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Real Estate Review

ATHERTON
MENLO PARK

WOODSIDE
PORTOLA VALLEY

Presented by

**HUGH
CORNISH**

Top 1% Internationally – Coldwell Banker
Ranked #125 Nationally by *The Wall Street Journal*, 2017
Over \$2 Billion in Sales

Dear Neighbor:

I am proud to present the 19th edition of my Real Estate Review, which includes a summary of the sales statistics for Atherton, Menlo Park, Portola Valley, and Woodside, as well as an overview of each community. It is my hope that this report is a useful tool for local property owners and potential buyers enabling a better understanding of market trends and residential property values.

Many significant events in 2017 will likely have an effect on our national economy and local housing market. A new Republican administration, substantial changes to our tax code, and the Dow Jones setting new record highs are just a few highlights.

THE LOCAL REAL ESTATE MARKET

While 2016 marked the first year of local home prices starting to level off, 2017 experienced the first decreases in over 5 years. Using average prices of residential properties for sale on the Multiple Listing Service (MLS), Menlo Park increased 8% and Portola Valley increased 14%, while Atherton and Woodside decreased by 30% and 25%, respectively. Median prices followed suit with increases of 15% in Menlo Park and 11% in Portola Valley, and decreases of 21% in Atherton and 16% in Woodside. The decreases in average and median sales prices in Atherton and Woodside were dramatic, but these statistics were based solely on sales of properties on the MLS. Due to this significant drop in Atherton and Woodside, for the first time in 19 years, I have also compiled data for all available "off-MLS" sales for all four communities. I have created a second chart, which shows how the large number of off-MLS sales affects the total average and median sales prices for 2017.

Atherton, Menlo Park, and Portola Valley experienced an increase in the number of both MLS and off-MLS sales in 2017. Only Woodside saw a decline, a result of decreased inventory of available homes for sale. The average increase in the number of MLS sales in the combined four communities was 8% in 2017, compared to a decline of 7% in 2016. The average increase in all sales in the combined 4 communities was 12% in 2017.

THE ECONOMY

2017 was an epic year for the stock market. The Dow Jones Industrial Average finished the year 25% higher than 2016, its best performance since 2013. The S&P 500 and Nasdaq also had a very good year ending up 19% and 28% higher, respectively. The most likely catalyst for this incredible performance is the new tax law that went into effect on January 1st. Incentives to bring foreign profits back to the U.S. could be used to create new jobs and purchase equipment and factories, but Wall Street predicts most will go to paying down debt and buying back shares, which will push stock prices even higher. The soaring market has consumer confidence at 17-year highs and experts estimate continued growth up to .6 percentage points in 2018 (*CNN Money*, December 2017).

Long-term interest rates remained stable in 2017, while the Federal Reserve raised short-term interest rates three times over the course of the year. The 30-year fixed jumbo (above \$636,100) rates started the year around 4 percent and ended the year around 4.25 percent. Adjustable conforming (below \$636,100) interest rates ranged between 3.37 percent and 3.5 percent.

The Bay Area economy continued to be strong, buoyed by the high-tech, internet, venture capital, biotech, and social media sectors. While IPO activity is up from 2016, it remains low as compared to the last decade. As of November 30th, there had been 74 IPOs in 2017 with companies raising a collective \$17.4 billion, which was about in line with 2016, according to PitchBook. Some of the bigger companies that went public this year are not doing well on Wall Street, such as Snap Inc., better known as Snapchat, and Blue Apron. A few others, like Roku, are experiencing early success. There is a "private for longer" phenomenon affecting many VC-backed companies who are choosing to continue

SUMMARY – MLS SALES ONLY

| CITY | # SALES | AVERAGE \$ | MEDIAN \$ |
|----------------|---------|------------|-----------|
| Atherton | +17% | -30% | -21% |
| Menlo Park | +2% | +8% | +15% |
| Portola Valley | +19% | +14% | +11% |
| Woodside | -6% | -25% | -16% |

The data does not include any properties sold off the Multiple Listing Service.

SUMMARY – MLS + OFF-MARKET SALES

| CITY | # SALES | AVERAGE \$ | MEDIAN \$ |
|----------------|---------|------------|-----------|
| Atherton | +23% | -17% | -16% |
| Menlo Park | +8% | +13% | +15% |
| Portola Valley | +22% | +4% | +7% |
| Woodside | -6% | -30% | -21% |

The data includes properties sold on the Multiple Listing Service (MLS) as well as "off-MLS" sales per San Mateo County records.

The average increase in all sales in the combined 4 communities was 12% in 2017.



Top 1% Internationally
Coldwell Banker

Ranked #125 Nationally by
The Wall Street Journal, 2017

Over \$2 Billion in Sales

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GLOBAL
LUXURY.

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independent fundraising over an exit, according to GeekWire. This is resulting in a backlog of venture-backed exits for 2018, according to the *Silicon Valley Business Journal*.

California's unemployment rate was 4% in November, down from 5.3% a year ago, according to the Employment Development Department (EDD). Also as of November, the unemployment rate was 2.1% in the North Valley Consortium, which includes Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara, Sunnyvale, and San Mateo County.

MARKET TRENDS

The most dominant trends in the local real estate market in 2017 were:

1. Fluctuating Property Values: A decrease in home values was experienced for the first time in Atherton since 2009 and Woodside since 2012. Atherton experienced the largest drop with the average price decreasing 30% on the Multiple Listing Service, as compared to a 12% gain in 2016. Menlo Park and Portola Valley, on the other hand, both saw increases of 9% and 14%, respectively. This is maybe an indication that the high-end markets in Atherton and Woodside are softening.

Since Atherton property values have steadily increased over the past eight years, some buyers have felt the market was overvalued. I feel the continued increase in property values prior to 2017 has finally led to a bit of a market correction. The decrease in average and median sales prices could also be a reflection of the overweighting of lower-priced properties sold in Atherton compared to previous years. I believe Woodside also experienced a correction due to prices increasing steadily since 2012.

Menlo Park prices have continued to increase because there tends to be a wider audience of buyers due to the price point and its proximity to shopping, restaurants, entertainment, and public transportation. I feel Portola Valley has been historically undervalued. The Town Center, abundant open space, excellent schools, and the weekly Farmer's Market have attracted many new buyers and contributed to the increase in property values.

Given the fluctuations in property values, it may surprise you to learn that the Town of Atherton returned to its #1 ranking as the most expensive ZIP code in the country in 2017, according to *Forbes*. Nearly half of the most expensive ZIP codes in the country are in the Bay Area, including Woodside, which advanced five places to #15 from #20. As expected with the increase in property values, Portola Valley jumped to #32 from #51 and Menlo Park moved up 60 places to #74 from #134 in 2016.

2. Transitioning Market: There were still more buyers in the market than there were properties for sale. In Atherton, Portola Valley, and Woodside, the number of properties listed for sale on the Multiple Listing Service (MLS) increased from 2016. Menlo Park was the exception, which decreased approximately 8% from the previous year. In the higher price ranges, many homes

had to be discounted from their original asking prices in order to meet expectations of a changing real estate market. On the lower end, many homes still sold with multiple offers, short escrows, and all-cash transactions.

3. Off-Market Sales: Properties for sale not listed on the Multiple Listing Service (MLS) increased in all cities in 2017, except for Menlo Park. If sellers want to ensure their homes are exposed to the widest audience possible, the only way to effectively increase their exposure is to request that their real estate agents place the property on the MLS.

| % of Homes Sold Off-Market | | |
|----------------------------|------|------|
| City | 2016 | 2017 |
| Atherton | 7% | 23% |
| Menlo Park | 32% | 23% |
| Portola Valley | 8% | 19% |
| Woodside | 3% | 17% |

There are two reasons I recommend placing a property on the MLS versus marketing off the MLS:

- Many qualified buyers exist throughout the Bay Area who are being represented by real estate agents that may not be networked into our local market and consequently not be aware of an off-MLS listing.
- Once a property is entered into the MLS with most real estate brokers, it automatically gets placed on multiple websites. This allows a prospective buyer to search real estate sites such as Zillow, Realtor.com, and many other popular websites that buyers use to find their next home.

4. Increase in Foreign Buyers: The National Association of Realtors' **2017 Profile of International Activity in U.S. Residential Real Estate**, covering real estate sales to international clients between April 2016 and March 2017, found that foreign buyers purchased \$153 billion of residential property, up from the \$102.6 billion of property purchased in the previous twelve months. The dollar volume of foreign buyer purchases accounted for 10% of the dollar volume of existing-home sales, a 2% increase from the previous year. Overall, a total of 284,455 U.S. residential properties were bought by foreign buyers (up 4%), and properties were typically valued higher than the median price of all U.S. existing-home sales.

Foreign investors are attracted by the strength of our local economy, particularly the tech sector in Silicon Valley. They also favor our U.S. political and financial systems, our strong schools, and world-class universities like Stanford, UC Berkeley, and Santa Clara. Additionally, foreign investors are enticed by the historically strong appreciation of homes in the Bay Area, and the relatively affordable prices compared to many other major cities around the world.

5. Privacy Concerns: As of January 1, 2015, documentary transfer taxes must be clearly reflected on all deeds recorded in California. This means no more hidden transfer taxes, and thus, no hidden sales prices. Not only

do most buyers not want the price of their purchase made public, they also do not want their identity revealed.

One way to offer a degree of privacy is to take ownership of a property in a Limited Liability Corporation (LLC). In 2017, 22% of Atherton properties sold were placed in an LLC, Woodside totaled 16%, Portola Valley totaled 14%, and Menlo Park totaled 16%.

One interesting change as of July 2016 is the U.S. Treasury Department's Geographic Targeting Order, which broadened its scrutiny of shell companies being used to purchase luxury residential real estate. The order requires title insurers to collect and report information about the LLCs in residential real estate purchases in San Mateo and Santa Clara counties if they meet the following criteria: 1) Purchaser is a corporation, LLC, or other business entity, 2) Purchase is made without any kind of financing, 3) Any portion of the purchase funds are currency, money order, or check including cashier's, certified, traveler's, personal, or business, 4) Purchase price is \$2,000,000 or more.

