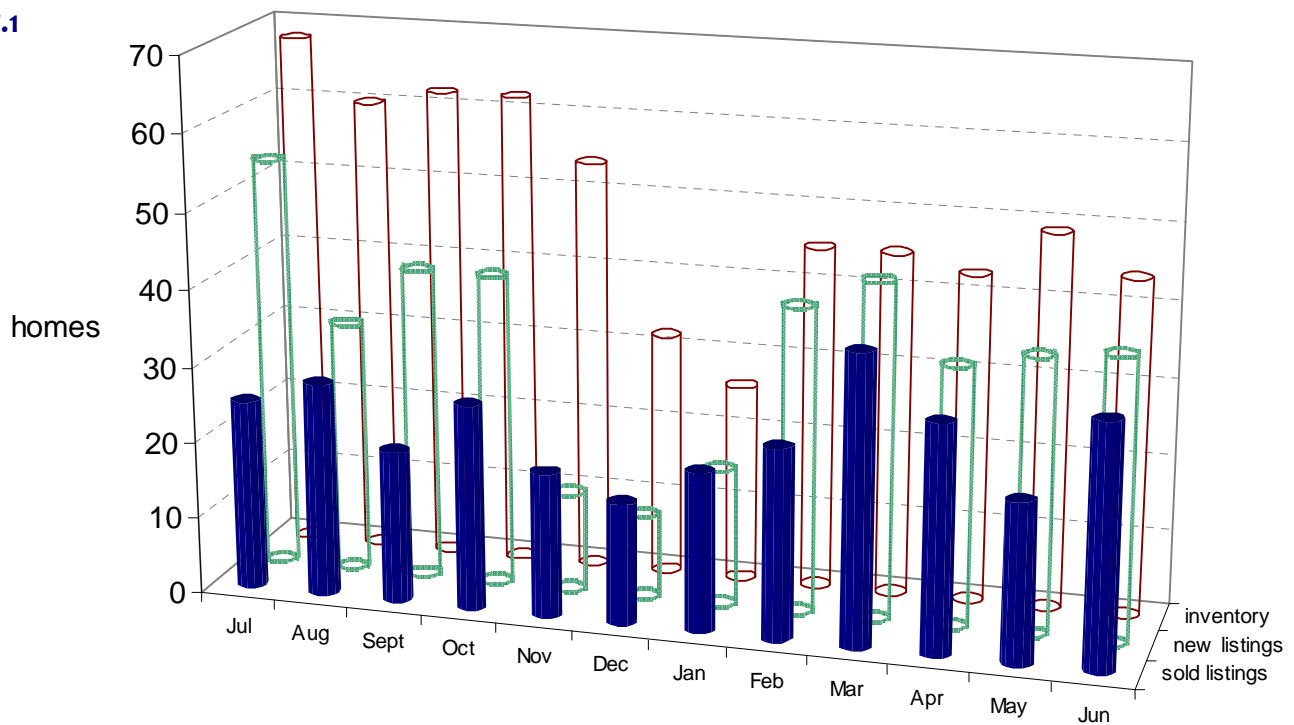
12-Month Analysis, Single Family Homes

VIRTUALLY all property sales trends compiled for the public—including realtors—are inherently flawed. Why? Because it's industry convention to report periodic closed sales. This quick-n-dirty approach overlooks the fact that ratified sales usually spend four to six weeks in escrow before closing. In other words, the typical "April Sales Report" is a mere summary of April closings... not an accurate reflection of buyer activity during the month of April (or March either). Pooh-pooh lazy homework.

Superior analysis.

Cheers to the real picture. The following are Eric's interpretations of market dynamics. Importantly, the analyses group sales according to their month of ratification. Refer to Page Three for details on methodology.

Fig.1



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	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
n =	25	28	20	27	19	16	21	25	38	30	21	28

← (sample size—number of closed sales)

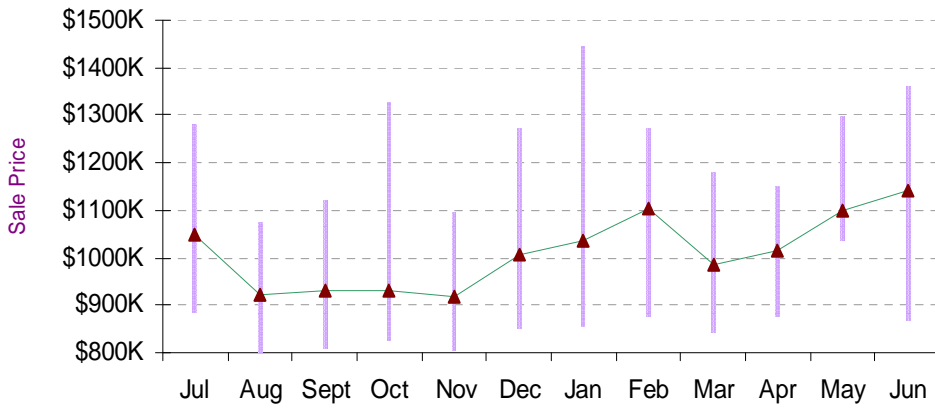


Fig.2 . . . \$Median . 25%-75%
Trends of median sale prices . . . & 25th–75th percentile sale prices.

