

# TODAY'S MARKET TRENDS

Wednesday, October 15, 2014



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If you have any questions about anything you see in this newsletter, or about real estate in general, please be sure to contact me. I am here to assist you in any way I can. And naturally, should you, your family or your acquaintances require real estate representation, I hope you'll keep me in mind.

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## A Quick Note

San Francisco's housing market has been in the news lately, and it's worth reviewing here. Our home prices are high, but we're not the most overvalued city in America. SFGate reports that honor goes to Austin, Texas, where home prices are 19% higher than the fundamentals indicate they should be. Los Angeles and Orange County prices are both 15% higher than their respective fundamentals, then comes San Francisco at 12% higher.

Should we be worried about this? CNBC reminds us that because of our technology economy and limited supply of homes for sale, San Francisco remains one of the hottest real estate markets in the nation. Things have cooled a bit, but the extreme value appreciations of recent years simply couldn't be sustained. Our local real estate market is actually in better shape now that things are normalizing.

Robert Shiller, of S&P/Case Shiller, jumped all over our current cooling trend, saying that this was our "comeuppance," and "It's time for a correction." Of course, Mr. Shiller has been saying this same thing for years now. Someday he'll be right. Our real estate market will decline at some point as all markets are cyclical in nature. We believe however that in the long run San Francisco home prices will continue to appreciate, just as they always have in the past.

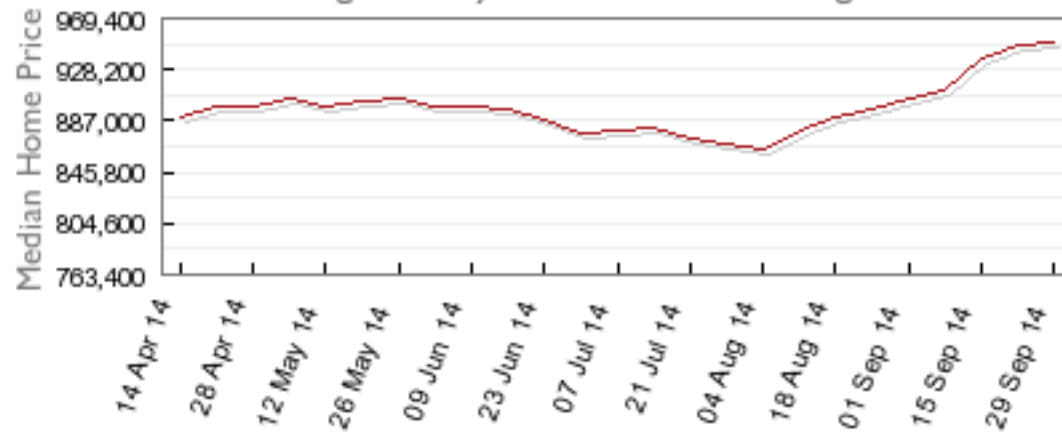
## Market Update for San Francisco\*

09/28/2014 - 10/04/2014

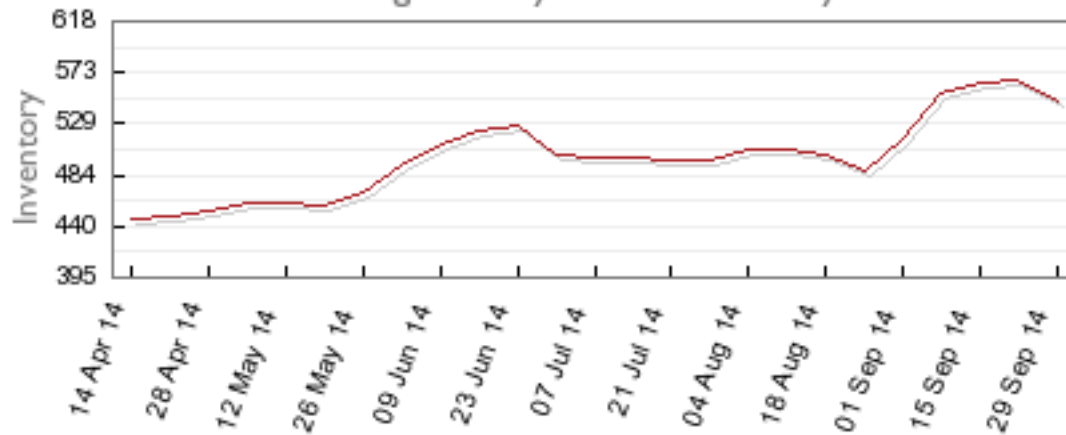
### Single Family Homes - 51 Sold

- Median Sale Price: **\$943,000**
- **39** Sold OVER Asking Price
- **9** Sold UNDER Asking Price
- **3** Sold AT Asking Price
- There are currently **535** Single Family Homes on the market