LOOKING FORWARD TO 2018

Three factors that could potentially affect our local housing market are:

1. The New Tax Code Changes – The federal government has made significant changes to the tax code for the first time in nearly 30 years. There are a few reforms that may impact real estate sales.

- **Previous Tax Code** – Through the end of 2017, one could generally deduct all of the following on their federal income tax return: the amount one paid for state and local taxes (SALT), including property taxes, the interest paid on mortgage debt up to \$1,000,000 (which could cover multiple homes), the interest paid on a home-equity loan or line of credit up to \$100,000.

- **New Tax Code** – Beginning in 2018, taxpayers may only deduct the following on their federal income tax return: up to a total of \$10,000 for any combination of state and local taxes (SALT) including property taxes and interest paid on mortgage debt up to \$750,000. Interest on home-equity loans or line of credit is no longer deductible. This may be different if you are subject to the Alternative Minimum Tax (AMT).

2. 2017 was expected to be a big year for Silicon Valley IPOs. In the end, only 7 major tech and biotech IPOs in the Bay Area raised more than \$100 million. Quite a few expected IPOs were thwarted by private acquisition prior to filing. As expected, Snap Inc., better known as Snapchat, was a standout, although it has dropped from its opening valuation of \$29 billion to below \$20 billion. Heading into 2018, analysts are again predicting a banner year for IPOs. Renaissance Capital, a firm that manages IPO stocks, believes “a deep bench of tech unicorns has had years to prepare offerings. Volatility is low, corporate taxes are on their way down, and public market valuations are as good as they can hope for” (*Silicon Valley Business Journal*, Jan. 3, 2018). A few of the big-name companies planning IPOs for the coming year include: Airbnb, Lyft, Dropbox, Credit Karma, and DocuSign.

3. Most major economists predict that 30-year jumbo interest rates will go up in 2018 by .25 - .5 percent by the end of the year. If inflation comes on strong, long-term interest rates could increase faster and higher. One change worth noting in 2018 is that jumbo rates have increased to a minimum amount of \$636,650.

IN SUMMARY

The proximity to San Francisco and Silicon Valley, the excellent weather, and the quality of our community life continue to make Atherton, Portola Valley, Menlo Park, and Woodside exceedingly desirable places to call home. I believe there are no better places to live in the world.

If you are thinking of buying or selling your home, market knowledge and a proven track record are invaluable. Please let my 25 years of experience and results work for you. Feel free to contact me with any questions or to set up a confidential appointment.



- Residential specialist in Atherton, Menlo Park, Portola Valley, and Woodside
- Ranked #125 of the Top Sales Agents by Sales Volume by *The Wall Street Journal*, 2017
- Over \$2 billion in career sales
- Top 1% of all Coldwell Banker agents internationally
- Dedicated support team for maximum efficiency and results
- Homeowner's concierge service providing a network of reputable home-improvement professionals

Family TRADITION



H.J. CORNISH

Hugh's grandfather, H.J. Cornish, along with G.E. Carey, opened Cornish and Carey Realtors for business in 1935. In the early years, the firm focused on selling homes and developing small subdivisions in the greater Palo Alto area.

Hugh's father, Jim Cornish, joined the company in the late 1950s. Over the next forty years, the company

grew into the largest independently owned residential real estate firm in Northern California. In 1998, Cornish and Carey joined forces with Coldwell Banker.

Following family tradition, Hugh looks forward to serving the **Atherton, Menlo Park, Portola Valley, and Woodside** communities for many years to come.



JIM CORNISH

ABOUT HUGH

A consistent top producer at Coldwell Banker, Hugh Cornish, with career sales of over \$2 billion, continues to earn high honors. He has achieved the distinction of International President's Premier by placing in the top one percent of all Coldwell Banker agents worldwide, and was ranked #125 of the Top Sales Agents by Sales Volume by *The Wall Street Journal*, 2017.

Hugh offers an exceptional level of expertise and personalized real estate service. A dedicated support team, including a licensed assistant, a professional marketing consultant, and a marketing production company, expands Hugh's capabilities while allowing him to commit more time to each individual client. Hugh is personally in



HUGH CORNISH

touch with his clients, from start to finish, throughout each real estate transaction.

For the convenience of both buyers and sellers, Hugh also maintains a network of reputable home-improvement professionals, from contractors and painters to landscape architects and interior designers. Hugh is pleased to provide his **Cornish Concierge Service** as another benefit of his proven marketing approach, and personally coordinates the preparation and all the services required to bring a property to market.

Hugh was born and raised in Atherton, which adds to his intimate perspective of the surrounding communities. He presently lives in Portola Valley with his wife Laura and their three children.

Support TEAM

ERICA RATINER works with Hugh as his licensed executive assistant. Her main responsibility is to provide Hugh's clients with exclusive, personalized service and to make sure each real estate transaction goes smoothly. Erica oversees and coordinates all listing and sale documentation. She also prepares market analyses, client correspondence, and feedback documents from buyers and their agents after each showing of Hugh's listings. In addition, Erica manages the marketing for Hugh's listings using both traditional and

online avenues, and assists in creating ad copy for newspapers, magazine ads, direct mail, websites, and newsletters.



ERICA RATINER

Erica is a licensed real estate broker. She entered the real estate industry as an office manager/broker assistant in 2003. Before discovering her passion for real estate, Erica enjoyed a career in theater working as a stage manager and company manager for theaters in San Francisco and Sausalito. Originally from the East Coast, Erica has been living in the Bay Area for 18 years and currently resides in Sunnyvale.

Service CUSTOMIZED To Meet Your Needs



HUGH'S HOMEOWNER'S CONCIERGE SERVICE for both buyers and sellers provides a network of reputable home-improvement professionals.

Hugh and his team assist sellers in preparing their home for the market. Hugh's team will manage the process from start to finish including:

- Painting
- Landscaping
- Cleaning
- Repairs
- Staging

Buyers also benefit from Hugh's vast experience in the field of home improvement. Hugh and his team are happy to advise buyers when it comes to selecting the right vendor for the job.

When you see the Cornish Concierge Service logo on his marketing materials and ads, it is just a reminder of the extra service you can expect.



A Commitment to QUALITY

HUGH CORNISH AND HIS TEAM offer an exceptional level of marketing expertise and personalized attention. Hugh prides himself on excellent customer service and a strong partnership that continues beyond the transaction.

EXPERIENCE & MARKET KNOWLEDGE

With 25 years of experience representing buyers and sellers, Hugh has the expertise to think outside the box, giving his clients an edge over the competition. Hugh's constant monitoring of the local market enables him to keep his clients apprised of any activity that might impact the sale of their property.



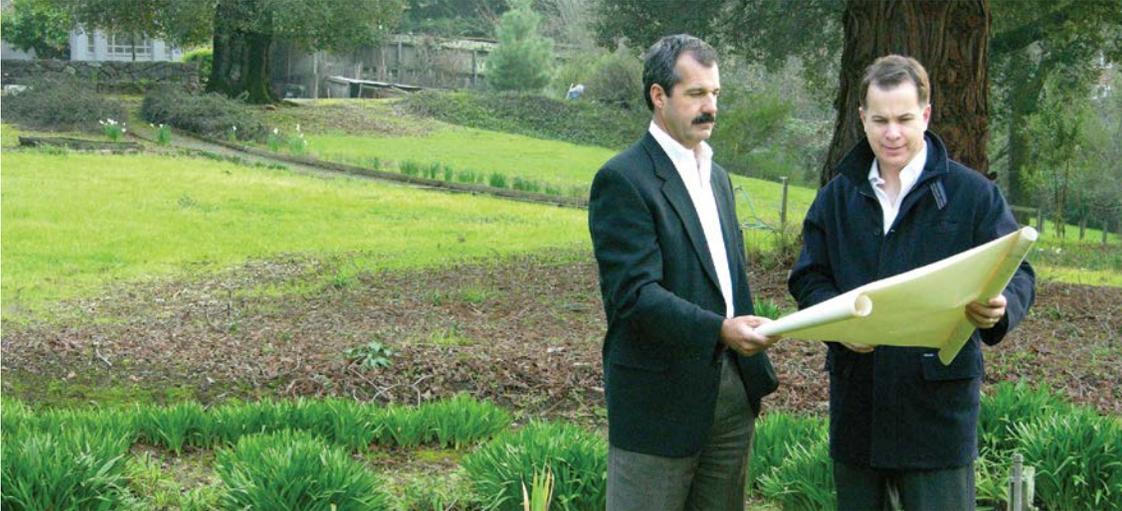
PREPARING YOUR PROPERTY FOR SALE

Prior to placing a property on the market, Hugh prepares a written proposal outlining his marketing strategy and reviews each listing document with you. Hugh creates a timeline highlighting all the important aspects of his preparation of your property for the market. This will include a schedule of all inspections of your property. In addition, Hugh will formulate a list of his personal recommendations, so that your property may be presented at its very best.

MARKETING

Hugh and his team create an integrated marketing campaign for every home, using professionally designed materials for print and online presence. For every listing, custom-designed brochures, direct mail, and newspaper ads are complemented by internet marketing that includes electronic distribution of each listing to a wide-reaching local audience with syndication to numerous national and international websites. Hugh's personal website, www.HughCornish.com, provides round-the-clock exposure with a custom design that allows for an in-depth look at every listing Hugh represents. Coldwell Banker's renowned presence across the country and worldwide, in both print and online, provides added exposure for every one of Hugh's listings.





CONTRACT NEGOTIATION

Hugh's primary goal in every transaction is to achieve the best price and most favorable terms for his clients. With career sales of over \$2 billion, Hugh is an intelligent negotiator, who is known for his understanding of current contract requirements and his attention to detail. Hugh's experience and his ability to think outside the box give his clients an edge over the competition.

The Cost Is the Same –
The **RESULTS**
Are **DIFFERENT.**

ESCROW MANAGEMENT

In the past few years as environmental and legal concerns have grown, so too have the number and complexity of documents pertaining to the sale of residential real estate. As your agent, Hugh devotes himself to coordinating the details of every escrow, making sure his clients are well-informed at each step, and smoothing the way to a rapid and satisfactory conclusion.

REPUTATION

Integrity and diligent labor can significantly impact a real estate transaction. Hugh has spent 25 years earning the trust of his clients, based on these principles.



