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# San Francisco Bay Area Real Estate Markets Survey

August 2019 Report

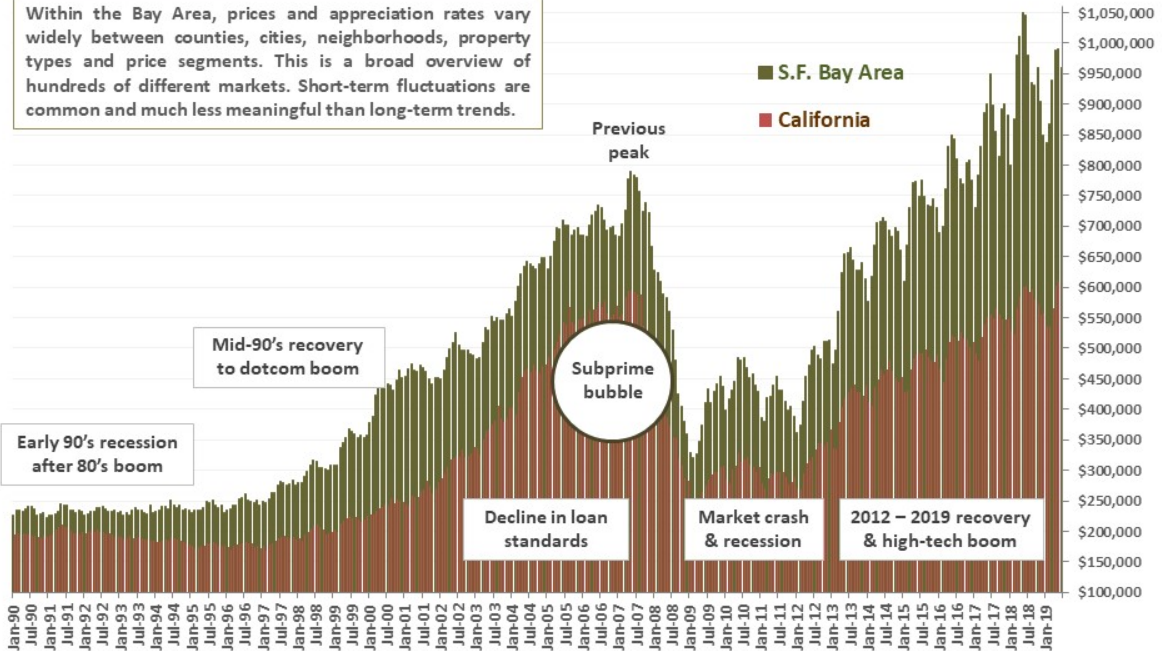
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# Bay Area & California Long-Term Median House Price Trends

## Bay Area Home Price Appreciation Median House Sales Prices, 1990 - Present

Median sales prices for existing houses, 9 Bay Area Counties, per CA Association of Realtors

Within the Bay Area, prices and appreciation rates vary widely between counties, cities, neighborhoods, property types and price segments. This is a broad overview of hundreds of different markets. Short-term fluctuations are common and much less meaningful than long-term trends.



Updated through 6/30/19. Monthly median sales prices for "existing" houses since 1990 by month, per CA Association of Realtors. May contain errors and subject to revision. All numbers are approximate.

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## Q2 2019 Median Home Sales Prices

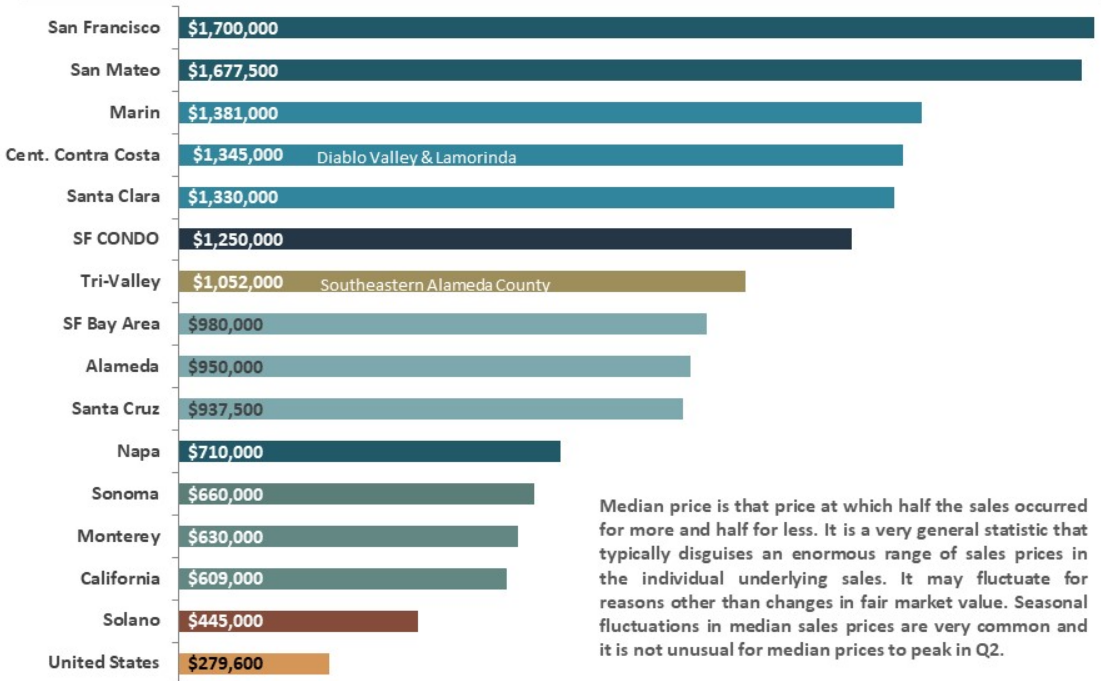
Note that it is not unusual for median home sales prices to peak for the calendar year in spring (Q2). This is due not only to heightened buyer demand, but also to the extreme seasonality of the luxury home market - more

luxury home sales (as a percentage of total sales) pull overall median sales prices up.

## Median House Sales Prices

by Bay Area County (or Region), Q2 2019

Approximate numbers, per CAR Housing Affordability Index calculations, or MLS



Median price is that price at which half the sales occurred for more and half for less. It is a very general statistic that typically disguises an enormous range of sales prices in the individual underlying sales. It may fluctuate for reasons other than changes in fair market value. Seasonal fluctuations in median sales prices are very common and it is not unusual for median prices to peak in Q2.

Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI). Methodology can be found on [www.CAR.org](http://www.CAR.org). Market Data section. SF condo median sales price calculated per MLS sales data.

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## Year-over-Year Median Home-Price Appreciation (or Depreciation) Rates

Markets in late 2017 through spring 2018 were very hot virtually throughout the Bay Area (as illustrated by the high appreciation rates represented by the dark blue columns below). In the second half of 2018, markets

