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# The Real Estate Report

## Prices Up, Sales Down

Home prices in Santa Cruz County continue rising. The median price was up 5.7% in November. The median price has been higher than the year before 47 of the past 51 months.

The average price for single-family, re-sale homes was up 15.3%. The average price has been higher than the year before 45 of the past 51 months.

Notably, it is the high end of the market where prices are increasing the most. You can see that in the spread between the median and average prices. The average price will never be higher than the median price. But, it is the difference between the two that shows where the activity is. Check out our Sales & Pricing Chart on page two.

Home sales continue to be anemic, with sales down eight of the past nine months.

Future sales don't look much brighter, with pending sales down from the year before for the eleventh month in a row.

One thing keeping prices up is the dearth of inventory. That has been lower than the year before twelve months in a row.

Divide inventory by sales and you get Days of Inventory. In November, that was fifty-six. The average since January 2007 is sixty-six.

Unless there is a flood of new home building, the Santa Cruz County home market will continue on its sluggish path.

### Trends at a Glance

(Single-family Homes)

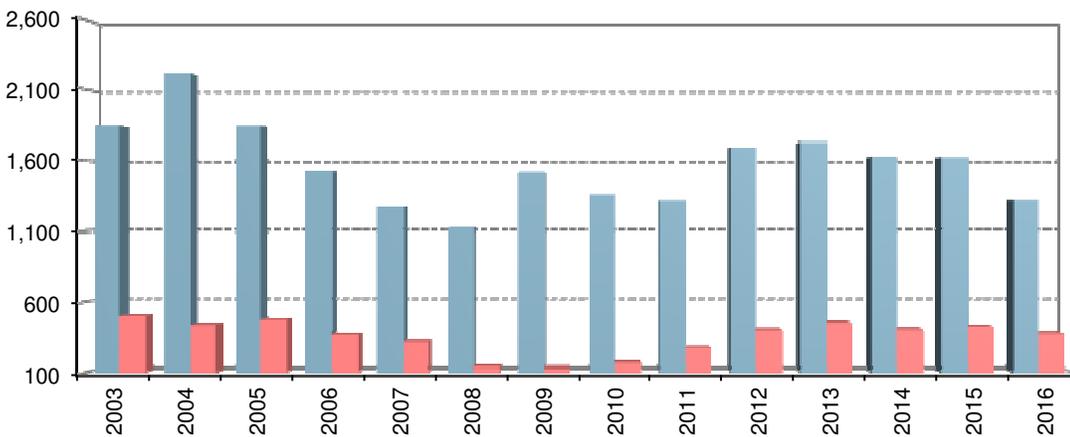
	Nov 16	Oct 16	Nov 15
Median Price:	\$790,000	\$781,000	\$700,000
Average Price:	\$860,176	\$897,854	\$827,567
Units Sold:	137	126	121
Pending Sales:	64	90	176
Active Listings:	275	322	320
Sale/List Price Ratio:	99.3%	99.0%	98.3%
Days on Market:	47	56	49
Days of Inventory:	58	77	77

(Townhomes/Condos)

	Nov 16	Oct 16	Nov 15
Median Price:	\$475,000	\$525,000	\$500,000
Average Price:	\$583,973	\$528,653	\$534,761
Home Sales:	43	39	31
Pending Sales:	26	24	41
Active Listings:	67	90	60
SP/LP Ratio:	97.8%	99.6%	99.3%
Days on Market:	38	33	42
Days of Inventory:	45	69	56

## Santa Cruz County

Sales Year-to-Date



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Homes	1,848	2,218	1,846	1,526	1,273	1,123	1,519	1,366	1,322	1,697	1,732	1,624	1,621	1,327
Condos	496	437	472	371	320	140	128	166	274	403	452	407	428	379

### VISIT

<http://laurenspencer.rereport.com>

for a free on-line market analysis of your property. You can also search for recent sales & listings in your neighborhood.

# C.A.R.'s 2017 California Housing Market Forecast

By: Lisa Johnson Mandell

You've finally found it: a home you're swooning over and dying to own. From the exposed ceiling beams to the hardwood floors, this feels like the place. So what's next? Don't just stand there dumbstruck; it's time to dig deeper and ask questions—and not just the kind that randomly pop into your head, either. You need to hit all of the necessary topics head-on, and some of them are not so obvious.

But you're in luck: We've pulled together a checklist of some of the most important initial questions to ask when buying a home:

### What is the home's sales history?

When was the last time the house sold, and how much did the current owners pay for it? This is essential intel, and you don't even have to ask the seller or your real estate agent about it, because it's posted on every MLS listing. All you have to do is scroll down to find it. But make sure you know it.

When buying a home, the previous sale price will give you a sense of what the sellers might expect you to pay—but keep in mind that a home's true market value is based more on what comparable homes are selling for now rather than what it went for in the past, says Los Angeles Realtor® Jennifer Niman of Berkshire Hathaway HomeServices. Sales history will also show you whether the home's price has been trending up or down over time, which can

help you hone your negotiating stance.

