



Via Regina, Saratoga

THE SECRET TO SELLING

How Silicon Valley real estate agents navigate the high-end home market.

BY CINDY BARTH | Contributor

In many cities across the country, the traditional notion of a dream home priced at \$1 million has been eclipsed by soaring home prices, prompting a fundamental shift not only in housing expectations when it comes to the luxury market but also how those homes get marketed and sold. That shift is most notable in cities such as San Francisco – which boasts homes fetching \$1.3 million – and San Jose, trailing closely at \$1.24 million. In addition, San Jose has the third highest share of luxury homes priced above \$1 million at 60.6%, as well as the ninth highest percentage of listings above \$5 million at 1.1%, according to a report from Point2.

Stefan Walker understands those dynamics firsthand – as well as the market challenges in the Bay Area – having been involved here as a real estate agent for more than 30 years, consistently ranking in the top 5% of Silicon Valley agents.

“Sellers who are willing to sell are in a very good position because inventory is still scarce,” Walker said. “As a result, we’re seeing higher priced homes but

fewer options.”

Lower inventory is a phenomenon many metro areas are experiencing, with the number of homes for sale in 2023 decreasing in 21 of the 50 largest metropolitan areas compared to the previous year, according to a Realtor.com report. San Jose saw the steepest decline, with 35% fewer homes listed for sale.


Things haven’t changed much now that we’re in 2024, notes


Hannah Jones, a senior research analyst with Realtor.com. Looking at February 2024 data, San Jose metro areas all saw inventory below pre pandemic levels.

“The main challenges we’re seeing right now come down to affordability and availability,” Jones said. “A lot of people simply are staying put where they’re at as a result.”

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SILICON VALLEY LUXURY MARKET AT A GLANCE


 Houses sold
118

 Days on market
12

 Inventory
302

 New listings
199

 Median list price
\$4.5M

 Median sold price
\$3.5M

SOURCE: Luxury Market Report Feb. 2024



IN HOUSE STRATEGY

LUXURY HOMES

Via Regina, Saratoga



IN HOUSE STRATEGY

\$8.55M
Sale price

2021
Year sold

8.63K
Square feet

2.99
Acres

6
Bedrooms

5.5
Bathrooms

2010
Built

Special features/amenities:
Gated estate; leaded glass windows; pool with spa, sauna and outdoor kitchen; mahogany library; wine cellars