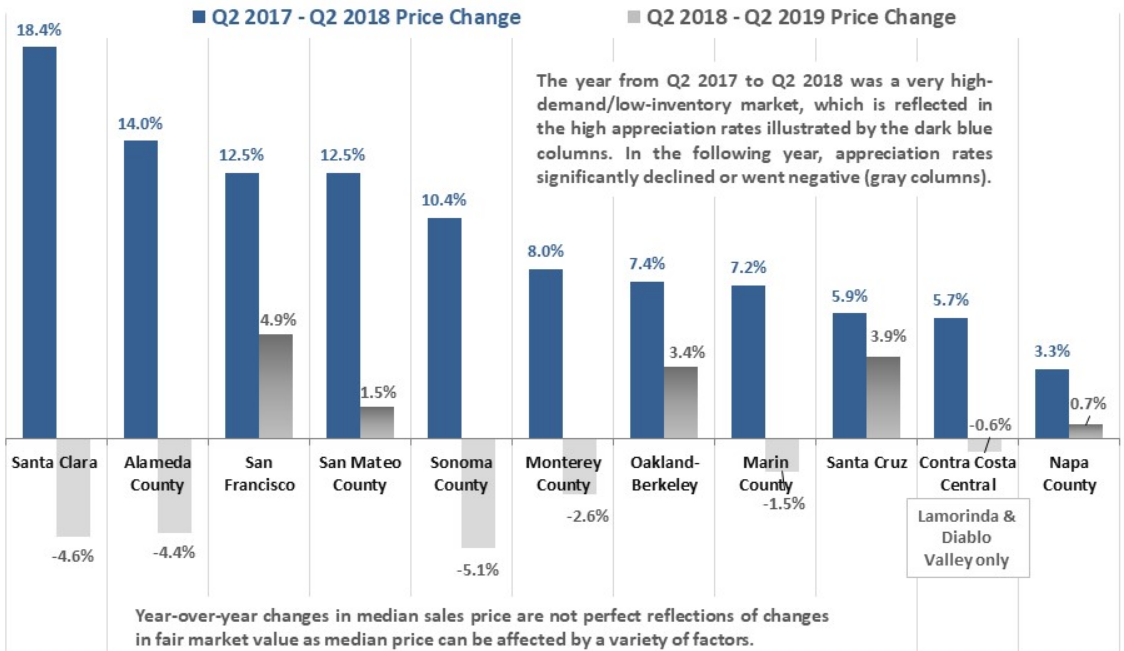
cooled considerably - besides issues of simple affordability, financial markets saw nerve-wracking volatility and large declines, and interest rates jumped dramatically. Then, in 2019, stock markets recovered, interest rates plunged, and real estate markets strengthened once more, though not to the levels of early 2018.

Generally speaking, except for those markets most affected by the slew of local high-tech IPOs - San Francisco and the greater Oakland region - most markets saw either no significant year-over-year appreciation or year-over-year declines in median house sales prices from their Q2 2018 peaks (gray columns). Santa Cruz County bucked this trend. The next major indicator of market direction will come from autumn selling season data.

## Year-Over-Year Changes in Median House Sales Price

Comparing the Q2 2017 – Q2 2018 change, with the Q2 2018 – Q2 2019 change

Sales reported to MLS,  
per Broker Metrics



Median price fluctuations are not uncommon, which can skew results. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers are approximate. Late reported sales may alter percentages, but typically to only a minor degree.

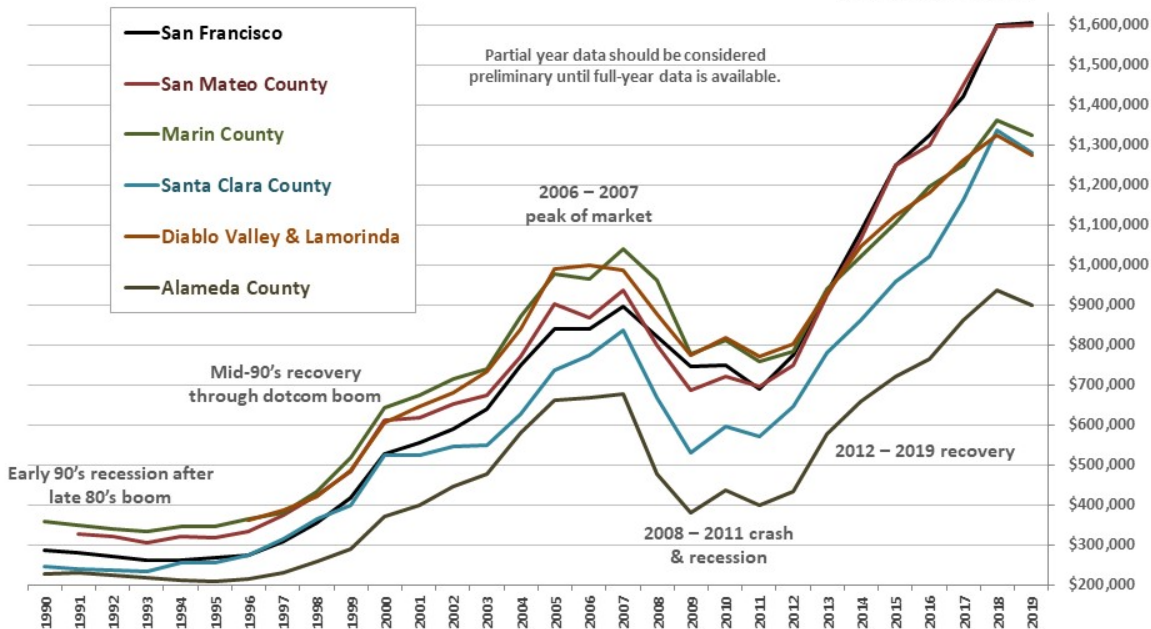
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## Median House Sales Price Trends since 1990

# Annual Median Bay Area HOUSE Sales Prices

Single Family Home Sales, 1990 – 2019 [7/31/19]

Updated through 7/31/19

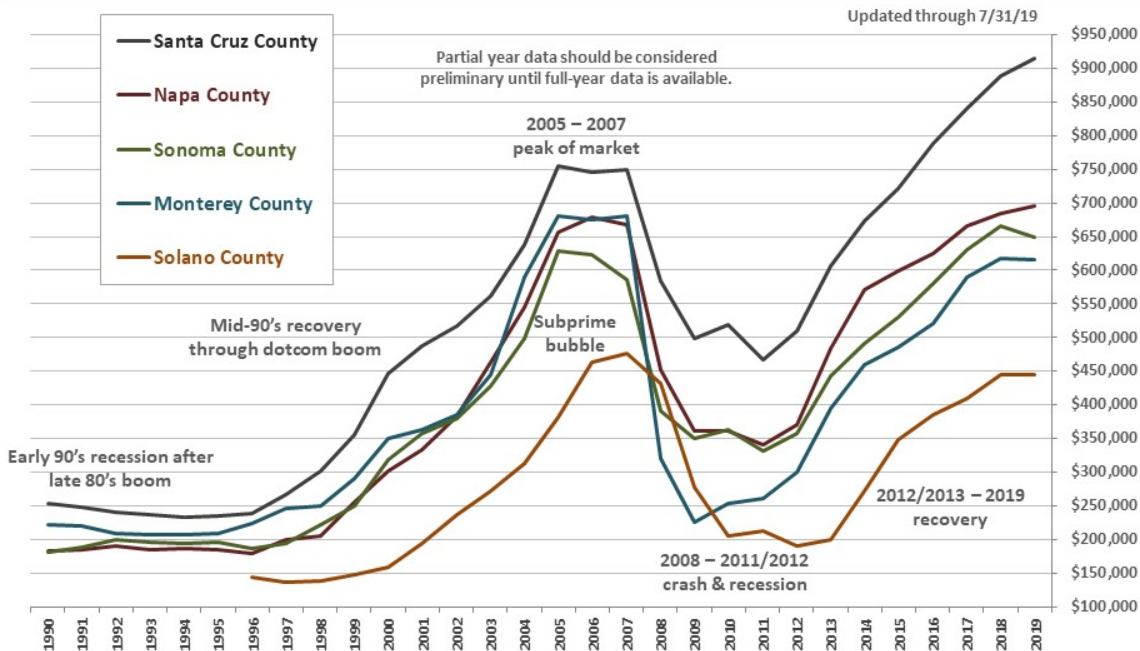


Median prices disguise an enormous variety of prices in the underlying individual sales. Data from the California Associations of Realtors Annual Historical Data Summary and local MLS associations. Deemed reliable but may contain errors and is subject to revision. All numbers are approximate.

