



Janie and John Barman
Alain Pinel Realtors
Janie | 650.759.1182 | janie@apr.com
John | 650.380.8440 | jbarman@apr.com
DRE #01270223 | #01281597

The Near Term Real Estate Outlook

August is usually one of those “quiet months” in real estate. As school start dates push seemingly ever earlier and families try to squeeze in last minute vacations, there is a noticeable drop in business throughout the area. This can be a real boon for buyers as some of the competition heads out of town or finds themselves distracted with higher priority issues (e.g. Why the \$%#@ isn’t this math e-book I just bought showing up on the iPad? Yeah, I speak from experience).

That said, September is looking to pick right up again. A survey of agents in our office this week revealed that there are A LOT of listings slated to come on right after Labor Day – with even more to follow. Hand in hand with this, the number of active buyers is also on the rise. How this will all play out in terms of competition and multiple offers is yet to be seen, but statistically September is one of the most active months of the year in terms of homes sold.

Interest Rate Inversion

What I expected to be a temporary phenomenon seems to be persisting. That is, interest rates for jumbo loans (loans **greater** than \$625,500) are still less than “high balance conforming” loans (loans **less** than \$625,500). There was a time during the recession when jumbo loans were priced a full 1% above their lower counterparts – which certainly played a role in prolonging the housing downturn locally. The current inversion of rates means that people qualifying under the more stringent jumbo guidelines are saving 1/8 to 1/4 percent on their loan rates. And no, you don’t have to take out a jumbo-sized loan to get the jumbo rate; you just have to meet the qualifications.

Fears Subsiding

Finally, we are seeing an uptick in the number of move up/down buyers willing to take the plunge and sell their current home without knowing where their new home will be. The first half of the year saw this segment of the population essentially frozen out for fear of being left homeless. With the general availability of 60-day rent backs after close of escrow, plus an increased willingness by buyers to accommodate such needs, more sellers are finding that selling then buying, even within the time frames dictated, is an achievable goal.

As the summer starts winding down we wish you a terrific September and hope you will think of us for all of your real estate needs.

Best Regards,

Janie and John Barman
Exceptional Knowledge, Superior Service

“Oh, by the way, we are never too busy for your referrals.”