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San Mateo County home prices remain high despite recent dip

Median sales prices float above \$2 million

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Sep 2, 2021



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San Mateo County home prices continue to produce record numbers amid the pandemic, tapering off only slightly as peak home buying season comes to a close.

Sale prices for single-family homes in the county dropped 3.9% from June to July, down to \$2.01 million from their all-time high of \$2.09 million the month prior, according to MLSListings, an online real estate database.

But despite the recent dip, home prices in the county are still up a whopping 22% year over year according to July's numbers — a trend that holds true throughout the state, where home prices increased 21.7% compared with last year's figure after similarly tapering in recent months.

Homes in the county also spent less time on the market, down 18% from 11 to nine days year-over-year in July, according to MLSListings figures.

San Mateo County median single-family home sale prices topped \$2 million for the first time in history in April, according to California Association of Realtors data. The county has the highest median sale prices of all California counties.

“It's going to be very interesting going into the holiday season,” Burlingame Realtor Haneen Hayder said. “We'll see if we're going to go back to the normal trends where it slows down in November and December, because last year it did not slow down.”

During the pandemic, peaks and valleys within the market which are usually predictable were anything but, Hayder said.

Now the question is what the new normal will be and when the market will get there.

“Last year our July was extremely busy which is not normal, but also people were not traveling and kids were not in school,” Hayder said, who thinks the recent slowdown may be a sign of the market centering itself as vaccination rates increase and people resume their normal lives.

Nationwide home prices have seen a similar surge during the pandemic, rising 18.6% year over year in June, according to a report by real estate service CoreLogic, which noted growth will likely remain in the double digits throughout the year.

“While some buyers are reaching their affordability ceiling and others are fatigued from making multiple offers, many enthusiastic buyers are still competing for limited inventory” according to the report.

Homebuyers in San Mateo County are largely young, first-time buyers attracted by low interest rates, local agents said.

“Most of the buyers are people that are migrating from San Francisco from smaller condos or apartments they have,” said San Mateo Realtor Wilson Leung, who said many buyers have or are expecting children.

But while the lending environment may be desirable, inventory levels are not.

Locally, inventory levels were down by 16% year over year in July, with just 507 homes available in the county compared with 708 in the same month last year.

“Typically inventory is highest in San Mateo County in September and October,” Leung said, who added that this year inventory will likely remain constrained, and the most recent tapering housing costs are more likely the result of fewer buyers pursuing property.

“A lot of new construction is not for sale, it’s for rent, and it’s also commercial,” Leung said. “So I would expect continued increase in value.

“Will it increase as much as we’ve seen this past year? Hard to say, but I do believe it’s an upward trajectory,” he said.

Atherton topped the list of highest sale prices in the county, with an \$8.3 million median price in the second quarter of 2021 based on 33 sales, according to the San Mateo County Association of Realtors.

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