

| <b>December 2011 vs. December 2012</b> | <b>12/11 Avg.</b> | <b>12/12 Avg.</b> | <b>%Increase</b> |
|--|-------------------|-------------------|------------------|
| Alameda County (complete).....         | \$393,000         | \$498,000         | 26.72%           |
| Castro Valley.....                     | \$447,000         | \$484,000         | 8.28%            |
| San Leandro.....                       | \$257,000         | \$342,000         | 33.07%           |
| Hayward.....                           | \$271,000         | \$297,000         | 9.59%            |
| San Lorenzo.....                       | \$253,000         | \$306,000         | 20.95%           |

| <b>2011 Average vs. 2012 Average</b> | <b>2011 Avg.</b> | <b>2012 Avg.</b> | <b>% Increase</b> |
|--------------------------------------|------------------|------------------|-------------------|
| Alameda County (complete).....       | \$413,000        | \$448,000        | 8.47%             |
| Castro Valley.....                   | \$437,000        | \$453,000        | 3.66%             |
| San Leandro.....                     | \$290,000        | \$302,000        | 4.14%             |
| Hayward.....                         | \$262,000        | \$280,000        | 6.87%             |
| San Lorenzo.....                     | \$270,000        | \$290,000        | 7.41%             |

**By Carl Medford, CRS**

*Special to the Forum*

It's official. The year-end numbers for 2012 are in and values are up. In some cases, way up. If we take the average sold price in December 2011 and compare it to December 2012, we see increases across the board. (See figure 1.)

And, if we average all of the sales for 2011 and compare it to the average for 2012, we will see sustained increases through the whole year. (See figure 2.)

No matter how you slice it, prices are up and projected to keep increasing for the short term. While good for sellers, many of whom are finally moving back into a positive equity position, it's bad news for buyers. It's especially hard on those buyers who can't seem to figure out the current rules of engagement.

Normally, a property is worth what a buyer is willing to pay. If there are plenty of houses, buyers can determine what they want to pay for any given house and make an offer. If they can't get their offer accepted, they simply move on and keep at it until a seller agrees with their assessment and accepts their offer. The best tool for buyers to use to determine price is a Comparative Market Analysis (CMA) provided by their Realtor.

In the current increasing market, however, this approach doesn't work. In fact, buyers adhering to this practice more than likely won't get a house.

Instead of using the CMA to determine what *they* are willing to pay, they need to use it to figure out what *others* might be willing to offer. Even if they think a given property is priced too high, they have to acknowledge that there might be at least one other buyer out there willing to pay list price and higher. Therefore, if they want the home, they must write their offer based on what they think someone else might offer... and then

write higher yet.

It's a hard lesson for buyers to learn — especially those analytical sorts who want to do everything by the numbers. But learn they must... or keep renting.

*Carl Medford is a licensed Realtor with Prudential California Realty in Castro Valley and a licensed general contractor. This article is sponsored by the Central County Marketing Association at [www.ccmgtoday.com](http://www.ccmgtoday.com).*