

Inside This Issue

- > LOCAL MARKET TRENDS.....1
- > MORTGAGE RATE OUTLOOK.....2
- > HOME STATISTICS2
- > C.A.R. 2015 HOME BUYERS SURVEY 3
- > CONDO STATISTICS3
- > HOME SALES & PENDING CHART.....4



Lauren Spencer

Coldwell Banker Residential

7979 Soquel Drive
 Aptos, CA 95003
 (800) 226-4717
 (831) 662-6522
 lauren@laurenspencer.com
 http://www.mysantacruzrealestate.com
 BRE #00925382

The Real Estate Report

local market trends

SANTA CRUZ COUNTY

Median Price Hits New High

The median price for single-family, re-sale homes reached a new high in July, going over \$800,000 for the first time ever. The median price has been higher than the year before thirty-four of the past thirty-six months.

After seven straight months of double-digits gains, the year-over-year gain last month was single-digits.

It's tempting to think the market may be leveling off, but one month doth not a trend make.

Sales of single-family, re-sale homes were the same as in June. Home sales in the county have been down from the year before for twelve of the past fifteen months.

Active listings continue to be anemic, down by double-digits for the twelfth month in a row. Pending sales were down double-digits for the eleventh straight month.

Both of these statistics point to a slowing in the market.

The sales price to list price ratio fell below 100% for the first time since February.

Days on Market was at 43 last month. The average since January 2003 is 70.

JULY MARKET STATISTICS

Year-Over-Year

- Median home prices increased by 9.8% year-over-year to \$800,500 from \$729,250.
- The average home sales price rose by 7.6% year-over-year to \$887,521 from \$824,619.
- Home sales fell by 16% year-over-year to 168 from 200.
- Total inventory* fell 44.8% year-over-year to 424 from 768.
- Sales price vs. list price ratio fell by 0.2% year-over-year to 99.3% from 99.5%.

Month-Over-Month

- Median home prices improved by 2.6% to \$800,500 from \$780,000.
- The average home sales price rose by 2.1% to \$887,521 from \$869,017.
- Home sales down by 0.0% to 168 from 168.
- Total inventory* dropped 2.8% to 424 from 436.
- Sales price vs. list price ratio dropped by 1.1% to 99.3% from 100.4%.

CONDOMINIUMS

Year-Over-Year

- Median condo prices increased by 9.9% year-over-year to \$460,500 from \$419,000.

| Trends at a Glance (Single-family Homes) | | | |
|---|------------|------------|-----------|
| | Jul 15 | Jun 15 | Jul 14 |
| Median Price: | \$ 800,500 | \$ 780,000 | \$729,250 |
| Average Price: | \$ 887,521 | \$ 869,017 | \$824,619 |
| Units Sold: | 168 | 168 | 200 |
| Pending Sales: | 92 | 124 | 218 |
| Active Listings: | 332 | 312 | 550 |
| Sale/List Price Ratio: | 99.3% | 100.4% | 99.5% |
| Days on Market: | 43 | 39 | 48 |
| Days of Inventory: | 59 | 54 | 83 |

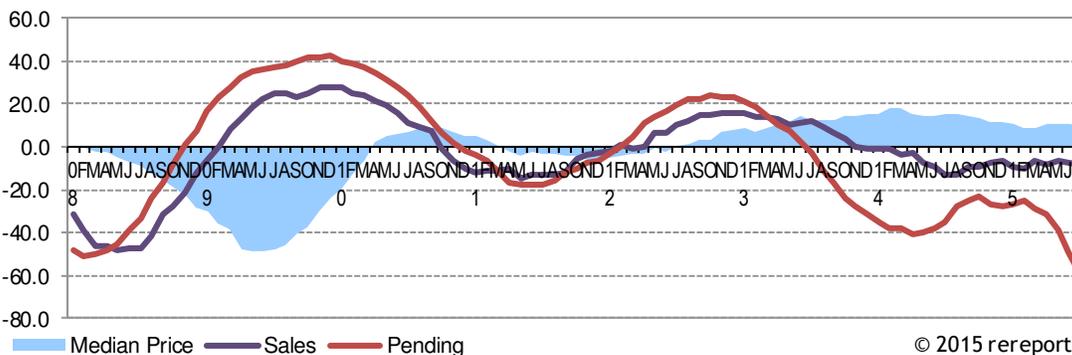
- The average condo sales price rose by 1.0% year-over-year to \$473,625 from \$469,116.
- Condo sales rose by 9.4% year-over-year to 58 from 53.
- Total inventory* fell 26.2% year-over-year to 127 from 172.
- Sales price vs. list price ratio rose by 1.0% year-over-year to 100.7% from 99.8%.