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# Annual Median Bay Area HOUSE Sales Prices

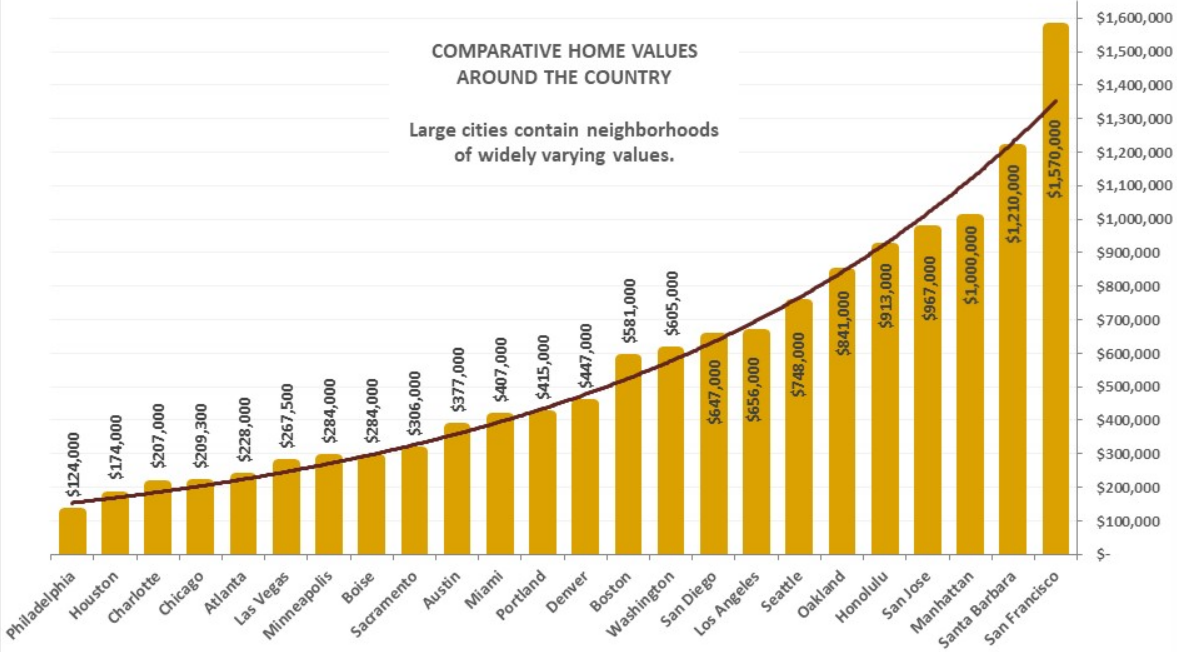
Single Family Home Sales, 1990 – 2019 [7/31/19]



Median prices disguise an enormous variety of prices in the underlying individual sales. Data from the California Associations of Realtors Annual Historical Data Summary and local MLS associations. Deemed reliable but may contain errors and is subject to revision. All numbers are approximate.

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# 3-Bedroom Homes – Estimated Median Values for Selected United States Cities



Per Zillow Research as of July 2019: <https://www.zillow.com/research/data/>. For houses, condos and co-ops. Analysis may contain errors and subject to revision. All numbers to be considered approximate.

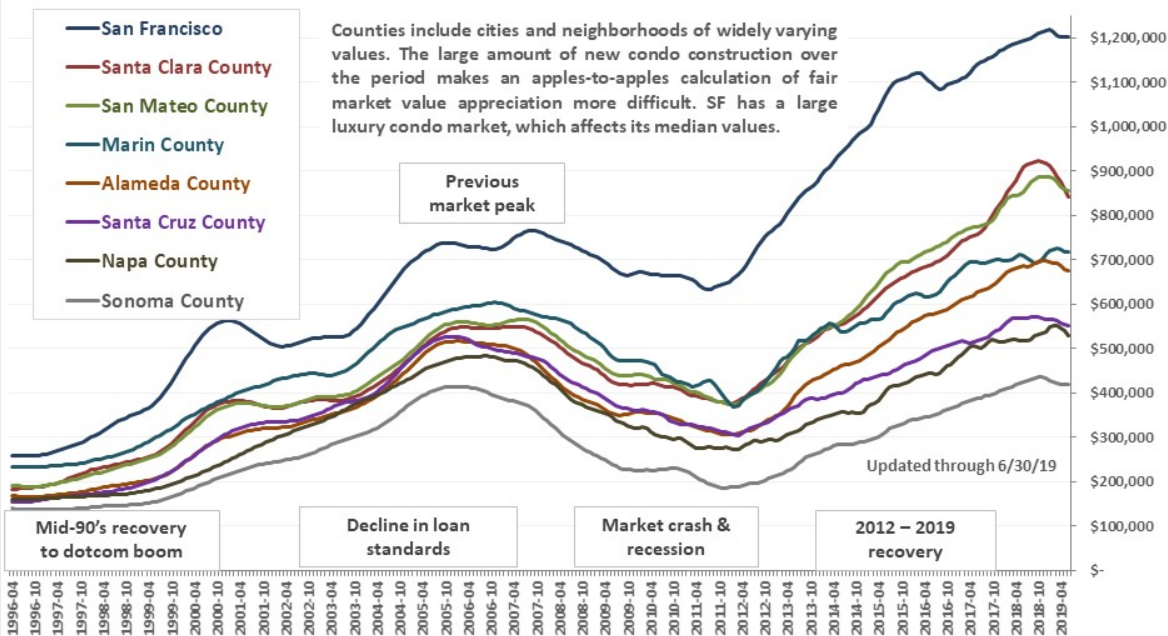


## Bay Area Median Condo Values since 1996



# Bay Area CONDO & CO-OP Median Price Values

By County, 1996 – Present



Data from Zillow Research: <https://www.zillow.com/research/data/>. Zillow Home Value Index (ZHVI): A smoothed, seasonally adjusted measure of the median estimated home value. Median value is that value at which half the homes are worth more and half for less. Analysis may contain errors and subject to revision. All numbers are approximate.

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## Compound Annual Home Price Appreciation Rates

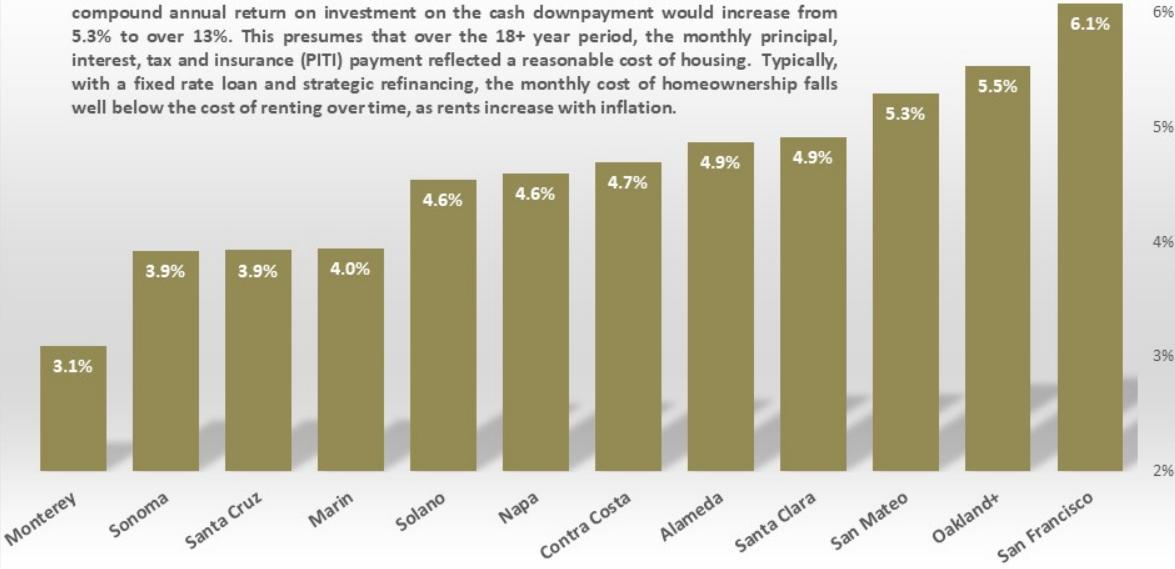
When calculating these rates, results vary enormously depending on the year the calculation begins with. These start with the year 2000. If we started with 1995 - prices rapidly appreciated between 1995 and 2000 - the rates would jump; if we began with 2007 - the height of the subprime boom - then the rates would drop. The same issue exists with calculating stock market returns.