Single Family Home Median Listing Price



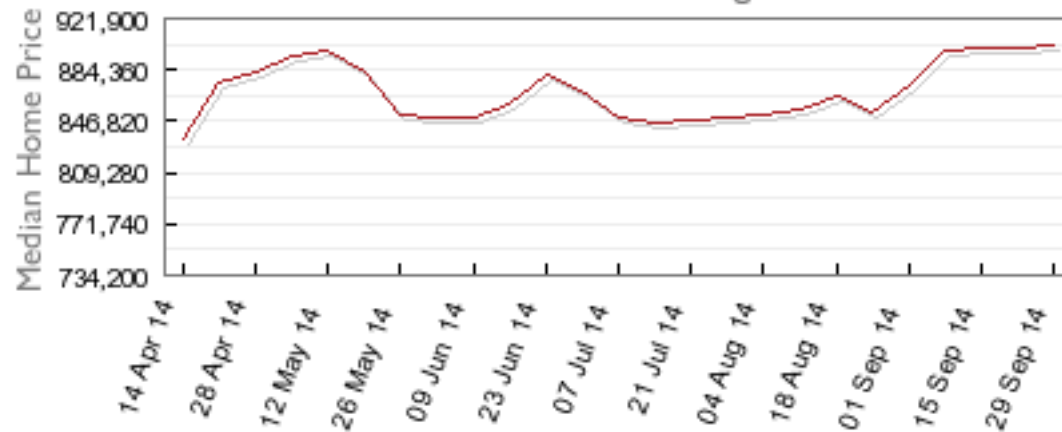
Single Family Home Inventory



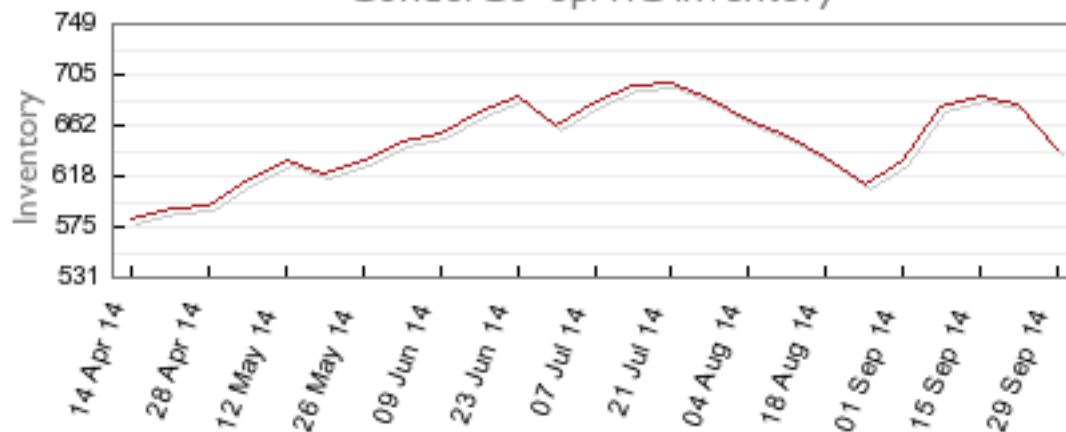
**Condos/Lofts/TICs - 64 Sold**

- Median Sale Price: **\$1,160,000**
- **44** Sold OVER Asking Price
- **15** Sold UNDER Asking Price
- **5** Sold AT Asking Price
- There are currently **608** Condos/Lofts/TICs on the market

Condo Median Listing Price



Condo/Co-op/TIC Inventory



## Mortgage Update

The Federal Reserve has reassured investors that the first interest rate hike would not come before the economy could support it. The Fed has said that it would not raise rates for a "considerable time".

This news coupled with uncertainty in the world's economy is helping keep residential rates near historical lows.

This information is provided by Tim Wood at Terra Mortgage Banking/Opes Advisers, a mortgage bank. Tim can be reached at 415.464.1374, by email [TWood@TerraMB.com](mailto:TWood@TerraMB.com) or through his web site <http://www.tinyurl.com/Tim-Wood-Loans>.

## Mortgage Rates

Mortgage Rates as of Tuesday, October 14, 2014

### Conforming Loan Rates

30 Year Fixed	4.101%	<a href="#">« calculate mortgage at this rate</a>
15 Year Fixed	3.274%	<a href="#">« calculate mortgage at this rate</a>
10/1 Year ARM	3.685%	<a href="#">« calculate mortgage at this rate</a>

### Jumbo Loan Rates

30 Year Fixed	4.063%	<a href="#">« calculate mortgage at this rate</a>
15 Year Fixed	3.391%	<a href="#">« calculate mortgage at this rate</a>
10/1 Year ARM	3.668%	<a href="#">« calculate mortgage at this rate</a>

Rates change daily and vary by product. They are provided here to give you a general sense of current average California rates. Your rate will vary and depends on credit and other factors. Rates are not published on weekends. Source: Topix.com

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