

Is AI money lifting Silicon Valley home prices?

October 2026 · Q3 2026 vs Q3 2025 · MLS snapshot: Oct. 9

THE OCTOBER FINDING

Price strength is concentrated.

TOO EARLY TO TELL

Palo Alto and Los Altos have higher observed median prices per square foot, though Los Altos' direction is borderline. San Jose shows no clear change. The data available to us does not identify buyers' employers or the sources of their purchase funds.

This edition: Q3 price evidence, September cash buying, and the test for persistence.

+10.5%

Palo Alto median \$/sq ft
95% range: +2.7% to +18.9%

+11.4%

Los Altos median \$/sq ft
95% range: +0.3% to +21.4%
Borderline direction

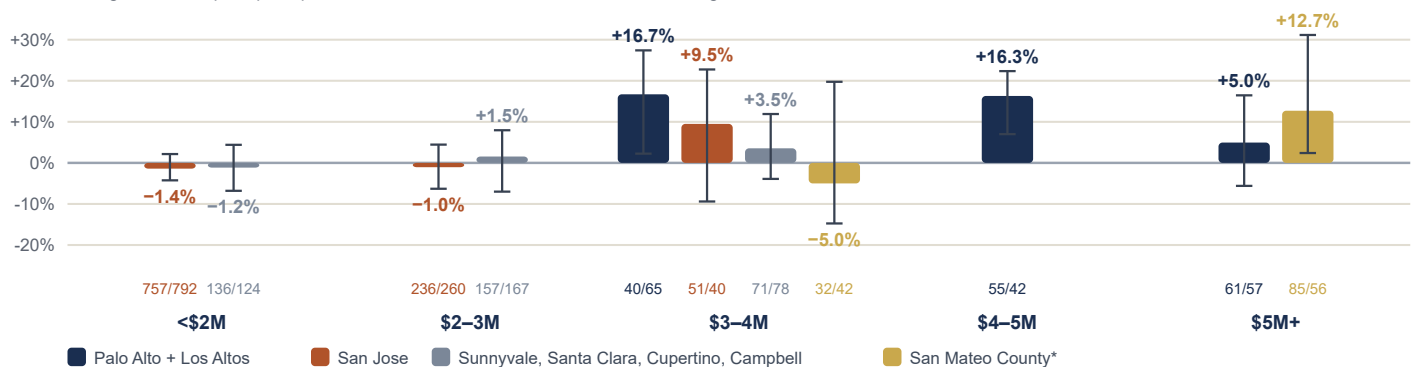
−1.1%

San Jose median \$/sq ft
95% range: −3.4% to +1.2%
No clear change

32.5%

Peninsula all-cash share
Q3 2026; 31.7% in Q3 2025
Similar to a year earlier

Change in median price per sq ft, Q3 2025 to Q3 2026; whiskers show the 95% range



Q3 2026 vs Q3 2025, single-family homes. Broad bands compare different homes sold, not same-home appreciation. Exploratory 95% bootstrap ranges; crossing zero gives no clear direction. Both years need 30+ sales; n = 2026 / 2025 counts.

The local scoreboard

Single-family homes unless noted · Q3 2026 vs Q3 2025 · *Selected communities defined on page 2

