

THE MITLO GROUP

“BECAUSE A TEAM WILL ALWAYS OUTPERFORM AN INDIVIDUAL”

TheMitloGroup.com

For San Lorenzo Residents Only

August 2017 NewsLetter

It Is What It Is...

The hot market has some sellers thinking they can list their properties above market value and, since there's so few properties available for sale, hungry buyers will readily meet that price. Before thinking this is true, consider the following as a cautionary tale. A co-worker in my office mentioned he was visiting his mother last month and noticed the next door neighbor's

house was for sale. The mother mentioned the neighbor was frustrated because there were no offers after 30 days. They've heard and read so much that houses are selling fast in the area and were wondering why theirs wasn't. My friend talked to the seller to get more information and immediately knew the problem.

The home's price was listed at just under \$700,000. The comparative market analysis (CMA) put the estimated value between \$630,000 and \$650,000. The reason the sellers put the price at \$700,000 was because that's the price they wanted. They figured the market is hot and the CMA did not take into account the upward momentum of the market. Their agent advised otherwise, but they insisted their price was right.

After a month of no activity, the sellers started to consider a price reduction. Before doing that, they contacted a prospective buyer who expressed interest in the home at their first open house, but never made a formal offer. The potential buyers said they were still interested in the property, but now at a price even lower than the price they targeted after the open house visit. (Note: The home is currently in pending status at a much lower than the original list price.)

What happened here is a classic case of what happens when a home is overpriced. No matter how hot the market, overpriced listings will get less attention and fewer formal offers than competitively or fairly priced homes. Once a home is on the market for an extended amount of time, interested buyers hold out longer because they think the price is headed downward or they just focus their attention somewhere else.

When it comes to the market value of a home, it is what it is, not what the seller wants it to be. The market determines the final price, not the seller.

Market Snapshot



	San Lorenzo	Alameda County	California	USA
Median Estimated Home Value	\$568K	\$787K	\$519K	\$235K
Estimated Home Value 12-Month Change	+10.8%	+7.9%	+8.1%	-
Median List Price	\$588K	\$745K	\$499K	\$109K
List Price 1-Month Change	+5.5%	-0.5%	+4.2%	+5.9%
List Price 12-Month Change	+11.1%	+6.7%	+10.9%	+10.1%
Median Home Age	62	54	44	44

Just Solds

Street Address	Close Date	Close Price	List Price	\$/SqFt	Bds	Bths	SqFt	Lot Size
16118 Via Milos	08/08/2017	\$625,000	\$599,950	403.23	3	2 0	1,550	5,369 SqFt
15506 Hesperian Blvd	08/03/2017	\$465,000	\$510,000	360.47	3	1 1	1,290	5,000 SqFt
81 Paseo Grande	08/01/2017	\$566,000	\$499,000	525.53	3	1 0	1,077	5,890 SqFt
17228 Via Estrella	07/31/2017	\$695,000	\$679,000	349.42	4	2 0	1,989	5,292 SqFt
17311 Via Susana	07/28/2017	\$620,000	\$549,000	601.36	3	1 0	1,031	6,100 SqFt