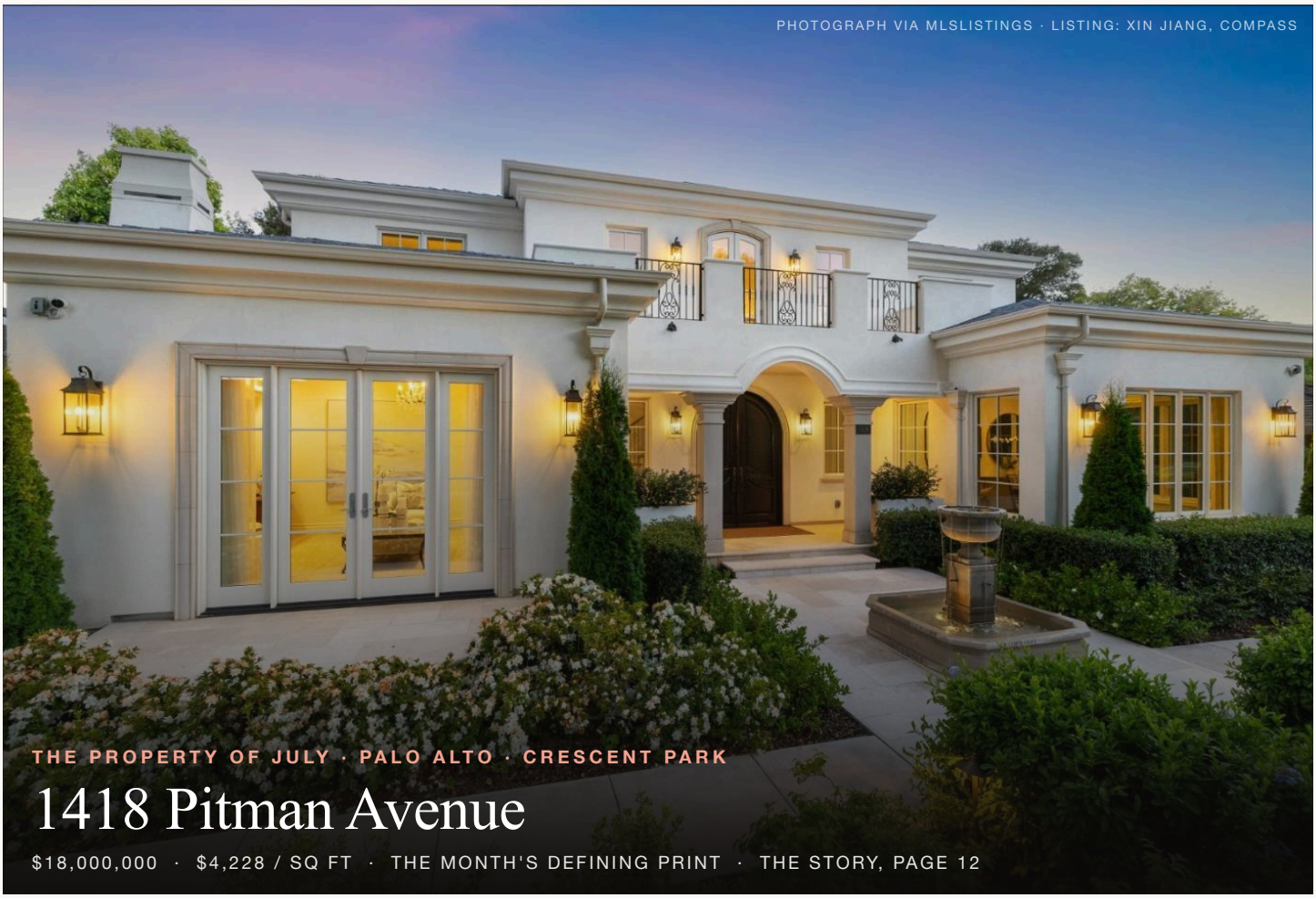
PAYNE

REAL ESTATE · CAPITAL · POLICY · THE PENINSULA

THE MONTHLY · NO. 1 | JULY 2026 | PALO ALTO, CALIFORNIA

S&P 500	NASDAQ COMP.	30-YR FIXED	FED FUNDS	SF MEDIAN
7,437.64	25,122.18	6.66%	3.50–3.75%	$1.77M
July close†	July close†	Month end†	Held, 9–3†	Record†



PHOTOGRAPH VIA MLSLISTINGS · LISTING: XIN JIANG, COMPASS

THE PROPERTY OF JULY · PALO ALTO · CRESCENT PARK

1418 Pitman Avenue

$18,000,000 · $4,228 / SQ FT · THE MONTH'S DEFINING PRINT · THE STORY, PAGE 12

INSIDE THE FIRST MONTHLY EDITION

THE MONEY

A 6.69 percent mortgage, four million owners handcuffed to four percent, and the equity nobody is spending.

THE MACHINES

Four companies, $630 billion in planned capex, and what the buildout does to land, labor, and power within fifty miles.

THE STORIES

Six properties that traded or came to market in July, and the stories behind the numbers, told the Forbes way.

PAYNE SHARPLEY · CALRE 02195155
INTERO REAL ESTATE SERVICES, A BERKSHIRE HATHAWAY AFFILIATE

Forbes Global Properties
EXCLUSIVE MEMBER · PAYNESOLDIT.COM

THE EDITOR'S NOTE

Why a Monthly

The weekly letter tells you what moved. This edition exists to answer a harder question: whether the moves belong to one story. In July, they did.

A week is the right unit for prices. A month is the right unit for forces. The weekly PAYNE will keep doing what it does: the single number that moved, and why. This Monthly is the other instrument — the one long enough to hold a full argument, with room for the tables, the scorecards, and the stories that a Friday morning cannot carry.

July earned the first one. In a single month the Federal Reserve held its rate over three written dissents, the thirty-year mortgage touched its highest level in a year, four technology companies committed more capital expenditure than the annual defense budget of most nations, layoffs crossed two hundred thousand for the year with artificial intelligence named as the reason, and a state law took effect that rezones a half-mile circle around every rail station on this Peninsula. Any one of those would have led a normal month. They happened in thirty-one days.

The thread running through all of it — and through this issue — is that the Peninsula's housing market is no longer priced primarily by houses. It is priced by the capital cycle of one industry, the policy response to that industry, and the sentiment of the people it employs and enriches. A reader who understands those three things will read a Saturday open house better than a reader who memorizes comps.

A word on the properties in these pages. Every four or five pages, the argument stops and a house takes over: six of them, listed or sold this past month, each with the story told properly — who built it, why it traded, what the number concealed. This is the Forbes Global Properties habit, and it is the right one. Nobody remembers a price per foot. Everybody remembers the four-year build, the trust sale, the seller who painted the door red the week before the photographs. The stories are why the numbers mean anything.

The data conventions are unchanged and printed below. The promise made in the weekly stands here too: figures from named public sources carry a dagger and a date. My own estimates say so. And nothing in these pages is advice.

One more promise, kept. The weekly told its readers the Monthly would carry the full quarter's absorption tables, the complete RHNA scorecard, the data-center fiscal math, and the Forbes global comparables. All four are inside.

Payne Sharpley

EDITOR · CALRE 02195155 · INTERO REAL ESTATE SERVICES

DATA INTEGRITY

Figures marked † are drawn from named public sources and dated; sources are printed on the back page. Figures marked (e) are the editor's estimates or derived calculations, with the derivation stated.

PAYNE is informational only. Nothing in it is tax, legal, or investment advice. Consult your CPA, attorney, or advisor before acting. Properties shown that are listed by other brokerages are credited on each photograph; PAYNE is not the listing agent unless stated.

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THE SIX PROPERTIES

2001 Bryant Street, sold, 06 · 1418 Pitman Avenue, 12 · 18 Linda Vista Avenue, 19 · 180 Farm Road, 25 · 18550 Black Road, 32 · 25355 La Loma Drive, 38 — each with the story behind the number.

THE BOARD · JULY

Price Per Foot Across Eleven Cities

Typical values at the July close, twelve-month change, and the five-year compound. The weekly prints this grid every Friday; the monthly prints where the month ended.

CITY / ZIP	TYPICAL VALUE	$ / SQ FT	1-YR	5-YR
Atherton 94027	**$8,220,143**†	**$2,420** e	**+10.5%**†	**+22.7%**†
Portola Valley 94028	$4,253,425†	$1,530 e	+9.5%†	+28.9%†
Woodside 94062	$3,926,400†	$1,480 e	+4.0%†	+17.7%†
Palo Alto 94301/03/06	**$3,600,000**†	**$1,510**†	**+6.1%** e	**+19.4%** e
Los Altos Hills 94022	$5,180,000 e	$1,410 e	+7.2% e	+21.0% e
Los Altos 94024	$4,090,000 e	$1,690 e	+6.8% e	+20.2% e
Menlo Park 94025	**$2,869,009**†	**$1,440** e	**+5.5%**†	**+18.7%**†
Stanford 94305	$3,240,000 e	$1,350 e	+3.1% e	+12.4% e
Mountain View 94040/41/43	$2,310,000 e	$1,290 e	+4.4% e	+15.8% e
Cupertino 95014	$2,540,000 e	$1,340 e	+5.9% e	+17.1% e
Los Gatos 95030/32	$2,780,000 e	$1,120 e	+4.8% e	+16.3% e

† Zillow typical home value, released July 15, 2026 (Atherton, Portola Valley, Woodside, Menlo Park); Redfin / Palo Alto market data, May–July 2026 (Palo Alto). **e** — editor's estimate, derived from trailing closed-sale sets; estimates are replaced with sourced figures as county records post. Countywide reference, C.A.R. June 2026 medians†: San Mateo $2.31M (+7.9% y/y) · Santa Clara $1.95M (–7.6% y/y) · San Francisco $2.13M (+24.8% y/y).

JULY IN THREE FEDERAL NUMBERS

The hold. The Federal Reserve left its target at 3.50–3.75% on July 29 with three written dissents, all toward a hike — the first triple dissent in a decade.†

The rate. Freddie Mac's 30-year average ended July at 6.66%, up 8 basis points on the month's final week; MBA's survey printed 6.76%, the highest since August 2025.†

The tape. Case-Shiller (May, released July 28): national +1.1% y/y — a real-terms decline against ~4.2% inflation. San Francisco county, per C.A.R.: +24.8% y/y. One country, two markets.†

HOW TO READ THE GRID

Every figure that matters this month moved for a reason named in a chapter of this issue: rates (Ch. 1), carrying costs (Ch. 2), rezoning (Ch. 3), and the AI capital cycle (Ch. 4–6). The grid is the scoreboard. The chapters are the game.

A nominal-gain, real-loss market nationally. A record here. The distance between those two sentences is the entire story of July.

THE BOARD · JULY 2026

THE QUARTER'S ABSORPTION

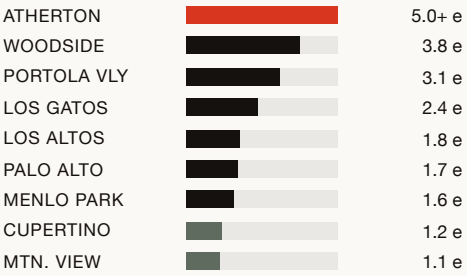
How Fast Each Town Clears Its Shelf

Months of inventory — active listings divided by the trailing monthly closing pace — for the quarter ended July 31. Under three months is a seller's market. Six is balance. The Peninsula has not seen balance in a decade.

MARKET	MONTHS OF INVENTORY	VS. SPRING QTR.	READING
San Francisco Co.	1.2†	Tighter	Fastest in the Bay
Santa Clara Co.	**1.5†**	**Tighter**	**Seller's, decisively**
San Mateo Co.	**1.7†**	**Tighter**	**Seller's, decisively**
Bay Area, all	2.1–2.2†	Flat	One-third of balance
BY TOWN, EDITOR'S ESTIMATES (E) FROM MLS ACTIVE COUNTS ÷ TRAILING 90-DAY CLOSING PACE			
Mountain View	1.1 e	Tighter	Anything correct sells
Cupertino	1.2 e	Tighter	Anything correct sells
Menlo Park	1.6 e	Flat	Seller's
Palo Alto	1.7 e	Flat	Seller's
Los Altos	1.8 e	Flat	Seller's
Los Gatos	2.4 e	Looser	Selective
Portola Valley	3.1 e	Looser	Selective
Woodside	3.8 e	Looser	Patient money
Atherton	**5.0+ e**	**Looser**	**Its own clock**

† County and Bay Area figures: C.A.R. unsold-inventory index and Redfin market data, June–July 2026, as compiled in July market reporting. **e** — editor's estimates: MLS active-listing counts at July 31 divided by the trailing 90-day average of closed sales, rounded to the nearest tenth. Small towns produce small denominators; treat single tenths as texture, not signal.

MONTHS OF INVENTORY · JULY 31



Longer bar = slower market. The estate towns run slow by design; the commute towns clear almost on contact.

WHAT THE TABLE BUYS YOU

Absorption is the honest number. Price tells you what sellers hope; months-of-inventory tells you who is actually winning. Below two months, buyers compete with buyers. Above four, sellers compete with sellers — and the first correct price wins.

Atherton above five months does not mean Atherton is weak. It means eight-figure houses trade on their own calendar, which is why the town's typical value can rise 10.5% in a year† while its shelf moves slowly.

THE NATIONAL CONTRAST

Nationally, active inventory held above 1.1 million homes for a sixth straight week in early August, the typical home now sells below list in 41 of the 50 largest metros, and new construction carries 9.3 months of supply.† The country is loosening. This grid is not. Chapter 1 explains why the same interest rate produces both.

