



HUGH CORNISH & ASSOCIATES

HUGH CORNISH

Over \$3.8 Billion in Sales

#1 Coldwell Banker Agent, San Francisco Peninsula

#7 Coldwell Banker Agent, United States

#111 Agent in the United States, *RealTrends* 2025

MARKET UPDATE JANUARY 2026

REAL ESTATE REVIEW

ATHERTON | MENLO PARK | PORTOLA VALLEY | WOODSIDE

2025

HUGH
CORNISH
& ASSOCIATES
www.HughCornish.com

[Click here](#) for an early preview of my **2025 Real Estate Review**

MONTHLY SALES DATA for December 2025

ATHERTON

Number of Homes Sold: 7
Average Sale Price: \$17,393,571
Average Days on Market: 46

MENLO PARK

Number of Homes Sold: 22
Average Sale Price: \$3,039,498
Average Days on Market: 46

PORTOLA VALLEY

Number of Homes Sold: 7
Average Sale Price: \$4,465,714
Average Days on Market: 75

LOOKING BACK

There were three key developments that shaped the 2025 residential real estate market.

- Artificial Intelligence (AI)
- Interest Rates
- Home Insurance

ARTIFICIAL INTELLIGENCE AI fueled a major economic resurgence in the San Francisco Bay Area, driving massive demand for tech talent, revitalizing commercial real estate with AI firms taking up significant office space, especially downtown San Francisco. This trend generated a homebuying boom as AI workers with large bonuses entered the market, pushing up housing prices and leading to an increased demand for local services. Simultaneously, this shift intensified debates about AI's societal impacts and creating new wealth for founders and investors.

In the first half of 2025, venture capital funding for AI companies in the San Francisco Metro area surpassed \$29 billion - more than double the amount during the same period in 2022, according to PitchBook data. As of August 5, venture capital deals for AI startups in the area, which includes San Francisco, Oakland, and Fremont, made up 46.6% of funding for U.S. AI companies this year.

AI has long played a big role in consumer technology, helping to recommend social media posts, translate languages, and power virtual assistants. But the popularity of OpenAI's ChatGPT, a chatbot that can generate text, images and code, set off a fierce race to propel technology that touches industries from media to healthcare. Companies are battling it out for talent, offering lucrative compensation to recruit top researchers and leaders, while investments in AI companies have surged.

WOODSIDE

Number of Homes Sold: 4
Average Sale Price: \$4,290,375
Average Days on Market: 50

MORTGAGE RATES as of 1/28/2026*

CONFORMING LOANS

15-year fixed rate: **4.875%**
30-year fixed rate: **5.5%**
Conforming rates with loan up to \$806,500

JUMBO LOANS

15-year fixed rate: **5.375%**
30-year fixed rate: **6.625%**
Jumbo rates above \$1,209,750

*The above rates are with points as indicated and certain loan to value, credit score and loan amount premiums apply. Contact: Peter Keller, Reliance Financial, Senior Mortgage Advisor (NMLS# 281019) at PeterK@relfin.com or 650.248.4190
Please Note: We care about your security and privacy. Please don't include identifying information like account numbers, birth dates and social security numbers in emails to us. Call us instead for secure email options or send the information by fax or regular US mail.

INTEREST RATES Home loan interest rates fell in 2025 with the average 30-year fixed loan at the end of the year at around 6% compared to around 7% in 2024. In 2025, the Federal Reserve (Fed) cut its benchmark rate to 3.5%-3.75%. This followed earlier cuts in 2025, marking a move to stimulate the economy as job growth slowed. Following the Fed's actions, 30-year fixed mortgage rates fell. The primary driver for these cuts was to support maximum employment and stabilize the economy as signs of a weaker labor market emerged. Fed officials emphasized that future decisions would remain data-dependent, though forecasts suggested a slower pace of cuts into 2026.

The Federal Housing Finance Agency (FHFA) increased the maximum amounts for conforming and FHA loans in 2025 for single-family properties to reflect rising home prices. Loan limits in most U.S. areas increased to \$806,500 (up from \$766,550 in 2024). In high-cost areas, this limit reached up to \$1,209,750. The Federal Housing Administration (FHA) loan limit increased to \$524,225 in most counties and up to \$1,209,750 in high-cost areas.

HOME INSURANCE California's home insurance landscape underwent significant changes in 2025, driven largely by rising wildfire risks and the state's ongoing efforts to stabilize the market amid climate challenges. Premiums for homeowners' insurance increased substantially, with projected rises in California reaching 21% compared to the U.S. average of 8%, according to CoverageCat.com. The California FAIR Plan (Fair Access to Insurance Requirements), which serves as the insurer of last resort for owner-occupied homes up to \$3,000,000, filed for an average 36% rate increase.

These developments were shaped by the state's Sustainable Insurance Strategy, which aimed to stabilize the market through new catastrophe modeling, greater insurer investment in high-risk areas, and expanded FAIR Plan coverage (including for commercial properties). At the same time, homeowners encountered higher premiums, stricter underwriting standards, particularly for roofs, and temporary surcharges from the FAIR Plan to strengthen its financial solvency. New legislation also sought to expand mitigation grants and clarify coverage for civil authority evacuations. Together, these measures reflect a broader shift towards risk-based pricing that more accurately accounts for climate-related threats.

In essence, 2025 marked a transitional year for California home insurance. Regulators pushed for a fairer, more transparent market that better reflects climate realities, even as consumers experienced

higher costs and greater demands for property resilience.

On a positive note, Farmers Insurance announced it was eliminating the cap on new policies due to an improved market outlook. Hopefully, other carriers will follow suit.

Please [click here](#) to see the market details in my **2025 Real Estate Review**.

COMING SOON

**Designer Transformation
with Windy Hill Views & ADU**



1390 Westridge Drive
PORTOLA VALLEY
PRICE UPON REQUEST

[Learn more >](#)

FOR SALE

**Blue Oaks Masterpiece
with Bay Views**



1 Redberry Ridge
PORTOLA VALLEY
OFFERED AT \$8,495,000

[Learn more >](#)

PENDING

**Mountain Meadow –
A Landmark Legacy**



100 Cañada Road
WOODSIDE
OFFERED AT \$29,500,000

[Learn more >](#)

Co-listed with Erika Demma

SOLD

**Stylish Remodel and Natural
Beauty on a Coveted Street**



135 Wyndham Drive
PORTOLA VALLEY
OFFERED AT \$4,595,000

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SOLD

**Well-Appointed in Central
Portola Valley with Pool on 2+ Acres**



300 Cervantes Road
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OFFERED AT \$3,995,000

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SOLD

**Garden Retreat at The Weatherly
in Downtown Palo Alto**



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OFFERED AT \$2,375,000

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SOLD

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Gardens on the Edge of Atherton**



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SOLD

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with Resort-Style Living**



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SOLD

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Morgan Lane Community**



207 Pearl Lane
MENLO PARK
OFFERED AT \$2,495,000

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