Here's what people are saying about
HUGH CORNISH...

“ **YOUR PROFESSIONALISM**, advice and instincts, and service were way beyond expectation and I can see why you have the reputation and the record that you do. It takes a lot to do all the right things along the way to give any buyer the feeling of confidence and comfort in moving forward and closing. We have no doubt that everything you did leading up to their initial interest and taking them through the close, was a reflection of your experience.

G.G. – Atherton

WE INTERVIEWED SEVERAL real estate agents and we are very happy we chose to work with you. Your suggested improvements helped position the house well and get us an offer before the brokers open house. You advised to keep marketing the house and that paid off when two days later that party came back with a substantially better offer. We really enjoyed working with you and we would highly recommend your services to anyone looking to buy or sell a house.

A.M. – Menlo Park

WHAT IMPRESSES ME the most about you are three things: First, you know your business and this market better than anyone. Second, you always take the high road and put your clients first. Third, you are just a classy person. It has been a great pleasure to work with you. You will certainly be my first call the next time we plan to do anything with real estate.”

S. S. – Portola Valley



What do you expect from a Realtor®?

RESULTS!

“**MY WIFE**, Susan, and I have been clients of Hugh for nearly 20 years. In that time, we have completed 7 real estate transactions and have been pleased with every one of them. Hugh is very knowledgeable of the market, both the listed and unlisted properties, and has remarkable personal skills and a sense of humor that make working with him easy and enjoyable.

M. D. – Woodside

WE'LL NEVER FORGET the professionalism and expertise that you showed when the offers were presented and we accepted one with the excellent terms you negotiated. Your guidance as to what offering price we should have was most helpful and proved to be optimum. When the house sold in five days at a large premium, we were shocked and pleased. Thanks for everything.

D. W. – Atherton

THERE WAS SO MUCH that you did that went beyond the call of duty and for which we will always be grateful, especially with regards to all the contractors post-purchase. Your counsel was always spot on, and we were very fortunate to have you looking out for us. We have worked with several agents now and you are the best, simply the gold standard.”

P. Y. – Menlo Park

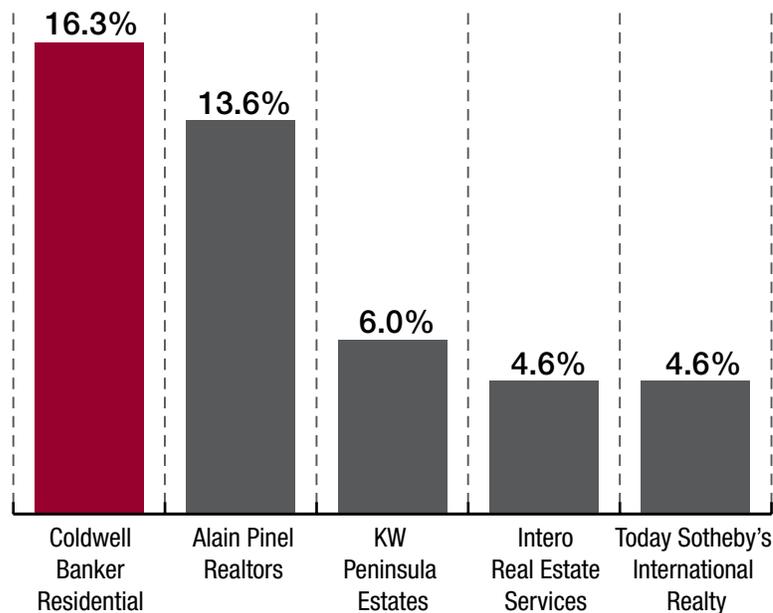


About COLDWELL BANKER

IMMEDIATELY FOLLOWING the San Francisco earthquake of 1906, Colbert Coldwell and Benjamin Arthur Banker saw an opportunity to help rebuild the City by offering knowledgeable, competent, and respectable real estate services. The high standards set by these early real estate professionals remain the benchmark for Coldwell Banker today.

Coldwell Banker is home to nearly 85,000 sales associates in some 3,000 offices in 49 countries and territories. The company's luxury home marketing program, known as Global Luxury, represents an average of about one out of four homes sold in the United States each year. Coldwell Banker Residential Brokerage is one of the leading residential real estate brokerages in Northern California and serves the markets from Monterey to Tahoe and nearly every market in between. The company has 57 office locations and approximately 3,900 independent sales associates throughout Northern California.

2017 MARKET SHARE: San Mateo County (Total Dollar Volume Sold)



SEPTEMBER 22, 2017

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rdowney@bizjournals.com

THE LIST

RESIDENTIAL REAL ESTATE FIRMS

RANKED BY 2016 GROSS SALES OF LOCAL RESIDENTIAL PROPERTIES IN SILICON VALLEY IN 2016

| Business name / Prior rank (* did not rank) Website | 2016 gross sales of local residential properties ¹ | 2016 local residential transactions closed | Local sales agents ² | Top local executive(s) |
|---|---|--|---------------------------------|--|
| 1 Coldwell Banker Residential Brokerage ① coldwellbankerhomes.com | \$9.32 billion | 7,978 | 1,670 | Mike James, President |
| 2 Alain Pinel Realtors ② apr.com | \$7.23 billion | 4,004 | 699 | Paul L. Hulme, Founder/President/CEO |
| 3 Intero Real Estate Services Inc. ③ interoestate.com | \$6.5 billion | 6,100 | 2,500 | Tom Tognoli, President/CEO John Thompson, COO |

► CLOSER LOOK

2,500

Number of local sales agents associated with Intero Real Estate Services Inc., the most of any firm on The List.

MOST LOCAL RESIDENTIAL TRANSACTIONS CLOSED IN 2016

Coldwell Banker

About the COMMUNITIES

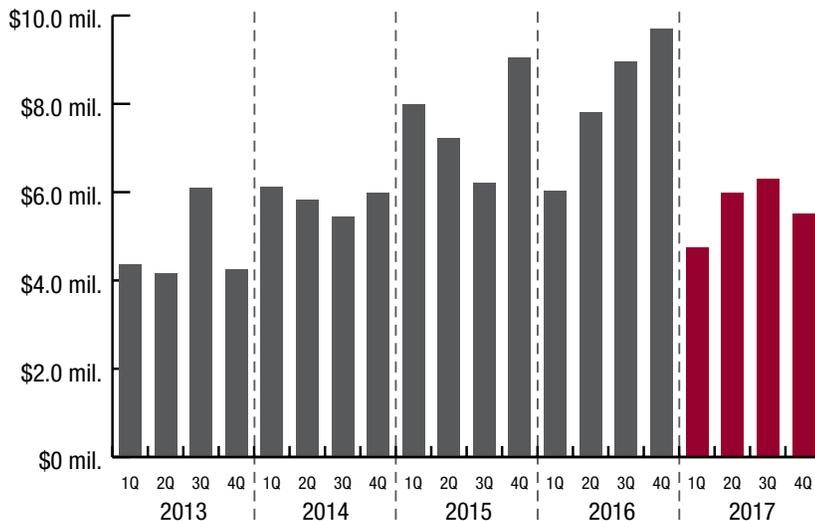
HUGH SPECIALIZES in the representation of buyers and sellers in **Atherton, Menlo Park, Portola Valley, and Woodside**. This cluster of communities represents some of the most desirable real estate in the Bay Area. Every one of these four communities has a unique character, appealing to a variety of buyers. Hugh's expertise in each of these markets guarantees the highest-quality service for all of his clients.



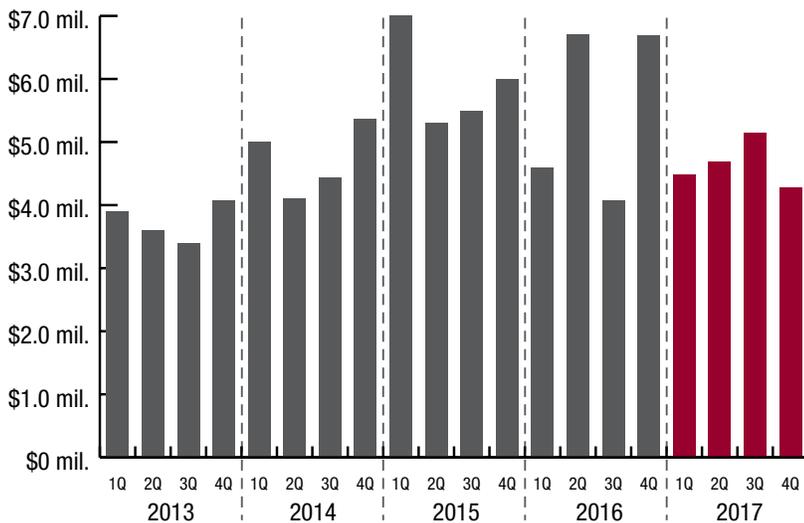
Real Estate Review

ATHERTON

ATHERTON AVERAGE PRICES



ATHERTON MEDIAN PRICES



2017 Summary

Number of Sales
82

Highest Sale Price
\$19,900,000

Lowest Sale Price
\$1,851,000

Average Sale Price
\$5,754,405

Median Sale Price
\$4,750,000

Average Days on Market
47

The data does not include any properties sold off the Multiple Listing Service.

Residential property values in Atherton declined for the first time in 3 years, not because of lack of demand but rather because of the increase in number of homes that sold for less than \$5 million and the fewer number of very high-end sales as reported in the previous two years.

Demand was still very strong as evidenced by the fact that **39% of the sales were for more than list price. Plus, homes sold much more quickly in 2017, taking on average 47 days to sell.** This is the lowest average days on market in current records since 2001. In 2016, the average was 73 days and in 2015 it was 52 days.

The average sale price of a home declined by \$2,521,787, or 30%, to \$5,754,405 as compared with the average in 2016, which was \$8,276,192.



The average sale price in Atherton in 2015 was \$7,227,000 and in 2014 was \$5,622,373. It is important to note that last year's average price is still **74% higher than it was in the recession low in 2009** when it was \$3,311,604.