Area / property type	Eligible sales	Median price (vs a year ago)	Price per sq ft vs a year ago (95% range)	Sold vs final list (pts vs a year ago)	Sold below orig. list (year ago)	All-cash (year ago)	Oct. 9 cut share
Peninsula (4 cities)	265	\$4.30M +6.2%	+8.3% (+2.6% to +13.2%)	106.7% (+2.2)	31% (39%)	32% (32%)	16%
Palo Alto	102	\$4.20M +2.4%	+10.5% (+2.7% to +18.9%)	108.7% (+3.5)	24% (38%)	35% (33%)	23%
Los Altos	72	\$4.91M +14.2%	+11.4% (+0.3% to +21.4%)	106.9% (+1.5)	26% (41%)	38% (30%)	17%
Los Altos Hills thin sample	28	\$6.62M +17.8%	−4.1% (−17.6% to +12.6%)	98.2% (−2.5)	64% (55%)	39% (52%)	11%
Mountain View	63	\$2.92M +14.8%	+13.9% (−0.8% to +23.3%)	107.1% (+2.5)	31% (32%)	19% (20%)	10%
San Mateo County*	169	\$5.00M +29.5%	+10.8% (+0.3% to +19.7%)	103.2% (+3.3)	40% (61%)	46% (36%)	n/a
Valley (5 cities)	1,434	\$1.77M −1.1%	−1.6% (−3.9% to +1.1%)	102.5% (−0.6)	43% (42%)	17% (16%)	34%
Sunnyvale	139	\$2.61M −0.2%	+1.3% (−7.6% to +8.6%)	106.1% (−0.6)	23% (25%)	14% (16%)	22%
Santa Clara	119	\$1.86M −4.6%	+2.1% (−3.8% to +7.2%)	104.2% (−1.1)	37% (30%)	17% (21%)	30%
Cupertino	57	\$3.02M −11.2%	−4.9% (−11.3% to +5.0%)	103.8% (−3.0)	45% (21%)	12% (15%)	18%
Campbell	58	\$2.00M −5.2%	+3.6% (−6.6% to +11.8%)	102.1% (−0.0)	53% (52%)	22% (17%)	31%
San Jose	1,061	\$1.60M −3.0%	−1.1% (−3.4% to +1.2%)	101.8% (−0.5)	46% (46%)	18% (15%)	36%
Foothills Los Gatos, Saratoga	154	\$3.21M +0.1%	−2.8% (−9.2% to +10.3%)	101.3% (+1.8)	51% (58%)	23% (20%)	41%
Townhomes and condos 10 cities	750	\$872K −10.0%	−8.8% (−12.0% to −5.2%)	100.5% (−0.1)	56% (57%)	23% (21%)	n/a
Multi-family Mar–Sep closings	211	\$1.75M −4.1%	— (size mix)	97.3% (−1.5)	72% (64%)	29% (35%)	n/a

Q3 = July–September closings, 2026 vs 2025. Parentheses: year-ago share or change in points. Cut = reduced original asking price, among active/active-contingent listings with ≤180 days on market (DOM), Oct. 9. Multi-family: March–September; 4 current and 7 prior sales missing original list price excluded. n/a = unavailable. Los Altos and San Mateo ranges near zero are tentative.

What the housing split tells us

THE PRICE PATTERN

Combined Palo Alto/Los Altos \$3M–5M bands rose. Each city's band sample is too small to establish the same result. Home mix could explain part of the change.

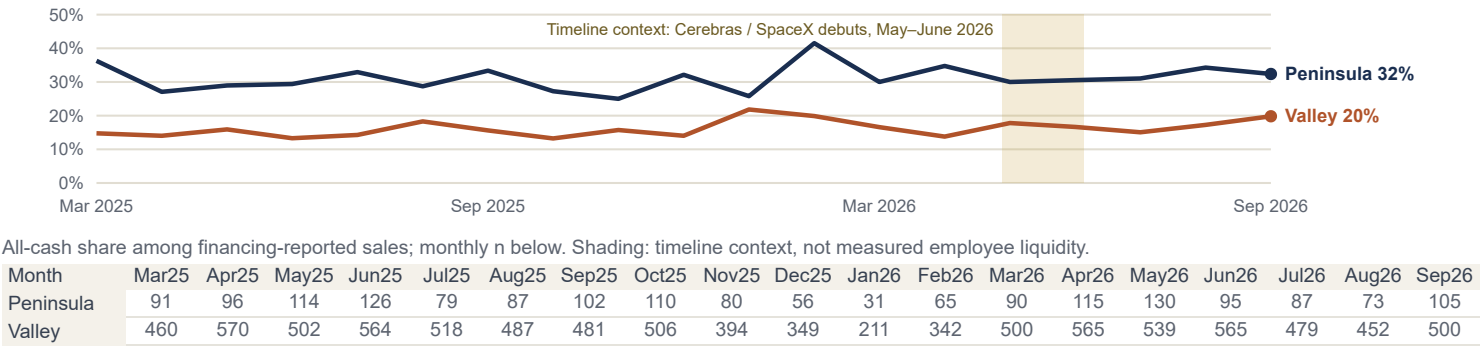
THE CASH EVIDENCE

Q3 cash share: Peninsula 31.7% to 32.5%; selected San Mateo County 36% to 46%. Cash shares neither identify AI buyers nor count financed AI purchases.