### Did the sellers make any major renovations or additions?

If they've overhauled the kitchen, added a bedroom, or finished the basement, you'll want to know that—and, ideally, see receipts from contractors to get a sense of what they paid for these upgrades.

In general, this will give you a ballpark notion of how much money they've sunk into the home—and what they hope to get out. That said, don't assume you have to fork over as much cash as they put in; home improvements generally reap only a 64% return on average. And that return on investment varies widely based on which renovation is done.

### How much are the property taxes?

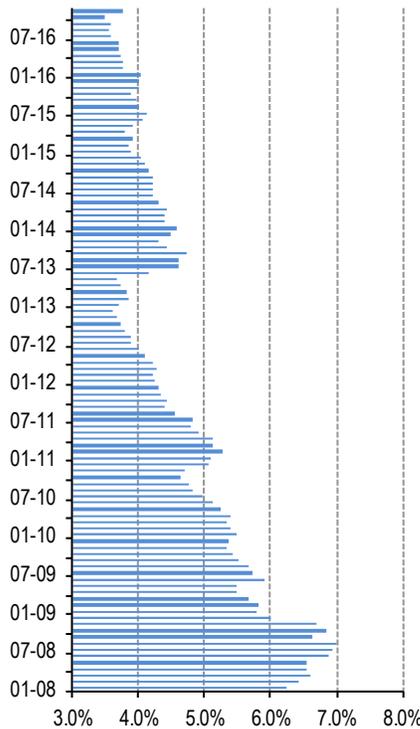
Property tax history is also typically available right on the listing detail page. If you can't find it, ask the seller. You'll want to find out what previous owners paid, but understand that the property tax, since it's based on a percentage of the value of the house, will probably be affected by your purchase price. This could be a huge additional expense, and you'll need to budget for that when putting together your offer.

### What are the monthly maintenance and utility costs?

Is there any type of homeowners association fee? Find out. Also learn what kind of power the house

*(Continued on page 4)*

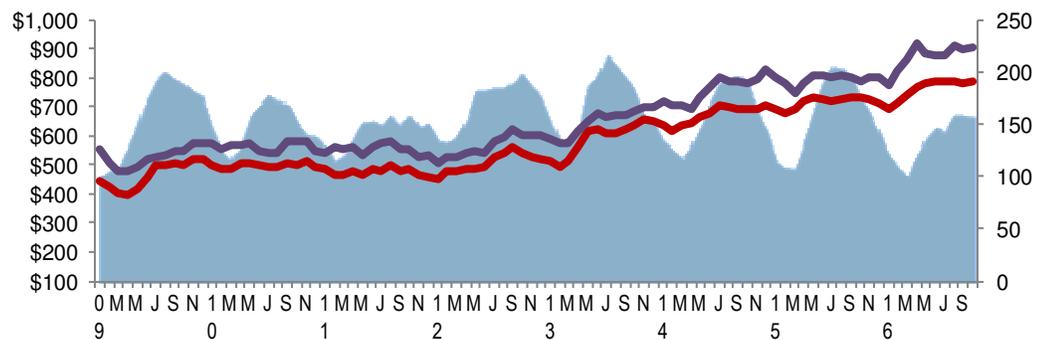
## 30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by [HSH.com](http://HSH.com). The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

## Santa Cruz County Homes - Median, Average & Sales

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



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# November Statistics

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## SINGLE-FAMILY HOMES

### Year-Over-Year

- Median home prices increased by 12.9% year-over-year to \$790,000 from \$700,000.
- The average home sales price rose by 3.9% year-over-year to \$860,176 from \$827,567.
- Home sales rose by 13.2% year-over-year to 137 from 121.
- Total inventory\* fell 31.7% year-over-year to 339 from 496.
- Sales price vs. list price ratio rose by 1.0% year-over-year to 99.3% from 98.3%.
- The average days on market fell by 3.4% year-over-year to 47 from 49.

### Compared To Last Month

- Median home prices improved by 1.2% to \$790,000 from \$781,000.
- The average home sales price fell by 4.2% to \$860,176 from \$897,854.
- Home sales up by 8.7% to 137 from 126.
- Total inventory\* dropped 17.7% to 339 from 412.
- Sales price vs. list price ratio increased by 0.4% to 99.3% from 99.0%.
- The average days on market dropped by 16% to 47 from 56.

## CONDOMINIUMS

### Year-Over-Year

- Median condo prices fell by 5% year-over-year to \$475,000 from \$500,000.
- The average condo sales price rose by 9.2% year-over-year to \$583,973 from \$534,761.
- Condo sales rose by 38.7% year-over-year to 43 from 31.
- Total inventory\* fell 7.9% year-over-year to 93 from 101.
- Sales price vs. list price ratio fell by 1.5% year-over-year to 97.8% from 99.3%.
- The average days on market fell by 8.6% year-over-year to 38 from 42.

