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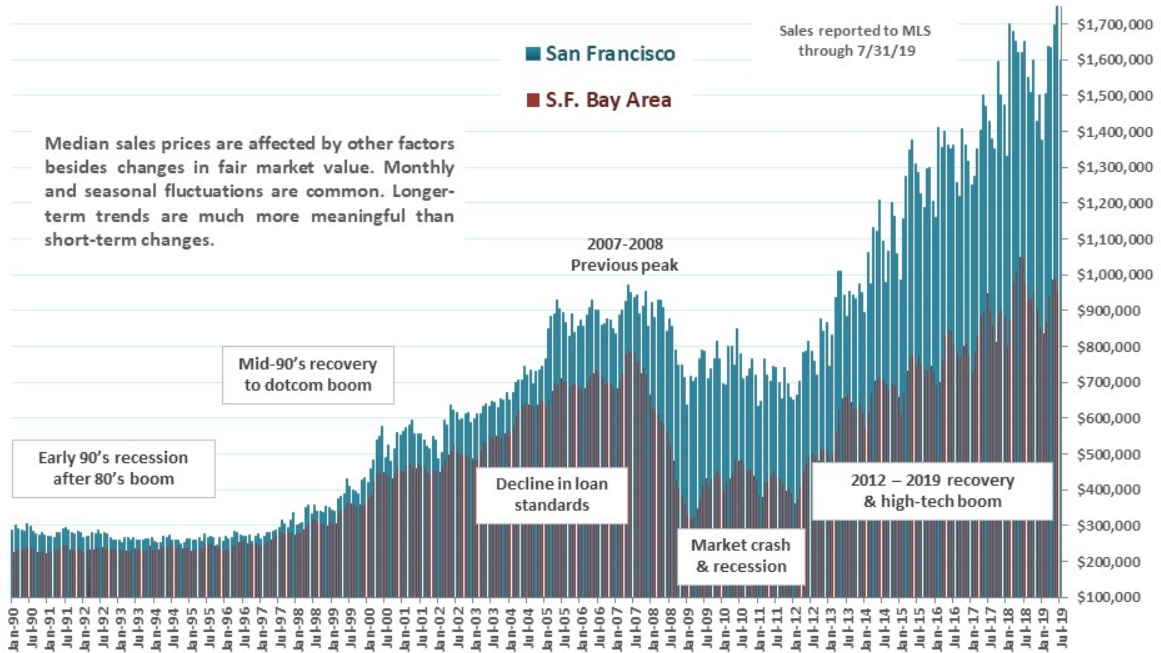
San Francisco Real Estate

**Sales & Values by District and Price Segment,
Special Circumstance Sales, Market Seasonality,
the Luxury Home Market & Foreign Buyers**

August 2019 Report

San Francisco Home Price Appreciation Median House Sales Prices, 1990 – Present, by Month

Median sales prices for existing houses
per MLS & CA Association of Realtors



Median sales prices are affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common. Longer-term trends are much more meaningful than short-term changes.

Monthly median sales prices for "existing" houses since 1990, per CA Association of Realtors or MLS data. Analysis may contain errors and subject to revision. All numbers are approximate.

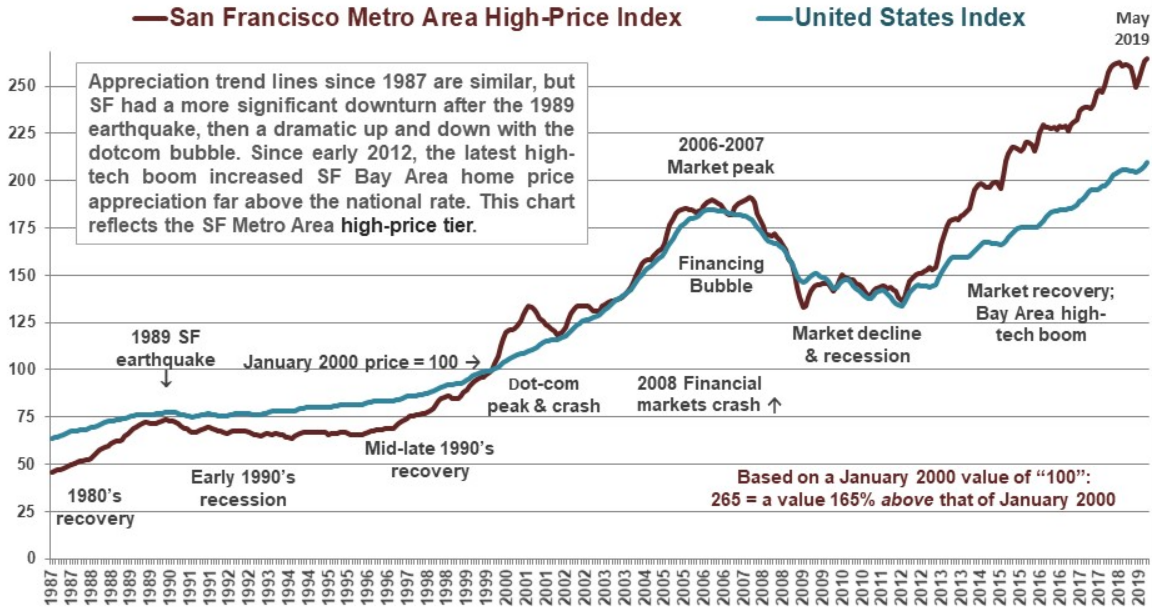
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The May Case-Shiller Home Price Index was released in late July for the 5-county SF metro area. This chart illustrates the difference in appreciation rates between the Bay Area (higher price markets) and the entire country. Case-Shiller does not use median sales prices but its own algorithm to calculate appreciation.