Month-Over-Month

- Median condo prices improved by 2.3% to \$460,500 from \$450,000.
- The average condo sales price fell by 1.2% to \$473,625 from \$479,468.
- Condo sales up by 23.4% to 58 from 47.
- Total inventory* dropped 9.3% to 127 from 140.
- Sales price vs. list price ratio increased by 0.2% to 100.7% from 100.5%.

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

Santa Cruz County Homes: Momentum



© 2015 rereport.com

VISIT

<http://www.mysantacruzrealestate.com>

for a free on-line market analysis of your property. You can also perform your own personal search of properties

MORTGAGE RATE OUTLOOK

Rates Edge Higher As Data Outweigh Greek Debt Mess

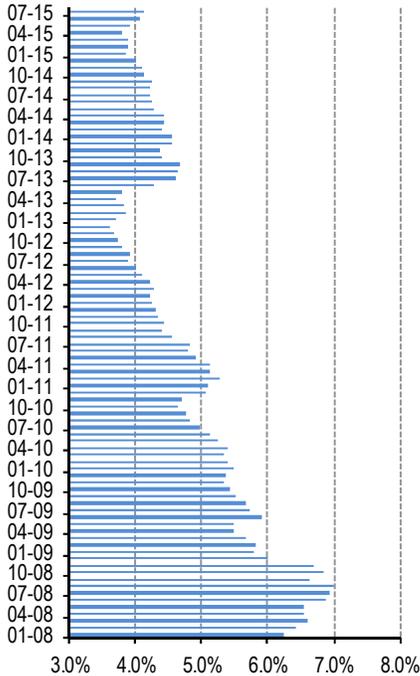
July 2, 2015 -- HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages rose by just one basis points (0.01%) this week to an average of 4.14 percent. The FRMI's 15-year companion managed a rise of double that, adding two basis points to nudge up to an average interest rate of 3.41 percent. Popular with first-time homebuyers, rates on fully-insured FHA-backed 30-year FRMs remain considerably below their conforming counterparts and rise by just one basis point for the week, edging up to an average of 3.91 percent. Meanwhile, the overall 5/1 Hybrid ARM bucked the trend, trimming one basis point off of last week's average to land at 3.06 percent this week. HSH's FRMIs are combined averages, including both conforming and jumbo rates, providing borrowers with a more wide-ranging view of mortgage conditions.

Spending on construction projects gained 0.8 percent in May, a lessened pace of activity but still sufficient to complete a six-month string of positive readings. With housing picking up a little

speed this spring, outlays for residential projects rose by 0.3 percent, while spending for commercial and industrial construction rose by 1.5 percent for the month. Spending on public works projects has sputtered at times during the recovery, but the 0.7 percent rise in May was a third consecutive increase.

Given the present stance of the market, it would be hard to expect lower mortgage rates next week. We could be in for some additional volatility for rates. Adding to the mix we have some updates on service-business activity, a report on the imbalance of trade and the minutes from the last Fed meeting to ponder. All will probably suggest that the firmness to rates of late is justified, but call it a leap of faith, but we just might see rates largely end unchanged by the time the week closes.

