ALFORD-BON

LOS GATOS

MARKET REPORT

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Los Gatos is not one market. July's citywide single-family median was $2.95 million, but the 95030 ZIP alone recorded a $4.0 million median. Downtown-adjacent homes, 95032 neighborhoods, and mountain properties in 95033 attract different buyers and carry very different access, condition, insurance, school, and land-use considerations.

The citywide July figures show a selective rather than weak market: 25 single-family closings, 101% of list price received, and 30 average days on market. Inventory equaled about 2.7 July sales. Attached homes were closer to balance, with 18 active listings against six closings and a $1.337 million median.

The practical conclusion is that pricing must begin with the correct micro-market. A polished, correctly priced in-town home can draw urgency, while another property-perhaps only a few blocks away-may take longer when its condition, setting, or price does not match the expectations of its immediate buyer pool.

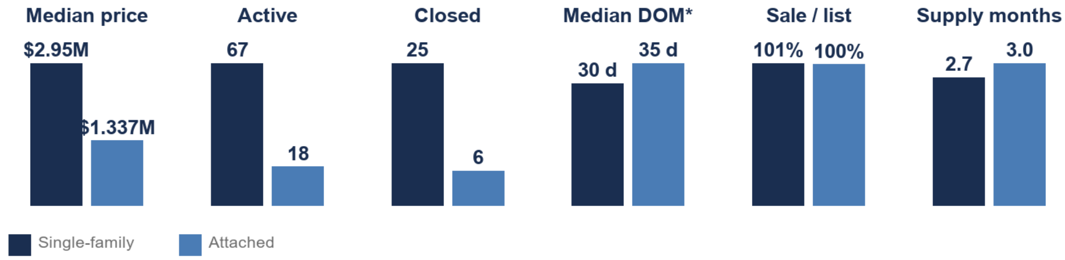
- Tim & Faye

LOS GATOS MARKET

The Local Pulse

- July single-family median: **$2.95M**; 25 closings; 101% of list; 30 average days.
- July attached median: **$1.337M**; six closings; 100% of list; 35 average days.
- 95030 alone: **$4.0M** median across 13 July sales, underscoring the city's wide internal price range.
- Q2 context: single-family median $3.175M across 115 closings; July's lower median is partly a change in the mix of homes sold.

LOS GATOS: JULY 2026 PRODUCT SPLIT



* Average DOM used where median was unavailable. Sources vary slightly by cutoff.

FINANCING & AFFORDABILITY

What the September Rate Picture Means

Freddie Mac's national 30-year fixed average was **6.71% on September 3**. With 20% down on the city's July single-family median, the illustrative principal-and-interest payment is about **$15,240 per month**, before property tax, insurance, HOA costs or other obligations. This is a planning illustration rather than a loan quote; jumbo pricing, points and borrower profiles can differ materially.

C.A.R.'s second-quarter affordability index found that 22% of Santa Clara County households could afford the county's $2.05 million median single-family home. The model required about $510,800 in annual income at a 6.54% effective rate. That county measure is broader than any one city, but it explains why liquidity, equity and financing structure are now central to local demand.

In Los Gatos, that payment benchmark is only a starting point because 95030, 95032 and 95033 carry different price levels and underwriting questions. Buyers can use an ARM, a temporary buydown or a larger down payment to shape the early payment, while sellers may find that a targeted financing credit solves more than a broad price reduction when the home is otherwise correctly positioned.

Many buyers are using adjustable-rate mortgages or temporary buydowns to reduce the initial payment while preserving the opportunity to refinance if fixed rates improve. The practical test is whether the adjustment schedule, rate caps and future payment range fit the household's broader plan - not whether the market promises a particular refinance date.

MARKET BEHAVIOR

What Is Moving

Walkable, well-prepared in-town homes. Buyers continue to pay for convenient access to downtown, strong presentation, usable yards, and a floor plan that does not require immediate structural work.

95032 homes with a credible family proposition. July's 95032 median was $2.9 million with 102% of list price received. Homes that combine a practical commute, clear school information, and turnkey condition remain competitive.

Distinctive luxury with no unresolved questions. High-end buyers will act, but they expect documentation, privacy, quality, and a price supported by very close comparables-not merely a Los Gatos address.

MARKET BEHAVIOR

Where Activity Stalls

Properties with layered site and access questions. Insurance, drainage, retaining systems, road obligations, permits, and utility infrastructure can narrow the buyer pool even when the home itself is compelling.