A POSSIBLE DEMAND DRIVER

Pay, paid bonuses or stock-sale proceeds could help buyers before an IPO. Tim's clients report large AI packages; cash and vesting terms are unknown.

September update · All-cash share: Peninsula **32.4%** (34 of 105 reported sales), versus 33.3% in September 2025; Valley **19.8%** (99 of 500), versus 15.6%. One month is a signal to follow, not proof of a trend.



AI wealth and the wider housing backdrop

VENTURE FUNDING

\$102B of \$159B

AI share of global venture funding, Q3 2026: 64%. Company funding, not household cash. [Source](#)

HIGH

TRADING DEBUTS

2 trading debuts

Cerebras May 14; SpaceX June 12, 2026. Employee sale rules differ. [Cerebras](#) / [SpaceX](#)

HIGH

EMPLOYEE SHARE SALES

\$6.6B; about \$7B

Reported OpenAI employee share sales: Oct. 2025; Aug. 2026. Housing use unknown. [2025](#) / [2026](#)

MEDIUM

DEALS

Two deal types

Scale: payouts announced June 2025. Groq/Nvidia: licensing and staff moves, Dec. 2025. [Scale](#) / [Groq](#)

HIGH

PUBLIC-COMPANY EQUITY

63M shares

NVIDIA awards vested companywide in six months to July 26, 2026. Not shares sold or local proceeds. [Source](#)

HIGH

AI COMPENSATION

Beyond salary

Pave/Nua, Aug. 2026: senior AI researchers' new-hire equity can reach millions. Vesting and sale terms govern cash access. [Source](#)

HIGH

MORTGAGE BACKDROP

7.40%

U.S. 30-year fixed, Oct. 8, 2026; 6.30% a year ago. Conforming benchmark; local jumbo rates vary. [Source](#)

HIGH

EMPLOYMENT

Just over 14,000

Bay Area tech cuts announced Jan.–Sep. 2026. Q3 slowed to 3,043 from Q2's 7,962. Notices, not net jobs. [Oct. 7 source](#)

MEDIUM

Evidence: High = direct company, official or data-provider source; Medium = credible reporting. Tags rate the cited fact, not its effect on housing.

What to expect

Watch the combined Palo Alto/Los Altos \$4M–5M segment; Q3 strength could persist if demand outpaces desirable listings. Evidence above \$5M is uncertain. [Anthropic's proposed IPO](#) could add buying power if it proceeds and employees can sell; timing is unconfirmed. Weaker stocks or hiring could temper demand.

How to read the numbers. 95% ranges: 4,000 resamples; exploratory, with home-mix limits. Multi-family: 210 financing-known sales per year. SCCAOR: pooled Q3 monthly counts for ten Santa Clara County cities, excluding Los Gatos, within 3%; 13 of 60 city-month gaps exceed 3% and remain unresolved.

Sources and definitions. MLSListings through Oct. 9, 2026; SCCAOR. Peninsula = Palo Alto, Los Altos, Los Altos Hills, Mountain View. Valley = Sunnyvale, Santa Clara, Cupertino, Campbell, San Jose. Selected San Mateo County = Menlo Park, Atherton, Woodside, Portola Valley, Hillsborough. Foothills = Los Gatos, Saratoga. Townhomes and condos = 10 Santa Clara County cities; Los Gatos includes mountain areas. External facts checked Oct. 12; links above.

What we'll watch next

- Monthly:** compare cash share, \$5M+ sales and listings with a year ago; retain Q3 until Q4 closes.
- Price test:** compare year-over-year \$/sq ft changes for pooled Palo Alto/Los Altos and Valley in the same bands over two completed, non-overlapping quarters. Require 30+ sales per area/year; assess uncertainty in the difference. Valley has too few sales above \$4M for a firm comparison.

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