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Bay Area home sales and prices jump, again

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A for-sale sign is posted in front of a home for sale on February 23, 2015 in San Rafael, California. (Justin Sullivan/Getty Images)

The Bay Area's hot economy and the limited number of properties for sale have pushed the median price for Santa Clara County homes to a record high, \$879,000, and the rest of the region is not far behind.

Median sale prices in Alameda County climbed to \$665,000 in March, a hair below the 2007 peak of \$669,500, according to data released Friday by real estate information service CoreLogic. After hitting a new peak of \$1,060,000 in February, prices in San Mateo County dipped slightly to \$995,000 but that mile-high figure still represented nearly a 5 percent increase over the year before. Contra Costa County prices climbed as well, to \$470,000, a 10.6 percent increase.

It's a sellers' market everywhere, but Silicon Valley is leading the pack.

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"It feels like a standard Silicon Valley spring: challenging," said James Yang, a Palo Alto-based agent with the Sereno Group.

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"It's been consistently crazy for the last four or five years -- multiple offers, bidding over the list price, a consistent pattern. If there are 10 offers on one home, those nine others are going to continue to shop. And if you got beat out at \$2.5 million, there's kind of an understanding of where you need to be the next time."

March sales increased by 19.5 percent from a year ago in Santa Clara County and by 24 percent in Contra Costa County. But the sales volume dipped by 3 percent in Alameda and 2.1 percent in San Mateo Counties. Taken as a whole, the nine-county Bay Area saw a 10.3 percent increase in sales.

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"For those looking for a higher sales volume, this is an encouraging sign," said CoreLogic analyst Andrew LePage. "So far, we're doing better than last year. But inventory is still tight" as the market moves into the spring season.

Last month's sales volume for all kinds of homes was still 19.6 percent below the March average going back to 1988, when the service began compiling data. "To support a

more normal level of sales, we're going to need more inventory."

That limited supply is making it tough on buyers.

A year ago, Paul and Irene Goh of San Jose sold their townhouse, moved into an apartment with their three children and began the hunt for a house.

"In this one year, we went to open houses every weekend and probably looked at over 100, maybe 200 houses," said Paul Goh, a software engineer. "After losing three or four times, it gets more and more depressing. Sometimes you don't lose by a small margin -- you lose by \$300,000 or \$400,000, so you get some sense of your competition."

They bid on nine houses and lost every time.

On March 23, a 1,600-square-foot, four-bedroom house with a detached office came on the market for \$959,000 in San Jose, near Campbell. They saw it March 26, bid \$1,120,000 that night and the next day went to the Santa Cruz Mountains to pray. Hours later, their agent, Mark Wong of Alain Pinel, called: Offer accepted..

"We're finally done with open houses, and so are our kids," Irene Goh said.

Stories like that of the Gohs abound throughout the Bay Area as buyers compete.

"You have some areas where you've had higher sales and some areas with fewer sales, although the pricing is almost 100 percent all increasing," said Jennifer Branchini, past president of the Bay East Association of Realtors. "Very interesting market. Every one says, 'What's the best time to buy? What's typical of this market?' There's nothing typical anymore. We're in completely different waters."

Buyers have to be willing to act quickly and overbid.

East Bay natives Chris Olesiewicz

Home sales rebound in March; median prices up, too

Sales of existing single-family homes in March were mostly up from a year ago in much of the Bay Area. Median sale prices were also higher.



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and June "JD" Dulfer, who met while attending UC Santa Barbara, and work in the tech industry on the Peninsula, have been renting a one-bedroom apartment in Foster City for \$2,500 a month.



"After we got engaged," Olesiewicz said, "we began watching the markets and every year it was just going up and up and up."

Their challenge: finding something that fit their budget, for \$800,000 or less.

They got married March 14, took off for a honeymoon in Paris, and returned March 26. The next day, their agent, Alex Wang of the Sereno Group in Palo Alto, showed them an 870-square-foot, two-bedroom house in Menlo Park's hot Belle Haven neighborhood, near Facebook's headquarters. The cost: \$450,000. Even with a 1940s kitchen and 1980s-era popcorn ceiling, the couple bid \$600,000, and their offer -- one of five for the off-market sale -- was accepted in a day.

"We didn't even know how to comprehend it when Alex told us," Olesiewicz said. "We're still not sure it's real."

Nothing seems easy in this market.

Peter and Meredith Estremo of Livermore sold their house last month to one of 13 bidders and then had to find a new home within 60 days. An over-the-ask bid, an information sheet about their family dreams, a bottle of wine and a dog toy did the trick and their offer was just accepted.

"I'm kind of waiting for the other shoe to drop," Meredith said. "We're ready to close next week."

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