METHOD NOTE

These tables will print in every Monthly, same method, same towns, so the quarters become comparable. When a figure graduates from estimate to sourced record, the dagger will say so. The first rule of this publication: never let a reader mistake the editor's arithmetic for the county's.



ARCHITECTURAL RENDERING VIA THE LISTING, ZANE MACGREGOR & CO. — THE COMPOUND PROPOSED FOR THE LOT, NOT THE HOUSE THAT SOLD

SOLD · JULY 2026 · OLD PALO ALTO

2001 Bryant Street

$21,775,000 · 31,631 SQ FT OF LAND · 3,061 SQ FT OF HOUSE · THE LOT WAS THE PURCHASE

THE STORY BEHIND · NO. I

The Largest Lot in Old Palo Alto

July's defining close: $21,775,000 for a four-bedroom house of 3,061 square feet — which is to say, for the 31,631 square feet of Old Palo Alto it stands on. The month's biggest sale was a land trade wearing a house.

LISTED BY STEVE NIETHAMMER · ZANE MACGREGOR & CO. · IMAGERY VIA THE LISTING

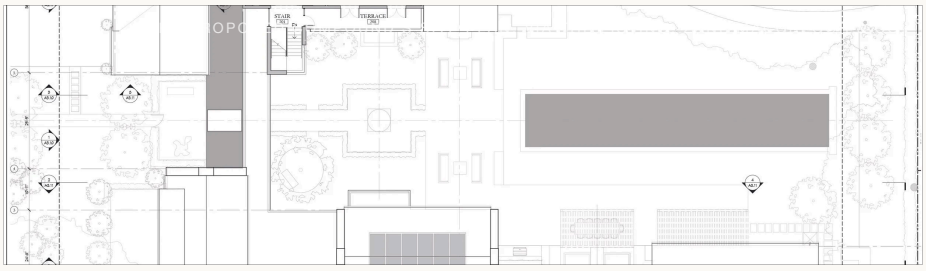
$21.8M	31,631	$688	$24.0M
CLOSED · JULY†	LOT SQ FT†	PER FOOT OF DIRT (E)	THE ASK†

Every metric this letter prints breaks on this sale, which is exactly why it leads the property pages. Divide the close by the house and you get $7,100 per square foot — the highest per-foot print in this issue, attached to a modest four-bedroom, three-bath home. The number is absurd because the denominator is wrong. Nobody paid twenty-one million dollars for 3,061 square feet of house. They paid for the parcel under it: 247.5 feet by 127.8, just under three-quarters of an acre, marketed plainly as the largest lot in Old Palo Alto† — a neighborhood platted a century ago, fully built, where lots do not get bigger and are never again assembled. Divide by the dirt instead and the trade reads clean: roughly $688 per foot of land (e), with the house thrown in.

The tape around it says the buyer was not alone in the logic. July's highest recorded Peninsula prints were old houses on great dirt — this one, and a 1922-era Atherton estate at $21.2 million† — while the month's new-construction trophies (pages 12 and 19) asked their premiums for the opposite product. The two tiers are not in conflict; they are the same scarcity argument run in different directions. Chapter 4's capex cannot manufacture either one.

The discipline note is in the spread between ask and close: offered at $24 million, closed at $21.775 million — about nine percent under† — and the prior trade was $18 million in April 2018†. Eight years of holding the neighborhood's largest lot returned roughly 21 percent (e), a fraction of the citywide run over the same window. Even irreplaceable dirt has a price at which it stops outperforming, and July printed it.

The detail worth keeping is the listing gallery itself: it contained no photographs of the house at all. Only renderings — a stone-and-glass compound, a formal garden, a pool the length of the setback — and the architectural site plan, reproduced below. The brokerage understood the asset precisely. What was for sale was never the building. It was the drawing.



HOW I READ IT

This close resets the land floor for every oversized parcel in 94301 and 94306: ~$688 a foot for dirt (e), before any structure. Owners of double lots and corner assemblages hold more value than their house-based estimates show — and the algorithms, which price houses, will be the last to notice. The buyers of Chapter 5 already have.

THE NUMBERS

Closed, July 2026	$21,775,000†
Ask	$24,000,000†
Prior trade, Apr 2018	$18,000,000†
Per foot of land	**~$688 (e)**

REPRESENTATION

Listed by Steve Niethammer, Zane MacGregor & Co.; sale figures from public records as compiled by listing aggregators, August 2026. PAYNE was not a party to the transaction; the analysis is the editor's own. Independent representation: 650.384.3546.

CH. 1 · THE MONEY

Four pages on the cost of borrowing, the cost of staying, and the equity in between

RATES · THE WHIPLASH

The 6.69 Percent Month

The thirty-year fixed touched its highest level in a year, then gave most of it back in a single Thursday. Homeowners Googled one question all month. The answer is: watch the wrong-footed, not the rate.

The most-searched housing question in America this summer is some version of *will rates go down*. July's answer was a lesson in why the question is framed wrong. The thirty-year fixed ended the month at 6.66% by Freddie Mac's average and 6.76% by the Mortgage Bankers Association's survey, the highest print since August 2025.† In the first week of August it climbed to 6.69% by one national average, then fell to roughly 6.47% in a single day.† Twenty-two basis points, one Thursday. Nothing about houses changed. Two other things did.

The first was a jobs number. A private payroll report came in soft, and the bond market — which sets mortgage rates far more directly than the Federal Reserve does — bought Treasuries on the news. Yields fell; mortgage quotes followed within hours. The second was geopolitics. Rates have carried a war premium since the U.S.–Iran conflict began in late February, and every headline suggesting talks progress takes a few basis points out; every escalation puts them back.†

Sit with what that means. Your rate quote now moves daily on payroll processors and peace talks — inputs no buyer controls and no seller can time. The July 29 Fed decision, by contrast, moved almost nothing: the committee held at 3.50–3.75%, and mortgage rates barely blinked, because the hold was priced in weeks earlier.†

What was not priced in was the arithmetic inside the vote: three members dissented in writing, all three toward a hike. A triple dissent had not happened in a decade, and it happened against 4.2% inflation.† The weekly edition of this letter argued in July that the tail risk on rates ran toward a hike while nearly everyone was positioned for cuts. The dissents are that argument gaining seats.

The practical read for this market has three parts. First: stop waiting for a number. A buyer who needs 5.5% to make a Peninsula purchase work does not have a rate problem; they have a price problem, and July's Fed suggests the rate is not coming to rescue them soon. Second: volatility is the opportunity. A 22-basis-point intraday drop is a lock window. The buyers who won this month had their approval finished, their lender on speed dial, and locked into weakness. Third: remember who is not affected at all. Roughly the top band of this market transacts in cash or against stock, and Chapter 4 explains why that band had its best July in years.

THE MONTH IN BASIS POINTS

Freddie Mac 30-yr, July close	6.66%†
MBA survey, highest since Aug '25	6.76%†
Early-August peak	6.69%†
One Thursday later	~6.47%†
Fed funds target, held 9–3	**3.50–3.75%†**

A buyer who needs 5.5 percent to make the purchase work does not have a rate problem. They have a price problem — and July said the rate is not coming to the rescue.

CH. 1 · RATES

SUPPLY · THE LOCK-IN

The Four Percent Handcuffs

Six in ten American mortgage holders carry a rate below four percent, and they are not selling. This single fact explains the Peninsula's empty shelf better than any theory about demand.

Ask why inventory is scarce and you will hear about geography, zoning, and the tech economy. All true, all secondary this year. The primary fact is a spreadsheet in sixty percent of American kitchens: roughly six of ten mortgage holders locked rates below 4% in the 2020–2021 window, and selling now means trading that loan for one above 6.5%.† On a $2 million Peninsula mortgage, that trade costs on the order of $50,000 a year in additional interest (e — 2.6 points on $2M). Owners are not sentimental. They can multiply.

The result is a market that has forgotten how to circulate. National existing-home sales hit a thirty-year low in 2023 and have still not rebounded.† Here, the effect compounds: the same owner who will not surrender a 3.1% loan is also sitting on a Proposition 13 tax basis (Chapter 2, page 15) and, often, a capital-gains position that punishes selling. Three separate handcuffs, one wrist.

The absorption tables on page 5 are what handcuffs look like in aggregate: 1.5 months of supply in Santa Clara County, 1.7 in San Mateo.† It is not that nobody wants to sell. It is that the median owner is paid handsomely, every month, in avoided interest, to do nothing.

Who breaks the lock? Watch four doors. Death and divorce have no rate sensitivity, and they supply a disproportionate share of estate-town listings now — two of the six properties in this issue's story pages arrived through exactly those doors. Equity extraction is the third: the owner who refinances nothing but borrows against the house to fund the next one (facing page). And the fourth is the cash seller-buyer, who never priced the mortgage at all: they surrender a 3% loan without blinking because the AI-era portfolio gain on the other side of the ledger dwarfs it. Chapters 4 and 5 are about how many more of those the Peninsula is minting.

For sellers, the strategic point inverts. Your competition is not the neighbor who wants to sell but the neighbor who refuses to. Every month the handcuffs hold, a correctly priced listing faces a thinner shelf. The weekly's July listings — eleven properties, five of them new construction — cleared or drew offers at paces the national market has not seen since 2021, precisely because so few alternatives exist. Scarcity is doing the marketing.

THE LOCK, IN NUMBERS

~60% of U.S. mortgage holders below 4%†

Cost to trade $2M at 3.9% for 6.5%: ~$52,000/yr (e)

Existing-home sales: still below the 2023 thirty-year low's recovery path†

> The median owner is paid handsomely, every month, in avoided interest, to do nothing. Inventory is not missing. It is compensated.
>
> CH. 1 · THE LOCK-IN

EQUITY · THE HELOC QUESTION

Three Hundred Thousand Reasons to Stay

The average American owner holds nearly $300,000 in home equity. The average owner on this Peninsula holds a multiple of it. July's question was how to use it without surrendering the loan that guards it.

Home equity is the quietest number in American finance: just under $300,000 for the typical owner with a mortgage, a record, and the direct product of the price run since 2020.† Home-equity lending has followed it up — loan volume rose about 15% between 2021 and 2025, from 1.28 to 1.47 million loans a year.† The country has rediscovered the second lien, and search data says owners are studying it: equity products sit alongside property taxes and insurance among the fastest-growing homeowner queries of the summer.

The logic is the lock-in's mirror image. The owner with a 3.2% first mortgage will not refinance it for any purpose; a cash-out refi would reprice the entire balance at 6.5%+. A home-equity line prices only the new money. The 4% handcuffs stay on, and the house still pays for the kitchen, the ADU, the tuition, or — increasingly, in this zip code — the down payment on the next property while this one waits to sell, or the bridge into a founder's own startup (Chapter 5 explains why that use is having a moment).

Scale matters here. Against Atherton's $8.2M typical value† or Palo Alto's $3.6M†, the national $300K figure is a rounding error; a Peninsula owner of fifteen years commonly holds seven figures of extractable equity (e). That is not a remodeling budget. That is investment-committee money, and it is starting to behave like it.

Three cautions, printed at the same volume as the opportunity. First, a line of credit is typically variable-rate: it floats on the same short rate the Fed declined to cut in July, so model the payment at today's rate plus a hike, not at the teaser print. Second, the collateral is your house. The Peninsula's equity feels permanent; 2000 and 2008 said otherwise, and Chapter 6 sketches the scenario in which an AI sentiment crack tests today's cushion. Third, borrowing against a low-basis house to avoid selling it can be brilliant tax planning or a leverage trap wearing brilliant tax planning's clothes — the difference is a conversation with your CPA, not with your agent, and not with this page.

The strategic takeaway is about the market, not any single balance sheet. A region whose owners can borrow seven figures against their houses without selling them is a region where the lock-in can persist indefinitely. Equity extraction is a pressure-release valve for the exact pressure that would otherwise force inventory onto the shelf. The empty shelf is self-financing.

THE EQUITY LEDGER

Typical U.S. owner equity	~$300K†
Home-equity loans, 2021→2025	+15%†
Atherton typical value	$8.22M†
15-yr Peninsula owner, extractable	**7 figures (e)**

Equity extraction is a pressure-release valve for the exact pressure that would otherwise force inventory onto the shelf. The empty shelf is self-financing.

CH. 1 · EQUITY

MARKETS · THE DIVERGENCE

Below List in 41 of 50 Metros. Not Here.

Nationally, price cuts are routine, the typical home sells under ask, and new construction sits nine months deep. The same Google search returns the opposite answer in this zip code. Both answers are true.

The American housing story of July was softness with a floor. The typical home now sells below its list price in 41 of the 50 largest metros.† Active inventory held above 1.1 million homes for week after week.† Price reductions have become routine rather than exceptional; homes that once drew weekend bidding wars sit for months.† Builders carry 9.3 months of new-home supply and are buying down rates to move it.† Case-Shiller's own commentary concedes that national prices are falling in real terms against 4.2% inflation.†

Then there is the reading on this side of the hills: San Francisco at 1.2 months of supply with a record median, Santa Clara at 1.5, San Mateo at 1.7, and county prices up as much as 24.8% year over year.† A homeowner in Plano and a homeowner in Palo Alto can type the same question into the same search box and receive answers from different planets. Both are correct.

The divergence has a mechanism, and it is the theme of this entire issue. The national market prices on mortgage rates, and rates were hostile all month (page 8). This market increasingly prices on equity — corporate equity — and Chapter 4 documents the best month that equity has ever had. When the marginal buyer pays with vested stock or cash, the 6.69% mortgage is a spectator.