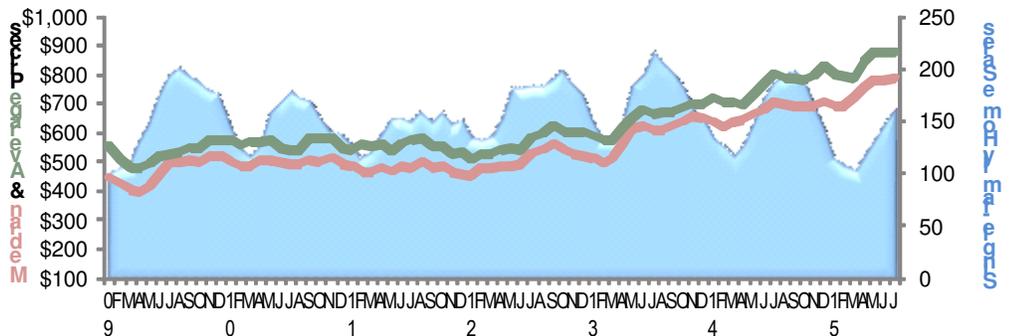
30-Year Fixed Mortgage Rates



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 Cruz County Homes - Prices & Sales

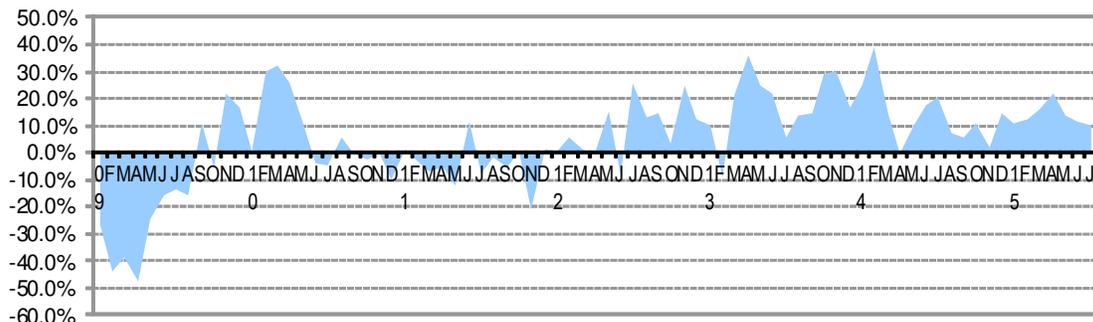
(3-month moving average—prices in \$000's)



Santa Cruz County - July 2015

| Single-Family Homes | | | | | | | | | % Change from Year Before | | | | |
|---------------------|--------------|--------------|-------|------|-----|-----|--------|--------|---------------------------|--------|--------|--------|--|
| Prices | | | | | | | | | Prices | | | | |
| Cities | Median | Average | Sales | Pend | Inv | DOI | SP/LP | Med | Ave | Sales | Pend' | Inven | |
| SZC | \$ 800,500 | \$ 887,521 | 168 | 92 | 332 | 59 | 99.3% | 18.2% | 21.3% | -9.6% | -19.4% | -32.4% | |
| Aptos | \$ 865,000 | \$ 919,984 | 31 | 14 | 77 | 75 | 99.5% | 15.5% | 16.8% | 138.5% | 100.0% | 102.6% | |
| Capitola | \$ 822,500 | \$ 980,000 | 8 | 5 | 10 | 38 | 99.4% | -25.7% | -14.7% | -33.3% | -28.6% | -52.4% | |
| Rio del Mar | \$ 4,100,000 | \$ 4,100,000 | 1 | 0 | 3 | 90 | 88.2% | 385.2% | 343.7% | -94.1% | n/a | -93.5% | |
| Seacliff | \$ - | \$ - | 0 | 2 | 1 | 0 | 0.0% | n/a | n/a | n/a | 100.0% | -50.0% | |
| San Lorenzo Vly | \$ 443,000 | \$ 443,000 | 1 | 2 | 4 | 120 | 89.5% | -0.2% | -6.2% | -97.1% | -95.6% | -93.9% | |
| Soquel | \$ 775,000 | \$ 865,667 | 9 | 5 | 14 | 47 | 99.0% | -0.8% | -12.9% | -10.0% | -68.8% | -56.3% | |
| Scotts Valley | \$ 815,000 | \$ 831,350 | 21 | 10 | 29 | 41 | 97.9% | -0.6% | -7.8% | -22.2% | -54.5% | -40.8% | |
| Santa Cruz | \$ 841,500 | \$ 972,647 | 72 | 28 | 119 | 50 | 99.9% | 12.3% | 10.7% | 71.4% | -46.2% | -4.0% | |
| East County SZC | \$ 505,000 | \$ 505,000 | 1 | 3 | 2 | 60 | 87.8% | -11.0% | -21.5% | -91.7% | -86.4% | -97.2% | |
| West County SZC | \$ - | \$ - | 0 | 1 | 2 | 0 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -83.3% | |
| Watsonville | \$ 419,950 | \$ 492,004 | 23 | 21 | 58 | 76 | 100.2% | -8.7% | 11.6% | 155.6% | 16.7% | 163.6% | |