Black Mountain Road, Los Altos Hills



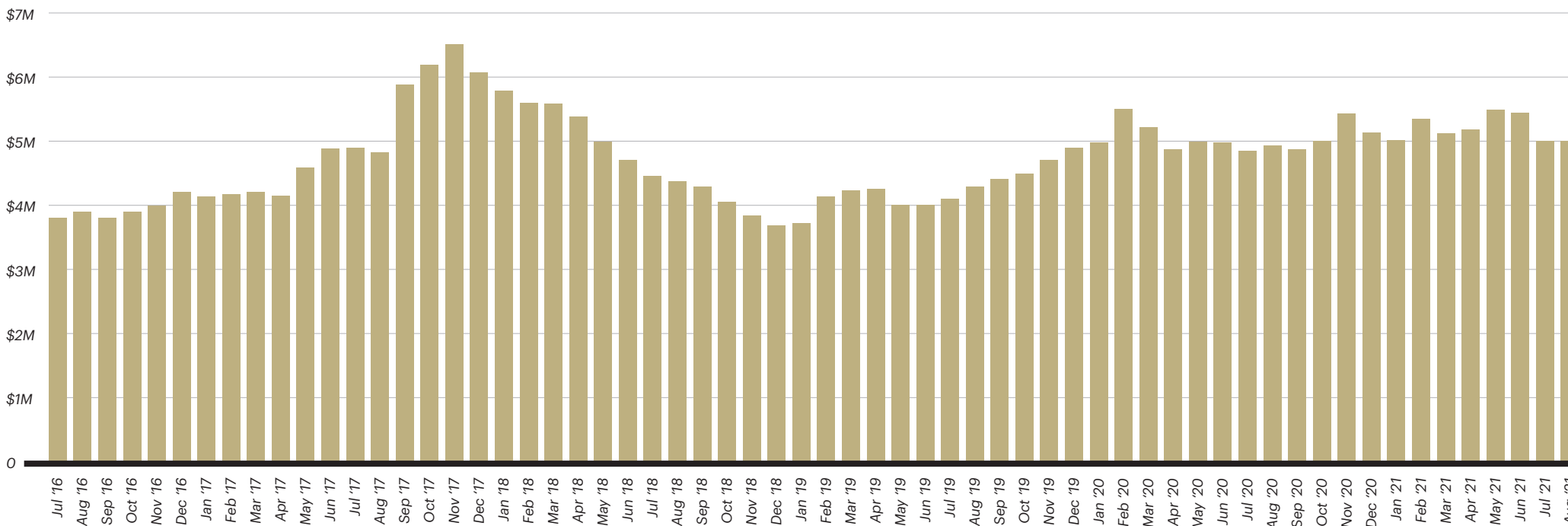
IN HOUSE STRATEGY

\$19M	2022	8.95K	1.17	5	6.5	2022
Sale price	Year sold	Square feet	Acres	Bedrooms	Bathrooms	Built

Special features/amenities:
 Terraced gardens; each bedroom has individual climate control; fitness center, wine cellar, billiard room; home theater with wet bar; 300 year old roof tiles from Spain

LUXURY HOME LISTING PRICES IN SILICON VALLEY

High-end housing prices in the 95th percentile have consistently settled above the \$3.5 million mark since July 2016 in the San Jose-Sunnyvale-Santa Clara metro area.



SOURCE: Realtor.com

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Layoffs, higher mortgage rates and low inventory

That said, there are additional factors in play that make the San Jose area luxury home market very interesting to watch right now for local real estate agents, particularly the tech sector layoffs that still are ongoing, Walker said.

According to True Up Tech, there were 44,997 layoffs in January, plus another 10,171 in February.

“**The main challenges we’re seeing right now come down to affordability and availability. A lot of people simply are staying put where they’re at as a result.**”



HANNAH JONES,
 Senior research analyst with Realtor.com

Mary Pope Handy, a real estate agent with Christie’s International Real Estate Sereno, noted in her December 2023 Silicon Valley market predictions report that, in general, people move to the area for work opportunities.

Although layoffs and the fear of layoffs is dampening some buyer interest, “there are enough folks who are not afraid for their jobs that demand remains strong.”

Where it gets trickier is when tech stocks are low, which causes many Silicon Valley home buyers to lose their buying power, she

said.

Walker agrees, adding that “the luxury market here tracks very closely with how Nasdaq is doing.”

And then there’s the whole higher mortgage rates issue, said Jones. With mortgage rates still elevated and economic uncertainty due to layoff concerns, a lot of people are being cautious right now.

After rising sharply through October 2023, mortgage rates have trended back down, said Bankrate Chief Financial Analyst Greg McBride in a March 2024 report.

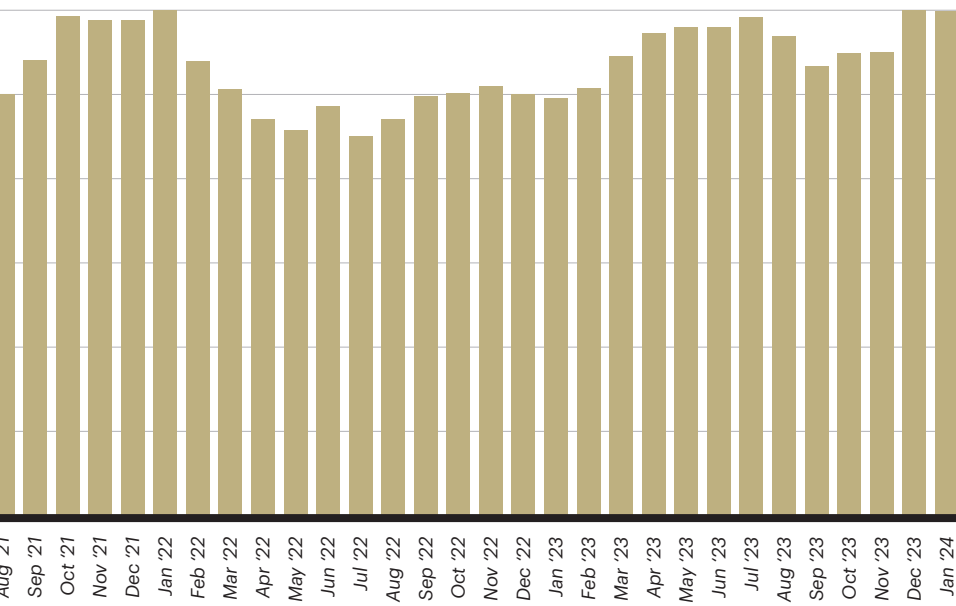
Sherlock Road, Los Altos Hills



IN HOUSE STRATEGY

\$8.15M	2022	7.82K	4.4	5	6.2	1988
Sale price	Year sold	Square feet	Acres	Bedrooms	Bathrooms	Built

Special features/amenities:
 Gated estate; leaded glass windows; pool with spa, sauna and outdoor kitchen; mahogany library; wine cellars



The average rate on a 30 year mortgage was 7.22% as of Feb. 28, according to Bankrate's survey, still higher than the 6% rates seen in January.

