

Housing Market Status in San Martin and its surrounding areas

SAN MARTIN, CA, US, November 10, 2021 /EINPresswire.com/ -- As lawmakers and economists continue to analyze and mitigate the effects of the pandemic, it still remains a source of major concern for different sectors of the economy, especially real estate. The real estate market has witnessed quite a few changes during the past two years of the pandemic.

The real estate market of the Wine Country (California) has always been a popular site for buyers looking to purchase homes. Despite the Pandemic, Wildfires in 2020, and some water shortages during, San Martin and the surrounding areas in Santa Clara have shown tremendous demand with increased sales. However, it is imperative to note that many of the factors have to be taken into account before making an optimal decision.

Increased Demand

The demand for homes in the US, especially in San Martin and Santa Clara County, is propelled by the pandemic. The [New York Times](#) reports that people working from home are opting to increasingly upgrade their houses. Previously, the market witnessed an opposite trend, with people shifting to smaller homes and cheaper cities as compared to expensive urban centers. More importantly, experts suggest that the rise of the Delta Variant is expected to continue in the trend in the upcoming months.



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HOUSING MARKET STATUS IN SAN MARTIN

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Year	Market Status (Index)
2012	0.2
2013	0.2
2014	0.2
2015	0.2
2016	0.2
2017	0.5
2018	1.5
2019	2.8
2020	0.2

SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

Moreover, the historically low-interest rates and mortgage rates have made it easier for buyers to own a home, thus shifting the demand curve to the right. San Martin has experienced that boost in demand and increase in price, which shall be discussed later. According to "The Bank of America," the Mortgage rate offered for 30 years is 2.75%, and for 20 and 15 years, it is 2.625% and 2.125%, respectively. The data suggests that with rising demand generated by the pandemic and very low mortgage rates, the demand curve is expected to shift toward the right.

Single Family Homes - Current Month vs. Prior Month - July 2021 vs. June 2021																		
County	Inventory			Closed Sales			Median Price			Med Days on Market			New Listings		% to List Price Received			
	Jul21	Jun21	% Change	Jul21	Jun21	% Change	Jul21	Jun21	% Change	Jul21	Jun21	% Change	Jul21	Jun21	% Change	Jul21	Jun21	% Change
Monterey	492	476	3%	243	268	-9%	\$827,000	\$850,000	-3%	9	9	0%	299	319	-6%	102%	102%	-1%
San Benito	125	119	5%	64	75	-15%	\$781,000	\$794,377	-2%	10	8	25%	78	100	-22%	102%	103%	-1%
San Mateo	598	545	10%	510	568	-10%	\$2,012,500	\$2,050,000	-2%	9	8	13%	604	619	-2%	110%	111%	-1%
Santa Clara	1143	1001	14%	1227	1337	-8%	\$1,655,000	\$1,730,000	-4%	8	8	0%	1457	1402	4%	100%	110%	-1%
Santa Cruz	361	317	14%	188	221	-15%	\$1,192,500	\$1,175,000	1%	10	9	11%	273	217	26%	105%	108%	-3%

Single Family Homes Year-over-Year - July 2021 vs. July 2020																		
County	Inventory			Closed Sales			Median Price			Med Days on Market			New Listings		% to List Price Received			
	Jul21	Jul20	% Change	Jul21	Jul20	% Change	Jul21	Jul20	% Change	Jul21	Jul20	% Change	Jul21	Jul20	% Change	Jul21	Jul20	% Change
Monterey	492	670	-27%	243	324	-25%	\$827,000	\$748,000	10%	9	17	-47%	299	327	-9%	102%	98%	4%
San Benito	125	131	-6%	64	75	-15%	\$781,000	\$685,000	13%	10	27	-63%	78	71	10%	102%	99%	3%
San Mateo	598	708	-16%	510	484	6%	\$2,012,500	\$1,652,155	22%	9	11	-18%	604	539	12%	110%	101%	9%
Santa Clara	1143	1238	-8%	1227	1045	17%	\$1,655,000	\$1,375,000	20%	8	10	-20%	1457	1178	24%	100%	102%	7%
Santa Cruz	361	389	-7%	188	227	-17%	\$1,192,500	\$980,000	22%	10	13	-23%	273	212	29%	105%	100%	6%

Source: [MLS Listings](#)

“

The San Martin housing inventory is growing fast, cooling down the demand-supply curve – a great time for buyers to explore their options", says Sharad Gupta, the Founding Member of YHSGR”

Sharad Gupta, the Founding Member of YHSGR

Inventory Analysis

San Martin faces a low inventory of homes. When compared to the previous year, the inventory of houses available for sales has dropped by 8%. As of July 2020, the San Martin and surrounding areas have a total of 1,143 houses as compared to the 1,238 listed in the previous year. However, when compared to the previous month, San Martin has witnessed a 14% rise in inventory, with a total of 1,143 houses listed up from 1,001 houses listed in the previous month.

According to [Fox Business](#), San Martin also faces a shortage of builders and rising building costs. Thus, the

new listing of houses will also remain sluggish, and inventory will not keep up with the rising demand. ”

Hence, with the demand propelled by the pandemic and the low mortgage rates, the inventory is not keeping up with the rising demand.

Environmental Factors

It is important to consider the environmental factors while considering any housing in San Martin. The Santa Clara district experienced 2 evacuations due to wildfires during the previous year. According to FOX Business, home sales stop immediately after any such event as buyers disperse and insurance companies temporarily stop signing up. However, the important thing is that the sales pick up to the same levels in the upcoming weeks. One of the factors contributing to that is effective firefighting mechanisms in the area and affordable fire insurance throughout the year.

It is important to mention that the area also faced a water shortage due to drought in the

previous year, instigating authorities to restrict water use in the area.

According to experts, these factors do not have a major impact on the demand, inventory, and therefore the price of the real estate in the market. However, these factors are important to be taken into account.

National and Surrounding Areas

It is important to note that surrounding areas of San Martin in Santa Clara County are facing the same rise in demand. The Median Sale Price of the county was USD 0.9 Million in the second quarter of 2021, which was an increase of 23% from the price of around USD 0.7 Million in the previous year.

Nationally and especially in California, the Real Estate industry is booming. According to Financial Times, the prices in May 2021 increased by a historic 16.6% as compared to the previous year, the biggest jump in 30 Years. The graph below summarizes the spiraling prices across the nation.

It is difficult to predict the future of the real estate industry with certainty. However, it is expected to rise with the historically low mortgage rates and raging delta variant causing a global wave of new COVID infections.

Housing Market Trend

According to MLS listings of July 2021, the median sale price has increased in double digits by 20%, with a median sale price of USD 1,655,000 as compared to USD 1,375,000 in the same period last year. The rising inventory of houses available in the market is also slowly rising, essentially cooling the demand-supply curve in San Martin and surrounding areas. The inventory of houses increased by 14% as compared to

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the previous month, slightly reducing the median sale price from USD 1,730,000 to USD 1,655,000.

As compared to the last month, San Martin and the surrounding areas witnessed a meager 4% rise in the listing of new houses in the market, contributing to the cooling of the median sale price.

The inventory days of a new listing have also reduced in the market by 20% as compared to the same period last year, down to 8 days from 10. However, the inventory days witnessed no change as compared to the previous month.

In conclusion, the real estate market in not just San Martin and the surrounding areas but also the state of California, in general, is facing a surge in prices with a sluggish increase in inventory. The market is showing signs of cooling down. The buyers are advised to make decisions based on proper trend analysis and forecasts of factors directly associated with the real estate.

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