

ALFORD-BON
TIM & FAYE

Alford-Bon | Tim & Faye | Sell · Buy · Invest

Palo Alto remained a two-speed October market. Forty-six single-family home closings had a $3.835 million median, 107.8% average sale-to-list ratio and 12.8 average days on market. Fourteen townhome and condo closings had a $1.55 million median, 101.7% ratio and 30.2 days.

The single-family home median was 2.2% above October 2025 with the same 46 closings. The median for townhomes and condos was 10.3% higher across 14 closings versus 12, a mix comparison rather than appreciation. On November 1, single-family homes had 37 active versus 26 pending or contingent listings; townhomes and condos had 35 versus five. The spread points to stronger urgency for houses and more choice in the smaller townhome and condo segment.

What this means:

- **Homeowners and sellers:** Value the property by type, school area, lot utility, expansion potential, condition and disclosures, not a citywide headline. Prepare a prime house fully before its first offer cycle; for a townhome or condo, also complete HOA, reserve, insurance and assessment records.
- **Buyers:** Separate the competitive house market from the more selective market for townhomes and condos. Set a house ceiling before offer day. For a townhome or condo, use listing age, price changes, missed offer dates, returns to market and new competition, then confirm seller timing with the listing side before changing price, terms or timing.

- Tim & Faye



Search Palo Alto Homes for Sale



Find Out What Your Palo Alto Home Is Worth

PALO ALTO MARKET

The Local Pulse

OCTOBER 2026 AT A GLANCE

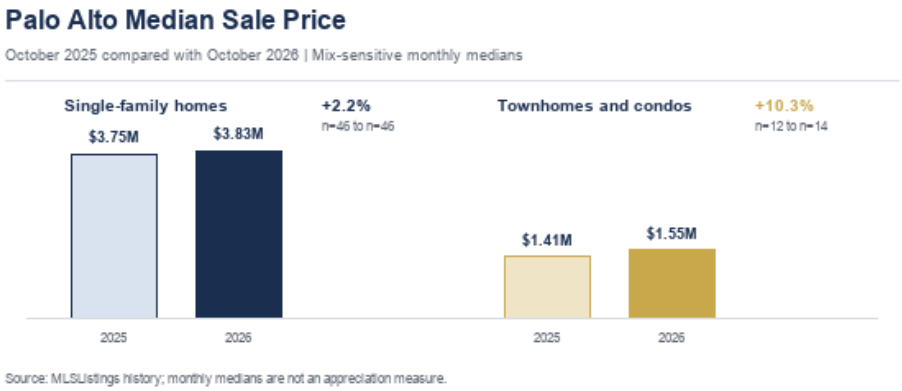
- **Single-family homes:** $3.835 million October median; 46 closings; 12.8 average days on market; 107.8% average sale-to-list ratio.
- **Townhomes and condos:** $1.55 million October median; 14 closings; 30.2 average days on market; 101.7% average sale-to-list ratio.
- **November 1:** 37 active versus 26 pending or contingent single-family homes; 35 versus five townhomes and condos.
- **Financing:** Freddie Mac's October 29 national conforming-purchase average was 7.24%; $1 million fixed for 30 years is about $6,815 monthly principal and interest before taxes, insurance, points and fees.

Palo Alto October 2026 Market Split

MLS closed sales | Property types shown separately

Single-family homes	Townhomes and condos
$3.83M	$1.55M
46 closings	14 closings
Avg. market time: 12.8 days	Avg. market time: 30.2 days
Sale-to-list: 107.8%	Sale-to-list: 101.7%

Source: MLSListings export supplied by Alford-Bon; closes through October 30.



FINANCING & AFFORDABILITY

What the November Rate Picture Means

Freddie Mac's October 29 national averages were **7.24%** for a 30-year fixed loan, down from 7.32%, and **6.60%** for 15 years. These conventional conforming purchase-loan survey figures are not a Palo Alto jumbo quote or APR; compare lender pricing, points, reserves and loan-size adjustments.

At 7.24%, $1 million fixed for 30 years is about $6,815 monthly principal and interest, roughly $54 less than at 7.32%. Taxes, insurance, HOA dues, points, fees and mortgage insurance are excluded.

An ARM or temporary buydown can suit strong liquidity, expected income growth or a defined holding period. Compare its initial payment with fixed financing and review the adjustment date, index, margin, periodic and lifetime caps, and maximum payment. A qualifying seller credit may outperform a broad price cut.

Many buyers enter with an ARM or buydown and plan to refinance if rates and qualification improve. Model the reset, caps, future payment range and holding period, and preserve repair or assessment reserves. Sellers should compare a credit's payment benefit and net with a price reduction.