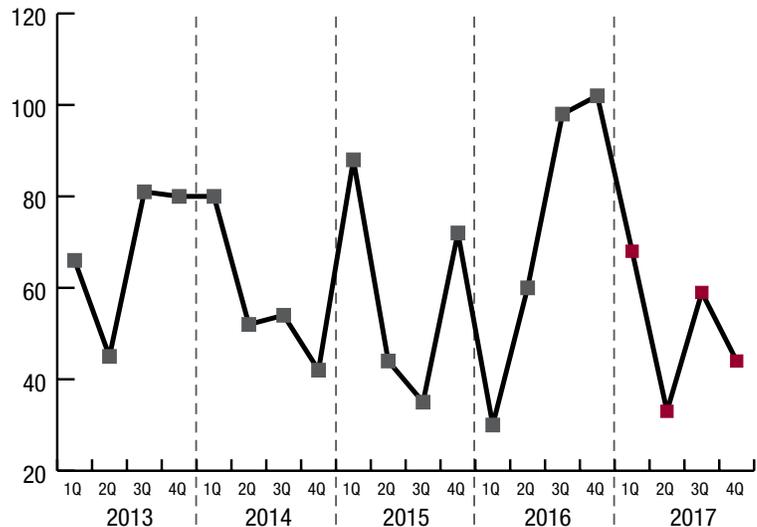
The median sale price in 2017 also declined by 21% to \$4,750,000, a drop of \$1,252,500 as compared to 2016 when it was \$6,002,500. The median sale price was \$5,950,000 in 2015 and \$4,420,000 in 2014. During the recession low in 2009, the median price was just \$2,790,000, so last year's median price is 70% higher.

In 2017, **prices were the highest in the third quarter** when the average price spiked to \$6,270,060. In 2016, the average sale price quarterly record was \$9,693,549.

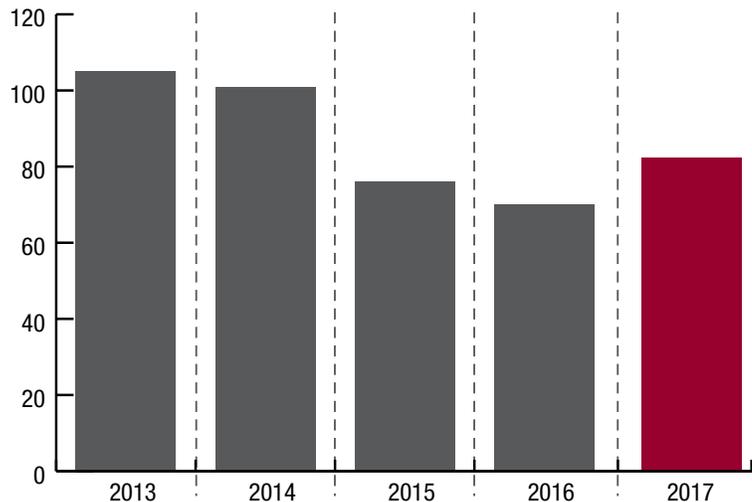
In 2017, the total number of closed escrows in Atherton (per the MLS) **totaled 82, far more than the 70 homes sold in 2016** but significantly fewer than the just over 100 homes sold in 2013 and 2014. The recession low was 61 properties that closed escrow in 2008.

The Average Price of a Home in Atherton for all of 2017 was \$5,754,405.

ATHERTON AVERAGE DAYS ON THE MARKET



ATHERTON NUMBER OF SALES



These statistics have been obtained from the Multiple Listing Service. Not all residential sales are reported to the Multiple Listing Service, so the actual figures may be different.

Atherton Real Estate Summary

| Area Number | Area | Number of Sales | High Price | Low Price | Median Price | Average Price | Average Days on Market |
|-------------|--------------------------|-----------------|---------------------|--------------------|--------------------|--------------------|------------------------|
| 1 | Alameda to 280 | 8 | \$11,000,000 | \$2,600,000 | \$4,925,000 | \$5,427,500 | 75 |
| 2 | El Camino to Alameda | 31 | \$19,900,000 | \$1,851,000 | \$6,300,000 | \$7,589,887 | 52 |
| 3 | Middlefield to El Camino | 27 | \$6,800,000 | \$1,900,000 | \$3,350,000 | \$3,589,778 | 39 |
| 4 | Lindenwood | 16 | \$10,775,000 | \$3,330,000 | \$5,500,000 | \$6,014,422 | 39 |
| | ALL OF ATHERTON | 82 | \$19,900,000 | \$1,851,000 | \$4,750,000 | \$5,754,405 | 47 |



About the Community

Atherton is named for Faxon Dean Atherton, a wealthy trader from Chile, who purchased 640 acres and established the first large estate in the area. The completion of the railroad in 1863 attracted other prosperous citizens of San Francisco, hoping to escape the summer fog. The town was incorporated in 1923, and adopted stringent zoning regulations. As a result, Atherton retains the pastoral atmosphere enjoyed by those nineteenth century residents, with the majority of properties in this exclusive ZIP code exceeding an acre. No sidewalks, an abundance of heritage oaks, and a ban on commerce, plus equal access to San Francisco and San Jose have made Atherton one of the most expensive addresses in the country. Atherton has been consistently ranked by a national magazine as one of the top five most affluent cities in the U.S.

City Website: www.ci.atherton.ca.us



Atherton Highlights

| | |
|-------------------------|--------------|
| Population | 6,914 |
| Elevation | 55' |
| Date Incorporated | 1923 |
| Number of Homes | 2,546 |
| Lowest Sale Price 2017 | \$1,851,000 |
| Highest Sale Price 2017 | \$19,900,000 |
| Average Sale Price 2017 | \$5,754,405 |



Important Numbers

| | |
|----------------------|--------------|
| Police Non-Emergency | 650-688-6500 |
| Fire Non-Emergency | 650-688-8400 |
| Building/Planning | 650-752-0560 |
| Caltrain | 800-660-4287 |
| City Office | 650-752-0504 |
| Library | 650-328-2422 |
| Post Office | 650-752-0500 |
| Voter Registration | 650-312-5222 |

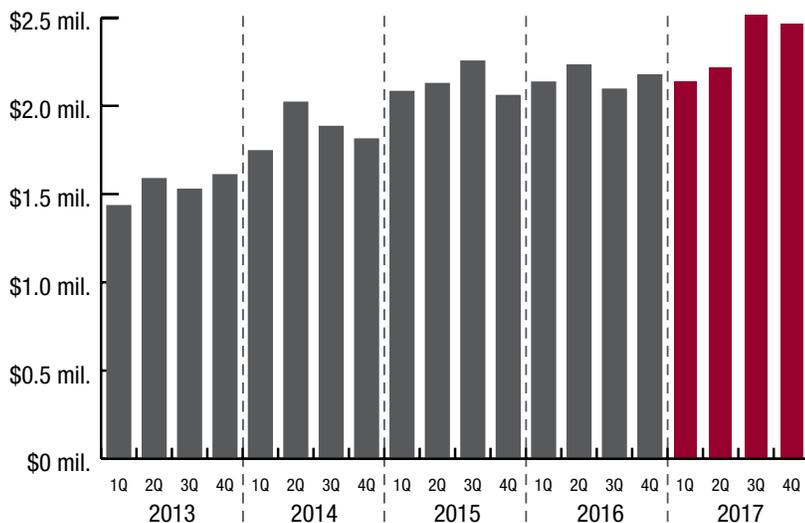
School Phone Numbers

| | | |
|--------------------------------------|--------------|--|
| Las Lomas Elementary School District | 650-854-2880 | www.llesd-ca.schoolloop.com |
| Menlo Park City School District | 650-321-7140 | www.district.mpcsd.org |
| Redwood City School District | 650-482-2200 | www.rcsd.k12.ca.us |
| Sequoia Union High School District | 650-369-1411 | www.seq.org |

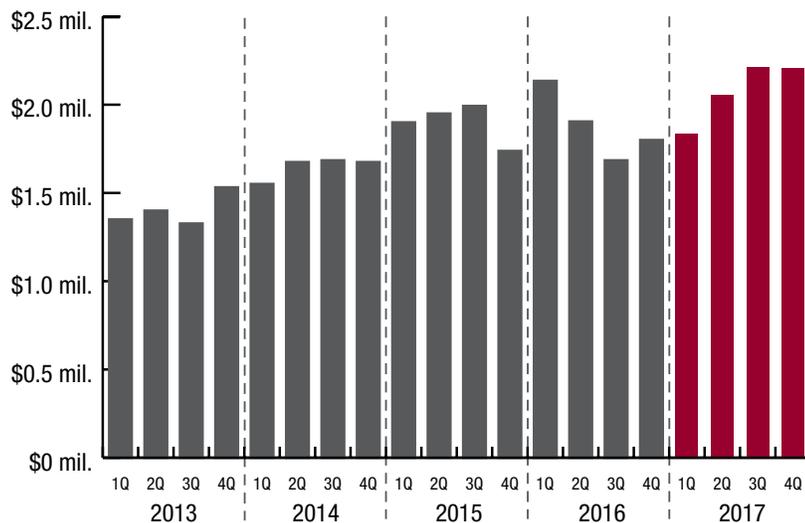
Real Estate Review

MENLO PARK

MENLO PARK AVERAGE PRICES



MENLO PARK MEDIAN PRICES



2017 Summary

Number of Sales
387

Highest Sale Price
\$7,800,000

Lowest Sale Price
\$500,000

Average Sale Price
\$2,341,474

Median Sale Price
\$2,100,000

Average Days on Market
25

The data does not include any properties sold off the Multiple Listing Service; Menlo Park data includes single-family homes and condos/townhomes.