Overall, most of those who track mortgage rates said they expect them to be relatively stable this year, with the Mortgage Bankers Association projecting rates to fall to 6.1% by year end, while Fannie Mae forecasts they'll be at 5.8%.

The National Association of Realtors estimates rates will average 5.9% for the full year.

The secret to my success

So, with myriad challenges and market dynamics in play, how are Silicon Valley's top real estate agents successfully navigating the market right now?

Some, like Pope Handy, use blogs to share insights or forecasts on market conditions, making it easy for potential clients to find them online. A number of seasoned real estate veterans issue annual forecasts about mar-

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Alta Vista Drive, Atherton



IN HOUSE STRATEGY

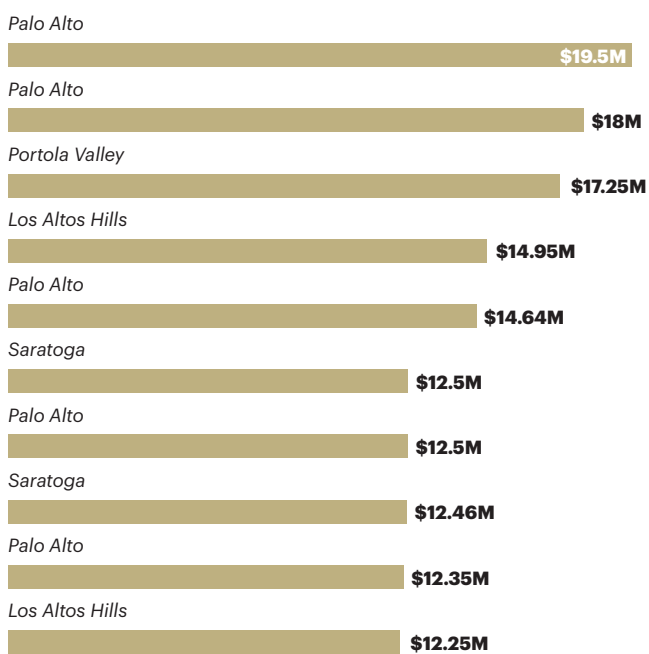


Special features/amenities:
 Large dual island kitchen, two story library, rooftop lounge, home cinema, bocce court, infinity edge pool

LUXURY HOME SALES AT A GLANCE

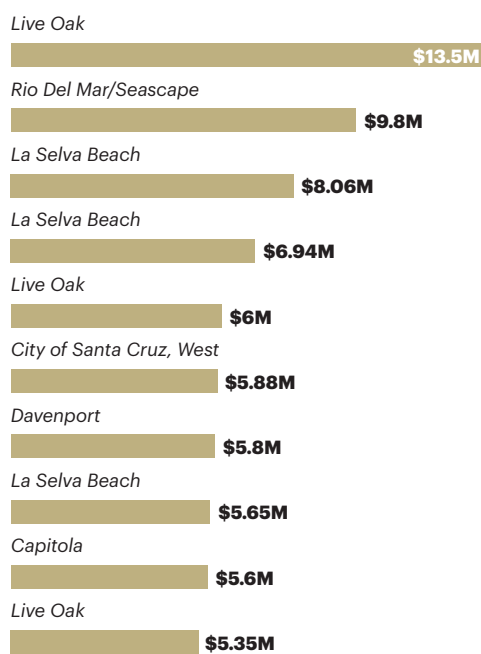
While the most expensive homes in Santa Clara and Santa Cruz counties started at \$5 million in 2023, the ultra luxury residential addresses can be found in San Mateo County: in Woodside (population 5,053) and Atherton (population 6,898).

10 highest 2023 sales in Santa Clara County



SOURCE: Santa Clara County Recorder's Office

10 highest 2023 sales in Santa Cruz County



SOURCE: Compass March 2024 report

10 highest 2023 sales in Stanford Circle*



*The Stanford Circle refers to the cities of Palo Alto, Los Altos, Los

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ket conditions, helping potential buyers and sellers understand the dynamics in play. Others employ the latest high tech marketing vehicles such as 3 D video tours or drones to showcase properties.