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



© 2015 rereport.com

C.A.R. 2015 HOME BUYERS SURVEY FINDINGS

Improving economy and job growth draw buyers back to housing market, forming more households, REALTOR® survey finds

With an improving economy and job market over the past year, home buyers have started forming households again, and buyers who previously experienced a foreclosure or short sale are back in the housing market, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) "2015 Survey of California Home Buyers."

In 2015, more households were formed as the share of buyers who previously lived with their parents increased to 12 percent – the highest in the survey's history, up from 2 percent in 2014. Additionally, the share of those who previously rented dipped from 40 percent in 2014 to 39 percent in 2015, and those who previously owned fell from 59 percent in 2014 to 47 percent in 2015.

With distressed sales at record lows, California is returning to a more normal housing market, with those who previously went through a foreclosure or short sale returning to the market and purchasing homes again. More than one in five home buyers (22 percent) experienced a distressed sale, most of which occurred after 2007. A further indication of this return to normalcy is reflected in the share of buyers who were previ-

ously "underwater" on their homes, which increased to 23 percent in 2015, up from 4 percent in 2014.

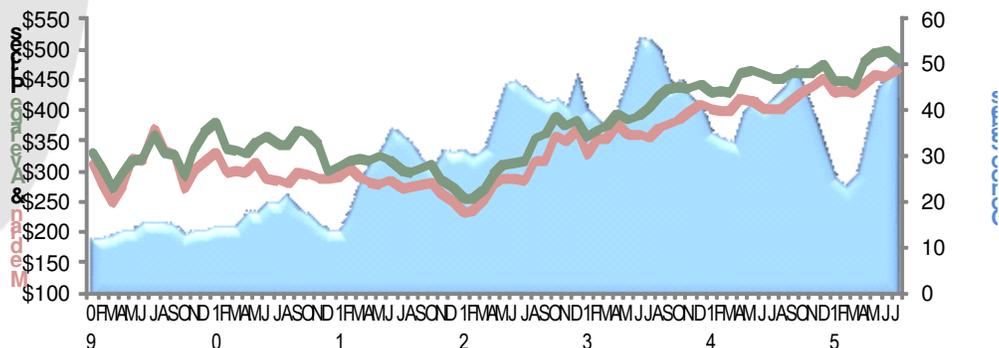
Additional findings from C.A.R.'s "2015 Survey of California Home Buyers" include:

- In what could further exacerbate a future housing inventory shortage, buyers in 2015 indicated they plan to keep their home longer than ever – an average of 20 years – substantially longer than the six years cited by home buyers in 2013.
- Buyers cited "tired of renting" (15 percent), "wanted a place to live" (14 percent), "desired larger home" (12 percent), "changed jobs/relocated" (11 percent), and "desired better/other location" (8 percent) as the top reasons for purchasing a home. In looking specifically at first-time buyers, "tired of renting" was the top reason for purchasing a home (21 percent), followed by "wanted a place to live" (19 percent).
- Despite the recent run up in home prices, the vast majority (85 percent) felt that their home was worth the price they paid, while 14 percent said the price was too high, and 1 percent said the price was too low.
- While the majority of buyers (75 percent) were satisfied with their home purchase, one-fourth made compromises, with 13

(Continued on page 4)