Once again, the **average sale price of a home in Menlo Park reached a record high** with an increase of \$171,836 to \$2,341,474. This represents an increase of 8% over the average sale price in 2016, which was \$2,169,638. Contributing to this increase was a **record high sale for an individual home at \$7,800,000.**

Menlo Park's average price has steadily increased every year since the recession low in 2009 when it was \$1,242,293. **The average price in 2017 represents an increase of 88% since 2009.**

In 2017, the **median sale price in Menlo Park climbed by \$275,000 to a record high of \$2,100,000**, representing a **15% increase.** In 2009, the median price was \$1,097,500 and it took 4 years to recover when it rose to \$1,510,000 in 2013. Since that year, the median price has increased 39% and has almost doubled since the



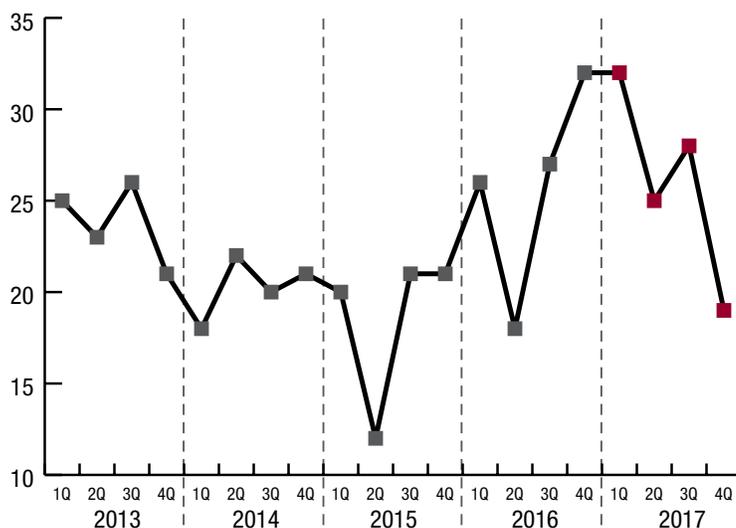
recession in 2009 when the median price dropped to \$1,097,500 – a **91% increase in median price in 8 years.**

With prices increasing like this, it's no surprise that the strong demand resulted in many Menlo Park homes selling with multiple offers and for more than list price. In fact, **201 homes, or 52%, sold for more than list price** and by as much as 46% more. Homes also sold quickly with an **average days on market of 25**, the same as in 2016. Half of all sales occurred in 13 days or less holding steady with the previous year.

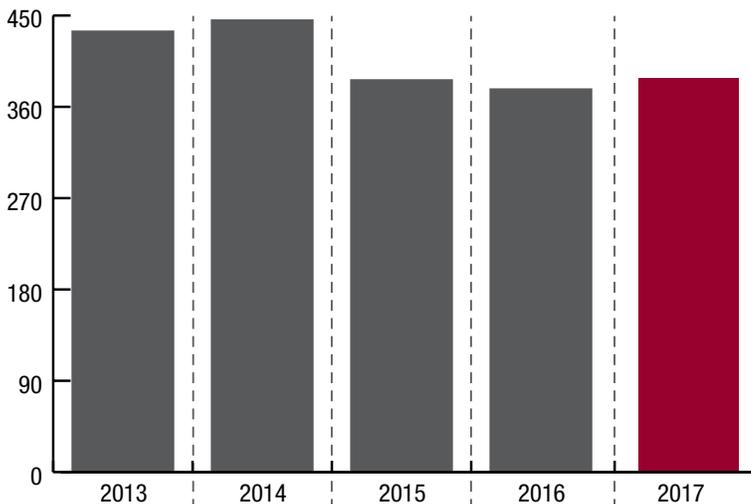
The number of closed escrows in Menlo Park increased in 2017 to 387 compared to 377 in 2016, which was the lowest number on records dating back to 2009. While number of sales increased, the **number of new listings fell significantly compared to previous years.** In 2017, there were just 419 new listings compared to 443 in 2016. To put this in perspective, from the period 2002 to 2010, every year there were 600+ to 800+ new listings. The fewer number of homes for sale is directly correlated to the continuing increase in prices.

The Average Price of a Home in Menlo Park for all of 2017 was \$2,341,474.

MENLO PARK AVERAGE DAYS ON THE MARKET



MENLO PARK NUMBER OF SALES



These statistics have been obtained from the Multiple Listing Service. Not all residential sales are reported to the Multiple Listing Service, so the actual figures may be different.

Menlo Park Real Estate Summary

| Area Number | Area | Number of Sales | High Price | Low Price | Median Price | Average Price | Average Days on Market |
|--------------------------|-------------------------------|-----------------|--------------------|------------------|--------------------|--------------------|------------------------|
| 1 | Sharon Heights/Stanford Hills | 63 | \$5,940,000 | \$500,000 | \$1,648,000 | \$1,799,113 | 34 |
| 2 | Alpine Road | 1 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | 107 |
| 3 | County/Alameda | 54 | \$5,005,000 | \$1,320,000 | \$2,850,000 | \$2,990,948 | 25 |
| 4 | Central Menlo | 45 | \$7,800,000 | \$1,800,000 | \$3,800,000 | \$4,176,131 | 28 |
| 5 | Allied Arts/Downtown | 36 | \$6,800,000 | \$800,000 | \$2,244,000 | \$2,327,363 | 26 |
| 6 | Felton Gables | 3 | \$3,225,000 | \$2,530,000 | \$2,600,000 | \$2,785,000 | 25 |
| 7 | Middlefield to El Camino Real | 34 | \$3,350,000 | \$691,000 | \$1,932,500 | \$1,859,706 | 18 |
| 8 | County/Fair Oaks Area | 30 | \$3,900,000 | \$868,888 | \$1,481,000 | \$1,681,263 | 22 |
| 9 | Flood Park Area | 34 | \$2,475,000 | \$975,000 | \$1,734,050 | \$1,776,929 | 16 |
| 10 | Menlo Oaks Area | 20 | \$6,950,000 | \$1,520,000 | \$3,005,000 | \$3,290,750 | 22 |
| 11 | Willows/O'Connor Area | 36 | \$3,600,000 | \$1,050,000 | \$2,049,000 | \$2,081,906 | 21 |
| 12 | East of 101 | 31 | \$1,476,000 | \$680,000 | \$1,034,750 | \$1,076,847 | 33 |
| ALL OF MENLO PARK | | 387 | \$7,800,000 | \$500,000 | \$2,100,000 | \$2,341,474 | 25 |



About the Community

Originally growing up around the train station, built in 1866 and a registered historic landmark, the city of Menlo Park was incorporated in 1927. The name was taken from the sign “Menlo Park, 1854,” which was painted on the gate erected by two early settlers who emigrated from Menlough in Ireland. Though Menlo Park has its share of luxury properties, its character remains essentially modest. Charming, custom homes on pretty lots line quiet streets. The downtown business district offers a picture of suburban life as shoppers stroll beneath the trees, stopping for a sidewalk coffee or an ice cream cone. Today, the excellent school system and the strong sense of community have made Menlo Park a highly desirable place to work and live. Menlo Park is also headquarters for much of the venture capital money fueling the Silicon Valley economy.

City Website: www.menlopark.org



Important Numbers

| | |
|----------------------|--------------|
| Police Non-Emergency | 650-330-6300 |
| Fire Non-Emergency | 650-688-8400 |
| Building Permits | 650-330-6704 |
| Caltrain | 800-660-4287 |
| City Office | 650-330-6620 |
| Library | 650-330-2500 |
| Post Office | 650-323-2701 |
| Voter Registration | 800-345-8683 |



Menlo Park Highlights

| | |
|-------------------------|-------------|
| Population | 32,026 |
| Elevation | 63' |
| Date incorporated | 1927 |
| Number of Homes | 11,957 |
| Lowest Sale Price 2017 | \$500,000 |
| Highest Sale Price 2017 | \$7,800,000 |
| Average Sale Price 2017 | \$2,341,474 |

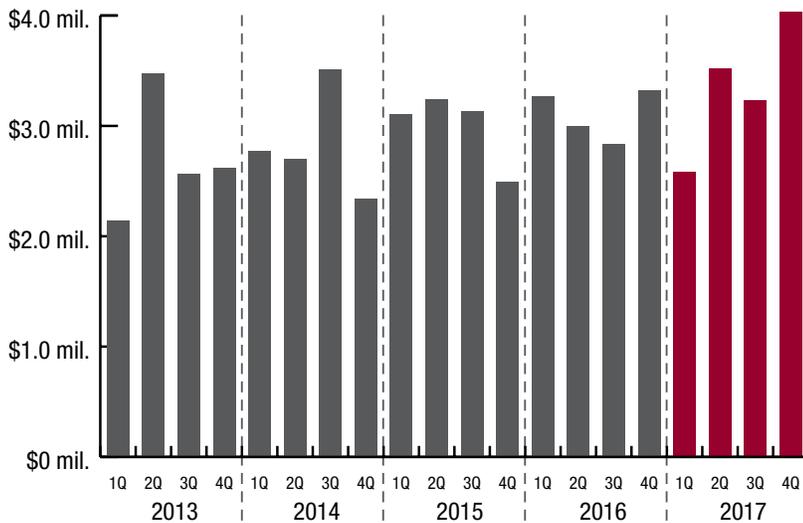
School Phone Numbers

| | | |
|--------------------------------------|--------------|--|
| Las Lomas Elementary School District | 650-854-2880 | www.llesd-ca.schoolloop.com |
| Menlo Park City School District | 650-321-7140 | www.district.mpcsd.org |
| Sequoia Union High School District | 650-369-1411 | www.seq.org |

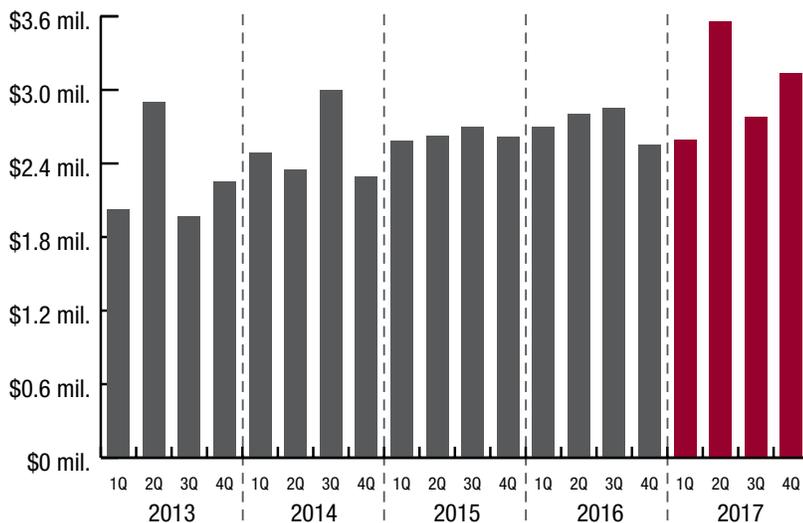
Real Estate Review

PORTOLA VALLEY

PORTOLA VALLEY AVERAGE PRICES



PORTOLA VALLEY MEDIAN PRICES



2017 Summary

Number of Sales
76

Highest Sale Price
\$16,500,000

Lowest Sale Price
\$1,240,000

Average Sale Price
\$3,496,770

Median Sale Price
\$2,999,500

Average Days on Market
32

The data does not include any properties sold off the Multiple Listing Service.