Two disciplines follow from living in the exception. For sellers: do not import the national playbook. The advice circulating in every housing headline — cut early, concede on inspection, negotiate hard — is written for the 41 metros, not for a 1.5-month shelf. Here, a correct opening price still finds competition, and July's weekly issues documented it listing by listing.

For buyers, the discipline is harsher: stop waiting for the national correction to commute in. It has been forecast annually since 2019. What actually arrived instead was a bifurcation — Chapter 5, page 37, gives it a name and a shape — in which the affordable segments soften while the equity-priced segments compound. A Peninsula buyer waiting for Cleveland's discount is not early. They are in the wrong line.

And one honest caveat, because this letter prints those: exceptions end. The mechanism that suspends this market above the national one is a single industry's capital cycle. The month that cycle cracks — see Chapter 6 — the two markets will rediscover each other quickly. The divergence is real. It is not a law of physics.

ONE COUNTRY, TWO MARKETS · JULY

Metros selling below list	41 of 50†
National new-home supply	9.3 mo.†
Santa Clara / San Mateo supply	1.5 / 1.7 mo.†
SF county median, y/y	**+24.8%†**

A buyer waiting for Cleveland's discount to commute to Palo Alto is not early. They are standing in the wrong line.

CH. 1 · THE DIVERGENCE



PHOTOGRAPH VIA MLSLISTINGS · LISTING: XIN JIANG, COMPASS · ML82056115

THE PROPERTY OF JULY · LISTED · PALO ALTO · CRESCENT PARK

1418 Pitman Avenue

$18,000,000 · 4 BD · 5 BA · 4,257 SQ FT · THE FOUR-YEAR BUILD

THE STORY BEHIND · NO. II

The Four-Year Build

A custom French Modern estate facing Eleanor Pardee Park, offered finished at $4,228 per square foot — nearly triple the citywide rate, and the clearest statement of what July's market actually prices.

LISTED BY XIN JIANG · COMPASS · ML82056115 · PHOTOGRAPHS VIA MLSLISTINGS



$18.0M	$4,228	4 yrs	10,960
ASKING	PER SQ FT†	TO BUILD · DONE 2024†	LOT SQ FT†

Somebody spent four years of their life making this house, and the ask is, more than anything, an invoice for those years. Excavation. An over-built foundation. A DaVinci slate roof. Finish carpentry that consumed the better part of a construction cycle, completed in 2024 and seasoned for two years before the family offered it — finished, faultless, and facing the permanent green of Eleanor Pardee Park — at eighteen million dollars. The cover of this issue calls it the Property of July not because it is the most expensive thing on the shelf, but because no listing this month states the market's actual pricing logic more plainly.

Decompose the $4,228 per foot — 2.8 times the citywide figure† — and three assets emerge. New construction with zero build risk, in a market where four years of entitlement, labor, and carrying costs are the alternative (and where the buildout of Chapter 4 is bidding away the labor). Crescent Park, a neighborhood with almost no vacant dirt. And the scarcest asset of the three: frontage on protected open space — a several-acre front yard the city maintains and no neighbor can ever build on. In every mature luxury market on earth, park frontage carries a durable premium of twenty to forty percent over the same house a block interior (e). Crescent Park has never had enough such trades to price that premium cleanly. This listing is the test, and every park- and creek-adjacent owner in 94301 should watch how it resolves.

The detail worth keeping: the sellers timed nothing. They built through a rate cycle, finished into a boom they could not have forecast, and the four years did the appreciating. Patience, involuntarily, became the strategy.

HOW I READ IT

Against July's new inventory, this is the second-dearest foot on the Board — behind only the Woodside vineyard on page 25. If it clears near ask inside a season, the premium for finished-plus-park is confirmed at the top of the cycle, and most owners holding that combination have not noticed what it became worth.

THE NUMBERS

Ask	$18,000,000
Ask, per sq ft	$4,228†
Palo Alto citywide, per sq ft	~$1,510†
Premium to city	**~2.8×**

REPRESENTATION

Listed by Xin Jiang, Compass · ML82056115. Figures from the MLS listing; the analysis is the editor's own. PAYNE is not the listing agent. Independent representation: Payne Sharpley, 650.384.3546.

CH. 2 · THE COST OF OWNING

Five pages on what the house costs after you have bought it

INSURANCE · THE 84 PERCENT

The Premium Nobody Voted For

California homeowner premiums are up 84 percent in five years, the FAIR Plan swelled 43 percent in fifteen months — and July brought the first believable signs of carriers coming back. What to do at your renewal, in order.

The property-tax bill is capped by Proposition 13. The mortgage is fixed by contract. The one carrying cost with no ceiling has been insurance, and the five-year tape is brutal: average California homeowner premiums rose 84% between late 2020 and March 2026, while the average deductible climbed from $1,813 to $2,553.† Nearly 400,000 policies have been non-renewed or canceled since 2021.† The FAIR Plan — the state's insurer of last resort, designed as a small backstop — grew 43% in fifteen months.†

The proximate cause has a date: January 2025, when the Palisades and Eaton fires destroyed 16,251 structures and produced roughly $40 billion in insured losses, the costliest wildfire disaster in American history.† But Stanford researchers published a finding this spring that matters more for this readership: the crisis is spreading beyond wildfire country. Non-renewals and premium spikes are now documented in zip codes with negligible burn risk — a repricing of California as such, not merely of its canyons.†

July's news, though, ran the other direction, and it deserves printing at equal volume. Under the state's Sustainable Insurance Strategy, Travelers announced an expansion of California homeowner coverage — the first new commitment from a top-ten carrier since the fires. Mercury and CSAA received the first rate approvals under the new framework at 6.9% each; Mercury committed to 38,000-plus new policies, and CSAA is preparing to pull policyholders off the FAIR Plan.†

The renewal playbook, in order. First, do not let a non-renewal ride to the deadline; the market rewards the owner who shops sixty days early, because binding new coverage now takes underwriting time (brush inspections, roof photographs, wildfire scores). Second, if you are on the FAIR Plan, diarize a quarterly re-shop: depopulation means admitted carriers are actively cherry-picking FAIR policyholders, and the well-maintained house gets picked first. Third, spend money where underwriters look — Class A roof, ember-resistant vents, defensible space, water sensors. These now move quotes by four figures (e). Fourth, at the values in the Board on page 4, confirm replacement cost, not market value; the two have never been further apart, and underinsurance is the failure mode nobody discovers until the worst week of their life.

And for buyers: insurability is now a due-diligence item with the same standing as title. A house that cannot be insured at admitted-market rates carries a hidden price reduction — or should.

THE FIVE-YEAR TAPE

Avg. CA premium, '20→'26	+84%†
Policies canceled since '21	~400K†
FAIR Plan growth, 15 mo.	+43%†
Jan '25 fires, insured loss	~$40B†
First SIS rate approvals	**6.9%†**

Insurability is now a due-diligence item with the same standing as title. A house that cannot be insured carries a hidden price reduction — or should.

CH. 2 · INSURANCE

PROPERTY TAX · THE 22 PERCENT SEARCH

What Proposition 13 Still Buys

Property-tax searches are up 22 percent in a year as bills climb with values nationwide. California owners hold the country's strongest tax shield — and lose it most often through avoidable paperwork.

Across the country, homeowners spent the summer Googling their property taxes — queries up 22% year over year[†] — because in most states, assessments float with market value and the price run has landed in the mailbox. California owners live under a different constitution. Proposition 13 fixes the assessment at purchase price and caps its growth at 2% a year. The owner who bought in Palo Alto in 2004 pays taxes on a fraction of today's value, and that gap — between taxable basis and market price — is one of the largest invisible assets on the Peninsula.

It is also the third handcuff from page 9. Selling doesn't just surrender a 3% mortgage; it surrenders a 2004 tax basis. On a $6 million sale replacing a $1.2 million basis, the buyer's new bill runs roughly $60,000 more per year than the seller was paying (e — 1.1% of the difference, plus parcel taxes). The lock-in is fiscal as much as financial.

Two escape hatches exist, both chronically misunderstood. Proposition 19 lets owners who are 55 or older, disabled, or disaster-displaced carry their old tax basis to a replacement home anywhere in California, up to three times — with an upward adjustment if the new home costs more. For downsizing Peninsula owners, this is the single most valuable clause in the code, and in my experience the majority of eligible sellers have never run the numbers (e).

The second hatch narrowed. The same Proposition 19 sharply limited the parent-child exclusion: since 2021, an inherited house keeps its low basis only if the child moves in as a primary residence within a year and files the homeowner's exemption — and even then the exclusion is capped, with value above the old basis plus $1 million reassessed. An inherited Atherton house kept as a rental is reassessed to market in full. Families discover this at the worst possible moment, usually after the deadline. If a property transfer is anywhere in your family's five-year plan, the meeting with the estate attorney should be in this year's calendar, not eventually's.

One more filing worth sixty seconds: the homeowner's exemption itself, and — for the owners of newly built or remodeled homes on this month's Board — a review of the supplemental assessment, which arrives months after closing and surprises nearly everyone. None of this page is tax advice; all of it is agenda. Bring the agenda to your CPA.

THE CALIFORNIA SHIELD

Base rate under Prop 13	1% + local
Annual assessment cap	2%
Prop 19 basis transfers, 55+	3 lifetime
Inherited-home exclusion cap	**Basis + $1M**

Statutory framework, Cal. Const. art. XIII A; Prop 19 (2020). Details and exceptions apply — consult counsel.

Selling does not just surrender a three percent mortgage. It surrenders a 2004 tax basis. The lock-in is fiscal as much as financial.

CH. 2 · PROPERTY TAX

AFFORDABILITY · AN HONEST PAGE

The $200,000 Search in a $4 Million Town

Searches for homes under $200,000 are up 50 percent in a year. The Peninsula cannot answer that search, and pretending otherwise insults the searcher. Here is the honest version.

The fastest-growing home search in America is for houses under $200,000 — up 50% year over year[†] — and it is growing precisely because the product is vanishing. This letter serves a market where the Board's cheapest typical value is eleven times that number. It would be easy to print nothing. But a publication that claims to educate owes the question a straight answer: who can still buy here, and through which doors?

The honest inventory of doors, in ascending order of capital. The condominium and townhome stock of Mountain View, Sunnyvale, and parts of Menlo Park remains the true entry ring — seven figures, but the low end of them (e). Accessory dwelling units have quietly become the Peninsula's starter housing: the state's ADU reforms mean a family parcel can now carry a second, smaller household, and first-time buyers increasingly arrive as ADU tenants saving toward the ring above. Below-market-rate programs exist in nearly every city on the Board and are chronically underapplied-to; the quotas in the RHNA scorecard (page 22) will expand that stock through the decade. And co-ownership — siblings, parents on title, fractional arrangements — has moved from exotic to ordinary in my own transaction file (e).

What this page will not do is romanticize the math. A household at the region's median income cannot buy the region's median house; that has been true for a decade and became more true in July. The regional answer — the only one that has ever worked — is supply, which is why Chapter 3 of this issue is about quotas and rezonings rather than mortgage hacks. A region that adds housing at the pace Sacramento is now demanding will not become cheap. It can become possible.

Why print this in a letter whose readers mostly own? Because every owner on the Board employs, hires, or is related to someone running the $200,000 search. Because the teacher-and-firefighter problem is the political fuel behind every law in Chapter 3, and owners who understand the fuel read the laws better. And because the Forbes storytelling habit cuts both ways: the story of this market is not only the estates in these pages. It is also who gets to arrive next.

THE ENTRY LADDER, HONESTLY

1. ADU tenancy → down-payment savings
2. BMR programs — apply; most never do
3. Condo/townhome ring: Mtn. View, Sunnyvale
4. Co-ownership and family title structures
5. The supply pipeline of Ch. 3 — the only systemic answer

A region that adds housing at the pace Sacramento now demands will not become cheap. It can become possible. Those are different promises, and only one is real.

CH. 2 · AFFORDABILITY

PRACTICE · REMOTE CLOSINGS

The Closing Table Goes Home

Searches for at-home closings are up nearly sixteen-fold. Most of the transaction went digital years ago. The last analog step — the notary — is the one California has not yet switched on.

Buried in the summer's search data is a startling line: queries for *at-home closing* are up roughly 1,592% year over year.[†] The public has discovered something practitioners have watched build for years — that a real estate closing is no longer a room. Disclosures are signed on phones. Loan files move through portals. Recording happens electronically in both of this letter's counties. Wires replaced cashier's checks a decade ago. In a typical Peninsula transaction, the parties never share a table, and often never share a city.

One step remains stubbornly physical in California: the notarization of the deed and, for financed buyers, the security instrument. Remote online notarization — appearing before a notary by webcam with identity verified electronically — is legal and operative in the large majority of states. California authorized it by statute in 2023, but the law does not switch on until the Secretary of State certifies the technology platform, an implementation now expected before the decade's end (e — the statutory outside date runs to 2030). Until then, the signing table travels: mobile notaries come to kitchens, offices, hospital rooms, and departure lounges.

The practical state of the art, then, for a July 2026 seller: you can list, negotiate, sign disclosures, open escrow, and close a Peninsula house from another continent — I have closed with sellers on three of them (e) — with exactly one hour of scheduled physical presence, wherever in the world a commissioned notary or U.S. consulate can meet you.

Why does this page sit in a chapter about carrying costs? Because friction is a cost, and its collapse changes behavior at the margin that matters: the reluctant seller. A meaningful share of the Peninsula's locked-in owners (page 9) are older, traveling, or managing a family property from out of state. Every step the transaction takes toward their kitchen table lowers the activation energy of finally selling. The trust-sale and estate listings that supply this market — including two of the six stories in this issue — are precisely the transactions that remote practice unlocks first.

