

The Richmond Report

MILL VALLEY HOME SALES STATISTICS

4th Quarter: October - December 2017

Happy New Year!

This time last year, we were wondering what a Trump presidency would look like and after a year of controversy and upheaval, we are still wondering what's to come in 2018. One thing for certain – we have a new tax law which could negatively impact the housing market in Marin. According to current reports, some of the tax changes that impact individual ownership of real estate include:

- A new \$10,000 annual cap on total deductions for state and local taxes, including income and property taxes
- The mortgage-interest deduction would be capped at \$750,000, down from the current \$1 million. However, the deduction would be allowed on first and second homes.

(Please check with your CPA for how these new laws may affect you personally.)

Meanwhile, we continued to be plagued with very low inventory which has caused prices to continue to climb. The number of homes on the market on January 1, 2018 is 24% lower than this time a year ago. Overall, the market was not that different from this quarter last year, in that pricing and condition were key factors to multiple offers. As you will see below, more than 50% of the homes listed were bid up, while the other homes sold for less than the list price due to poor condition or a list price that was too high. Older homes on large lots in desirable neighborhoods continue to be in high demand due to potential development opportunities.

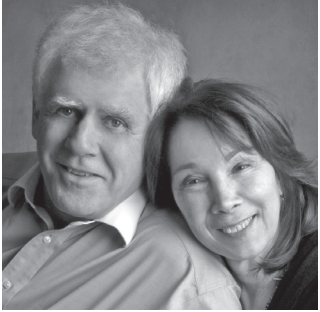
We may have reached our price peak in this real estate cycle and in the next few years appreciation may slow to 3 or 4% per year. As with any cycle, the sellers' market that we have been experiencing since 2012 may be moving towards a more normal market and ultimately, one that favors the buyers.

Recently, Pacific Union held its fourth annual Real Estate and Economic Forecast in partnership with John Burns Real Estate Consulting to project Bay Area activity through 2020. Below are some key, high-level takeaways from the live event. If you would like us to email you a link to the whole event, please let us know.

- **Economic Hiccup on the Horizon:** The current economic recovery is eight years into its cycle and is already one of the longest expansions in modern U.S. history. However, recent growth has been at relatively conservative rates and was preceded by one of the worst recessions in the past century. While the Great Recession was provoked by a financial crisis with highly leveraged lending policies, banks have been far more disciplined recently, decreasing the risk of a significant downturn. JBREC is projecting a minor recession, or "hiccup," in 2020, paired with a slight decline in home sales and pricing.
- **Interest Rates to Gradually Rise:** Mortgage rates are closely tied to the bond market, factoring in a premium. Bond traders are currently anticipating a modest increase in the 10-Year Treasury note by 2020. This leads to an expected 30-year fixed mortgage rate increase of 80 basis points, from 4.0 percent to 4.8 percent. While from a historical standpoint this is still a very desirable rate, it equates to roughly a 15 percent to 20 percent monthly payment increase relative to today, further worsening an existing affordability issue. This insight conveys the market expectation of a solid economy in the coming years, with the understanding that rates will not rise significantly if market conditions cannot warrant such an increase.
- **Still Modest Appreciation Ahead:** The years of rapid price appreciation in the Bay Area are now behind us, though we still project modest appreciation going forward. Price trajectories are more likely to resemble a tabletop compared with the mountain peak that occurred following the housing bust in 2008, where the tabletop suggests moderating price growth through 2020. Even with the anticipated "hiccup" in 2020, pricing throughout all Bay Area markets is expected to be slightly above current levels.
- **Affordability and access to transportation and jobs** continue to drive differences in home price appreciation. The highest appreciation was seen in markets where job growth with higher-income jobs led the local economy. By contrast, areas where job growth was dominated by lower-paying jobs saw slowing appreciation.

If you are thinking of selling your home, winter is the perfect time to sell. Projections anticipate a drier season than last year. Many

The
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sellers wait for the spring when their gardens are in bloom and good weather is more predictable; but once the holidays are over, those buyers needing to purchase a home are back in the market by the second week in January. For sellers, there is less competition and now that mortgage rates are moving up, there may be many more incentives for buyers eager to purchase a home before rates rise again.

Generally speaking, the homes that are in “move in” condition, updated and showing well, sell the fastest and at the highest price. So call us if you wish to make a change. We have a full concierge service with every kind of expertise to help you prepare your home for sale.

As of January 1, there were only 26 single family homes on the market in Mill Valley, of which 10 (38%) were in contract. The best indicators of market activity are the pending sales.