These approximate calculations are based simply on the all-cash median house purchase price in 2000 and median sales price in mid-2019, without adjusting for closing costs (or the effect on "return on cash investment" of not paying all cash upon purchase).

### Compound Annual Appreciation Rates since 2000

in Annual Median House Sales Price, 2000 to 7/31/19

Based on all-cash purchase at the median house sales price. If calculating *return on investment*, based upon a 20% cash *downpayment*, with 1.5% buying closing costs and 7.5% selling costs, and the payoff of the remaining loan principal, the San Mateo County compound annual return on investment on the cash downpayment would increase from 5.3% to over 13%. This presumes that over the 18+ year period, the monthly principal, interest, tax and insurance (PITI) payment reflected a reasonable cost of housing. Typically, with a fixed rate loan and strategic refinancing, the monthly cost of homeownership falls well below the cost of renting over time, as rents increase with inflation.



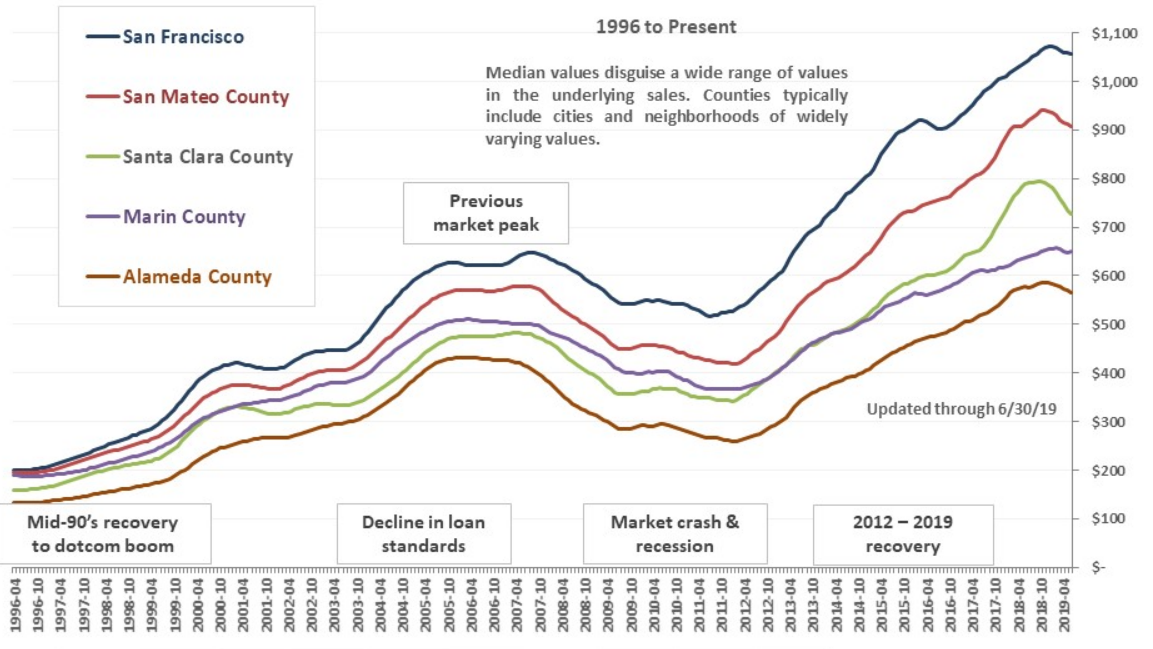
All areas are counties except the greater Oakland-Berkeley region. These should be considered very approximate good-faith calculations and cannot be relied upon predict the future. Year 2000 median sales prices derived from CA Association of Realtors historical data survey, and 2019 YTD prices from MLS. Data derived from sources deemed reliable, but may contain errors and subject to revision.



## Bay Area Median Dollar per Square Foot Values

# Bay Area Median Dollar per Square Foot

## County Median Values for Houses, Condos & Co-ops

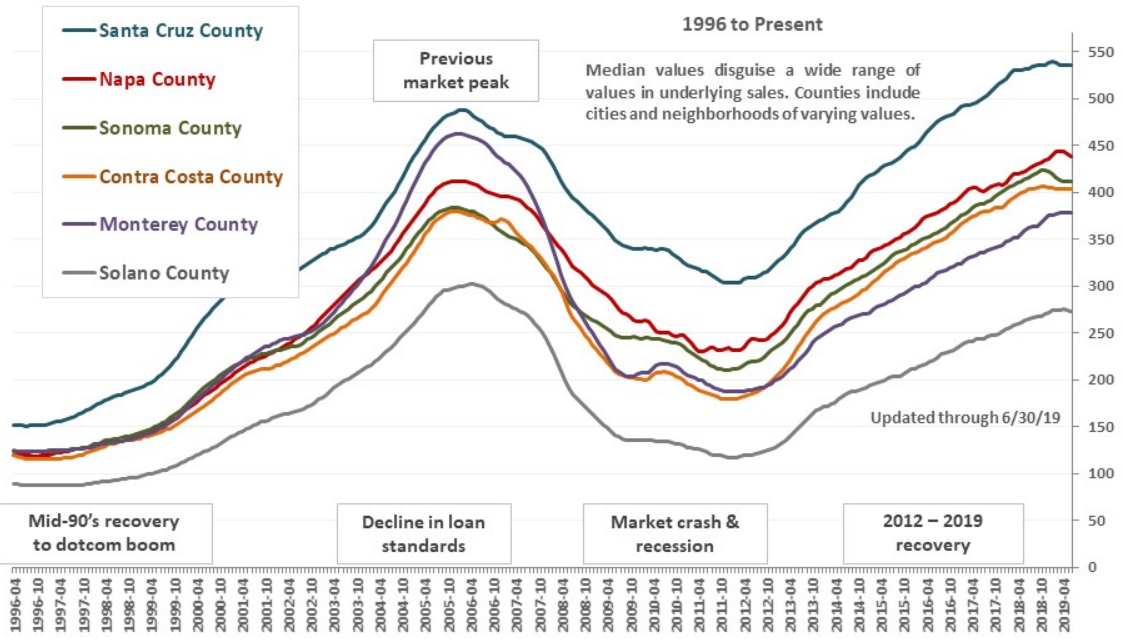


Data from Zillow Research: <https://www.zillow.com/research/data/>. Zillow Home Value Index (ZHVI): A smoothed, seasonally adjusted measure of the median estimated home value. Median value is that value at which half the homes are worth more and half for less. Analysis may contain errors and subject to revision. All numbers are approximate.



# Bay Area Median Dollar per Square Foot

## County Median Values for Houses, Condos & Co-ops



Data from Zillow Research: <https://www.zillow.com/research/data/>. Zillow Home Value Index (ZHVI): A smoothed, seasonally adjusted measure of the median estimated home value. Median value is that value at which half the homes are worth more and half for less. Analysis may contain errors and subject to revision. All numbers are approximate.