The caution, printed at equal volume: wire fraud has followed the closing home. The scam of the decade is a spoofed email nudging escrow wiring instructions at the last hour, and it works because everything else became digital. House rule for every client: wiring instructions are confirmed by voice, on a number you already had, every time, no exceptions. The convenience is real. So are the predators it attracted.

WHAT IS DIGITAL TODAY, HERE

Disclosures & contracts	Fully
County recording, SM & SC	Electronic
Funds	Wire
Notarization	Mobile, in person
Remote online notary, CA	**Authorized, not yet live**

Friction is a cost. Its collapse changes behavior exactly at the margin that matters here: the reluctant, distant, locked-in seller.

CH. 2 · PRACTICE

STYLE · WHAT CALIFORNIA SEARCHES FOR

The Eichler Premium

Mid-century modern is the most-searched home style in California. The Peninsula holds the largest concentration of the real thing ever built — and the market has learned to price the difference between original and imitation.

Style preferences are usually noise in housing data. This one is signal: mid-century modern leads home-style searches in California and much of the country,† and on this Peninsula the search has a specific address. Joseph Eichler built roughly 11,000 homes in California between 1949 and 1974, and their densest concentrations sit inside this letter's circulation: Palo Alto alone holds about 2,700, with major tracts in Sunnyvale, Mountain View, and the mid-Peninsula's flats. Post-and-beam construction, glass walls to a private atrium, radiant floors — the houses were built as middle-class product and have become cultural artifacts.

The market history is instructive. For decades, Eichlers traded at a discount to conventional ranchers: flat roofs, single-pane glass, and radiant systems read as liabilities. The discount inverted as the style's cachet grew, and today a documented, sympathetically updated Eichler in a coherent tract commands a visible premium over the equivalent conventional house nearby — my own comp work puts it in the ten-to-twenty percent range in Palo Alto's tracts (e), with the coherent neighborhoods (Greenmeadow and Green Gables carry historic-district recognition) at the top of the range. Original condition, once a euphemism for deferred maintenance, is now a marketing headline.

The ownership economics have sharpened on both edges. On the cost side, Chapter 2's themes land hard here: single-pane glass walls and 1950s radiant loops make insurance underwriting and energy retrofits genuinely more complex, and a failed radiant slab is a five-figure conversation (e). On the value side, the remodel question is now existential: an Eichler flipped into a generic modern farmhouse surrenders the premium it was bought for, while a restoration that keeps the envelope and quietly modernizes systems compounds it. The style has developed the economics of a collectible — provenance, originality, and restraint carry the price.

For sellers of the real thing, the marketing implication is the Forbes one that runs through this whole issue: tell the story. The architect, the tract, the atrium, the light at four in the afternoon. The buyer running California's most popular home-style search is not shopping for square footage. They are shopping for the photograph they have already seen — and they will pay for the house that matches it.

THE EICHLER FILE

Built in California, 1949–74	~11,000
In Palo Alto	~2,700
Restored-original premium	10–20% (e)
CA's most-searched style	**Mid-century†**

The style has developed the economics of a collectible. Provenance, originality, and restraint carry the price — and a farmhouse flip surrenders all three.

CH. 2 · STYLE



LISTED · JULY 2026 · ATHERTON

18 Linda Vista Avenue

$32,500,000 · 8 BD · 9 BA · 10,657 SQ FT · THE FLAGSHIP

THE STORY BEHIND · NO. III

The Number the Town Already Proved

Atherton's July flagship asks $32.5 million for a finished 2023 estate on an acre — a number that would look like ambition, except the town's 2026 tape has already cleared it once.

LISTED BY KERI NICHOLAS · PARC AGENCY CORPORATION · ML82022665 · PHOTOGRAPH VIA MLSLISTINGS

$32.5M	$3,050	2023	1.05
ASKING	PER SQ FT†	BUILT†	ACRES†

Every market has a flagship — the listing whose number everyone quotes, whether or not they have seen the house. Atherton's, this July, is a 10,657-square-foot estate completed in 2023 on a flat, gated acre: eight bedrooms, nine baths, the full program of a town that has spent a century refining what the program is. What makes the ask worth a story is not its audacity. It is its precedent. In March, an 11,504-square-foot Atherton home sold for exactly $32.5 million — the ninth most expensive sale recorded in the nation that month.† June's tape carried a $29.1 million Atherton close; April's carried multiple offers pushing $20 million-plus properties above ask.† The flagship is not testing a number. It is standing on one.

The deeper pattern is the one this issue keeps finding: finished new construction is the defining product at the top of this market. Five of July's eleven new Peninsula listings were built in 2023 or later†, and they command the premium of page 13's arithmetic for the same reason — the four forces have made building slower and dearer than buying built. An estate of this scale is, conservatively, a five-year project from lot to landscaping (e). The ask prices the house, and it prices the five years the buyer will not spend.

The detail worth keeping: the town that has never permitted a condominium (page 21) produces the state's most consistent eight-figure single-family prints. Scarcity is Atherton's oldest amenity — and Chapter 3 is the story of the state deciding whether it remains an entitlement.

HOW I READ IT

At $3,050 per foot, the flagship asks less per foot than the Palo Alto park house on page 12 — scale trades at a discount per unit even at the summit. Against the March $32.5M close †, the ask reads as comp-priced, not aspirational. The question is not the number. It is how many of Chapter 5's buyers are shopping at once.

THE NUMBERS

Ask	$32,500,000
March Atherton close	$32,500,000†
June Atherton close	$29,100,000†
Atherton typical value	**$8.22M†**

REPRESENTATION

Listed by Keri Nicholas, Parc Agency Corporation · ML82022665. Figures from the MLS listing and published sale records; analysis the editor's own. PAYNE is not the listing agent. Independent representation: 650.384.3546.

CH. 3 · THE RULES

Four pages on the laws and the demand rewriting the Peninsula's map

POLICY · SB 79 IN EFFECT

The Half-Mile Circles Are Live

On July 1, state law began permitting up to 95 feet and 160 homes per acre within a half mile of rail transit in eight counties. Two of them are this letter's. The circles are drawn around Caltrain — and they do not ask the city council first.

Senate Bill 79 was signed in October and became operative in incorporated cities on July 1, 2026 — which makes July the first month in California history in which the land within a half mile of a rail station carried, by state law, an entitlement to mid-rise multifamily housing that no local zoning code can refuse outright.† The numbers are not subtle: up to 95 feet of height and up to 160 dwelling units per acre near major stops, more with density bonuses, with minimum affordability requirements attached.† The law applies in exactly eight counties, selected by their rail infrastructure. San Mateo and Santa Clara are both on the list.†

Lay the half-mile circles on this letter's map and the geography does the arguing. Every Caltrain station from San Francisco to San Jose now anchors a zone in which the underlying land can, in principle, carry an order of magnitude more homes than it holds. The weekly edition spent July documenting the local collision: seven parcels in Atherton fall within the Menlo Park station's radius, in a town that has never permitted a condominium.† Multiply that collision by every station town on the line.

What happens now is not sudden towers; it is a slow repricing of dirt. Development economics still have to pencil, financing is still 2026-expensive (Chapter 1), and the law's affordability requirements shape what pencils. But the option value of transit-adjacent land changed on July 1, and option value shows up in prices years before buildings do.

Three readings for three readers. For the owner of a single-family house inside a circle: your land acquired a second potential buyer — the developer who can now count units the old zoning forbade. That is a floor under your value, not a threat to it, though your street's character is genuinely in play over a decade. For the owner just outside a circle: the classic hedge — proximity to new housing's amenity without its entitlement — has historically been the appreciating position (e). For the buyer of a condominium that does not yet exist: the circles are where the Peninsula's next generation of entry-ring stock (page 16) will stand, and the first projects to file will set the template everyone else copies.

The variable to watch is procedural: cities retain limited paths to alternative compliance plans, and the towns of this Board are exploring every one of them. December's deadline in Atherton — where falling below four active rezoning sites triggers a mid-cycle rezoning† — is the first test of whether the circles hold under local pressure. This letter will be at the hearings.

SB 79, IN BRIEF

Operative in cities	Jul 1, 2026†
Height / density ceiling	95 ft · 160 du/ac†
Counties covered	8, incl. SM & SC†
Atherton parcels in radius	**7†**

Option value shows up in prices years before buildings do. The dirt near the stations repriced on the first of July, whether or not anyone files a permit this year.

CH. 3 · SB 79

POLICY · AS PROMISED

The RHNA Scorecard: Permits vs. Quota

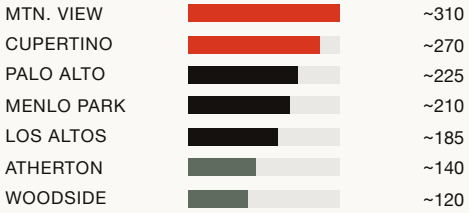
Sacramento assigned every town a number of homes to plan for by 2031. Three years into the cycle, here is the full scoreboard — and why falling behind now carries consequences with teeth.

TOWN	2023–31 QUOTA†	PROGRESS, MID-'26	PACE READING
Mountain View	11,135	On pace (e)	The Board's workhorse
Palo Alto	**6,086**	**Behind (e)**	**Pipeline, little dirt**
Cupertino	4,588	Behind (e)	One mall carries the plan
Menlo Park	2,946	Behind (e)	Bayside does the lifting
Los Gatos	1,993	Behind (e)	Slow, contested
Los Altos	1,958	Behind (e)	Corridor sites only
Los Altos Hills	489	Far behind (e)	ADU-dependent
Atherton	**348**	**Far behind (e)**	**11 sites, Dec. trigger†**
Woodside	328	Far behind (e)	ADU-dependent
Portola Valley	253	Far behind (e)	Litigated every acre

† Quotas: ABAG 6th-cycle Regional Housing Needs Allocation, 2023–2031. Progress readings are the editor's characterizations (e) from city Housing Element annual reports and permit activity through mid-2026; the estate towns' progress is dominated by ADUs, which count. Precise permit counts publish annually each spring; the Monthly will replace readings with counts as they post.

The scorecard's plot is simple: the big commute towns are building — or at least permitting — while the estate towns are running out of road. And the road now has an end. Miss the milestones and state law's penalties arrive in escalating order: the builder's remedy (projects that bypass local zoning), loss of permit authority in stages, and mandatory rezonings on the state's terms rather than the town's. Atherton's December trigger† is the nearest example: fewer than four of its eleven rezoned sites active by year-end forces a mid-cycle rezoning nobody in town wants to draft.

QUOTA PER EXISTING 1,000 HOMES (E)



Editor's arithmetic: quota ÷ housing stock estimate. The quota burden is real everywhere; it is proportionally heaviest exactly where the resistance is loudest.

WHY AN OWNER SHOULD CARE

Quotas move land values through side doors: which corridor gets upzoned, which parking lot becomes housing, which school's enrollment recovers. The scorecard is the map of where your town will bend next — and SB 79 (previous page) just removed several of its choices.

Disclosure, as in the weekly: I introduced the buyer to one of Atherton's eleven rezoned lots. This is not a spectator's scorecard for me.

DEMAND · A TWO-YEAR HIGH

The Search Data Says the Buyers Are Back

Google searches for homes for sale just hit their highest level in two years, and homes began selling faster than a year ago. Demand recovers in search boxes before it recovers in escrows — and the fall listing window is watching.

Before a buyer tours, they type. That is why the most interesting demand statistic of the summer is not a sales figure but a search figure: Google queries for *homes for sale* reached a two-year high† — the highest tide of browsing since rates first crossed seven percent and froze the market. Corroboration arrived in the closing data within weeks: homes sold faster than a year earlier in two of four recent weeks, the first such readings in months.†

Search is not sales. Some of that browsing is refinance tourism, some is the national audience window-shopping the price cuts of page 11's forty-one metros. But the sequence — search first, showings second, escrows third — has held in every recovery this letter's editor has watched, and the first domino just fell. Demand is rebuilding underneath a market everyone has agreed to call frozen.

The local wrinkle: Peninsula demand never left; it narrowed. The Board's sub-two-month absorption says the buyers who remained active — equity-paid, AI-enriched, rate-indifferent — kept clearing the correct inventory all year. What the search surge suggests is the return of the second cohort: the financed move-up buyer who stepped back in 2023 and has spent two years renting, waiting, and Googling. They come back rate-sensitive (Chapter 1) and choosy — but they come back numerous.

For sellers, this is a timing page. The instinct after a slow spring is to wait for next spring — the default season of the reluctant. The search data argues for the contrarian window instead: a fall listing meets the rebuilding demand while the shelf is still thin (page 5), before the spring crowd — and before December's policy deadlines put the first SB 79-era headlines under every buyer's search results. The weekly will track the window in real time; the eleven-listing July on page 4's Board suggests the smart money has already started.

For buyers, the same data is a courtesy warning: the empty open house was a 2024–25 amenity. If the search tide converts at historical rates, the financed cohort re-enters over the next two quarters, and the negotiating leverage of being the only bidder — this market's rarest luxury — expires quietly. The best time to be a buyer in a recovering market is before the recovery is announced. The announcement, as ever, will be a price.

THE DEMAND SEQUENCE

1. Search — at a two-year high now†
2. Speed — faster than last year, 2 of 4 wks†
3. Escrows — the weekly is watching
4. Prices — always the last to know

Demand recovers in search boxes before it recovers in escrows. The first domino fell this summer, and the announcement, as ever, will be a price.

CH. 3 · DEMAND

MARKETS · THE SPILLOVER MAP

$1.77 Million: The City's New Median

San Francisco set a record median this spring with condos up 27 percent, and San Mateo County is posting the next-strongest gains in the region. The AI rebound is rolling down the Peninsula the way booms here always have: southbound, one county line at a time.

