ALFORD-BON

SARATOGA

MARKET REPORT

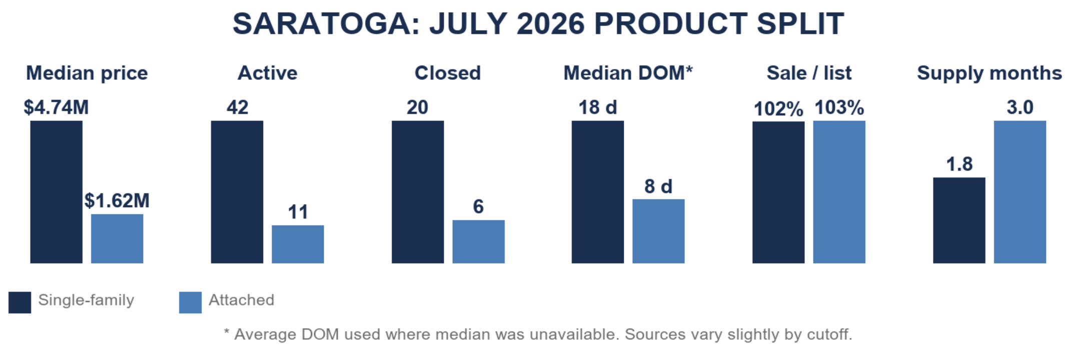
Alford-Bon | Tim & Faye | Sell · Buy · Invest

> **Saratoga's July headline was strong, but the sample was small.** The single-family median reached $4.74 million, up from a $4.394 million second-quarter median, yet July contained only 20 closings. One or two large estates can move a monthly median materially.
>
> The more durable signals were 102% of list price, an 18-day median, and 1.8 months of inventory. The 35-day average-nearly twice the median-reveals a split between homes that connect quickly and a smaller set that remains exposed much longer.
>
> Saratoga buyers continue to pay for a complete proposition: location, verified school assignment, usable lot, condition, privacy, and an opening price that acknowledges the home's exact peer group.
>
> **- Tim & Faye**

SARATOGA MARKET

The Local Pulse

- July single-family median: **$4.74M**; 20 closings; 102% of list; 18 median / 35 average days.
- July attached median: **$1.62M**; six closings; 103% of list; eight median days.
- Q2 single-family median: **$4.394M** across 76 closings—better context than one small month.
- The July median was 16.7% above a year earlier, but mix sensitivity makes that an unreliable forecast by itself.



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 **$24,490 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.

At Saratoga loan sizes, the financing decision is often also a liquidity decision. Buyers should compare a fixed jumbo loan, an ARM and the after-tax cost of selling investments for a larger down payment. Sellers should expect sophisticated buyers to price renovation, insurance and carrying cost into the same calculation even when the buyer has substantial equity.

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

Turnkey homes with clear school and neighborhood value. Buyers are most decisive when the location, assignment, lot, and renovation quality are easy to verify.

Village-adjacent homes. Walkability and a manageable lot can broaden demand beyond buyers seeking large estates.

Rare properties priced to their actual segment. Distinctive architecture, privacy, and views can command premiums when documentation and condition support the story.

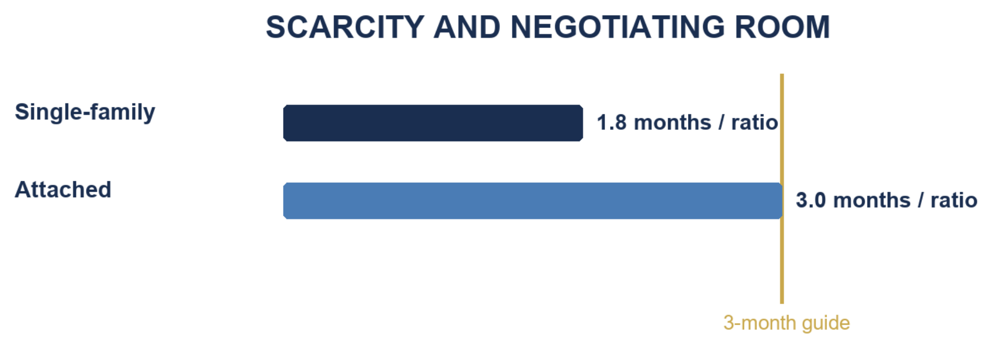
MARKET BEHAVIOR

Where Activity Stalls

The long tail behind the 18-day median. A 35-day average indicates that some homes miss the first buyer wave and require a meaningful strategic reset.

Large dated estates. Renovation cost, carrying cost, insurance, and landscaping can outweigh the perceived discount when the scope is uncertain.

Pricing from an exceptional sale. A trophy comparable does not transfer automatically across school boundaries, roads, lot usability, architecture, or condition.



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

REGIONAL COMPARISON

AI Wealth: A Local Reading

Saratoga can benefit from Peninsula and San Francisco technology wealth, including emerging AI liquidity, but its market remains driven by a narrower set of family, school, privacy, and estate considerations.

AI money is more likely to expand the buyer pool for exceptional homes than to lift the entire city uniformly. The median will remain volatile because transaction counts are low and property types vary widely.

WHAT CHANGES NEXT

Forces to Watch

Housing Element implementation. Saratoga's certified plan, ADU programs, lot-consolidation incentives, and conversion rules will add housing gradually rather than remake the resale market overnight.

Builder's Remedy proposals. Oak Place proposes four homes and Masson Estates proposes 25 homes. These are meaningful local projects but small relative to the city's overall housing stock.

Mortgage and renovation costs. At Saratoga prices, buyers often have substantial equity, yet the cost of financing and construction still widens the gap between turnkey and project homes.

SIX-MONTH OUTLOOK

Our Base-Case View

Segment	Direction	Why
Turnkey family homes	**Competitive**	Scarce and easy to understand.
Village-adjacent	**Firm**	Walkability broadens demand.
Dated estates	**Negotiable**	Large project and carrying costs.
Headline median	**Volatile**	Only 20 July SFH closings.

Prediction: The base case is a durable but highly selective market. Good homes should continue to sell above asking, while ambitious luxury and renovation-heavy properties spend longer on market. Monthly medians may swing sharply even without a comparable change in underlying value.

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:** use a rolling six- or twelve-month set of truly comparable sales instead of one monthly median.
- **Homeowners:** evaluate ADU or multigenerational potential only after confirming zoning, site constraints, and realistic cost.
- **Sellers:** complete inspections and quantify major systems before launch; uncertainty is expensive in the upper tiers.
- **Sellers:** define the target buyer and make the price, presentation, and access strategy coherent from day one.
- **Buyers:** separate cosmetic work from structural, site, drainage, and fire/insurance issues.
- **Buyers:** verify schools directly and do not assume a mailing address determines assignment.

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 - Saratoga
City of Saratoga - 2023-2031 Housing Element
City of Saratoga - Housing programs
City of Saratoga - 2026 Builder's Remedy update
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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1% For Good
CHARITABLE FOUNDATION

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