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“Don’t Panic” – The Hitchhiker’s Guide to the Galaxy

A June 5th article in the San Jose Mercury News stated that an astounding 46% of Bay Area residents said they are likely to move out of the region in the next few years, up from 40% last year and 34% in 2016. The chief reason? Lack of affordable housing.

While the lack of housing does not come as a surprise – home construction has not kept pace with the influx of new residents and first-time buyers for literally decades – the year-over-year increase in planned departures has motivated many homeowners to question whether we are on the cusp of a local peak in home prices...and resulted in numerous calls from concerned clients!

Anecdotally, we have been hearing these mass exodus claims from friends and colleagues for years. In most cases though, if you dig a little deeper it becomes clear that these are more aspirational thoughts than concrete plans – and despite the oft-cited downsides to living here (cost of living, traffic, etc.), the unique benefits of living and working in the Bay Area are difficult to find almost anywhere else.

Our advice to homeowners? **Don’t Panic!** While our strong multi-year increase in home prices is destined to moderate sooner or later (notice I did not say “decline”), we continue to have a strong seller’s market. With demand continuing to exceed supply and more people move into the Bay Area than out (another statistic in the article), it is highly likely that we will see healthy appreciation through the rest of 2018. How healthy? We anticipate the last half of the year will probably see appreciation in the 5% range, which is more modest than the past several years but impressive nonetheless!

That is not to say that the shortage of housing should not concern all of us. A large part of our region’s economic success depends on being able to attract the best and brightest to our companies, labs and hospitals, and if they feel there is no opportunity to realize the American Dream of home ownership, they may well go elsewhere.

So, if a job transfer or life change is taking you out of the Bay Area, rest assured that now is a good time to sell. But if you are thinking about selling because of what you are reading online or in the newspaper, give us a chance to talk you back from the edge! We’ll even come to you *and* buy you lunch!

Best Regards,

Janie and John Barman

Exceptional Knowledge, Superior Service

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