January 2000 home price = 100; 250 = a home price 150% above that of Jan. 2000.

CoreLogic S&P Case-Shiller Home Price Index: Appreciation since 1987 United States vs. San Francisco Metro-Area High-Price-Tier Index

Not seasonally adjusted



*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. The high-price tier reflects the top third of home sales in the SF metro area, which applies to the city of San Francisco better than other tiers. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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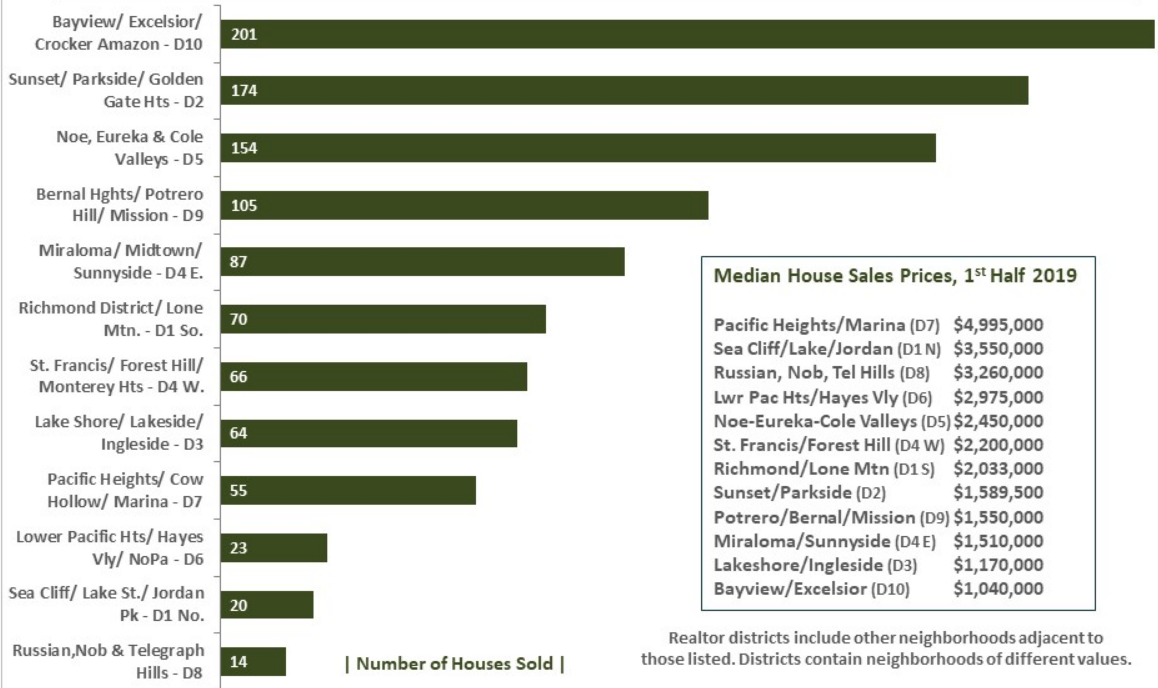
Needless to say, there are many factors behind home sales and values in different communities. Home size is one of them, and median sales prices are not apples to apples comparisons: For example, in Pacific Heights, the average house size is over 4000 square feet, while in Sunnyside, it runs about 1500 square feet.

