

The Stricker / TenBroeck Team's  
**Local Real Estate Market Snapshot**  
 ♦ February 2009 Statistics ♦

The chart below shows the listing and sales activity for single family homes during the month of February 2009 as compared to February 2008. Also shown are the month to month trends for the cities listed.

**FEBRUARY 2009**

City	Closed Sales		Month-end Inventory		% of List Price Received by Seller		Median Sales Price	
	2009	2008	2009	2008	2009	2008	2009	2008
<i>(north to south)</i>								
Atherton	1 ↑	7	34 ↑	19	92.6% →	96.2%	\$1,848,000 →	\$6,325,000
Menlo Park	11 ↑	15	73 ↑	39	96.4% ↓	99.9%	\$1,325,000 ↓	\$2,454,000
Portola Valley	1 ↑	3	20 ↓	20	97.6% →	96.8%	\$1,645,000 →	\$2,000,000
Palo Alto	13 ↑	17	123 ↑	50	93.9% ↓	105.2%	\$1,493,000 ↓	\$1,657,000
Los Altos	6 ↓	17	80 ↑	36	94.9% ↑	99.9%	\$1,478,000 ↓	\$1,866,000
Los Altos Hills	1 →	5	44 ↑	32	87.7% ↓	93.6%	\$3,400,000 ↓	\$2,500,000
Mountain View	4 ↓	11	83 ↑	46	93.5% ↑	96.2%	\$1,023,000 ↑	\$970,000
Sunnyvale	20 ↓	29	143 ↓	137	97.5% ↑	102.8%	\$547,000 ↓	\$836,000
Cupertino	11 ↑	20	97 ↑	53	95.4% ↓	101.0%	\$930,000 ↓	\$1,190,000

*Info gathered from mlslistings.com*

↓ ↑ → Indicates current trending in comparison to previous month

**MONTHLY MARKET ANALYSIS & COMMENTARY**

1. Closed sales for February 2009 were substantially below February 2008 levels in all the communities we serve. Sales will likely continue to be below prior year levels for at least the first half of 2009.
2. Closed sales for February 2009 were mostly higher than January 2009 (notated by the arrows in the Closed Sales 2009 column above). We believe this is evidence of increased sales activity resulting from "post-inaugural" enthusiasm which will be short lived.

Continued on next page

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**MONTHLY MARKET ANALYSIS & COMMENTARY, cont.**

3. Inventory of homes for sale was dramatically higher in almost all areas at the end of February versus a year ago. Homes are taking longer to sell and homes with issues (over-priced, noise, poor floor plan, etc.) are not selling at all, causing inventory to swell. We expect the inventory of homes for sale to rise even higher in coming months.
4. The percentage of list price received by sellers is dropping. Since sellers usually base their asking price on the last comparable closed sale, this is one of several indicators that home prices are falling.

**FREQUENTLY ASKED QUESTIONS**

**How deep and how long will the downturn in Peninsula housing prices be?**

In a typical downturn, values fall by 20-25% - on average - over a 1-3 year period. Then it usually takes 3-5 years to recover to previous peak prices. That's a total of 6-8 years down.

**Is this downturn "typical"?**

Obviously not! We expect this decline to more closely follow the Los Angeles area downturn of 1990 to 2004. During that time higher-priced homes (similar to our area) experienced a 40%+ drop in value over 6 years. Then it took an 8 year recovery period to get back to previous peak prices (a total of 14 years down!).

**Isn't the recovery supposed to happen in 2010 or 2011?**

Many people are holding on to the hope that the Silicon Valley economy will have a quicker, "v-shaped" recovery like it did after the "Dot Com" bust of 2000. The current, full-blown financial melt-down is much more severe. It will take much longer for real estate prices to recover.

**ADVICE FOR SELLERS**

If you need to sell your home, or you can't wait 8-10 years for prices to recover, our strong advice is to sell as soon as possible. Prices are likely to continue to fall for two more years.

**ADVICE FOR BUYERS**

It may be the right time for you to buy while there is a great selection of homes for sale, flexible asking prices, and 50-year low interest rates. Buying strategy and home selection are critical!

**For more information or if we can assist you in any way, simply call or email:**

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