MARKET BEHAVIOR

What Is Moving

Entry example - 777 San Antonio Road, No. 108. The two-bedroom, two-bath, 1,030-square-foot condo closed October 2 for $915,000 after 45 days, 96.4% of its $949,000 list. It is one sale, not a neighborhood trend, and shows an entry option can close below asking while the segment average exceeds list.

House example - 246 Palo Alto Avenue. The one-bedroom, one-bath, 1,020-square-foot home closed October 30 for $3.4 million after 34 days, 97.3% of its $3.495 million list. Compare lot, improvements, location and possible use; one sale cannot establish another property's value.

Upper-market example - 1730 Webster Street. The six-bedroom, five-bath, 5,521-square-foot home closed October 6 for $15 million after 45 days, 90.4% of its $16.588 million list. This sample shows a substantial sale without a bidding war, not a transferable result across location, condition or architecture.

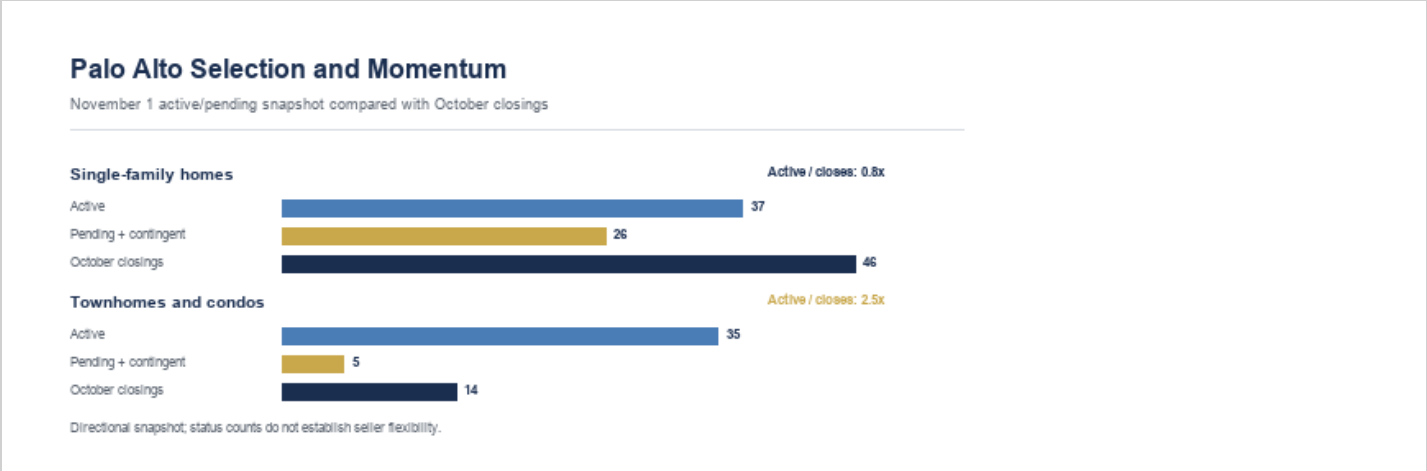
MARKET BEHAVIOR

Where Activity Stalls

Townhomes and condos lose momentum when reserves, insurance, assessments, maintenance or monthly cost remain unclear. Their 30.2-day average and 35 active versus five pending or contingent listings give buyers alternatives.

A house missing its first offer cycle needs comparison with homes buyers chose. Palo Alto Avenue took 34 days and closed 2.7% below list versus the segment's 12.8 days and 7.8% over, exposing property-specific price, condition, location or disclosure concerns. The useful response is to identify which nearby alternative went pending and why.

Upper-market scarcity does not erase tradeoffs. Webster Street should be tested against true substitutes and buyer depth, not the citywide median; its MLS record does not establish motivation or the discount's cause.



REGIONAL COMPARISON

Regional Demand Is Softer, but Palo Alto's Best Homes Still Separate

Realtor.com Economics, quoted by NAR October 20, reported September metro pending sales down 4.6% year over year. This is not October Palo Alto closed sales and differs from NAR's regional and national series.

Locally, houses averaged 107.8% of list with 26 pending or contingent; townhomes and condos had 35 active versus five pending or contingent. Property type and closest alternatives matter more than a regional percentage.

> **Our read:** Prime houses should remain competitive; townhomes, condos and compromised houses offer more selection. Use the metro slowdown only as context and verify listing-level evidence.

WHAT CHANGES NEXT

Local Community Watch

The San Antonio Road Area Plan enters Phase 4 in November: a draft plan and environmental report through June 2027 for 275 acres with 53 Housing Element opportunity sites.