Note that it is not uncommon for median sales prices to peak for the year in Q2.

San Francisco Real Estate Market Breakdown

HOUSE Sales by Realtor District, 1st Half 2019

6 months sales reported to MLS through 6/30/19



*Analysis by Realtor district. Does not include sales unreported to MLS. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

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Market Dynamics by Realtor District

Q2 is commonly the hottest market of the calendar year - characterized by strong demand and an inadequate supply of inventory - and the statistics below generally reflect a very strong spring 2019 market.

Market Statistics by San Francisco Realtor District

Q2 2019 House & Condo Sales

Sorted by \$/sq.ft. value

Realtor District/Neighborhoods	Average Days on Market	Avg. Sales Price to Orig. List Price %	Average Dollar/Sq.Ft.
Bayview, Excelsior, Portola, Crocker Amazon, Visitacion Valley, Mission Terrace, Outer Mission (D10)	31 days	113% (Average 13% over LP)	\$740/sq.ft.
Lakeside, Lake Shore, Merced Manor & Heights, Ingleside & Ingleside Heights, Oceanview (D3)	34 days	110%	\$816/sq.ft.
St. Francis Wood, Forest Hill, Monterey Heights, Sherwood Forest, W. Portal, Balboa Ter. (D4 West)	26 days	111%	\$894/sq.ft.
Sunset, Parkside, Golden Gate Heights (D2)	21 days	117%	\$921/sq.ft.
Richmond District & Lone Mountain (D1 South)	29 days	106%	\$935/sq.ft.
Miraloma Park, Midtown Terrace, Sunnyside, Forest Knolls, Diamond Heights, Westwood Park (D4 East)	25 days	116%	\$985/sq.ft.
Hayes Valley, Alamo Square, North Panhandle, Lower Pacific Heights, Anza Vista, West. Addition (D6)	24 days	109%	\$1074/sq.ft.
Potrero Hill, Bernal Heights, Inner Mission (D9 South)	22 days	111%	\$1146/sq.ft.
Lake Street, Jordan Park, Sea Cliff (D1 North)	27 days	109%	\$1194/sq.ft.
Noe, Eureka & Cole Valleys; Ashbury, Corona, Parnassus & Clarendon Heights; Glen Park (D5)	19 days	111%	\$1211/sq.ft.
South Beach, SoMa, Mission Bay, Yerba Buena, Dogpatch/Central Waterfront – condo sales only	36 days	100% (Average sale at LP)	\$1219/sq.ft.
Russian, Nob & Telegraph Hills; Financial District, North Beach, North Waterfront (D8 North)	40 days	99% (Average 1% below LP)	\$1400/sq.ft.
Pacific & Presidio Heights, Cow Hollow & Marina (D7)	39 days	98%	\$1472/sq.ft.

Q2 2019 sales statistics as reported to MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. Outlier sales deleted when identified. All numbers are approximate. Districts sometimes contain additional adjacent neighborhoods to those listed, and values often vary between neighborhoods in the same district.

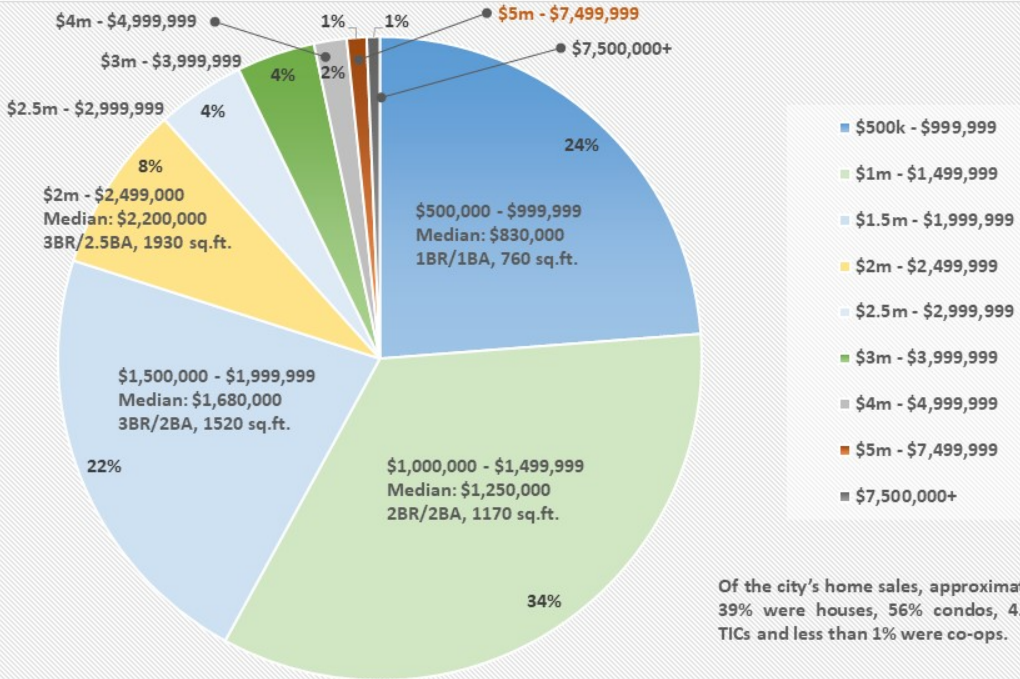
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Home Sales by Price Range