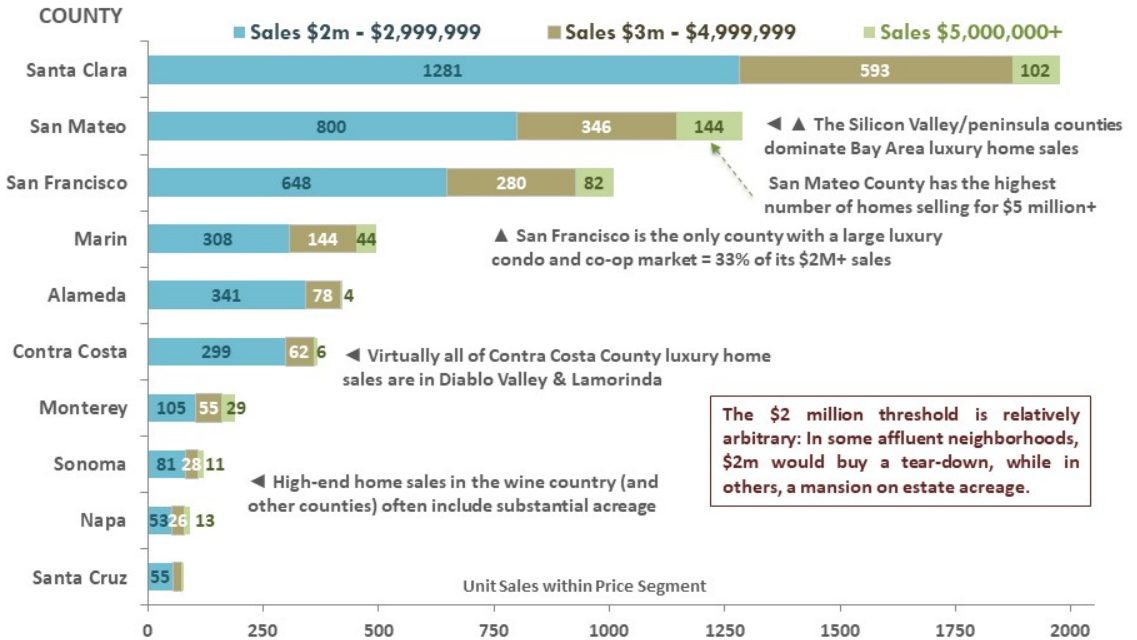


# Bay Area Luxury Home Markets

# Bay Area High-End Home Market by County

Homes Selling for \$2,000,000+, 12 Months Sales

Sales reported to MLS  
8/1/18 - 7/31/19



Sales of houses, condos, co-ops, TICs and townhouses reported to MLS: Not all luxury home sales are reported to MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.

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## Median Sales Prices for Large Homes in Expensive Bay Area Markets

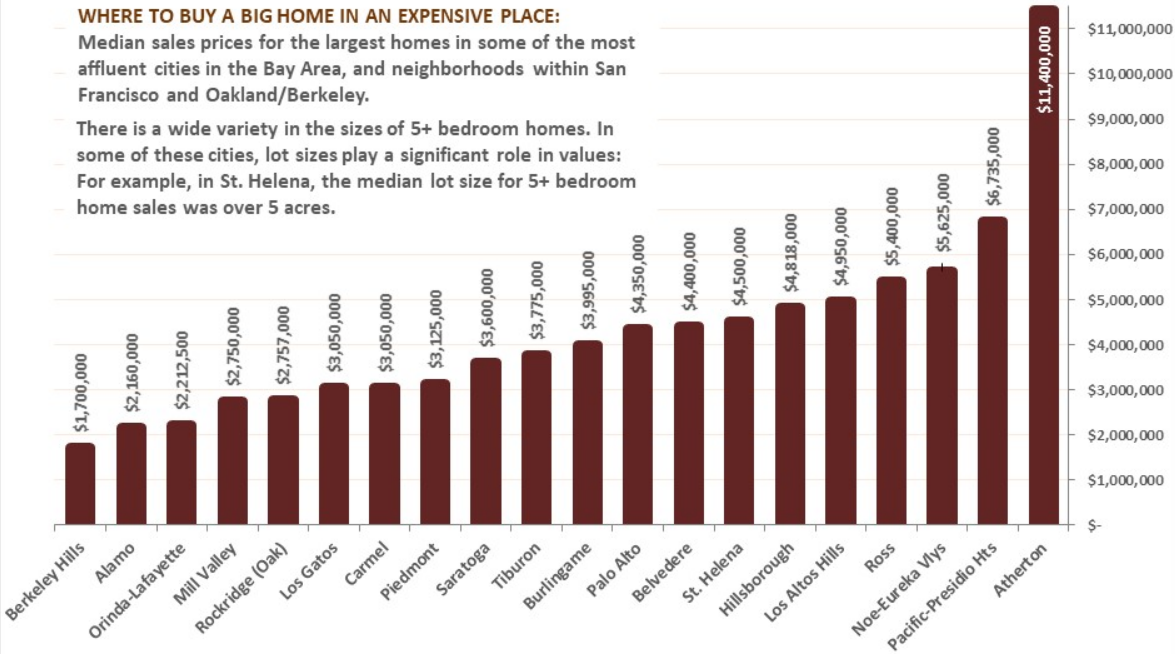
# 5+ Bedroom Homes: Median Sales Prices for Selected Bay Area Cities & Neighborhoods

Sales reported to MLS,  
8/16/18 - 8/15/19

## WHERE TO BUY A BIG HOME IN AN EXPENSIVE PLACE:

Median sales prices for the largest homes in some of the most affluent cities in the Bay Area, and neighborhoods within San Francisco and Oakland/Berkeley.

There is a wide variety in the sizes of 5+ bedroom homes. In some of these cities, lot sizes play a significant role in values: For example, in St. Helena, the median lot size for 5+ bedroom home sales was over 5 acres.



Some of these areas had relatively few sales within the period, which makes their median prices subject to dramatic fluctuations. Analysis may contain errors and subject to revision. All numbers approximate.

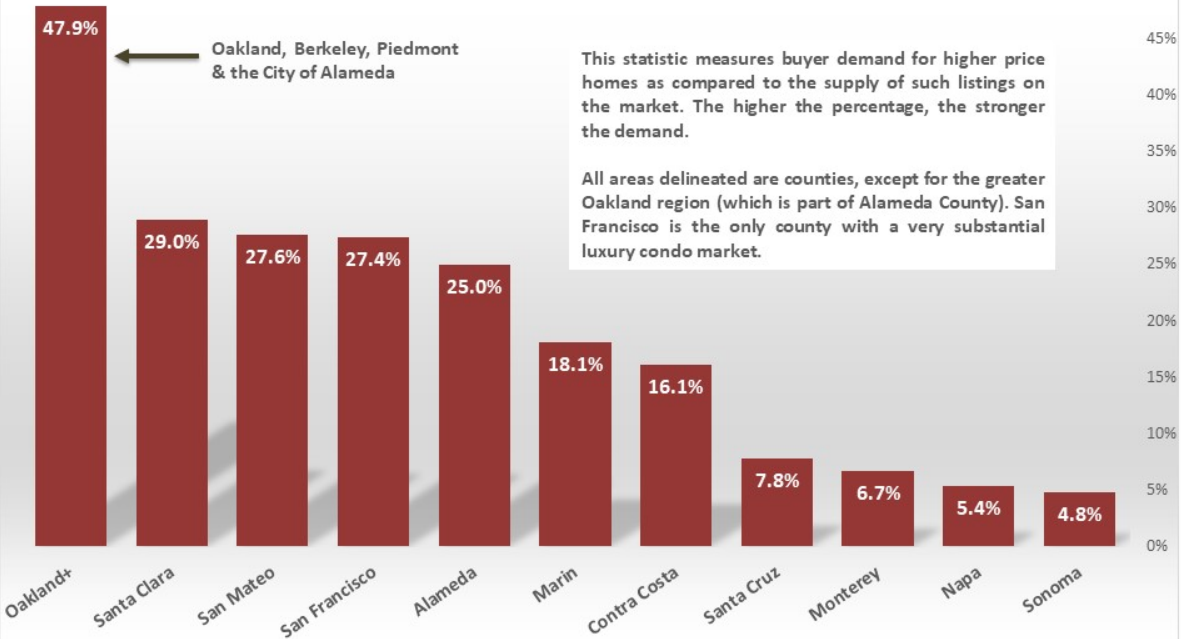
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High-end home markets in outlying counties - the four with the lowest percentages in the chart below - have softened considerably, and would typically be considered to be in buyer's market territory. This doesn't mean that some luxury homes there don't sell quickly at excellent prices. It does mean that many luxury homes don't sell without price reductions, or don't sell at all.