Santa Cruz County Condos- Prices & Sales

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



Santa Cruz County - July 2015

| Condos/Townhomes | | % Change from Year Before | | | | | | | | | | |
|------------------|------------|---------------------------|-------|------|-----|-----|--------|-------|-------|--------|--------|--------|
| Prices | | Prices | | | | | | | | Sales | | |
| Cities | Median | Average | Sales | Pend | Inv | DOI | SP/LP | Med | Ave | Sales | Pend' | Inven |
| County | \$ 460,500 | \$ 473,625 | 58 | 36 | 91 | 47 | 100.7% | 9.9% | 1.0% | 9.4% | -34.5% | -22.2% |
| Aptos | \$ 560,000 | \$ 546,056 | 9 | 4 | 29 | 97 | 100.0% | 47.8% | 32.9% | 200.0% | 33.3% | 480.0% |
| Capitola | \$ 400,000 | \$ 437,333 | 9 | 6 | 6 | 20 | 101.3% | -7.0% | -8.0% | 80.0% | 20.0% | -33.3% |
| Rio del Mar | \$ - | \$ - | 0 | 1 | 1 | 0 | 0.0% | n/a | n/a | n/a | -80.0% | -97.0% |
| Scotts Valley | \$ 520,000 | \$ 547,000 | 3 | 3 | 3 | 30 | 102.0% | 10.9% | 23.1% | -25.0% | -50.0% | -40.0% |
| Santa Cruz | \$ 460,000 | \$ 484,902 | 31 | 13 | 28 | 27 | 101.3% | 16.7% | 12.1% | 19.2% | -48.0% | -22.2% |
| Watsonville | \$ 341,900 | \$ 324,467 | 6 | 7 | 17 | 85 | 97.6% | 59.0% | 50.9% | 200.0% | 133.3% | 54.5% |

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.



Lauren Spencer
Coldwell Banker Residential
7979 Soquel Drive
Aptos, CA 95003

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

(Continued from page 3)

percent saying they selected the best house given the limited supply in their desired neighborhood, and 12 percent who said they selected the best house in an affordable neighborhood because prices were too high in their preferred neighborhood.

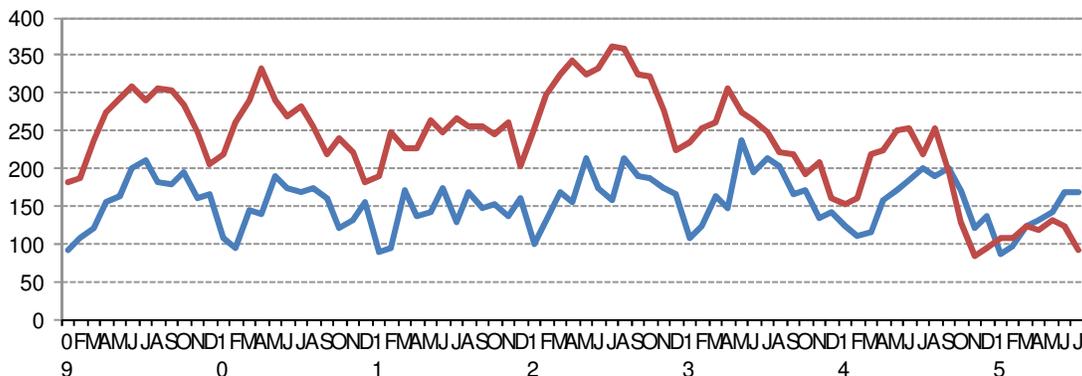
- Buyers put an average of 24 percent down on their home purchase in 2015, down from 28 percent in 2014, and 25 percent in 2013, but more than what has been the traditional 20 percent since 2009.

- The primary source of down payment for first-time buyers was personal savings, cited by 49 percent of first-time buyers, followed by “borrowed or gift,” cited by 33 percent of first-time buyers. The primary sources of down payment for repeat buyers were personal savings (34 percent) and proceeds from sale of previous residence (34 percent).

- Buyers spent an average of 18 weeks considering buying a home before contacting a real estate agent in 2015, down from an average of 19 weeks in 2014 and a high of an average of 24 weeks in 2013. They spent an average of 14 weeks investigating homes and neighborhoods before contacting an agent in 2015, down from an average of 21 weeks in 2014 and a high of an average 29 weeks in 2013.

- In 2015, it took home buyers an average of 12 weeks to look for a home, the longest since C.A.R. began the survey. It took an average of 10 weeks in 2014 and 2013 for home buyers to find a home. In a sign of less market competition, buyers made fewer offers in 2015 compared to previous years – an average of 2.6 offers, down from an average of 3.6 offers in 2014, and an average of 3 offers in 2013.

Santa Cruz County Homes: Pending & Closed Home Sales
(3-month moving average)



© 2015 rereport.com