Pricing from a thinly traded segment. Citywide averages conceal a long tail. When only a few truly comparable properties sell, one exceptional closing is a poor substitute for a property-specific valuation.

Attached homes without a clear HOA story. Three months of inventory gives buyers time to compare reserves, insurance, assessments, parking, noise, and rental restrictions.

SCARCITY AND NEGOTIATING ROOM

Lower bars indicate tighter supply. Figures are source-reported months or active-listing-to-July-sales ratios.

REGIONAL COMPARISON

AI Wealth: A Local Reading

AI-company liquidity is beginning to influence the Peninsula and San Francisco luxury conversation, but Los Gatos demand is broader: established technology wealth, equity from prior homes, schools, space, downtown amenities, and the scarcity of conventional single-family neighborhoods all matter.

The most likely AI effect is concentrated. It can add depth for design-forward or private upper-tier homes, yet it will not erase property-specific obstacles in the mountains or make every luxury listing liquid.

WHAT CHANGES NEXT

Forces to Watch

North 40. Phase II planning calls for a large mixed-use housing component. Its effect will unfold over years: more housing choice and services first, then additional competition for attached and newer-product buyers.

Housing Element implementation. State housing requirements and local rezoning will gradually change the product mix, but the existing single-family core will remain scarce.

Insurance and resilience. For 95033 and hillside properties, insurability, defensible space, access, and infrastructure documentation increasingly affect both marketability and financing.

SIX-MONTH OUTLOOK

Our Base-Case View

Segment	Direction	Why
Turnkey in-town SFH	**Competitive**	Scarce, walkable and easy to underwrite.
95032 family homes	**Selective strength**	Good homes move; condition and price still matter.
Complex site / access	**Negotiable**	Smaller pool and more diligence.
Attached	**Balanced**	More alternatives and HOA scrutiny.

Prediction: Through early 2027, Los Gatos should remain segmented. Seasonal cooling may reduce bidder counts, but well-positioned in-town and 95032 homes are likely to be protected by scarcity. Properties with uncommon settings or more complex site considerations will continue to show the widest spread between successful and stale listings.

This outlook is an informed opinion, not a guarantee. Property condition, micro-location, financing, schools, permits, insurance and broader economic conditions can materially change an individual result.

RECOMMENDATIONS

What Matters Now

- **Homeowners:** value the property against the correct ZIP, school boundary, terrain, condition, and product type—not the city median.
- **Homeowners:** document insurability, fire-hardening work, drainage, permits, septic/well status, and private-road obligations before a future sale.
- **Sellers:** treat the first three weeks as the decisive market test and reset decisively if the expected buyer does not appear.
- **Sellers:** for luxury homes, lead with architecture, privacy, systems, and site quality; generic staging is not enough.
- **Buyers:** compare total ownership risk, not just price—especially in 95033 and in older attached communities.
- **Buyers:** stale listings may offer leverage, but only after the reason for staleness is understood and priced.

A PROPERTY-SPECIFIC CONVERSATION

Turn Market Data Into a Decision

> City statistics identify direction; they do not determine the value or strategy for an individual home. We can prepare a neighborhood-level analysis that accounts for condition, lot, school assignment, location, improvements, timing, and the competing inventory a buyer will actually see.
>
> For buyers, we can separate true scarcity from offer-day pressure and identify where stale or attached inventory creates a better risk-adjusted opportunity.

RESEARCH

Sources & Notes

MLSListings / Aculist - Los Gatos
MLSListings / Aculist - 95030
Town of Los Gatos - North 40 FAQs
Town of Los Gatos - Housing Element
SCCAOR - July 2026 county and city statistics
SCCAOR - Q2 2026 city statistics
Freddie Mac - Primary Mortgage Market Survey
WIRED - AI equity and Bay Area housing
The Guardian - AI wealth and San Francisco housing
C.A.R. - July 2026 California Home Sales and Price Report
C.A.R. - Q2 2026 Housing Affordability Index
BLS - San Jose-Sunnyvale-Santa Clara Economy at a Glance
BLS - August 2026 Employment Situation

City market figures use July 2026 unless stated otherwise. SCCAOR had not published August 2026 city statistics as of September 5, so July remains the newest complete official city period for this edition. Source cutoffs and property classifications can differ. Hero photography was supplied by Tim Alford for use in this report.

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