# Percentage of High-Price Listings Sold in Month - \$2,000,000+

Bay Area Counties or Regions, 2019 YTD Monthly Averages

House & condo sales reported to MLS,  
1/1/19 – 7/31/19, per Broker Metrics



Sales of listings priced \$2 million and above. Not all sales are reported to MLS. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

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## Home Sales Volumes

The following 2 charts illustrate the respective sizes of county markets, the long-term trend in sales volumes, and the dramatic effect seasonality has on the ebbs and flows of activity.

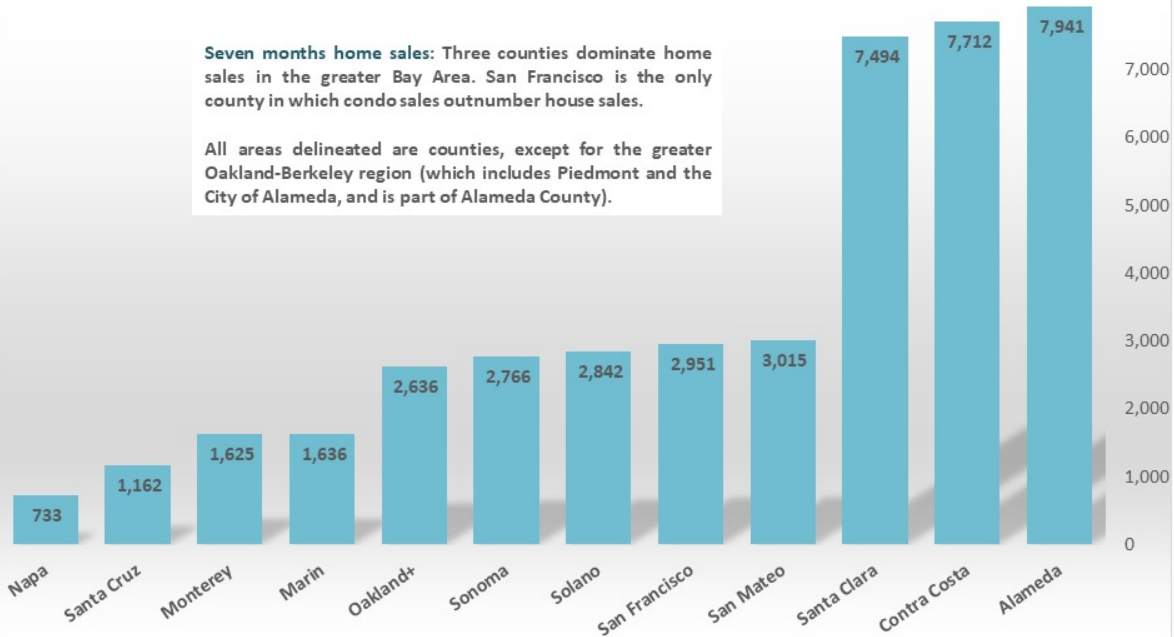
# Total Number of Home Sales

Bay Area Counties or Regions, 2019 YTD [7/31/19]

House & condo sales reported to MLS,  
1/1/19 – 7/31/19, per Broker Metrics

**Seven months home sales:** Three counties dominate home sales in the greater Bay Area. San Francisco is the only county in which condo sales outnumber house sales.

All areas delineated are counties, except for the greater Oakland-Berkeley region (which includes Piedmont and the City of Alameda, and is part of Alameda County).



Not all sales are reported to MLS. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

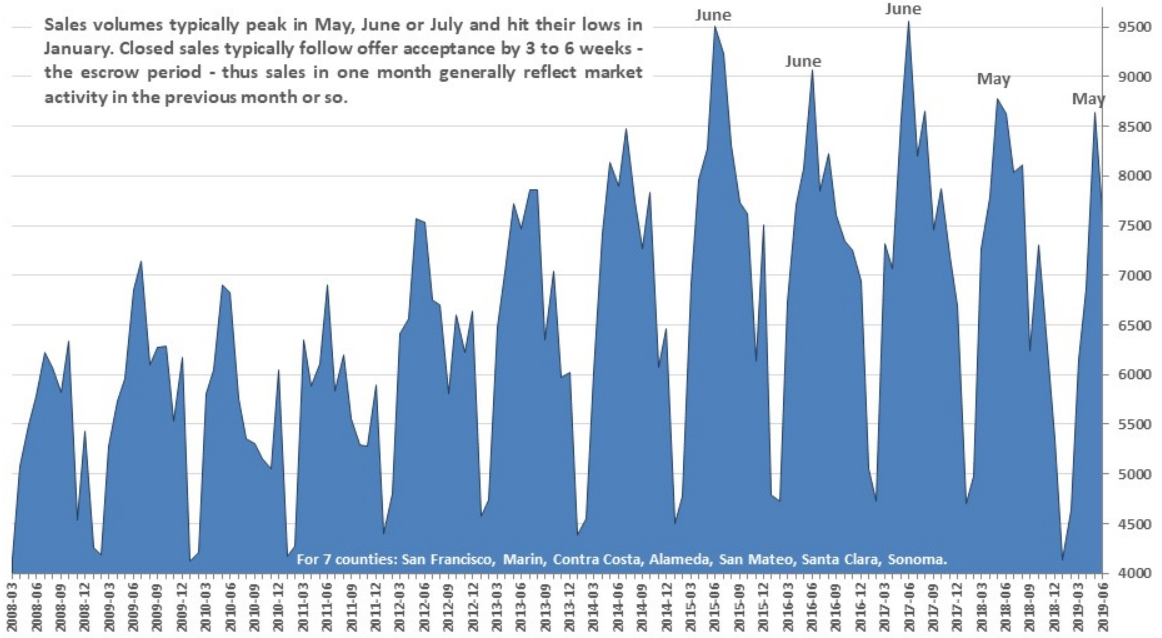
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# Bay Area Sales Volumes & Market Seasonality

Monthly Number of Home Sales since March 2008

Sales volumes typically peak in May, June or July and hit their lows in January. Closed sales typically follow offer acceptance by 3 to 6 weeks - the escrow period - thus sales in one month generally reflect market activity in the previous month or so.



For house, condo and co-op sales. Data from Zillow Research: <https://www.zillow.com/research/data/>, using this methodology: <https://www.zillow.com/research/home-sales-methodology-7733/>. Analysis may contain errors and subject to revision. All numbers to be considered approximate.

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## Market Indicators by County

Below are a number of standard statistics broken out by county or region to illustrate respective market conditions.