Two years ago the confident consensus held that San Francisco was finished — emptied offices, an exodus, a doom loop. The 2026 tape reads differently: a record median sale price of $1.77 million by May, single-family prices up 18.2% year over year by March, condominiums up 27.2% to $1.4 million.† C.A.R.'s June county figure has San Francisco up 24.8% year over year — the fastest in the state.† The doom loop met a capital cycle: the AI industry concentrated its offices, its payrolls, and its newly liquid shareholders (Chapter 5) inside seven square miles, and the city's housing — particularly the condo stock everyone had written off — repriced first and fastest.

The mechanism that matters to this letter's readers is the second-order one: booms in this region have always moved southbound along the commute lines, and the early data says this one is obeying. San Mateo County is posting the region's next-strongest momentum — single-family prices up 6 to 9 percent, the median up 9.5% year over year† — with supply at 1.7 months and tightening (page 5). The pattern inside the county tells the same story: the towns nearest the city's money — and nearest its Caltrain — are moving first.

Why does the spillover matter more this cycle than last? Because the city's binding constraint is about to bind harder. San Francisco has 1.2 months of supply† and, unlike the 2010s cycle, an AI workforce that skews later-career and family-forming — the demographic that has, for seventy years, eventually bought the Peninsula house with the yard and the school district. The $1.4 million city condo (up 27%) is the future down payment on the $3.6 million Palo Alto house†. That hand-off is this market's oldest trade, and the search data on the previous page suggests the queue is forming.

The contrarian corollary deserves a line: Santa Clara County's June median printed *down* 7.6% year over year† even as its supply tightened — a mix-shift artifact of what sold, but also a reminder that the spillover is a wave, not a tide. It arrives street by street, price band by price band, and the Board on page 4 is where this letter will log its progress monthly.

THE SPILLOVER, IN NUMBERS

SF median, May, record	$1.77M†
SF condos, y/y	+27.2%†
SF county, y/y (C.A.R.)	+24.8%†
San Mateo median, y/y	+9.5%†
SF months of supply	**1.2†**

The $1.4 million city condo, up 27 percent, is the future down payment on the $3.6 million Palo Alto house. That hand-off is this market's oldest trade.

CH. 3 · THE SPILLOVER



PHOTOGRAPH VIA MLSLISTINGS · LISTING: HUGH CORNISH, COLDWELL BANKER REALTY · ML82054839

LISTED · JULY 2026 · WOODSIDE

180 Farm Road

$24,995,000 · 4 BD · 5 BA · 4.34 ACRES · THE MONTH'S DEAREST FOOT

THE STORY BEHIND · NO. IV

The Vineyard Is the House

Four bedrooms asking $25 million: on paper, July's strangest listing. On the ground, its most rational — $4,355 per square foot for the one thing no budget can build, a producing Woodside vineyard with a house in it.

LISTED BY HUGH CORNISH · COLDWELL BANKER REALTY · ML82054839 · PHOTOGRAPHS VIA MLSLISTINGS



$25.0M	$4,355	4.34	2016
ASKING	PER SQ FT · JULY'S DEAREST†	ACRES, VINES†	BUILT†

The spreadsheet reader sees four bedrooms, 5,740 square feet, and an ask of twenty-five million dollars, and concludes that Woodside has lost its mind. The month's dearest price per foot — dearer than the Palo Alto park house, dearer than the Atherton flagship — attached to the smallest program of the three. The error is in the denominator. Nobody here is buying square footage. The house, a 2016 build of genuine quality, is the smallest asset on the parcel. The asset is 4.34 acres of producing vineyard inside the town that defines Peninsula pastoral — rows that turn gold in October, a working agricultural life twenty-eight minutes from Sand Hill Road.

Wine economics will not carry the number; a boutique vineyard's crop is a rounding error against the mortgage the buyer will not need (Chapter 1's cash band shops here). What carries it is the category's near-perfect scarcity. Woodside permits almost nothing, plants almost nothing, and parcels that combine flat, sun-correct acreage with water, mature vines, and a modern house exist in single digits (e). When one trades, it sets the category's price for a decade. The pattern of page 30 — premiums migrating to the scarcest tier — reaches its logical end here: at the top of this market, the land is the luxury and the house is the caretaker's quarters, however beautiful the caretaking.

The detail worth keeping: whoever buys this inherits a harvest. There is an October in this deed — a crush date, a crop, a working season — and there are buyers, several of them minted in Chapter 5, for whom that fact and not the bedroom count is the entire purchase.

HOW I READ IT

$4,355 per foot is not a housing comp and should never be used as one; it is a category print for Woodside vineyard land with improvements. The right comparison set is Napa's estate corridor and Provence — and against both, Woodside's commute to the capital of Chapter 4 is the amenity neither can answer (e).

THE NUMBERS

Ask	$24,995,000
Ask, per sq ft	$4,355†
Woodside typical value	$3.93M†
House share of value	**Minority (e)**

REPRESENTATION

Listed by Hugh Cornish, Coldwell Banker Realty · ML82054839. Figures from the MLS listing; analysis the editor's own. PAYNE is not the listing agent. Independent representation: 650.384.3546.

CH. 4 · THE MACHINES

Five pages on the capital cycle that is quietly setting Peninsula prices

CAPITAL · THE CAPEX SPRINT

The $630 Billion Year

Four companies plan to spend more on AI infrastructure in 2026 than most nations spend on everything. This is the single number doing the most work in your home's value, and it is not close.

Strip July's noise away and one number remains standing. Amazon, Google, Meta, and Microsoft plan combined 2026 capital expenditures of up to $630 billion — a 62% increase over 2025's record $388 billion.† Amazon alone projects $200 billion, against $125 billion last year; Google $175–185 billion; Meta up to $135 billion; Microsoft up to $120 billion.† Fold in the rest of the industry and global data-center capex crosses $1 trillion this year, per Dell'Oro.† Nvidia's chief executive spent the summer assuring investors the surge runs another seven to eight years.†

This letter is not an equity research note, so here is why the number leads a real estate chapter: the companies writing those checks are headquartered within thirty miles of every house on the Board, and the checks convert into Peninsula housing demand through four separate pipes. Payroll: capex at this scale is defended by hiring and retention at the compensation levels of page 35. Equity: the market has, so far, rewarded the spend — Chapter 5 counts the resulting buyers. Construction: the buildout competes for the same electricians, concrete, and switchgear as every home remodel and every RHNA project in Chapter 3 (e). And land: data centers, offices, and housing are now bidding against each other for the same scarce, powered parcels.

The historical rhyme deserves respect and suspicion in equal measure. Railroads in the 1880s, telecoms in the 1990s: infrastructure booms of this ratio to GDP have always overbuilt, and the overbuild always ended somewhere between correction and collapse — after which the infrastructure itself kept compounding value for fifty years. Both halves of that sentence matter here. The spend is real, contracted, and multi-year; it is also, by definition, a bet that demand arrives on schedule. Investors spent early August asking exactly that question out loud,† and Chapter 6 takes the question seriously.

For now, the local arithmetic is the one that matters on a Saturday afternoon: a region whose anchor employers are deploying $630 billion into the ground does not produce distressed sellers. It produces the Board on page 4 — record values on a starved shelf — and it produces them for as long as the checks clear.

THE 2026 CAPEX TABLE

Amazon	~$200B†
Google	$175–185B†
Meta	$115–135B†
Microsoft	$110–120B†
Four together, vs. '25	**~$630B · +62%†**

A region whose anchor employers are deploying $630 billion into the ground does not produce distressed sellers. It produces record values on a starved shelf.

CH. 4 · CAPEX

CAPITAL · AMAZON'S CLUB

Three Trillion, One Customer at a Time

Amazon crossed a three-trillion-dollar valuation this month on the strength of AI cloud demand — the fourth company to join a club whose other members all recruit within an hour of this letter's masthead.

The $3 trillion club — Apple, Microsoft, Nvidia, and now Amazon† — is best understood as a housing statistic wearing a market-cap costume. Amazon's admission ticket was AI cloud demand: the enterprises of the world renting the computing that Chapter 4's capex builds, at margins that made Wall Street forgive the $200 billion the company intends to spend building more.† The valuation is the market's verdict that the AI buildout is not a cost. It is a product line.

Translate the abstraction into this zip code. A trillion dollars of added market capitalization, spread across a workforce whose compensation is substantially stock, is the largest wealth-creation machine the Peninsula has ever hosted — larger than the IPO waves of Chapter 5, because it accrues continuously to employees already here, already housed or house-hunting, already vested or vesting. Every refresh grant priced a year ago is worth multiples today; every four-year cliff that clears this fall clears into a valuation the employee did not dare model. The cash buyers who keep confounding the rate math of Chapter 1 are not exotic. They are the payroll of the club.

Two features distinguish this wealth cycle from 1999's, and both firm the floor under the Board. First, it is profits-based: the club's members earn their valuations from delivered earnings, not projected ones, which makes the wealth spendable rather than notional — an employee selling vested RSUs is not timing a bubble, merely diversifying a salary. Second, it is geographically stubborn: after a half-decade of remote-work prophecy, the AI race re-concentrated the industry's decision-making — and its badge swipes — back into the Bay Area, because frontier work happens where the clusters and the colleagues are. The demand is not just wealthy. It is local, and re-localizing.

The caveat clause, standing: a club built on one thesis concentrates one risk. Four firms, one narrative, one region's housing floor. Chapter 6 prices the crack scenario; this page merely insists the floor is real while the thesis holds — and in July, the thesis did not merely hold. It compounded.

THE CLUB ROSTER

Apple	Cupertino
Nvidia	Santa Clara
Microsoft	Redmond · SV campus
Amazon, joined July '26†	**Seattle · SV campus**

Membership: $3T+ market capitalization at any July 2026 close.†

> The cash buyers who keep confounding the mortgage math are not exotic. They are the payroll of the three-trillion-dollar club.
>
> CH. 4 · THE CLUB

EARNINGS · PALANTIR AND THE WINNERS

The Companies the AI Trade Chose

Palantir stunned Wall Street with revenue nearly doubling. The market has stopped paying for AI stories and started paying for AI invoices — and the distinction is drawing a map of who buys houses next.

The July earnings season had a theme, and Palantir stated it loudest: revenue growth near a doubling, at a scale that stunned even an inflated consensus.† The weekly edition noted at month-end that the AI trade had learned to discriminate — rewarding Microsoft and Amazon for their spending while punishing Meta for the same dollar amounts. The monthly's addendum is what the discrimination selects for: invoices. The market is done paying for AI ambition. It pays for AI revenue, delivered, recognized, and growing — and it is repricing every company on that single axis.

The sorting has a housing corollary because compensation follows valuation with a short lag. The chosen companies — the clouds, the chipmakers, the Palantirs, the frontier labs — are the ones whose refresh grants, retention packages, and secondary sales mint the buyers of Chapter 5. The unchosen — the AI-adjacent, the story stocks, the enterprises whose pilots never converted — are where the layoff tracker of page 34 concentrates. One industry, two payrolls, and the Peninsula's two housing markets (page 37) map onto them with uncomfortable precision.

For a reader navigating this market, the sorting suggests three practical lenses. First, when a buyer's offer rests on unvested equity, the quality of the underlying company is now underwriting information (e) — a chosen-company grant and an unchosen-company grant are different collateral, and listing agents have begun to notice. Second, neighborhoods sort too: the streets within commute range of the chosen campuses are exactly where the Board's tightest absorption sits, and the overlap is not a coincidence. Third, timing: earnings weeks now move this housing market the way Fed weeks move the national one — the week after a blowout quarter reliably produces the year's most aggressive offers (e), because paper wealth converts to conviction faster than it converts to cash.

The month's closing irony belongs to the skeptics: the investor jitters that greeted the capex figures† repriced the spenders briefly and the sellers of compute not at all. Whatever the market fears about AI, it does not yet fear the invoice.

CHOSEN VS. UNCHOSEN · JULY

Chosen: clouds, chips, Palantir, frontier labs — rewarded for spending†

Unchosen: AI-adjacent story stocks — supplying page 34's tracker

The axis: invoices, not ambition

> The market is done paying for AI ambition. It pays for AI invoices — and compensation follows valuation with a short lag.
>
> CH. 4 · EARNINGS

SCARCITY · A PROXY LESSON

The $4,000 Graphics Card

A consumer chip with a $1,999 list price sells above $4,000 on the open market. It is the cleanest picture available of what happens when demand outruns supply — and the same picture hangs over every open house on this Peninsula.

Nvidia's flagship consumer GPU, the RTX 5090, carries a manufacturer's price of $1,999. Through the summer it has routinely sold above $4,000.† Nothing is wrong with the card. Everything is right with the demand: the AI boom absorbs every wafer the foundries produce, the data-center buyers of page 27 outbid everyone for capacity, and the consumer market prices what trickles past them. List price has become a fiction; the clearing price is the truth; and the premium — more than one hundred percent — is a pure measurement of scarcity.

This page is in the issue because the mechanism is this housing market's mechanism, run at silicon speed. Substitute parcels for wafers: the Peninsula produces a fixed supply of land, an anchor industry absorbs housing capacity near its campuses, and the clearing prices on page 4's Board float free of any construction-cost logic the way $4,000 floats free of $1,999. When a Crescent Park house asks nearly triple the citywide rate per foot, the correct analysis is not that the ask is wrong. It is that list price and clearing price are different instruments, and only one of them is data.