MILL VALLEY SALES ACTIVITY BROKEN DOWN BY PRICE

35% or higher is considered a sellers market, 25% or under is considered a buyer's market

\$750,001 - \$1,000,000	50% were in contract
\$1,000,001 - \$1,500,000	75% were in contract
\$1,500,001 - \$2,000,000	13% were in contract
\$2,000,001 - \$2,500,000	40% were in contract
\$2,500,001 - \$3,000,000	0% were in contract
\$3,000,001 and above.....	0% were in contract

Mill Valley Single Family Homes Comparison—All Neighborhoods

(Not all Mill Valley neighborhoods are included in this newsletter)

Time period	4th quarter 2016	4th quarter 2017	Percentage change
Sold	61	71	16%
Median price	\$1,450,000	\$1,475,000	2%
Average price	\$1,739,454	\$1,743,485	0.2%
Min. price sold	\$626,000	\$675,000	8%
Max. price sold	\$5,374,500	\$5,175,000	(4%)

SALES Q4, 2017

ADDRESS	BR/BA	LIST PRICE	SOLD PRICE	LIST DATE	SALE DATE	SQ FT.**	PRICE/SQ FT
MARIN TERRACES / MARIN HEIGHTS AND ENVIRONS							
128 MorningSun Ave. <i>Updated cottage with wrap around decks and indoor/outdoor flow</i>	2/1.5	950,000	1,100,000*	9/17	10/17	1408	781
116 Peralta Ave <i>Reduced to \$1,425,000.Many upgrades and improvements with new floors, kitchen and baths.</i>	3/2.5	1,450,000	1,400,000	9/17	11/17	1680	883
164 MorningSun Ave. <i>Updated charmer with Bay views and open floor plan and level yard.</i>	3/2	1,100,000	1,425,000*	11/17	12/17	1215	1173
1206 Waterview Dr. <i>Extensively remodeled multi-level home with views</i>	4/3	1,469,999	1,469,000	9/17	11/17	2306	637
969 W. California Ave. <i>Stunning views of the valley and new hardwood floors, remodeled kitchen. Lots of storage.</i>	3/2.5	1,488,000	1,600,000*	10/17	11/17	2085	767
403 Wendy Way <i>Modern remodeled home with detached office. Views from every room. Large lot with level lawn.</i>	4/2.5	1,795,000	1,825,000*	9/17	10/17	2451	745
296 Greene St. <i>Lovely shingled home on a double lot with level lawn and bay views. All the bells and whistles!</i>	4/2.5	1,449,000	\$2,000,000*	9/17	10/17	2239	893

SCOTT VALLEY AND ENVIRONS

21 Azalea Dr. <i>Purchased Spring 2015 in multiple offers for \$2,207,000. Major remodel in 2007. Nice indoor/outdoor flow. Level lawn.</i>	4/2.5	2,495,000	2,600,000*	11/17	12/17	2226	1167
90 Vasco Ct. <i>Contemporary home on a private cul de sac sits on ¾ acre with views of the hills. Beautiful grounds.</i>	5/4.5	4,995,000	4,870,000	9/17	10/17	4595	1060

SALES Q4, 2017

ADDRESS	BR/BA	LIST PRICE	SOLD PRICE	LIST DATE	SALE DATE	SQ FT.**	PRICE/SQ FT
TAMALPAIS / SYCAMORE PARK							
21 Hilarita Ave. <i>Charming cottage with lovely grounds and a separate studio with bath.</i>	2/2	1,350,000	1,375,000*	9/17	10/17		
70 Surrey Ave. <i>Updated open floor plan home that flows to the spacious backyard. Separate workshop/bonus room.</i>	3/2	1,495,000	1,480,000	9/17	11/17	1758	854
153 Walnut Ave. <i>Sold in Fall 2015 in multiple offers for \$1,450,330 in original condition. New owners remodeled and flipped.</i>	4/2	2,295,000	2,335,000*	9/17	11/17	1875	1245
18 Amicita Ave. <i>Sold off market. Small home on flat lot. Potential galore.</i>	2/1	1,300,000	1,475,000*	12/17	12/17	1028	1435

MIDDLE RIDGE / BLITHEDALE CANYON							
464 Eldridge Ave. <i>Reduced to \$839,000. 1900's cottage on street to street lot. In almost original condition. Up many stairs . Lot Value.</i>	3/1.5	849,000	740,000	6/17	10/17	1224	605
14 Rowan Way <i>Remodeled home with valley views from multiple decks. New carport.</i>	3/2	1,595,000	1,660,500*	10/17	12/17	2193	757
70 Elaine Ave. <i>Reduced to \$1,996,000. Somewhat updated on a 1.4 acre lot. Many different levels in the house.</i>	4/2.5	2,295,000	1,996,000	5/17	12/17	3000	665
516 Summit Ave. <i>Reduced to \$2,100,000. Spacious 2 story mid-century on 2/3 acre lot. Valley and SF views, level lawn. Needs updating.</i>	5/4	2,395,000	2,050,000	9/17	11/17	3390	605
100 Quarry Rd. <i>1908 Arts and Crafts style Hunting Lodge with views of Mt Tam. Private at the end of long winding road. Needs updating.</i>	4/3	2,150,000	2,100,000	6/17	11/17	2959	727
280 Ralston Ave. <i>Reduced to \$2,495,000. Large lovely home on one acre lot down a long road off Ralston. Private and somewhat isolated.</i>	4/4	2,595,000	2,350,000	9/17	12/17	5339	440
209 Tamalpais Ave. <i>Modern design with glass walls, high ceilings, views of the valley and great indoor/outdoor lifestyle.</i>	5/5.5	5,250,000	5,175,000	9/17	10/17	3447	1501