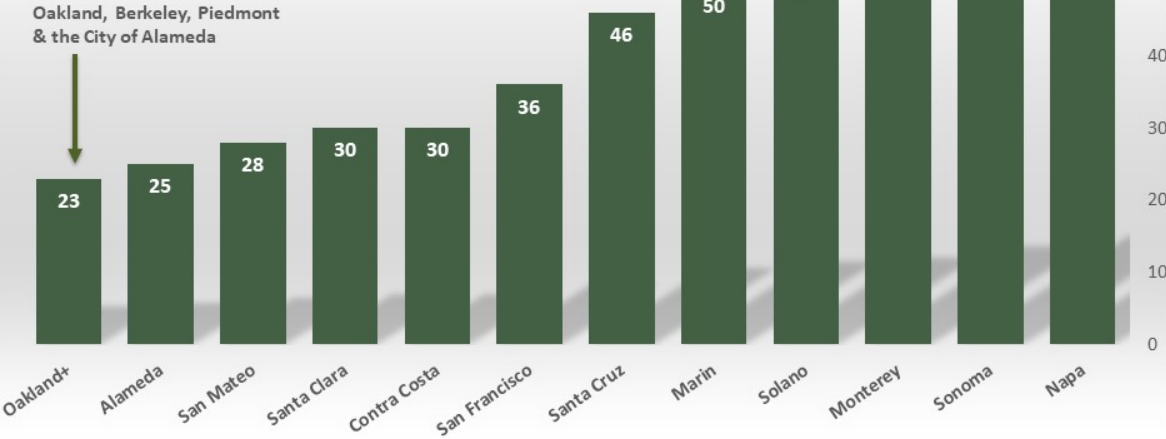
Looking just at 2019 YTD stats, the greater Oakland-Berkeley market has been the strongest in the Bay Area, which is why we have broken it out. If its effects on overall Alameda County stats were deleted,

Alameda figures would adjust to somewhat cooler-market readings.

### Average Days on Market Prior to Acceptance of Offer Bay Area Counties or Regions, 2019 YTD Monthly Averages

House & condo sales reported to MLS,  
1/1/19 – 7/31/19, per Broker Metrics

Days-on-Market is a measurement of how quickly buyers are reacting to listings coming on market. Generally speaking, the lower the average days on market, the hotter the market. All areas delineated are counties, except for the greater Oakland region (which is part of Alameda County).



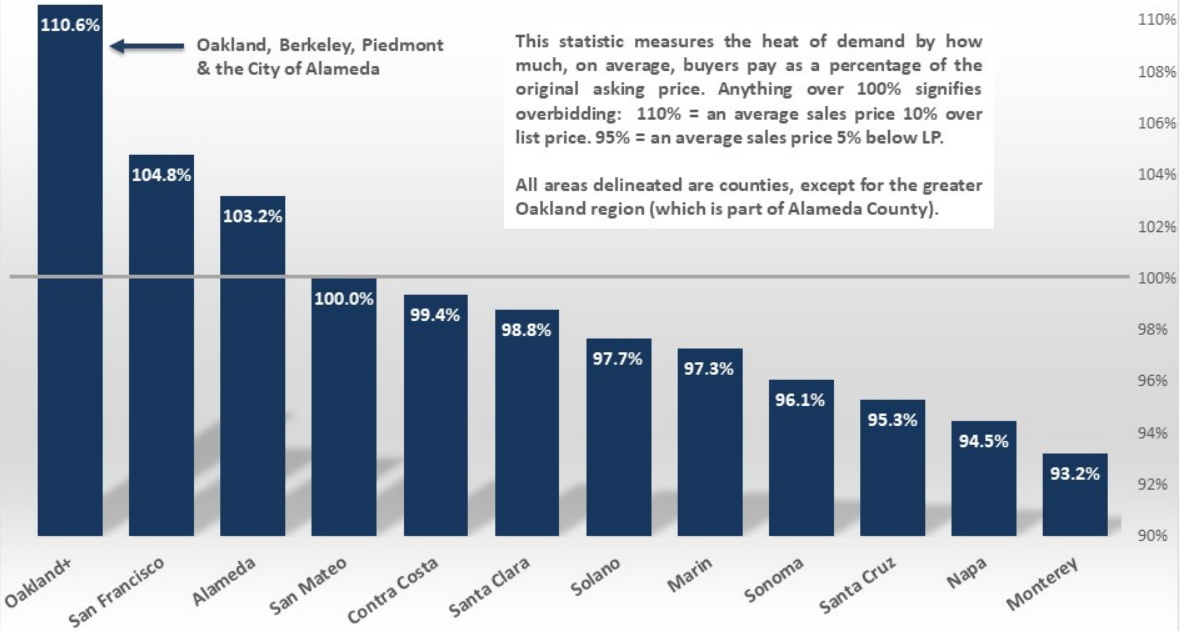
Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.



# Sales Price to Original List Price Percentage

## Bay Area Counties or Regions, 2019 YTD Monthly Averages

House & condo sales reported to MLS,  
1/1/19 – 7/31/19, per Broker Metrics



Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

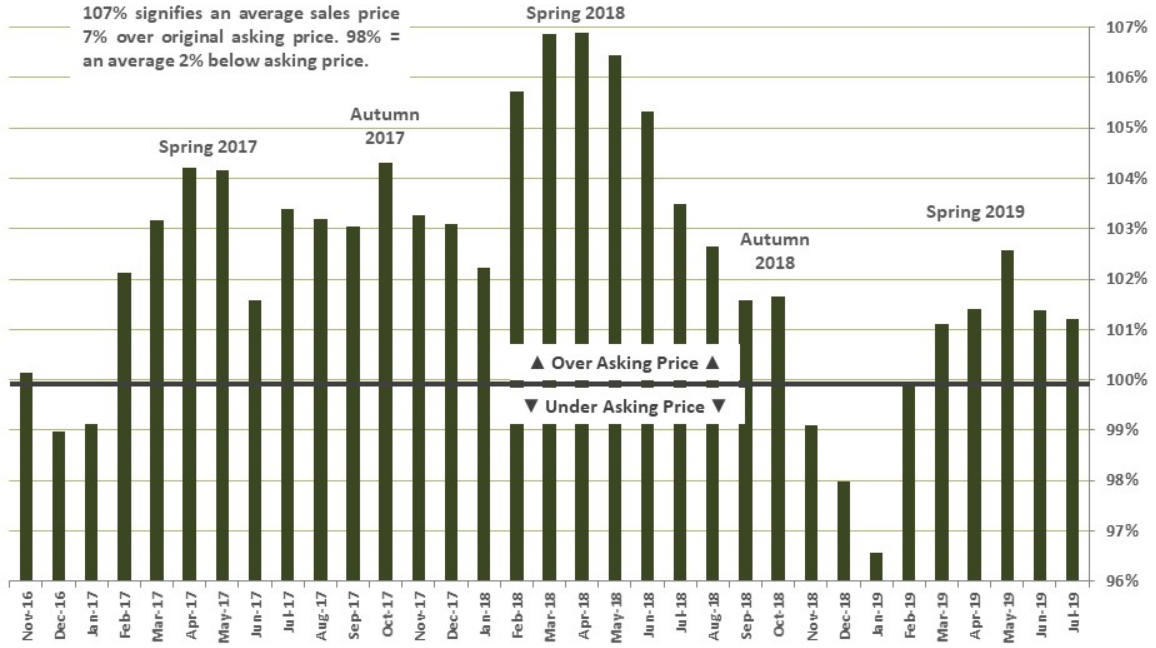
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# Average Sales Price to Original List Price (SP-OP) Percentage

Bay Area: Over & Under Bidding of Asking Prices

MLS sales of houses, condos and townhouses, per Broker Metrics.

107% signifies an average sales price 7% over original asking price. 98% = an average 2% below asking price.