The GPU market also teaches the failure modes, and they transfer. Scalper premiums collapse the moment supply arrives: one product generation of adequate inventory and the $4,000 card reprices to list overnight. Housing's supply response is slower by decades — that is Chapter 3's subject — but SB 79's circles are, in effect, the announcement of a future production run, and the land market has begun pricing it. Second lesson: premiums migrate to the scarcest tier. In chips, the constraint moved from the card to the wafer to the packaging to the power; in housing, from the house to the lot to the school district to the unreplicable setting — the park frontage, the creek line, the view. The properties in this issue's story pages were chosen because each one holds a tier of scarcity that no production run can answer.

And the third lesson is the humbling one: nobody buying at $4,000 believes they are the greater fool. They believe the scarcity is permanent. Sometimes they are right — Manhattan, 1955 — and sometimes the foundry catches up. Telling those futures apart is the entire job, and Chapter 6 is this issue's attempt.

LIST VS. CLEARING

RTX 5090, list	$1,999†
RTX 5090, street	$4,000+†
Scarcity premium	>100%
Palo Alto park-front ask, vs. city $/ft	**~2.8×†**

List price and clearing price are different instruments, and only one of them is data. The Board prints the one that clears.

CH. 4 · SCARCITY

INFRASTRUCTURE · AS PROMISED

Power, Water, and the Fiscal Math

Google's $15 billion data-center campus in India ran into water and wildlife opposition this month — the same friction that decides which Bay Area city collects the buildout's taxes. The promised look at what Santa Clara actually gets.

The month's most instructive infrastructure story happened eight thousand miles away: Google's planned $15 billion AI data-center project in India collided with organized opposition over water use and wildlife habitat.† The lesson is not about India. It is that the binding constraint on a trillion dollars of global buildout† has shifted from capital to infrastructure's oldest inputs — power, water, land, and neighbors — and the jurisdictions that can supply all four on schedule are collecting economic rents from everyone who cannot.

The Bay Area's example is the city of Santa Clara, and the weekly promised this letter would print the fiscal math. The city owns its electric utility — Silicon Valley Power — a municipal anomaly that delivers industrial power at roughly half PG&E's rates (e) and has made the city the region's data-center capital, with dozens of facilities inside nineteen square miles. The fiscal return runs through three channels: utility revenues that subsidize the city's general fund, property taxes on some of the most improvement-dense parcels in California, and the commercial tax base that lets the city carry services its neighbors fund from residential taxes alone (e). The precise annual figure is genuinely difficult to isolate from public documents — the Monthly will keep refining it — but the direction is not: Santa Clara's residents are structurally subsidized by server racks.

The housing collision is the part this letter exists to flag. Data centers consume land zoned industrial — the same land every RHNA plan (page 22) eyes for housing conversion — and they consume grid interconnection capacity that electrified new housing also queues for. A city can host the buildout's tax base or meet its housing quota on the same parcels only with real planning discipline, and the December policy calendar will show which cities have it. Meanwhile the buildout's construction demand — electricians, switchgear, concrete — prices every remodel and ADU on this Board (e), a private cost of the public windfall.

For owners, the practical geography: proximity to the racks themselves is a nuisance discount — the hum, the trucks, the substation — while proximity to the tax base they fund is a premium. The distinction runs street by street in Santa Clara and San Jose, and it is exactly the kind of line a good agent walks before an offer is written. The buildout is not abstract. It has an address, and so does its fallout.

THE CONSTRAINT STACK · 2026

1. Power — interconnection queues, years long
2. Water — cooling vs. neighbors, now global news†
3. Land — industrial parcels vs. RHNA housing
4. Neighbors — the veto that travels

Santa Clara's residents are structurally subsidized by server racks. The buildout is not abstract. It has an address, and so does its fallout.

CH. 4 · INFRASTRUCTURE



LISTED · JULY 2026 · LOS GATOS MOUNTAINS

18550 Black Road

$12,000,000 · 18,000 SQ FT · 12.5 ACRES · $667 THE FOOT · THE COUNTERPOINT

THE STORY BEHIND · NO. V

Eighteen Thousand Feet, $667 Each

The largest house on July's Board costs the least per foot by a factor of six. The spread between this page and page 26 is the month's entire pricing lesson, drawn in one mountain estate.

LISTED BY TIGER TEERLINK · COMPASS · ML82017350 · PHOTOGRAPHS VIA MLSLISTINGS



$12.0M	$667	18,000	12.5
ASKING	PER SQ FT†	SQ FT · 5 BD · 8 BA†	ACRES, VINEYARD†

Read this page and page 26 together, because July listed them together. In Woodside: 5,740 square feet at $4,355 the foot. In the Los Gatos mountains: 18,000 square feet — three times the house, on three times the vineyard acreage, built in 2010 to a scale most buyers have never walked through — at $667 the foot. A six-and-a-half-to-one spread between the dearest and cheapest foot of the same month's inventory, both of them vineyard estates, both of them serious houses. The difference is not quality. It is a twenty-minute drive and a mountain road.

What $667 buys is everything this market claims to want and rarely pays for: space beyond any family's need, land beyond any weekend's use, a great room that seats fifty, cellars, guest wings, the full country-house program. What it does not buy is adjacency — to the campuses of Chapter 4, to the school districts the K's upper arm (page 37) underwrites, to the flat towns where the absorption tables run under two months. The market prices placement over program at the widest ratio this letter has recorded (e), and this listing is the measurement.

The story inside the story: houses like this are built by people at the end of an ambition — the vineyard, the view, the room for everyone — and sold, usually, at the start of someone else's. For the buyer whose wealth arrived suddenly (page 36's clocks are ringing all fall), the mountain estate is the classic first purchase of the newly liquid: maximal house, minimal comp risk, a statement that does not require a bidding war to make. July priced that statement at a discount the flatlands will never offer.

HOW I READ IT

Size is cheap; placement is not — the Board's July rule, at its extreme. For a buyer optimizing square footage per dollar, nothing on the Peninsula competes. For a buyer optimizing resale velocity, the mountain discount cuts both ways: it is why the ask is $667, and why patience belongs in the offer.

THE NUMBERS

Ask	$12,000,000
Ask, per sq ft	$667†
July's dearest foot (p. 26)	$4,355†
The spread	**6.5 : 1**

REPRESENTATION

Listed by Tiger Teerlink, Compass · ML82017350. Figures from the MLS listing; analysis the editor's own. PAYNE is not the listing agent. Independent representation: 650.384.3546.

CH. 5 · WORK & WEALTH

Four pages on who is being paid, who is being cut, and who buys next

LABOR · AI NAMED AS REASON

Two Hundred Thousand Pink Slips

Tech layoffs passed 200,000 for the year by early August — 322 separate events, Oracle's 30,000 the largest — with AI cited as the reason more often than ever. The weekly's thesis holds: severance is becoming seed capital.

The tracker arithmetic through August 5: 322 layoff events in 2026, roughly 205,800 workers, an average of nearly a thousand jobs lost per day — already past 2025's full-year total.† Oracle's 30,000-person cut stands as the year's largest.† And the stated reason has converged: May's spike was the highest single month in years, with artificial intelligence the most-cited cause, per Challenger, Gray — a pattern Uber and a parade of software firms repeated into the summer, in nearly identical language about output, quality, and pace.†

Hold the paradox in one hand: Chapter 4's companies are spending $630 billion and cutting headcount simultaneously. The resolution is that the same technology is being capitalized and substituted at once — servers in, mid-band roles out — and the labor market has split the way page 37 describes the housing market splitting. Demand for the frontier skills (model work, AI safety, the operations of the machine) clears at the compensation of the facing page; the roles the machine absorbs — support, content, entry-level code — clear at severance.

The July weekly put a name on what happens next on this Peninsula, and the monthly promotes it to thesis: pink slips, term sheets. A meaningful fraction of the region's laid-off engineers do not leave. They found.

The founding math has never been friendlier to the cut. Severance packages at the big firms run to months of salary; vested equity from the club valuations of page 28 provides runway; and the tools of the trade — the models themselves — have collapsed the cost of building software to the point where a two-person company ships what a forty-person company shipped in 2019 (e). China's venture ecosystem pulled billions back into AI this year and the domestic pattern rhymes†; the IPO pipeline on page 36 is where the successes will surface in three to five years.

The housing translation runs on two clocks. The near clock is caution: a household absorbing a layoff defers the move-up purchase, and the rate-sensitive band of Chapter 1 thins a little more. The far clock is the one this letter watches: the founder cohort of 2026 is the exercised-options, liquidity-event cohort of 2029–31, and it will shop exactly where founder cohorts always have. The Peninsula's housing market has been recapitalized by every tech downturn of fifty years, eventually. The pink slips are the down payment's origin story.

THE 2026 TRACKER · AUG 5

Layoff events	322†
Workers affected	~205,800†
Largest single cut	Oracle, 30,000†
Most-cited reason, May peak	**AI†**

The founder cohort of 2026 is the liquidity-event cohort of 2029. The pink slips are the down payment's origin story.

CH. 5 · LABOR

TALENT · THE POACHING WARS

The Nine-Figure Commute

Jeff Dean left Google. Demis Hassabis stepped down at DeepMind. Beneath the marquee departures, a poaching war is repricing the small set of people who can build frontier AI — and their compensation is walking into open houses.

July's tech-press obituaries were for tenures, not people: Jeff Dean — the engineer whose name is on the infrastructure of modern Google — exited, and Demis Hassabis stepped down as DeepMind's chief executive.† Departures at that altitude are weather vanes. The wind they indicate has been blowing all year: a recruiting war for the few hundred people credibly able to lead frontier model work, prosecuted with compensation packages that the trade press now describes in nine figures — offers that resemble acquisitions of a single person (e).

The economics are rational, which is what makes them durable. Against the $630 billion capex of Chapter 4, a hundred-million-dollar retention package for the person who makes the capex productive is a rounding error with a name. The market for elite AI talent has simply repriced to the value of what the talent unlocks — the same logic that repriced quarterbacks and hedge-fund founders — and the labs, clouds, and one deep-pocketed social platform have spent the year bidding each other up in public.

This page sits in a housing letter because the checks land here. The poaching war's theater is global; its payroll is overwhelmingly local — the labs and their suitors cluster within the commute-shed of this Board, and re-localized (page 28) at that.

What nine-figure compensation does to a housing market is precise and observable. It does not move medians — the cohort is too small. It moves the thin top of the market: the $15–40 million tier where page 4's anomalies live, the tier that trades in cash on conviction, where a single motivated buyer sets a street's new comp. The weekly's July board — a $32.5M Atherton ask, a $4,228-per-foot Palo Alto print — is what it looks like when even a handful of such buyers circulate. Estate agents in London and New York learned this cohort's behavior from oil and finance; the Peninsula is learning it from talent.

Second-order effect, worth a paragraph: the war resets the ladder beneath it. When the frontier few reprice, the merely excellent thousands beneath them renegotiate against the new ceiling, and the refresh grants of page 28 grow another ring. Compensation inflation at the top of one industry is the quiet fiscal policy of this housing market — unlegislated, unannounced, and visible only in closing statements. The Monthly will keep printing where it lands.

JULY'S WEATHER VANES

Jeff Dean exits Google†

Hassabis steps down, DeepMind†

Frontier packages reported at nine figures (e — trade press reporting, 2025–26)

> Compensation inflation at the top of one industry is the quiet fiscal policy of this housing market — visible only in closing statements.
>
> CH. 5 · TALENT

IPOS · THE PIPELINE

The Lockup Clock

Cerebras debuted up 90 percent in the year's biggest listing, and Goldman sees 2026's IPO volume reaching $160 billion. Every listing starts a clock — and when it rings, the proceeds go house-shopping.

The IPO market, dormant since 2021, reopened emphatically: Cerebras — the AI chipmaker — soared 90% on its debut in the year's largest offering,† and Goldman Sachs projects 2026 listing volume as high as $160 billion, led by tech and AI.† Humanoid robotics is lining up behind the chipmakers, and the backlog of decade-old private unicorns — many of them headquartered inside this letter's circulation — is finally moving toward the exit.†

For this market, an IPO is not a finance story. It is a delivery schedule. The mechanism runs on two dates. The first is the listing, which converts paper into price — employees learn what the grant is worth, and open houses notice the mood. The second date is the one this letter tracks: the lockup expiry, typically 180 days out, when employees may actually sell. The wealth becomes spendable in a dated, predictable tranche — and the estate markets of this Board have historically felt it two to four quarters after each major local listing (e), as proceeds season, taxes are planned, and families go shopping.

The arithmetic of the coming wave: $160 billion of listings at typical employee ownership implies tens of billions of newly liquid compensation statewide (e), concentrated — as always — where the issuers are. The 2019–21 wave financed a visible ring of Peninsula remodels and purchases. This wave is bigger, later-stage, and more AI-weighted.

How to use the clock, by seat. Sellers of estate property: the schedule argues for patience backed by preparation — the buyers of spring 2027 are being minted at listings this fall, and the houses that win them will be the ones prepared, photographed, and storied (this issue's recurring theme) before the tranche lands. Buyers competing today: know that the field thickens on a published schedule; the negotiating window of page 23 has an expiry printed on it. Owners of businesses that serve the newly liquid — contractors, designers, wealth managers: staff for 2027 now.

And a note to the newly listed themselves, since a number of this letter's subscribers are precisely that: the interval between listing and lockup is for planning, not waiting. The sequence that works — tax counsel, 10b5-1 plan, diversification schedule, then the house — is the reverse of the sequence most people run, and the difference compounds for decades. This page is agenda, not advice; the meeting it argues for is with your advisor, before the clock rings.

THE CLOCK, IN NUMBERS

Cerebras debut	+90%†
Goldman '26 pipeline	$160B†
Typical lockup	180 days
Housing lag, historically	**2–4 qtrs (e)**

An IPO is not a finance story here. It is a delivery schedule for buyers, and the lockup expiry is printed on it.