It may shape housing, mobility, retail and public space, but remains planning, not entitlement, construction or current inventory, and still requires environmental review and public decisions. Nearby owners should follow parcel-level proposals rather than assume the area plan changes today's use or value.

Watch the draft's land-use, circulation and public-space changes. Do not assign a property premium or discount before a relevant change advances through approval.

SIX-MONTH OUTLOOK

Our Base-Case View

Segment	Expected direction	Why
Prime single-family homes	**Competitive**	October averaged 107.8% of list and 12.8 days, with 26 pending or contingent listings against 37 active on November 1.
Older, expansion or project homes	**Property-specific**	Lot utility, permits, condition and buyer execution costs can outweigh the citywide median.
Townhomes and condos	**More negotiable**	Thirty-five active listings compared with five pending or contingent listings, plus a 30.2-day October average, create more alternatives.
Upper-market custom homes	**Selective and event-driven**	Large purchases occur, but the $15 million example closed after 45 days at 90.4% of list, showing property-specific price sensitivity.

Base case: strong houses remain competitive; townhomes, condos, project homes and individual upper-market properties reward disciplined comparison.

This outlook is not guaranteed. Rates, condition, school assignment, lot, architecture, insurance, HOA finances, disclosures and new listings can change a result.

RECOMMENDATIONS

What Matters Now

For homeowners:

- First identify whether the property is a single-family home or a townhome or condo, then narrow by neighborhood, school area, lot utility, condition and expansion potential; do not apply the $3.835 million house median to a non-comparable home.
- Preserve permits, surveys, improvement records, system ages and inspections because buyers price uncertainty about work and future use.
- Track October closings and November 1 alternatives; two close substitutes launching or going pending can change the likely value range and the timing of a sale decision.

For sellers:

- Complete preparation, inspections and disclosures before launch; the 12.8-day house average concentrates attention early.
- For a townhome or condo, provide HOA budget, reserves, insurance, minutes, assessments and owner occupancy before buyers compare 35 active alternatives.
- For an individual upper-market home, price against architectural, lot and condition substitutes and review early if showings do not convert; Webster Street shows size does not erase price sensitivity.

For buyers:

- Compare the closest current alternatives in the same neighborhood and school area, with the same property type and similar price range. Track price changes, missed offer dates, returns, new competition and pending sales; confirm seller timing with the listing side. Use those facts to choose a price request, different terms, delayed offer timing, or no request. Citywide figures are context, not this home's conclusion.
- For a townhome or condo, add HOA dues, assessments, insurance and near-term maintenance before comparing affordability with a house.
- For a project or upper-market home, verify lot, permits, usable area, systems, insurance and improvement cost before setting the ceiling.

Contact Us

Tim Alford & Faye Bon
Christie's International Real Estate Sereno
214 Saratoga-Los Gatos Rd, Los Gatos, CA 95030
(408) 832-7698
homes@alfordbon.com
Alford-Bon Team Website

CHRISTIE'S INTERNATIONAL REAL ESTATE
SERENO
sereno
1% For Good
CHARITABLE FOUNDATION

All information is deemed reliable but not guaranteed. This is a general market analysis, not an appraisal, financial advice, tax advice, or legal advice.

CHRISTIE'S INTERNATIONAL REAL ESTATE SERENO

TIM ALFORD	FAYE BON	SERENO
DRE #01507448	DRE #01746037	DRE #02101181

Sources: MLS export and local calculations (October closes through October 30; November 1 listing snapshot); Freddie Mac PMMS (Week of October 29, 2026); NAR / Realtor.com pending sales (September 2026; released October 20); Palo Alto San Antonio plan (Phase 4: November 2026-June 2027; checked November 1); MLSListings / Aculist - Palo Alto (Prior verified background source); City of Palo Alto - North Ventura Coordinated Area Plan (Prior verified background source); City of Palo Alto - 2023-2031 Housing Element (Prior verified background source); SCCAOR - August 2026 county and city statistics (Prior verified background source); SCCAOR - Q2 2026 city statistics (Prior verified background source); Freddie Mac - Primary Mortgage Market Survey, October 1, 2026 (Prior verified background source); C.A.R. - Q2 2026 Housing Affordability (Prior verified background source).
Local figures are Alford-Bon calculations from the supplied MLSListings exports. October 2026 closed-sale files contain closes through October 30; the active, contingent, and pending snapshot is dated November 1. Monthly medians are mix-sensitive and are not appreciation measures. Property-type definitions and source windows vary. Predictions are informed opinions based on current conditions and may change.