Averaging county percentages for 6 inner Bay Area counties. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



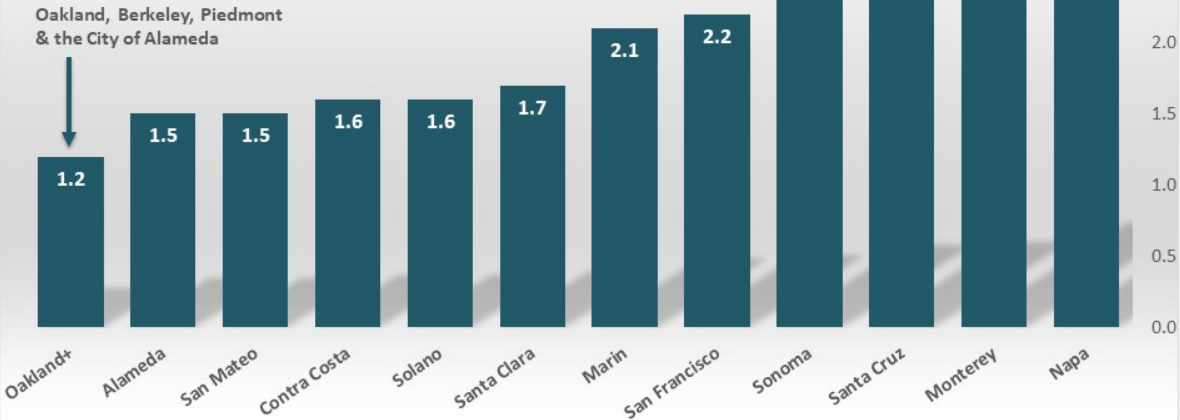
# Months Supply of Inventory (MSI)

Bay Area Counties or Regions, 2019 YTD Monthly Averages

House & condo sales reported to MLS, 1/1/19 – 7/31/19, per Broker Metrics

Months Supply of Inventory (MSI) calculates how long it would take to sell the inventory of homes for sale on the last day of month, at current rates of market activity. By longer-term standards, a reading below 3-4 months would typically be considered to indicate a seller's market

All areas delineated are counties, except for the greater Oakland region (which is part of Alameda County).



Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

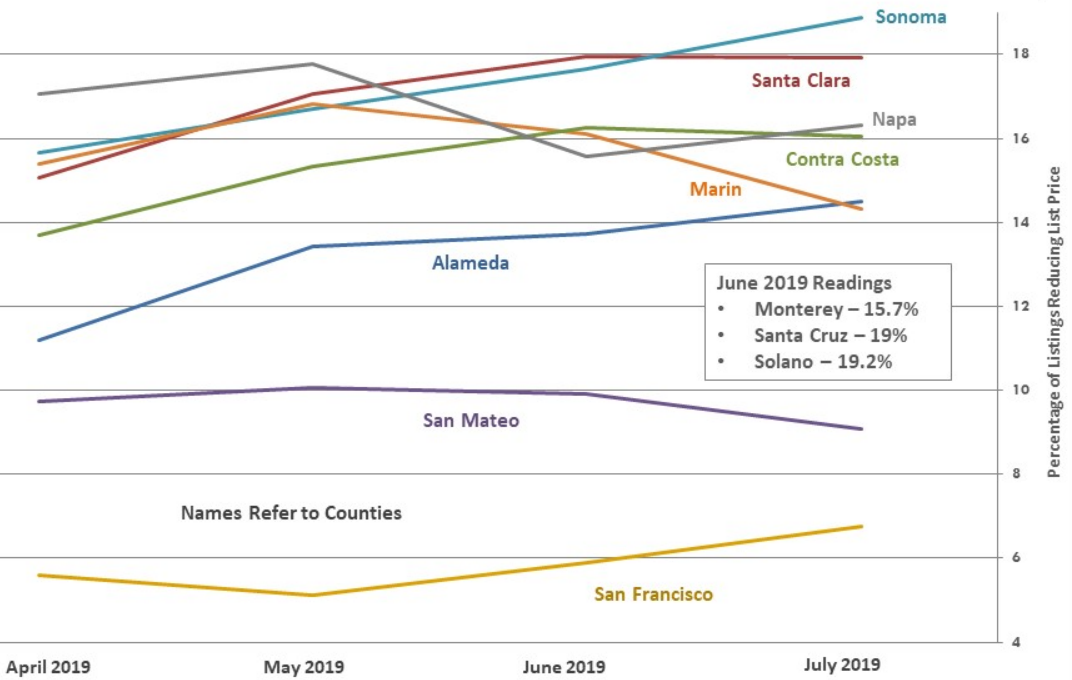
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## Price Reductions

In most counties, the percentage of active listings undergoing price reductions in a given month has increased well above the rates of the first half of 2018. San Francisco percentages over the past 4 months are an exception to this trend: The roll-out of big local IPOs this past spring are probably the main factor.

# Percentage of Listings Reducing Asking Price in Month

San Francisco Bay Area Counties, April – July 2019



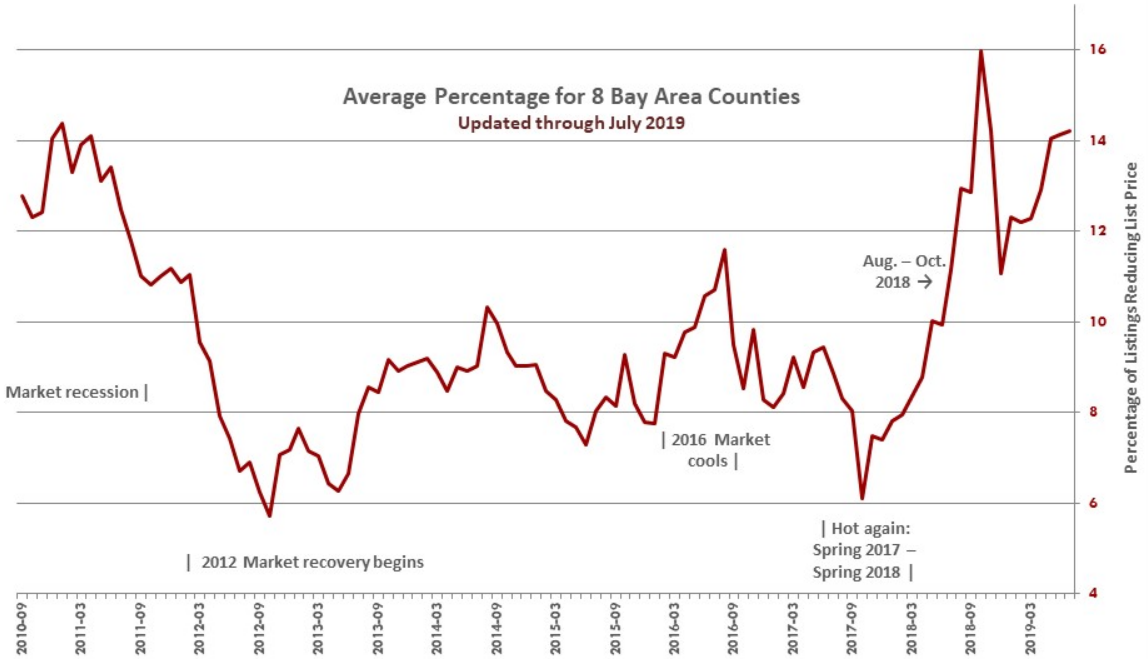
Per Zillow Research: <https://www.zillow.com/research/data/>, seasonally adjusted. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers to be considered approximate.

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# Percentage of Listings Reducing Asking Price

San Francisco Bay Area Real Estate Market since 2010

Average Percentage for 8 Bay Area Counties  
Updated through July 2019



Per Zillow Research: <https://www.zillow.com/research/data/>, seasonally adjusted. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers to be considered approximate.

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