Of homes selling for under \$1,000,000, over 80% were condos, co-ops and TICs, and most of those were smaller units.

San Francisco Home Sales by Price Segment

12 Months Sales: Houses, Condos, Co-ops & TICs [7/20/19]



Of the city's home sales, approximately 39% were houses, 56% condos, 4.5% TICs and less than 1% were co-ops.

Sales reported to MLS through 7/20/19. Not all sales reported, especially in the highest price segments. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.

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Tenants, Fixer-Uppers, Homes without Parking, Homes with Golden Gate Bridge Views

Special Circumstance Sales in San Francisco

Effect on Values: No Parking, Fixer-Uppers, Tenants & Golden Gate Bridge Views

These analyses looked at sales of houses of similar sizes in a variety of neighborhoods in which the circumstances described were most common, while trying to control for factors which might skew calculations. But unidentified factors may be at play in these effects and these numbers are only very approximate, good-faith estimates.

Houses sold without parking as compared to those with 1-car parking

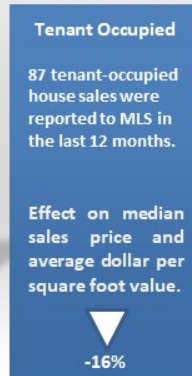


▲ Houses without parking are almost always of pre-1916 construction.

Houses described as "fixer-uppers" in MLS



Tenant-occupied houses (subject to SF eviction restrictions)



Houses described as having Golden Gate Bridge views

◀ Why the effect on values? Time & cost of eviction (esp. if contested), tenant relocation fees, difficulty in showing listing, inability to stage home for sale, restrictions on future use, often deferred maintenance issues.

Per analyses made in good faith in mid-July 2019 using MLS sales data over periods of 12 to 24 months. Data from sources deemed reliable, but analyses may contain errors and are subject to revision. All numbers should be considered very approximate estimates, and not to be relied upon in valuing any particular property.

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Market Seasonality: The Autumn Spike, Then the Winter Doldrums

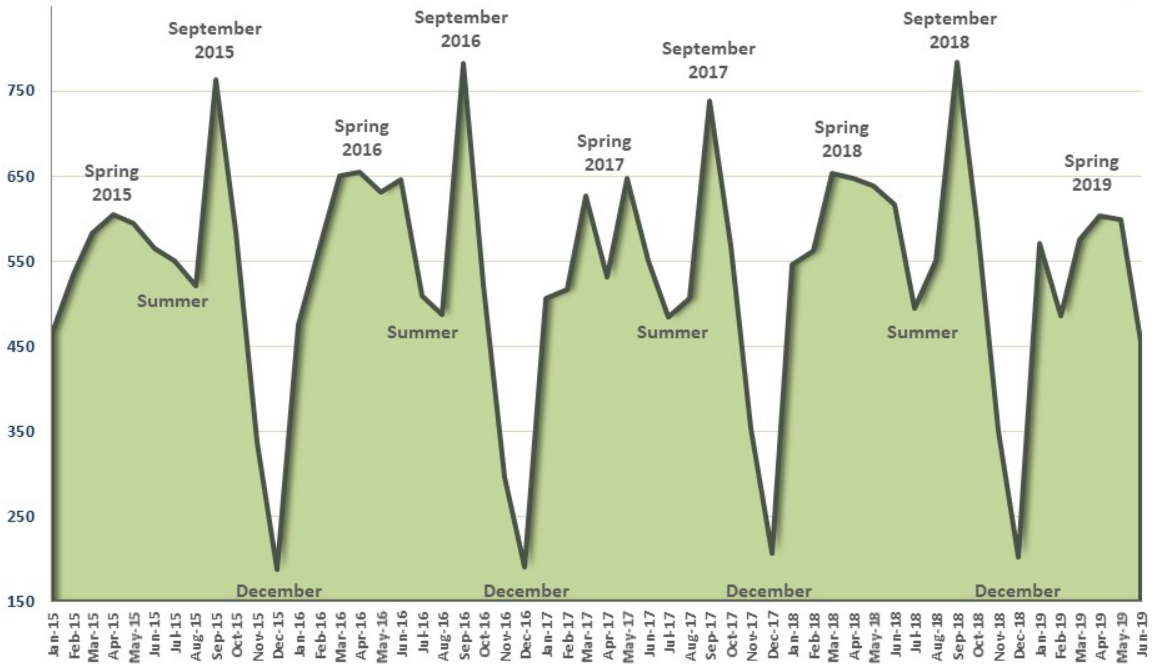
Though spring is the biggest overall selling season in San Francisco, the single month with the highest number of new listings is typically September. This big surge fuels the relatively short autumn selling season - highlighted by the dramatic spike in sales in October. In November, activity begins to plunge for the mid-winter holidays - though homes continue to sell in every season.