In 2017, the average sale price of a Portola Valley home reached a new record high at **\$3,496,770**. This is an increase of \$425,079 over the average sale price in 2016, which was \$3,071,691 and represents a **14% increase**. Since the recession, the lowest average price was in 2010 when it was \$1,849,640. This is 89% lower than the average price in 2017. There were no sales in 2017 for less than \$1,240,000.

Last year, the median price of a home in Portola Valley was **\$2,999,500**, also a record high price. This is a \$292,000 increase over 2016, which was \$2,707,500. **This represents an increase of 11%**. Every year since 2009, when the median price was \$1,650,000, the median price has increased reaching its current record high in 2017 and climbing 82% in value.

The **fourth quarter of 2017 had the highest average price** of the year with the only two sales in excess of \$10 million



each closing in the fourth quarter. The **median price was the highest in the second quarter** when there was only one sale for less than \$2 million and six sales for \$4 million or more.

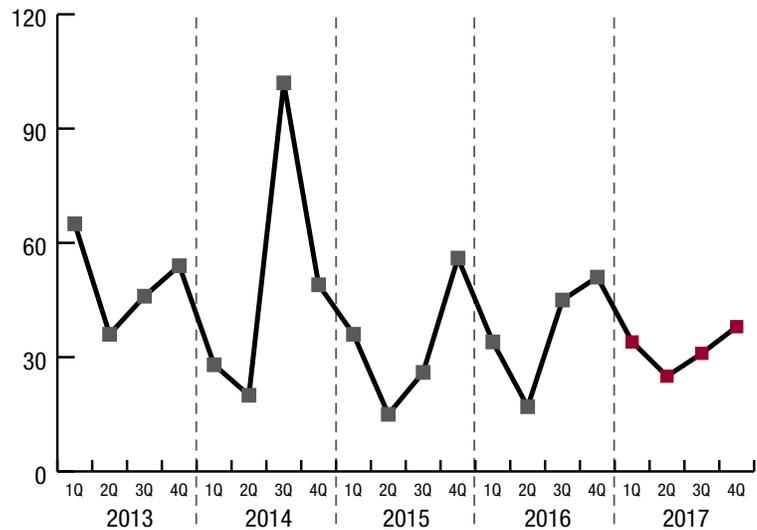
Strong demand for homes in Portola Valley was clearly evidenced by the number that sold for more than list price. Of the **76 sales, 42 sold for more than list price, which represents 55%**. One home sold for 67% more than list price and 14 homes sold for double-digit percent increases over list price.

During the past year, the average days on market to sell a property in Portola Valley was 32 days, down from 34 days in 2016 and up just slightly from the record low 30 days in 2015. This is the fastest homes have sold in current records dating back to 2001 when the average days on market were 60+ and some years reaching 80 days. **Half of all sales in 2017 occurred in just 12 days or less.**

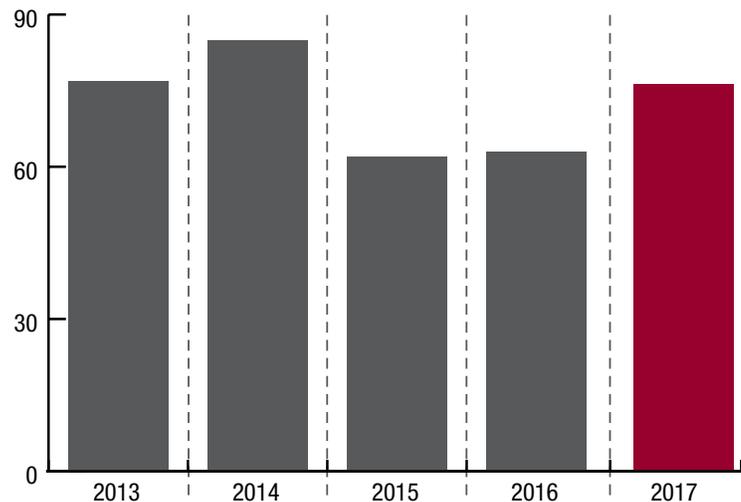
The number of closed escrows in Portola Valley increased from 64 sales in 2016 to 76 sales in 2017 – a 19% increase. The greatest number of sales in the past 10 years was in 2014 when there were 84 and the lowest was in 2008 with 52 sales.

The Average Price of a Home in Portola Valley for all of 2017 was \$3,496,770.

PORTOLA VALLEY AVERAGE DAYS ON THE MARKET



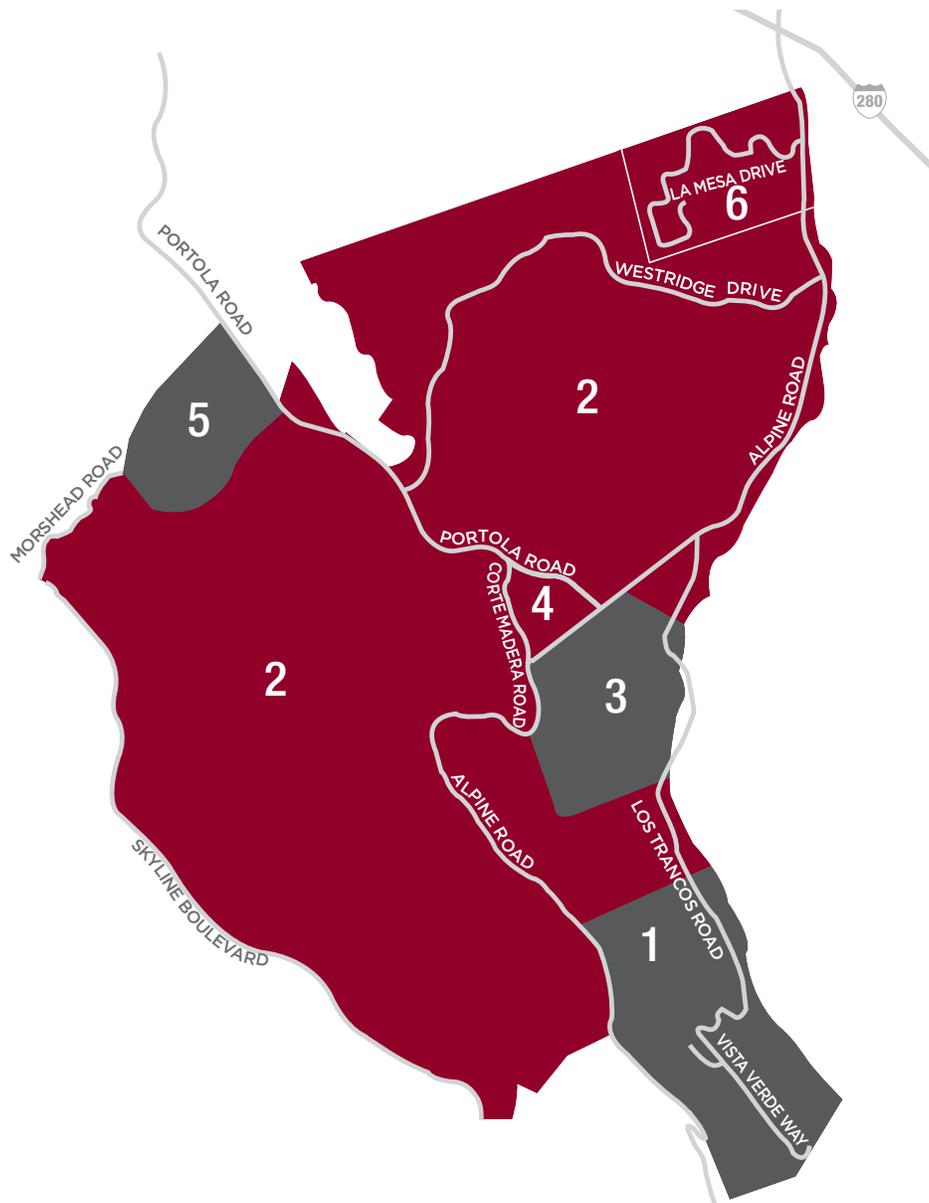
PORTOLA VALLEY NUMBER OF SALES



These statistics have been obtained from the Multiple Listing Service. Not all residential sales are reported to the Multiple Listing Service, so the actual figures may be different.

Portola Valley Real Estate Summary

| Area Number | Area | Number of Sales | High Price | Low Price | Median Price | Average Price | Average Days on Market |
|-------------|------------------------------|-----------------|---------------------|--------------------|--------------------|--------------------|------------------------|
| 1 | Alpine/Uplands (Los Trancos) | 6 | \$3,120,000 | \$1,500,000 | \$2,000,000 | \$2,178,333 | 12 |
| 2 | Central Portola Valley | 33 | \$16,500,000 | \$1,725,000 | \$3,765,000 | \$4,519,698 | 40 |
| 3 | Portola Valley Ranch | 12 | \$4,300,000 | \$2,525,000 | \$3,024,500 | \$3,083,667 | 33 |
| 4 | Brookside/Willowbrook | 3 | \$3,510,000 | \$2,475,000 | \$2,750,000 | \$2,911,667 | 20 |
| 5 | Santa Maria/Russell Area | 3 | \$2,450,000 | \$1,240,000 | \$2,175,000 | \$1,955,000 | 21 |
| 6 | Ladera | 19 | \$4,400,000 | \$1,918,500 | \$2,700,000 | \$2,733,184 | 28 |
| | ALL OF PORTOLA VALLEY | 76 | \$16,500,000 | \$1,240,000 | \$2,999,500 | \$3,496,770 | 32 |



About the Community

In Portola Valley, named for the Spanish explorer Gaspar de Portola, oak-studded meadows open onto vistas of San Francisco Bay and the unspoiled Coast Range. The area's first settlement was the logging town of Searsville, founded in the nineteenth century. Farming and cattle ranching were the primary industries until the 1920s. After World War II, the valley began to be developed, typically with modest, ranch-style homes on large lots. Long a preferred address of Stanford University professors, Portola Valley has made well-staffed, well-equipped public schools a top priority. The town was incorporated in 1964, with the goal of maintaining the rural ambience of the community, and preserving open space. Today, Portola Valley is known for its unpretentious lifestyle and small-town atmosphere.