CASCADE / OLD MILL							
415 Molino Ave. <i>Reduced to \$1,429,000. Mid-century style reminiscent of San Francisco home.</i>	3/3.5	1,699,500	1,375,000	9/17	12/17	2467	557
571 Throckmorton Ave. <i>Single story rancher on an approx. 1/3 acre lot. Perfect development opportunity.</i>	4/2	1,595,000	1,890,000*	10/17	11/17	2119	892
820 Edgewood Ave. <i>Reduced to \$2,995,000. Large retreat like modern home on 10 acres on the mountain. Big views, legal unit, gym, hot tub.</i>	5/5	4,400,000	2,995,000	8/17	10/17	6226	481

COUNTRY CLUB / BOYLE PARK							
1 Alta Vista Ave. <i>Sweet home on the corner of E. Blithedale and Alta Vista, across from Park School. Nicely updated.</i>	3/2	1,095,000	1,025,000	8/17	10/17	1208	849
325 Buena Vista Ave. <i>True mid century in original condition with separate studio. Perfect fixer.</i>	3/2	1,195,000	1,375,000*	9/17	10/17	2404	572
189 Circle Ave. <i>Sold off MLS.</i>	3/2	1,800,000	1,850,000*	11/17	12/17	1608	1151
261 Oakdale Ave. <i>Big remodel in 2008. Sport court and storage. Nice finishes throughout. No garage at present. Plans exist.</i>	4/3.5	2,295,000	2,175,000	9/17	11/17	2135	1019
89 Alta Vista Ave. <i>On MLS Spring 2017 for \$2,850,000, withdrawn & relisted 12/17. Extensively remodeled home with open floor plan.</i>	5/3	2,695,000	2,715,000*	12/17	12/17	3066	886
10 Sheridan Ct. <i>Private estate like property on 1.6 acre lot. Large sprawling home in original condition. Potential galore!!</i>	4/5	2,795,000	2,850,000*	9/17	10/17	6264	455
303 Vista Linda Dr. <i>Remodeled home with views of the golf course. Lovely setting w/southern exposure and pool.</i>	5/5.5	4,795,000	4,795,000*	8/17	10/17	4843	990

ALTO SUTTON							
16 Somerset Ln. <i>Modern remodeled home with 4 bedrooms plus an office. Stunning grounds and two sheds – one a wine cellar.</i>	4/3	1,995,000	1,970,000	10/17	12/17	2333	844
57 Shell Rd. <i>Reduced to \$3,995,000. New luxury 4/4.5 home with open floor plan and lovely finishes. Additional 1bd/1ba guest house.</i>	5/5.5	4,295,000	3,800,000	9/17	11/17	3500	1086

* Sold at or above list price.

** Square footage is taken from the tax records or the seller of the property so it may not always be accurate.

SALES Q4, 2017

ADDRESS	BR/BA	LIST PRICE	SOLD PRICE	LIST DATE	SALE DATE	SQ FT.**	PRICE/SQ FT
HOMESTEAD VALLEY							
16 Montford Ave. <i>Remodeled cottage right off Miller Ave.</i>	2/1	899,000	905,000*	10/17	11/17	924	979
102 Lehman Ln. <i>Well cared for home in need of updating sits on sunny lot with minimal views.</i>	3/2	1,300,000	1,205,000	10/17	12/17	2015	598
306 Holly St. <i>Cute home on a large lot. Remodel or expansion potential.</i>	2/1.5	995,000	1,268,900*	10/1/7	12/17	1370	926
121 Reed St. <i>This spacious home has lovely views of Mt. Tam. Nice open floor plan and indoor/outdoor living.</i>	4/2.5	1,650,000	1,725,000*	9/17	10/17	2904	594
660 Amaranth Blvd. <i>Architecturally distinctive and adjacent to 8 acres of open space. Dramatic views from Mt. Tam to the Bay.</i>	4/3	1,800,000	1,800,000*	9/17	10/17	2730	659
522 Pixie Trail <i>Modern lines with southwestern exposure and lovely views. Mostly level with indoor/outdoor flow. Adjacent to open space.</i>	4/2.5	2,395,000	2,330,000	10/17	12/17	2491	935
ENCHANTED KNOLLS							
138 Kipling Dr. <i>Reduced to \$1,495,000. Somewhat updated with views of the Bothin Marshes and close proximity to Hauke Park.</i>	3/3	1,595,000	1,469,000	10/17	11/17	2190	676

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