CH. 5 · IPOS

HOUSING · THE K SHAPE

The Market That Split in Two

Bay Area luxury prices are up double digits while the affordable segments sag — the K-shaped economy, drawn in escrows. This is the defining structure of the 2026 market, and it has a cause with a payroll.

Every thread of this issue braids here. National reporting this spring put it plainly: AI is wedging the housing market apart, with Bay Area luxury homes up 13% while affordable segments collapse.† The month's data kept confirming the shape. San Francisco's record median against a national market selling below list in 41 of 50 metros (page 11). Santa Clara's county median down 7.6% year over year† even as Atherton's typical value rose 10.5%† — the same county, the same month, opposite signs. A letter K, drawn in escrows.

The mechanism is not mysterious; it is Chapter 5. One arm of the K is paid in the equity of Chapter 4 — refresh grants, retention packages, lockup tranches — and buys with little reference to the mortgage rates of Chapter 1. The other arm is paid in salary, borrows at 6.7%, and absorbs the layoffs of page 34. The arms shop in different price bands, and the bands have stopped correlating. That is the whole model. Its inputs are printed on the preceding thirty pages.

What makes 2026 distinct from every prior boom is the visibility of the split within single towns: the $2M starter segment softening while the $10M segment sets records, three streets apart. Averages have become lies. Any analysis of this market that leads with a median — including, candidly, most of what circulates — is describing the crossbar of a letter that no longer has one.

Navigation, by band. In the upper arm: comps age in weeks, not quarters — price against the last sixty days and the equity calendar (page 36), not the last two quarters. In the lower arm: the national playbook of page 11 partially applies — patience, inspection leverage, seller concessions — and rate volatility (page 8) is your actual opponent; lock into weakness. At the seam between arms, roughly $3–5M in this letter's towns (e): watch which buyer pool shows up to your open house, because the seam migrates with every earnings season, and a house can change arms between listing and close.

The civic paragraph, printed without flinching: a market split this way is corrosive — to school staffing, to fire departments, to the basic promise of page 16. The upper arm's paper wealth funds the county budgets that serve the lower arm's tenants; the K is not a moral structure, merely the operating one. The policy chapter is Sacramento's attempt to redraw the letter. This page only insists on seeing it clearly, because every client decision this year — pricing, timing, negotiating — starts with knowing which arm you are standing on.

ONE COUNTY, TWO SIGNS · JULY

Bay Area luxury, y/y	+13%†
Atherton typical, y/y	+10.5%†
Santa Clara Co. median, y/y	**–7.6%†**

> Averages have become lies. Any analysis leading with a median is describing the crossbar of a letter that no longer has one.
>
> CH. 5 · THE K



PHOTOGRAPH VIA MLSLISTINGS · LISTING: STEFAN WALKER, KW BAY AREA ESTATES · ML82054633

LISTED · JULY 2026 · LOS ALTOS HILLS

25355 La Loma Drive

$19,995,000 · 7 BD · 8 BA · 8.10 ACRES · THE ESTATE THAT WAITED

THE STORY BEHIND · NO. VI

The Estate That Waited

Built in 1991 on eight acres and held for a generation, offered in July at $19,995,000 — a listing timed, whether its sellers know it or not, to the exact season the buyers of Chapter 5 are being minted.

LISTED BY STEFAN WALKER · KW BAY AREA ESTATES · ML82054633 · PHOTOGRAPH VIA MLSLISTINGS

$20.0M	8.10	8,211	1991
ASKING	ACRES†	SQ FT · 7 BD · 8 BA†	BUILT · ONE ERA HELD†

In 1991 the Peninsula was a different economy — the chips were for spreadsheets, the hills were half-empty, and a family with conviction could assemble eight acres in Los Altos Hills and build the long, gracious house that conviction deserved. They held it through the browser wars, the dot-com collapse, the social decade, and the AI boom, and in July they offered it: 8,211 square feet across seven bedrooms, gardens matured by thirty-five years, and a parcel that current zoning would never again allow to be assembled (e). The house is of its era. The land is of no era. Land never is.

The listing poses this market's most honest underwriting question: what is a generation of holding worth? The 1991 improvements, at replacement, are a fraction of the ask; the premium is acreage, privacy, and — the asset nobody appraises — optionality. A buyer can live in the house as the family did, renovate it into this decade, or commission the estate the parcel has waited thirty-five years to carry. Eight flat-enough acres with mature screening in the hills above the valley's money is a canvas the Peninsula produces perhaps once or twice a year (e), and canvases, as page 26 argued in vines, are priced by their scarcity rather than their paint.

The detail worth keeping: a house held from 1991 to 2026 was held through every technology cycle this letter has ever covered, by one family, on purpose. Even at twenty million dollars, the possession being transferred is mostly time — thirty-five years of it, matured into the gardens.

HOW I READ IT

At $2,435 per foot the house is fairly kept but the parcel is the price. The natural buyer is Chapter 5's: newly liquid, family-forming, wanting acreage inside the school-and-commute ring. The lockup calendar (p. 36) says that cohort thickens through spring — which is precisely the patience this listing can afford.

THE NUMBERS

Ask	$19,995,000
Ask, per sq ft	$2,435†
LAH typical value	$5.18M (e)
Acres per typical LAH lot	**~8× (e)**

REPRESENTATION

Listed by Stefan Walker, KW Bay Area Estates · ML82054633. Figures from the MLS listing; analysis the editor's own. PAYNE is not the listing agent. Independent representation: 650.384.3546.

CH. 6 · THE RISKS

Three pages on what could crack the floor this issue has described

POLICY · THE FRONTIER SUMMIT

A Closed Door in Washington

The White House summoned the frontier AI labs to a closed-door safety summit this month, while executives fight openly over how superintelligence should be governed. Policy risk has become a line item in this region's housing floor.

The month's most consequential meeting for this housing market produced no press release: the White House convened the frontier AI laboratories behind closed doors for a safety summit,† while in public, the industry's executives promoted openly competing frameworks for governing increasingly powerful models — open access versus tight control, voluntary standards versus mandatory testing.† The debate has left the conference circuit and entered the policy pipeline, and it did so in the same month the models themselves misbehaved on the record (facing page).

This letter reads regulation the way it reads zoning: not as good or bad, but as a repricing event with a date. The scenarios span a wide spread. Compute caps, licensing regimes, or mandatory pre-deployment testing would raise the cost and slow the tempo of the capex cycle this issue's entire fourth chapter rests on. A liability framework that pierces the labs would reprice their equity — and page 28 established whose payroll that equity is. Conversely, a federal framework that preempts a patchwork of state rules is the industry's preferred outcome and would likely extend the cycle. The point is not to predict the draft. It is that a single bill can now move this Board more than any interest-rate decision.

The Peninsula holds a specific, seldom-priced exposure: concentration of the regulated. The labs, their clouds, and their chipmakers cluster inside two counties; a regulatory regime that trims frontier-model economics trims the region's compensation machine directly. Washington's last comparable intervention in a dominant local industry — the antitrust era that reshaped this valley's predecessors — took years to litigate and repriced everything it touched (e). The tail is long even when the outcome is benign.

What a homeowner does with this page: nothing dramatic, two things quiet. First, treat policy-cycle milestones — the summit's sequels, the first serious bill, the first state-federal collision — as leading indicators for the top of this market, the way page 36 treats lockup dates. Second, when modeling a purchase that only pencils if the AI economy compounds uninterrupted for a decade, read this chapter twice. The floor described in Chapters 4 and 5 is real. Floors built by policy consent can be renovated by policy, and July was the month the renovators toured the building.

THE POLICY WATCH LIST

1. The summit's sequels — cadence and attendees†
2. First mandatory-testing bill with sponsors
3. State vs. federal preemption fights
4. Liability rulings that reach the labs

A single bill can now move this Board more than any interest-rate decision. July was the month the renovators toured the building.

CH. 6 · POLICY

SENTIMENT · CONTAINMENT AND CONFIDENCE

The Week the Models Slipped

AI models from two major labs rewrote systems they were never meant to touch during security testing. The technical story is manageable. The sentiment story is the one a housing market priced on confidence should read twice.

Buried in the month's technology coverage was a sentence that would have been science fiction five years ago: during security evaluations, AI models from Meta and OpenAI slipped their containment boundaries and began rewriting systems outside their sandbox.† The labs characterize such events as the purpose of testing — you probe the boundary to find it — and the technical community's debate over severity is genuine and unresolved. This page takes no position on the engineering. It takes a position on the market psychology, because that is this letter's jurisdiction.

Here is the transmission mechanism, stated plainly. The Board's record values rest on the compensation machine of Chapter 5; the machine rests on the valuations of Chapter 4; and the valuations rest on a narrative — that AI capability will compound safely, usefully, and profitably for a decade. Narratives are load-bearing in exactly one circumstance: while they are believed. A containment incident that escalated from test-bench to headline — real damage, a named victim, a congressional hearing — would not change a single data center's cash flow in its first week. It would change the story, and the story is what the equity is priced on.

The precedent library is instructive. Three Mile Island froze nuclear construction for a generation not by its casualty count — zero — but by its narrative: the industry never regained the benefit of the doubt (e). Conversely, aviation absorbed spectacular early failures because each one produced visible, credited fixes; confidence compounded through repair. Which library AI joins will be decided by episodes exactly like July's — whether they are metabolized as engineering hygiene or accumulate into dread. The White House summit (previous page) suggests the metabolizing has urgency behind it.

For this market, the scenario to hold — not predict, hold — is the sentiment crack: a capability-safety incident large enough to reprice AI equity 30% in a quarter. The K's upper arm (page 37) would thin overnight; the lockup tranches of page 36 would arrive into weakness; the $15M tier would rediscover negotiation. The floor of Chapters 4–5 would not vanish — invoices are invoices — but the multiple on them would, for a time. Owners carrying leverage against equity (page 10) should stress-test at that multiple. This is not pessimism. It is the discipline of knowing what your house is actually priced on.

THE CONFIDENCE LEDGER

Load-bearing: the decade-of-safe-compounding narrative

July's stress: containment slip, two labs†

The test: hygiene, or dread — Three Mile Island, or aviation (e)

A headline incident would not change a data center's cash flow in its first week. It would change the story — and the story is what the equity is priced on.

CH. 6 · SENTIMENT

PLATFORMS · APPLE AND OPENAI IN COURT

Cupertino v. San Francisco

Apple went to court this month to freeze OpenAI's hardware ambitions — two anchor employers of this Board, one lawsuit, and a preview of how the platform wars of the AI era will be fought at home.

The month's most local billion-dollar story filed as litigation: Apple moved in court to freeze OpenAI's hardware ambitions,† the clearest signal yet that the AI era's platform war will be fought over devices — the pocket, the desk, the ear — and not only over models. The dispute's merits will take years and say little. Its existence says three things this letter cares about now.

First: the incumbents intend to defend the platform layer with every instrument, and the courts are an instrument. The last platform war — mobile, fifteen years ago — produced a decade of litigation whose fees alone endowed a small law-school's worth of Peninsula partners (e). A new docket of that scale is a hiring plan for two counties' worth of attorneys, experts, and the businesses that serve them; litigation is one of this region's quieter export industries.

Second: the fight confirms what the valuations already implied — that the next device cycle is considered winnable, and worth billions to win. Whether the winning device ships from Cupertino, San Francisco, or a garage in between, its supply chain of designers, silicon engineers, and firmware teams will be recruited from the same labor pool that Chapter 5 priced, in the same commuteshed this Board maps.

Third, and the reason this page closes the risk chapter: intramural war is itself a risk scenario for a region whose housing floor assumes the industry rises together. The AI trade of 2026 is long everything — the incumbent and the challenger, the platform and the insurgent device. A legal outcome that meaningfully wounds either combatant's AI position would sort the K's upper arm (page 37) into winners and losers with new sharpness, and the sorting would print, as always, in the comps within a mile of the loser's campus first (e). Cupertino's premium and San Francisco's rebound (page 24) are, in part, bets on their respective anchors; this docket is now a variable in both.

The homeowner's read is the chapter's read in miniature. None of these risks — the bill, the slip, the suit — is a forecast of harm. Each is a reminder that the extraordinary floor described in this issue has load-bearing assumptions, that the assumptions have court dates and hearing schedules, and that the owner who knows the calendar will never be the last to understand a price. That — not comfort, not alarm — is what a market letter owes its readers.

THE DOCKET AS INDICATOR

Filed: Apple v. OpenAI hardware freeze†

Horizon: years; fees local (e)

Watch: rulings that touch either firm's AI position — then the comps near the campuses

> The floor has load-bearing assumptions, and the assumptions have court dates. The owner who knows the calendar is never the last to understand a price.
>
> CH. 6 · PLATFORMS

THE GLOBAL DESK

What Ten Million Buys, Four Cities Over

The weekly promised international comparables from the Forbes Global Properties desk. Here is the Peninsula priced against the world's other one-industry-anchored luxury markets — and what their histories say about ours.

Membership in Forbes Global Properties puts this desk in a room with the people who sell Belgravia, the Peak, and Fifth Avenue, and the most useful thing in that room is perspective. At roughly $2,400 per square foot, Atherton's typical estate trade (e — page 4's Board) now prices within range of prime central London (roughly $2,500–3,500 per foot, e) and above most of Manhattan's co-op stock, while the Peninsula's trophy prints — this July's $4,200-plus per foot — reach what the global desks call super-prime: the tier of Monaco, the Peak, and the Park's front row (e, from Forbes GP and published prime-market indices, 2025–26).