City Website: www.portolavalley.net



Important Numbers

| | |
|----------------------|--------------|
| Police Non-Emergency | 650-363-4911 |
| Fire Non-Emergency | 650-851-1594 |
| Building/Planning | 650-851-1700 |
| Caltrain | 800-660-4287 |
| City Office | 650-851-1700 |
| Library | 650-851-0560 |
| Post Office | 650-851-2560 |
| Voter Registration | 800-345-8683 |

School Phone Numbers

| | | |
|------------------------------------|--------------|--|
| Portola Valley School District | 650-851-1777 | www.pvsd.net |
| Sequoia Union High School District | 650-369-1411 | www.seq.org |



Portola Valley Highlights

| | |
|-------------------------|--------------|
| Population | 4,353 |
| Elevation | 455' |
| Date incorporated | 1964 |
| Number of homes | 2,294 |
| Lowest sale price 2017 | \$1,240,000 |
| Highest sale price 2017 | \$16,500,000 |
| Average sale price 2017 | \$3,496,770 |

Real Estate Review WOODSIDE

2017 Summary

Number of Sales
69

Highest Sale Price
\$18,800,000

Lowest Sale Price
\$561,000

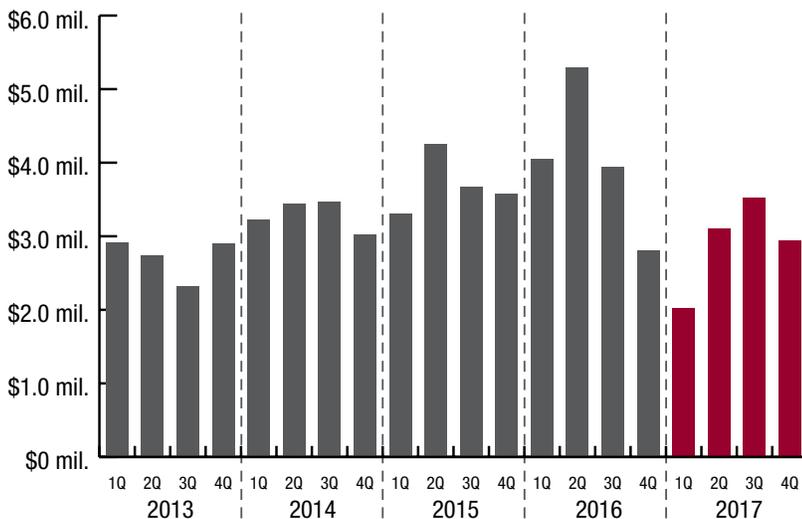
Average Sale Price
\$3,021,096

Median Sale Price
\$2,300,000

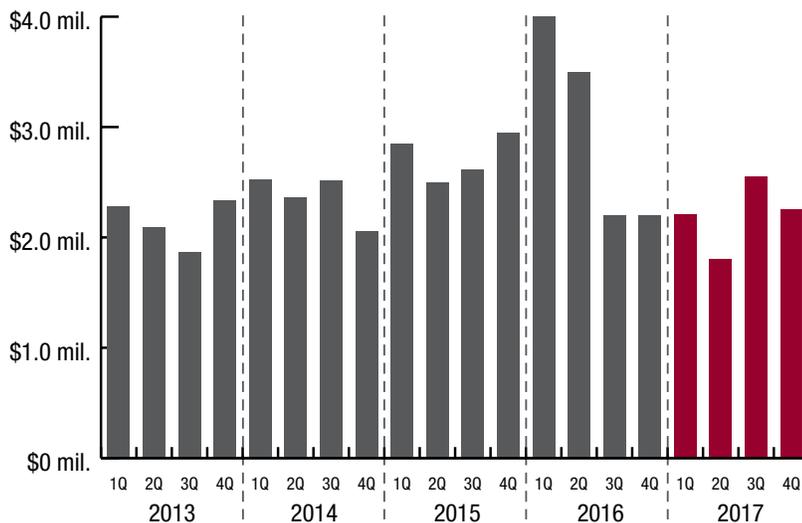
Average Days on Market
52

The data does not include any properties sold off the Multiple Listing Service.

WOODSIDE AVERAGE PRICES



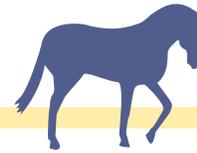
WOODSIDE MEDIAN PRICES



Following the record high price in 2016, the **average sale price of a home in Woodside pulled back to \$3,021,096** fueled by the number homes that sold for less than \$2 million. Of the 69 sales, 32 of them, or almost half, sold for less than \$2 million and 7 sold for less than \$1 million, all contributing to the decline in average. On the higher end of the market, there were six sales for more than \$6 million and two sales for more than \$11 million.

While the average price in 2017 was \$1,024,928 lower than the high of \$4,046,024 in 2016, a **25% decline**, it is still **52% higher than the recession low in 2009** when the average Woodside price was \$1,986,344.

With so many homes selling for less than \$2 million, it's no surprise that the **median price of a property in Woodside also**



declined. The median price of \$2,300,000 was \$425,100, or 16%, lower than the record high set in 2016 at \$2,725,100. However, since the most recent low in 2009 when the median price was \$1,555,000 after the recession, in 2017 the median price was 48% higher.

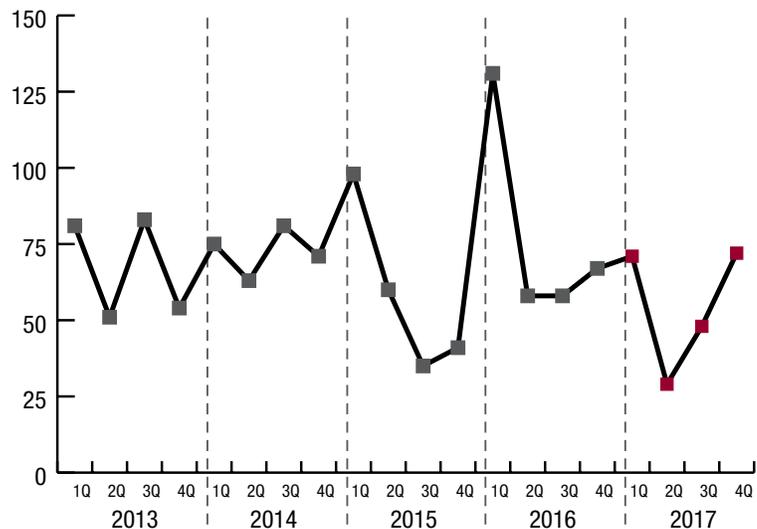
Although prices were lower, **homes also sold much more quickly in 2017 with an average of 52 days on market.** This compares to 74 days in 2016 and ties with 2015 as the lowest number of days on market in current records dating back to 2001. There were 5 years during that time that the average days on market exceeded 107.

In 2017, the number of sales declined from the 73 closed escrows in 2016 to 69 in 2017. This represents a 6% decline. In comparison, in 2009, there were only 41 closed escrows, which represented the lowest total since I began writing my real estate review in 1999. The highest number of sales in recent years was in 2004 when there were 108 sales and most recently in 2013 and 2014 when there were 106 and 107 sales, respectively.

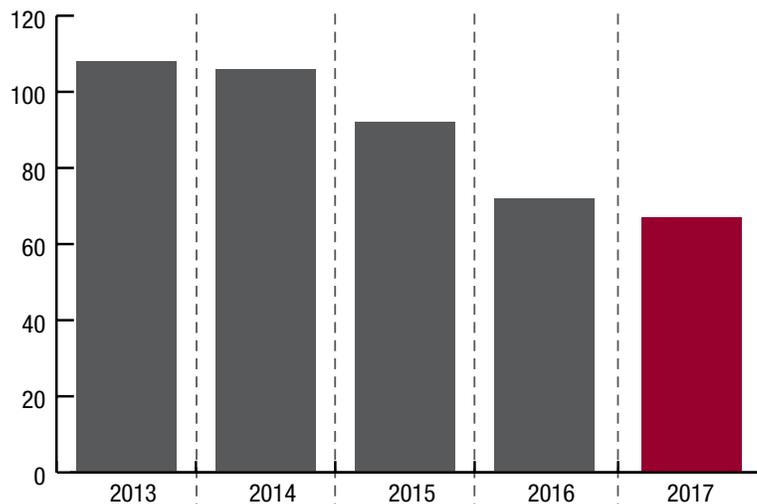
There were many homes in all price ranges that sold for more than list price in 2017. Of the 69 homes sold, **21, or 30%, sold for more than list price** and by as much as 20% more.

The Average Price of a Home in Woodside for all of 2017 was \$3,021,096.