Sebastian "Seb" Frey, a real estate agent/broker associate with Compass, also highlighted the use of top notch photography and video in a recent blog, as well as marketing beyond the property by focusing on the lifestyle that comes with it.

“I have built my business on relationships ... particularly when it comes to a multi-million dollar home. When they're in the market again for a house, they'll come back to you because you've built that bridge already.”



STEFAN WALKER,
 Broker associate
 at Keller Williams

“Luxury real estate marketing requires a unique approach that goes beyond traditional strategies,” Frey wrote in his “Silicon Valley Real Estate Marketing Elements” blog. “By embracing innovation, creating memorable experiences and showcasing the aspirational lifestyle that comes with luxury properties, you can differentiate yourself in this exclusive market. ... In the world of luxury real estate, it's about selling not just a home, but a dream.”

As for Walker, success in the luxury market also hinges on another

important key: relationships.

“I have built my business on relationships, where you work with someone and make sure you really understand their wants and needs, particularly when it comes to a multi-million dollar home,” he said. “When they're in the market again for a house, they'll come back to you because you've built that bridge already.”

That was the case with Walker's \$19 million home sale listing in Los Altos that closed in June 2022 that began with a call from longtime clients in Europe who

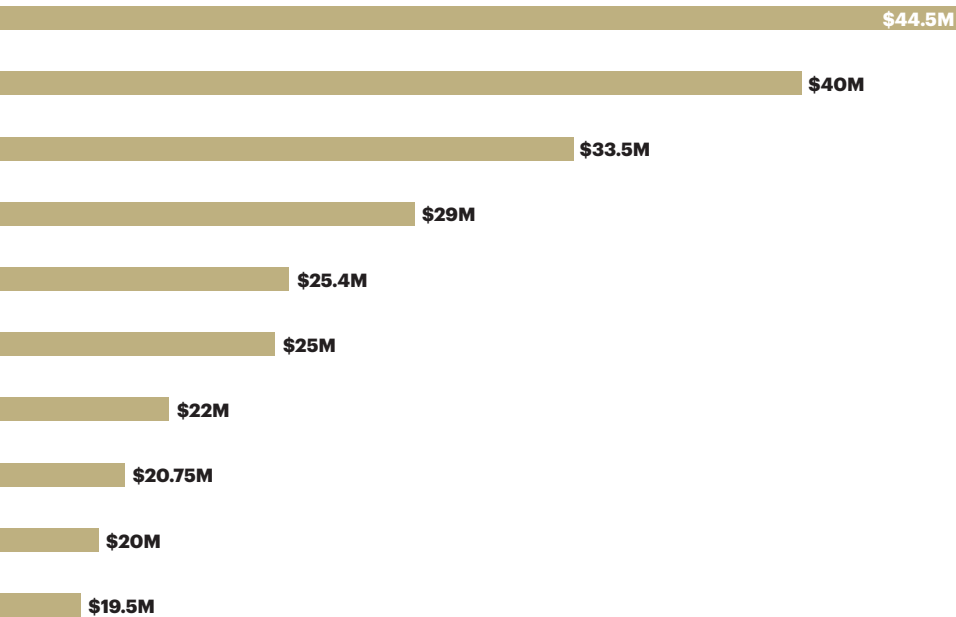
Highland Avenue, Los Gatos



IN HOUSE STRATEGY

\$4.17M	2019	4.031K	1.01	4	4.5	2019
Sale price	Year sold	Square feet	Acres	Bedrooms	Bathrooms	Built

Special features/amenities:
 Climate controlled wine room;
 chef's kitchen



Altos Hills, Menlo Park, Atherton, Woodside and Portola Valley.

were looking to buy a house. He had a listing for a 1980s era home, and because he already knew that the wife had great insights when it came to visualizing what a house could be, he worked with the couple to reimagine the property.

It all hinged on effectively tying in the couple's lifestyle desires with telling the story of the property and what it could become.

"I knew that having a good view was very important to them, so when we toured the house, I made sure that at one point, they could look through the house to

this wonderful panoramic view," Walker said.

The house went on the MLS on Feb. 3, 2022, and was pending by May 3 – 89 days on the market. The sale closed on June 10, 2022.

The lesson learned: "There's always the old saying of location, location, location – which absolutely is a real factor, but when it comes to consistent success in marketing and selling big dollar homes, it's also all about relationships, relationships, relationships – and understanding what people want." 