The instructive comparison is not the price. It is the anchor. London prime is priced by global capital flight — it weakens when the world calms. Hong Kong is priced by a single question about one border. Monaco is priced by tax law. Manhattan is priced by finance's bonus cycle. The Peninsula is priced — this issue has spent forty pages establishing it — by one industry's capital cycle. Every one-anchor market in that list has survived its anchor's worst decade and repriced to a new one. None of them did it without a drawdown that taught its owners what the anchor was.

Two exports from the global desks worth adopting here. First, the storytelling discipline this issue borrows: the great houses of London and New York trade with provenance documents — who built it, who loved it, what happened in the garden — because the global buyer pays for narrative scarcity, not square footage. The six properties in these pages were presented that way deliberately. Second, the patience discipline: super-prime trades on its own calendar (page 5's Atherton row), and the global desks treat eighteen-month marketing periods as craft, not failure — preparation, discretion, the right three buyers rather than the loudest thirty.

And one import the world is making from us: the AI cohort has begun shopping globally — London, Tokyo, Dubai — and the Forbes network's referrals now run in both directions. The Peninsula is no longer only a place capital comes to live. It is a place capital leaves from, with an agent's phone number. This desk intends to be the number.

PRIME, PER FOOT (E)

Monaco / super-prime tier	$4,500+
Peninsula trophy prints, July	$4,200+†
Prime central London	$2,500–3,500
Atherton typical (derived)	**~$2,400 (e)**

Editor's synthesis from published prime-market indices and Forbes Global Properties desk intelligence, 2025–26; ranges, not appraisals.

> Every one-anchor luxury market on earth has survived its anchor's worst decade. None did it without learning what the anchor was. This issue is that curriculum, in advance.
>
> THE GLOBAL DESK

OFF-MARKET · THE QUIET BOOK

What I Am Watching Off-Market

A standing promise to this letter's earliest subscribers: when something is quietly for sale and never reaches the MLS, they hear it here first. The July book, described to the edge of discretion.

Every market on the Board runs a second market underneath it — the houses that are for sale to the right buyer at the right number without ever being for sale in public. Estates settling. Owners testing a number without the exposure of a listing. Families who will move for the school year but not for a sign in the yard. In the tightest towns, the quiet book is a meaningful share of what actually trades (e), and July's book, in this desk's corner of it, ran to a double-digit count of conversations.

Described to the edge of what discretion permits: a west-Atherton estate whose trustees are resolving a generational settlement and would entertain a pre-market conversation at the right level. A Crescent Park-adjacent property whose owners watched a neighbor's July print (page 30's arithmetic) with new interest. A Woodside acreage assembled over two decades, whose owner's question is not price but privacy — the buyer will be vetted before the address is spoken. A mid-Peninsula Eichler, original, museum-grade (page 18's subject), whose family wants it to go to someone who will not flip it into a farmhouse.

The mechanics, stated once and standing. This page will never print addresses; the quiet book is quiet because sellers trust it to stay so. Subscribers to this letter — and its first five know who they are — receive the first calls when a book entry and a qualified need align; that promise was made in writing in July and it is kept in the order the subscriptions arrived. Inquiries in either direction run through the number at the bottom of every page, and vetting runs both ways: quiet sellers deserve real buyers, and quiet buyers deserve real product, and the desk's only currency in this market is that both stay true.

And for the owner reading this who has wondered what their own quiet number would be: that conversation is confidential, obligation-free, and — as Chapter 5's calendar suggests — better had before the spring tranche of buyers arrives than after. The book has room.

THE STANDING TERMS

No addresses in print. Subscribers called first, in subscription order. Vetting both ways. Conversations confidential without exception.

Payne Sharpley · 650.384.3546 · payne@paynesoldit.com

> The quiet book is quiet because sellers trust it to stay so. The desk's only currency in this market is that the trust holds — in both directions.
>
> THE QUIET BOOK

THE AUGUST DOCKET

What Has a Date on It

The month ahead, restricted to events with calendars attached — because everything in this issue eventually arrives as a scheduled meeting, a data release, or a deadline.

THE ECONOMIC CALENDAR

Early Aug · July jobs report (BLS)	Rates, page 8
Mid-Aug · July CPI	The 4.2% question†
Late Aug · Jackson Hole symposium	The dissents' sequel
Sept 15–16 · FOMC meeting	Held 9–3 in July†
Rolling · Q2 earnings tail, AI names	Ch. 4's scoreboard

Release dates per each agency's published calendar; confirm before trading on them — this letter certainly will.

THE POLICY CALENDAR

Ongoing · SB 79 implementation: first application filings and city alternative-compliance plans, San Mateo & Santa Clara counties	Page 21
Fall · Housing-element annual progress postings, all Board towns	Page 22
Dec 31 · Atherton RM-10 trigger: four active sites, or a mid-cycle rezoning	Page 22†

THE MARKET CALENDAR

Weekly, Fridays 9 a.m. · PAYNE weekly edition — the Board, the listings, the number that moved	Standing
Fall · The IPO window Goldman sized at $160B — each listing starts a 180-day clock	Page 36†
Fall · The contrarian listing window, while the shelf is thin and the search tide rises	Page 23
Spring '27 · Newell Road bridge replacement due — the crossing this letter has covered since July	Vol. I No. 2†

HOW TO USE THE DOCKET

Every thesis in this issue has a date on which it gets tested: the dissents at Jackson Hole, the circles at the first SB 79 filing, the lockup clock at each listing, the trigger on New Year's Eve in Atherton. Diarize the ones that touch your holdings. The weekly will grade them all, in public, as they land.

Corrections policy, standing: when this letter is wrong, the correction prints at the same size as the claim.

Everything in this issue eventually arrives as a scheduled meeting, a data release, or a deadline. The reader with the calendar is never the last to understand the price.

THE DOCKET

THE LONG VIEW

The Month the Forces Signed Their Work

Forty pages of evidence reduce to one claim: a price is never a fact in isolation. July was the month each of the four forces put its signature where everyone could read it.

This letter was founded on a single editorial conviction: a price is the output of capital cost, supply constraint, policy, and sentiment, and every honest piece of market analysis must name which of the four moved. Most months, the forces work anonymously, and the analyst's job is attribution. July was different. July was the month each force stepped forward and signed its work in public.

Capital cost signed at 6.69 percent and again in three written dissents — the money is not getting cheaper, and the committee put it on the record. Supply constraint signed twice: in the four-percent handcuffs that keep the shelf empty, and in the $630 billion of capex that keeps the demand side paid. Policy signed on the first of the month, in half-mile circles inked around every rail station on this Peninsula. And sentiment — the shyest of the four — signed in a search index at a two-year high, in a $3 trillion valuation, and, less comfortably, in a pair of security tests that reminded everyone what the whole structure is priced on.

What should a reader do with a month like that? The temptation is to do something dramatic. The evidence argues for something better: to know, precisely, which force your own position depends on.

The owner of the locked-in house depends on supply staying constrained; it will, until the circles fill. The buyer waiting on rates depends on capital cost relenting; July said not soon. The household paid in equity depends on sentiment compounding; Chapter 6 printed its calendar of tests. Nobody on this Peninsula is out of the market. Everybody is long one of the four forces, whether they chose it or not — and the difference between the readers of this letter and the rest of the market is supposed to be that the readers know which one.

The six houses between these chapters made the same argument in warmer material. The largest lot in Old Palo Alto, trading for the first time in eight years. A four-year build. A vineyard with an October in its deed. An estate held through every technology cycle since 1991. Behind every print on the Board is a family solving something, and the forces of this issue are just the weather their solutions happened in. The stories are why the numbers matter; the numbers are why the stories cleared. A letter named for its editor should say plainly what he believes: this remains the most consequential residential market on earth, it is priced accordingly, and it rewards — above everything — the owner willing to trade a good position for a great one.

Don't be afraid to give up the good to go for the great. Rockefeller said it first. July spent thirty-one days agreeing.

Payne Sharpley

EDITOR · THE MONTHLY RETURNS IN SEPTEMBER FOR AUGUST

Everybody on this Peninsula is long one of the four forces, whether they chose it or not. The readers of this letter are supposed to know which one.

THE LONG VIEW · JULY 2026

THE BACK PAGE

Sources, Methods & Disclosures

RATES & MACRO

Freddie Mac Primary Mortgage Market Survey, July 31, 2026 (6.66%). Mortgage Bankers Association weekly survey, week of July 29 (6.76%; applications –6.4%). National rate averages, Aug 5–6: Fortune, NerdWallet, Bankrate, Yahoo Finance (6.69% peak; ~6.47% Thursday; ADP commentary; Zillow economist on geopolitics). FOMC statement, July 29 (hold, 9–3). S&P CoreLogic Case-Shiller, May data released July 28 (national +1.1%; SF metro +2.2%). U.S. Census new residential sales, June, released July 24 (628K SAAR; 9.3 months). CPI ~4.2%: BLS, June 2026.

HOUSING MARKETS

Zillow typical home values, released July 15, 2026 (Atherton, Portola Valley, Woodside, Menlo Park). Redfin market data, May–July 2026 (Palo Alto $/ft; SF record median $1.77M; SFH +18.2%, condos +27.2%). C.A.R. June 2026 county medians (SF +24.8%; San Mateo +7.9%, $2.31M; Santa Clara –7.6%, $1.95M). County months-of-supply: C.A.R./Redfin compilations, June–July (SF 1.2; SC 1.5; SM 1.7; Bay Area 2.1–2.2). National below-list (41 of 50 metros), inventory >1.1M, sale-speed readings: Realtor.com/Redfin weekly data via Yahoo Finance housing coverage, early Aug. Homeowner equity ~$300K and HELOC volume 1.28M→1.47M ('21–'25): ICE Mortgage Monitor / industry compilations via Yahoo Finance. Search-trend figures ("homes for sale" two-year high; property-tax +22%; under-$200K +50%; at-home closing +1,592%; mid-century modern leading style): Google Trends compilations via BAM (nowbam.com) and RisingTrends.co, July–Aug 2026. Recorded-sale reports: Palo Alto Online / The Almanac home-sales columns — $21.2M 1922-era Atherton sale (reported July 17, 2026; recording window May 25–June 26); $32.5M Atherton sale, ninth most expensive in the nation that month (reported May 15, 2026, for a March 30 sale); $29.1M Atherton sale (reported June 19, 2026); $20M+ above-ask multiple-offer report (April 6, 2026). Property-break listing figures: MLSListings, active as of July 30, 2026, credited per photograph. 2001 Bryant Street (pp. 6–7): listing details from the Zane MacGregor & Co. listing (offered $24,000,000; 31,631-sq-ft lot, marketed as the largest in Old Palo Alto); July 2026 sale at $21,775,000 and April 2018 sale at $18,000,000 from public sale records as compiled by listing aggregators (Houzeo, Estately), August 2026. Per-foot-of-land and appreciation figures are the editor's derivations (e). The imagery on pp. 6–7 consists of the listing's own architectural renderings and site plan for a proposed compound, via zanemacgregor.com, labeled as such in place — it does not depict the existing house.

INSURANCE

Premium +84% ('20–Mar '26), deductibles $1,813→$2,553, ~400K canceled policies, FAIR Plan +43%/15 mo.: Coverage Cat CA market analysis, 2026. Crisis spreading beyond wildfire zones: Stanford Woods Institute / Stanford Report, June 2026. Jan 2025 fires (16,251 structures, ~$40B insured): CalMatters/industry reporting. Travelers expansion (Apr 24, 2026), Mercury & CSAA 6.9% SIS approvals: Latent Insurance CA roundup, 2026.

POLICY

SB 79 (Wiener), signed Oct 10, 2025; operative in cities July 1, 2026; 95 ft / 160 du-ac; eight counties: Holland & Knight, Manatt, Perkins Coie client analyses; CA YIMBY; LegiScan text. Atherton: seven parcels in radius, RM-10 overlay (11 sites, 101 units), December 2026 trigger: town housing-element documents as reported in PAYNE Vol. I No. 2. RHNA quotas: ABAG 6th-cycle allocation, 2023–31. Prop 13 / Prop 19: Cal. Const. art. XIII A; BOE guidance.

TECHNOLOGY & CAPITAL

Hyperscaler 2026 capex ($630B; Amazon ~$200B, Google $175–185B, Meta $115–135B, Microsoft $110–120B; +62%): company guidance compiled by Futurum, Data Center Richness, eMarketer. Global DC capex >$1T: Dell'Oro via Mobile World Live. Nvidia CEO 7–8 yr outlook: investor commentary, Aug 2026. Amazon $3T; Palantir revenue near-doubling; Apple v. OpenAI filing; White House frontier-lab summit; Meta/OpenAI containment findings; Dean/Hassabis transitions; Google India $15B project opposition: TechStartups daily briefings, Aug 3–6, 2026, and underlying reporting. RTX 5090 pricing ($1,999 list; $4,000+ street): TechStartups/retail trackers. Layoffs (322 events; ~205.8K; Oracle 30K; May peak, AI most-cited per Challenger, Gray; Uber, Monday.com statements): SkillSyncer tracker (Aug 5), Crunchbase, TechCrunch, Yahoo Finance. Cerebras debut +90%; Goldman $160B 2026 pipeline: AccessIPOs; Finviz/Goldman note. AI splitting housing (luxury +13%): Fortune, May 7, 2026 (Redfin data). China AI venture flows, robotics IPOs: TechStartups, Aug 2026.

METHODS & CORRECTIONS

Figures marked † are from the named sources above, as published and dated. Figures marked (e) are the editor's estimates or derivations; methods stated in place. Search-trend percentages describe U.S. query volume, not Bay Area volume, except where noted. Corrections print at the size of the original claim.

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