WOODSIDE AVERAGE DAYS ON THE MARKET



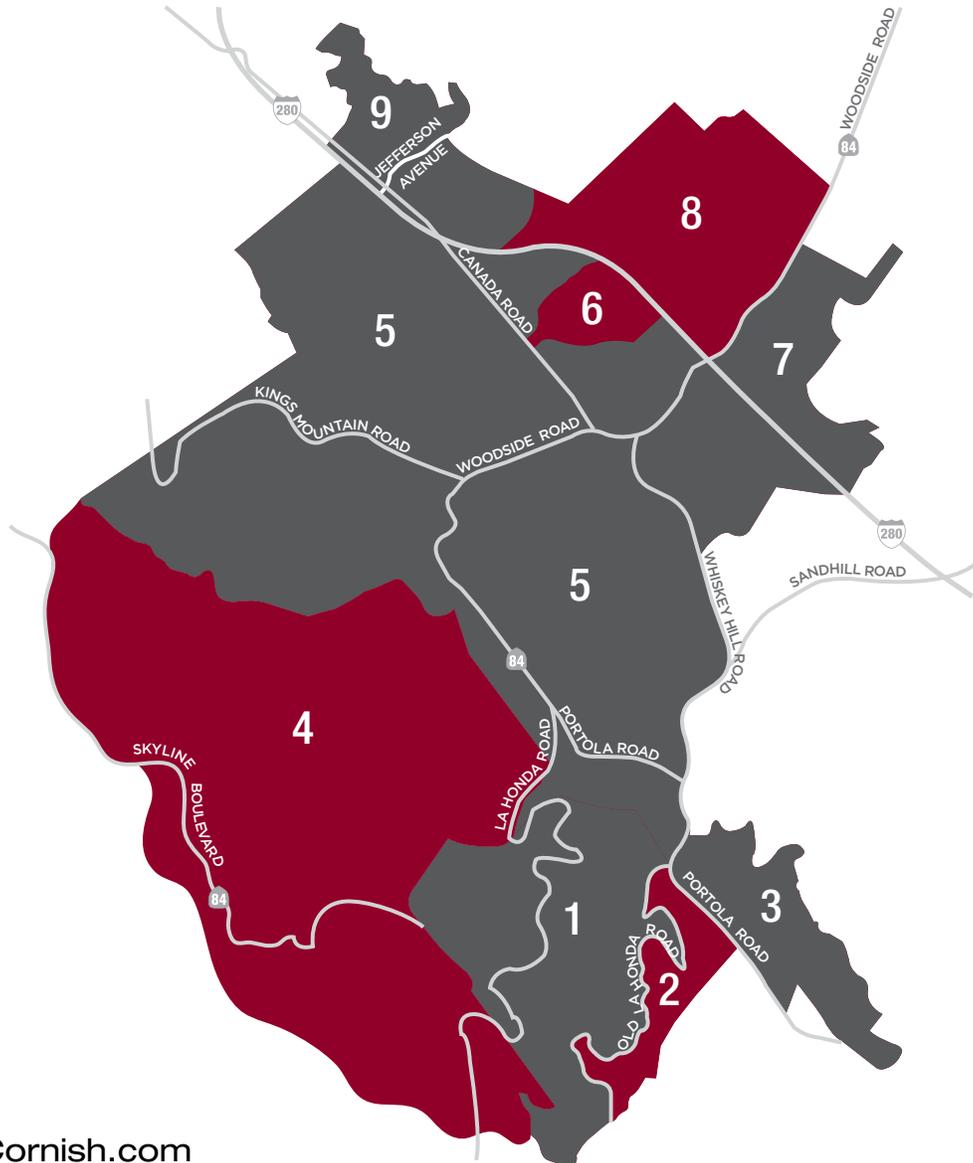
WOODSIDE NUMBER OF SALES



These statistics have been obtained from the Multiple Listing Service. Not all residential sales are reported to the Multiple Listing Service, so the actual figures may be different.

Woodside Real Estate Summary

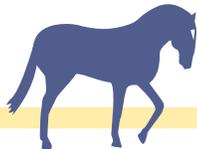
| Area Number | Area | Number of Sales | High Price | Low Price | Median Price | Average Price | Average Days on Market |
|------------------------|------------------------|-----------------|---------------------|------------------|--------------------|--------------------|------------------------|
| 1 | Skywood Area | 3 | \$3,388,000 | \$1,800,000 | \$3,025,000 | \$2,737,667 | 41 |
| 2 | Old La Honda Road Area | 1 | \$3,400,000 | \$3,400,000 | \$3,400,000 | \$3,400,000 | 10 |
| 3 | Hidden Valley | 1 | \$3,100,000 | \$3,100,000 | \$3,100,000 | \$3,100,000 | 15 |
| 4 | Skyline Area | 28 | \$2,900,000 | \$561,000 | \$1,600,000 | \$1,517,950 | 67 |
| 5 | Central Woodside | 14 | \$18,800,000 | \$1,800,000 | \$5,037,500 | \$6,360,357 | 66 |
| 6 | Woodside Glens | 6 | \$2,925,000 | \$1,510,000 | \$2,199,000 | \$2,222,000 | 50 |
| 7 | Woodside Heights | 3 | \$4,075,000 | \$2,400,000 | \$3,985,000 | \$3,486,667 | 19 |
| 8 | Woodside Hills | 10 | \$4,282,500 | \$1,905,500 | \$2,760,000 | \$2,850,800 | 30 |
| 9 | Emerald Hills Area | 3 | \$5,400,000 | \$1,480,000 | \$3,015,000 | \$3,298,333 | 56 |
| ALL OF WOODSIDE | | 69 | \$18,800,000 | \$561,000 | \$2,300,000 | \$3,021,096 | 52 |



About the Community

Woodside, as the name might suggest, began as a logging town centered around the Woodside Store. Beginning in the 1830s, the local sawmills supplied the first growth redwood lumber used to build much of old San Francisco. As early as 1852, a regular stagecoach ran between San Francisco and Woodside, which by that time had developed into a community of farms, cattle ranches, and vineyards. The forested seclusion of the area attracted well-to-do San Franciscans, who began constructing often elaborate country estates, some of which still exist. Woodside was incorporated in 1956 with the purpose of limiting development and preserving the bucolic character of the town. Today, most of the parcels in central Woodside are a minimum of three acres. Horses are a common sight, and there are several equestrian facilities, as well as miles of trails.

City Website: www.woodsidetown.org



Woodside Highlights

| | |
|-------------------------|--------------|
| Population | 5,287 |
| Elevation | 379' |
| Date incorporated | 1956 |
| Number of homes | 2,465 |
| Lowest sale price 2017 | \$561,000 |
| Highest sale price 2017 | \$18,800,000 |
| Average sale price 2017 | \$3,021,096 |



Important Numbers

| | |
|----------------------|--------------|
| Police Non-Emergency | 650-364-1811 |
| Fire Non-Emergency | 650-851-1594 |
| Building/Planning | 650-851-6790 |
| Caltrain | 800-660-4287 |
| City Office | 650-851-6790 |
| Library | 650-851-0147 |
| Post Office | 650-368-4163 |
| Voter Registration | 800-345-8683 |

School Phone Numbers

| | | |
|--------------------------------------|--------------|--|
| Woodside Elementary School District | 650-851-1571 | www.woodside.k12.ca.us |
| Las Lomas Elementary School District | 650-854-2880 | www.llesd-ca.schoolloop.com |
| Redwood City School District | 650-482-2200 | www.rcsd.k12.ca.us |
| Sequoia Union High School District | 650-369-1411 | www.seq.org |

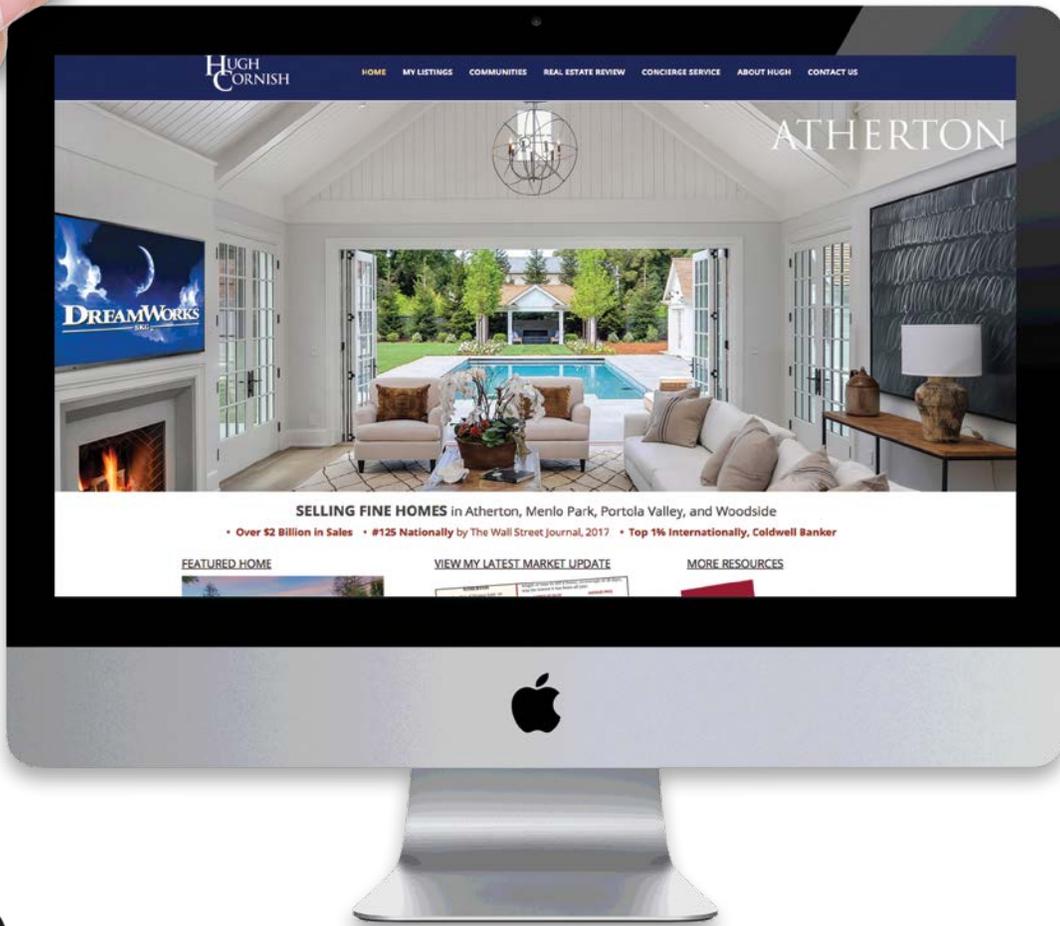


I hope you will find the information contained in this report helpful. You can use it as a tool to track the value of your home as an asset.

I encourage you to contact me for a no-cost, no-obligation market analysis in order to obtain a current value for your property. If you have a real estate question or if you need a contractor referral, please feel free to give me a call.

I also hope you will visit my website www.HUGH-CORNISH.COM to view my latest listings and to learn more about the many services I offer as a Realtor.®

My experience, knowledge of the market, and commitment to you will ensure great RESULTS!



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hcornish@cbnorcal.com