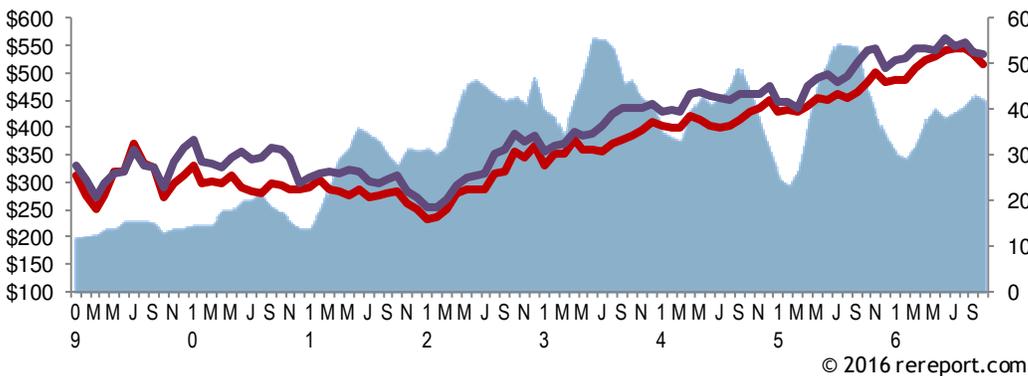
### Compared To Last Month

- Median condo prices slipped by 9.5% to \$475,000 from \$525,000.
- The average condo sales price rose by 10.5% to \$583,973 from \$528,653.
- Condo sales up by 10.3% to 43 from 39.
- Total inventory\* dropped 18.4% to 93 from 114.
- Sales price vs. list price ratio dropped by 1.8% to 97.8% from 99.6%.
- The average days on market increased by 17.8% to 38 from 33.

\* Total inventory is active listings plus pending listings. Active listings do not include pending.

## Santa Cruz County Condos - Median, Average & Sales

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



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## 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.

## Santa Cruz County - November 2016

Condos/Townhomes								% Change from Year Before				
Prices								Prices				
Cities	Median	Average	Sales	Pend	Inv	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven
County	\$ 525,000	\$ 528,653	39	24	90	69	99.6%	1.9%	-1.8%	8.3%	-44.2%	13.9%
Aptos	\$ 550,000	\$ 570,833	9	2	31	103	98.6%	-15.9%	-11.7%	125.0%	-60.0%	72.2%
Boulder Creek	\$ 405,000	\$ 405,000	2	2	3	45	100.8%	-59.4%	-59.4%	0.0%	-50.0%	-50.0%
Capitola	\$ 516,500	\$ 526,750	4	2	6	45	99.7%	27.5%	-4.5%	-50.0%	100.0%	20.0%
Scotts Valley	\$ 659,000	\$ 609,500	3	2	3	30	99.1%	-6.4%	2.1%	16.7%	-66.7%	500.0%
Santa Cruz	\$ 576,000	\$ 589,859	11	9	28	76	100.1%	-12.0%	5.9%	-43.8%	-27.3%	-30.0%
Watsonville	\$ 434,000	\$ 426,400	5	7	17	102	97.8%	4.7%	1.9%	-66.7%	-75.0%	-85.5%



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This is not intended as a solicitation if your home is currently listed.

(Continued from page 2)

uses, be it gas, oil, electric, or a combination, and ask what the average monthly bill for each is. Also inquire about water, waste removal, and any other utility costs that are applicable.

#### **Has there ever been a broken pipe? Sewer backup?**

This may sound trivial (not to mention unpleasant), but according to the Insurance Information Institute, broken pipes account for an estimated 22% of all home insurance losses. If the homeowner doesn't fess up, a good home inspector can probably find evidence of either one of these situations, so you might want to put these on your list of questions to ask your inspector, too.

#### **How old is the roof?**

The 2015 Remodeling Impact Report from the NATIONAL ASSOCIATION OF REALTORS® says the national median cost of an asphalt roofing replacement is about \$7,600. It would be good to know how soon you might need to lay out that substantial amount of cash.

#### **Have there ever been any pest infestations?**

If there was an infestation, when were pest control

procedures undertaken? No, this won't necessarily mean the house is pest-free at the time you're buying it, but it's a good starting point to know the history. Many buyers require that termite treatment be included in the price; it's easiest to tent for pest removal when the house is empty, between owners.

#### **Are there warranties on the appliances, HVAC system, garage door, etc.?**

And if so, can the homeowner provide the documentation? Ask for it. This can establish how old these features are, and give you an idea of when they might need to be replaced and how expensive it could be. It will also help you decide whether or not to buy a home warranty.

#### **What are the parking restrictions around the house?**

Will guests need parking permits? How many permits are you, as the homeowner, allowed, and can you obtain more if you decide to throw a party? Also, check out the parking situation on the property itself. Will your car(s) fit in the garage? Is there room to park anywhere else on the property other than the driveway?

**Does the house have any kind of unusual his-**

#### **tory?**

In many states, owners are legally bound to disclose if a death or major crime has occurred recently on the premises, but there are other circumstances you should be aware of as well. For example: Did anyone famous ever live there? Was it ever used in a film, TV series, or commercial? If so, you might have to deal with fans ringing your doorbell or driving by at all hours of the day or night.

Oh, and if the house has a history of being haunted or paranormally "stigmatized," you might have a little extra negotiating power when buying a home. Thanks, ghosts.