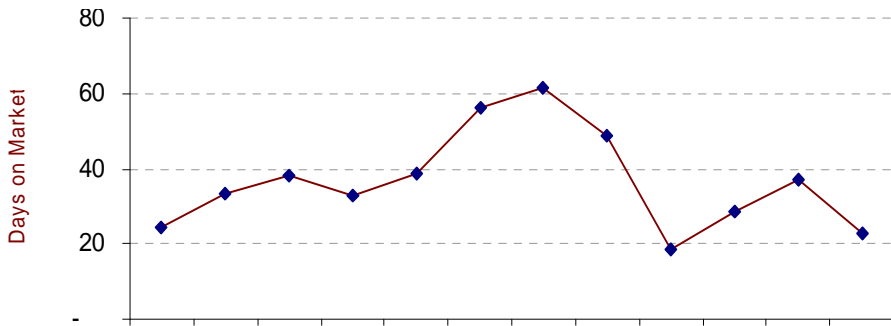


Fig.3DOM. . .
Average days on market until ratified sale. The market's pulse.

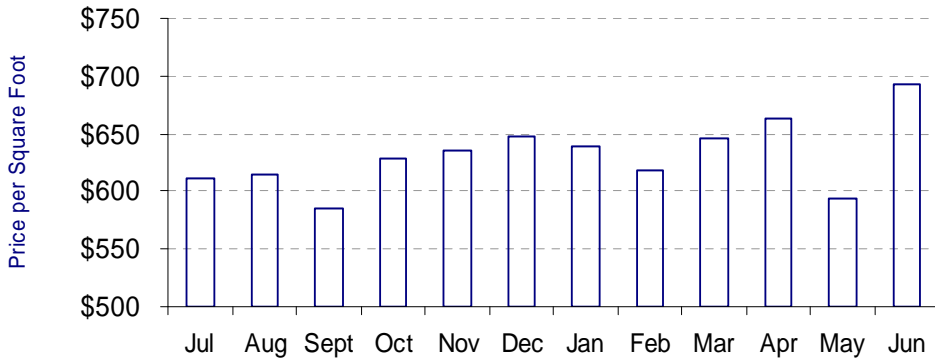


Fig.4 . . . \$Price/SqFt. . .
Average price per square foot. Sale prices weighted against size. An indicator of Δvalue.

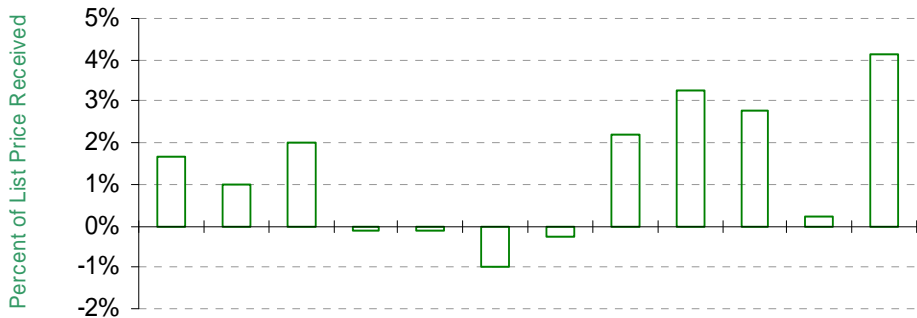


Fig.5 . . . % LP. . .
Average percentage of sale price over/under list price. Hot market ? Cool market ?

Methodology

Raw data used for this report were downloaded from REInfolink, the MLS database of Peninsula realtors, and analyzed with MS Excel. Data points were grouped according to the month of ratification of the sales they represent. The great majority of these sales at the writing of this report (August 3, 2007) have closed escrow; it's not unusual for recent sales to remain classified as pending. Sales that fall out of escrow—e.g., buyer cancels contract—are deleted in successive reports based upon refreshed REInfolink data. The following table details the number of sales currently classified as pending:

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Pending San Carlos Sales	0	0	0	0	0	0	0	0	0	0	0	4

Under REInfolink policy, a listing's sale price is disclosed only after it has closed escrow. Because the calculations involved in Figures 2, 4 & 5 rely upon known sale prices, those charts only represent sales that have closed. Figure 3 only captures closed listings as well; that chart conveys the general amount of time spent by a successfully sold listing to secure a buyer. The "sold listings" in Figure 1, on the other hand, reflect all ratified sales—closed and currently pending—within their respective months; this aims to better gauge buyer activity.

Square footage data used in this report have been *cleaned*, in order to limit inaccuracies. Listings in REInfolink sometimes display their interior size as "o" sqft. In such rare instances, a listing's square footage value is excluded from computations involving that variable.

Important Considerations

These reports are designed to give you an independent, unparalleled scope of the market. (Okay, so Eric admits he's also showboating a little....) But, when interpreting the charts, please keep in mind such things:

- Be wary of small sample size. Sales volume may be chronically low in select cities, or certain condo and townhouse markets. Sometimes, like during slow markets or low inventories, there are only a handful of sales in a given month.
- High variability in property characteristics exists in most markets, particularly in niche luxury markets and in communities with a diverse mix of single family homes. This may be most evident in trends of square-footage costs. Eric considered dotting this report with a bunch of confidence intervals... but that'd just be too geeky.
- These charts don't stratify by bedroom number, property size, neighborhood, or price segment, etc. That would be a nice touch. Maybe in the future Eric can look into that.
- Watch the scaling of the y-axes. They don't always start at 0.
- Most for-sale-by-owners and many "pocket listings" are not recorded in the MLS. So such sales are not included in the analyses, which solely use REInfolink data. Because the overwhelming majority of Peninsula real estate sales go thru the MLS, these reports still reflect market trends, to the fairest extent possible.

Lastly, you deserve praise. By discovering these reports—and reading this far!—you've shown the level of discipline necessary to better know our market.

Granted, these pages don't hold all the answers. Real estate success ain't as simple as knowing the numbers. (Understanding The Rules and touring lots & lots of properties are an absolute must.) But armed with this info, Eric believes you are way ahead of the pack. You now have a better clue than most agents, even. Importantly, your understanding of the local market is no longer at the mercy of anecdotal exaggerations... or broad media generalizations.

Thanks for reading and good luck in your real estate endeavors!

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