Seasonality: New Listings by Month

San Francisco Market Seasonality

New Listings Coming on Market by Month

Houses, condos, co-ops and TICs as listed in MLS.



Per Broker Metrics. Does not include most new-project condo listings and sales (not reported to MLS). Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.

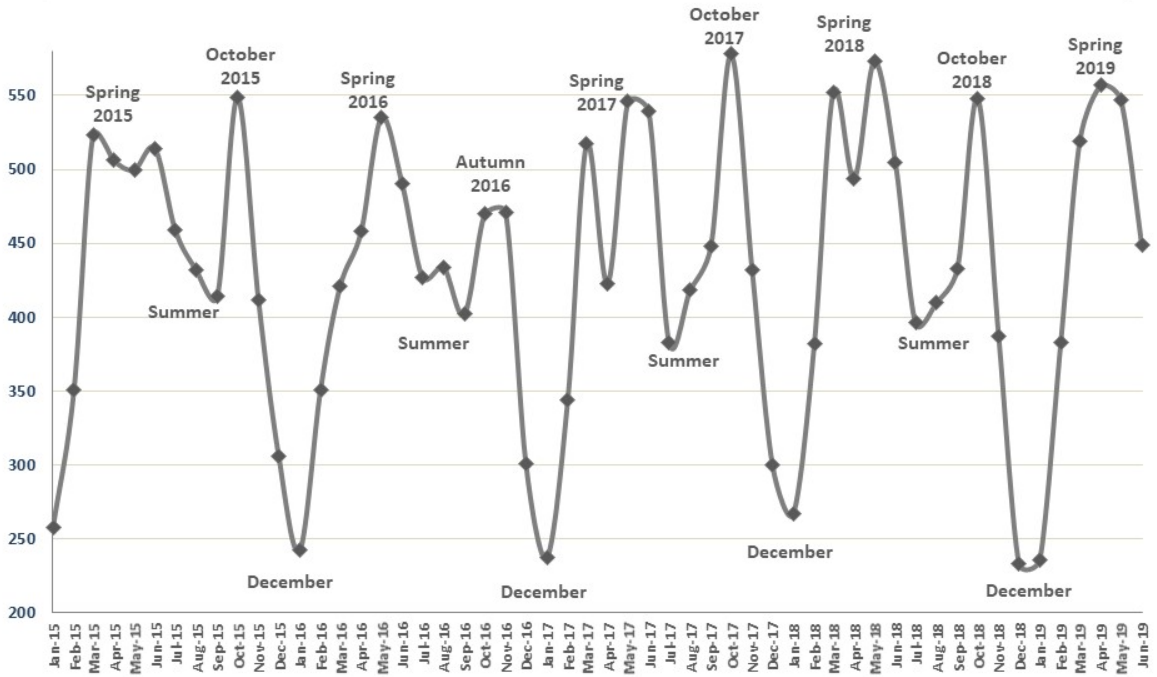
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Seasonality: Listings Going into Contract by Month

San Francisco Market Seasonality

Listings Accepting Offers (Going into Contract) by Month

Houses, condos, co-ops and TICs as listed in MLS.



Per Broker Metrics. Does not include most new-project condo listings and sales (not reported to MLS). Data from sources deemed reliable but may contain errors and subject to revision. All numbers to to be considered approximate.



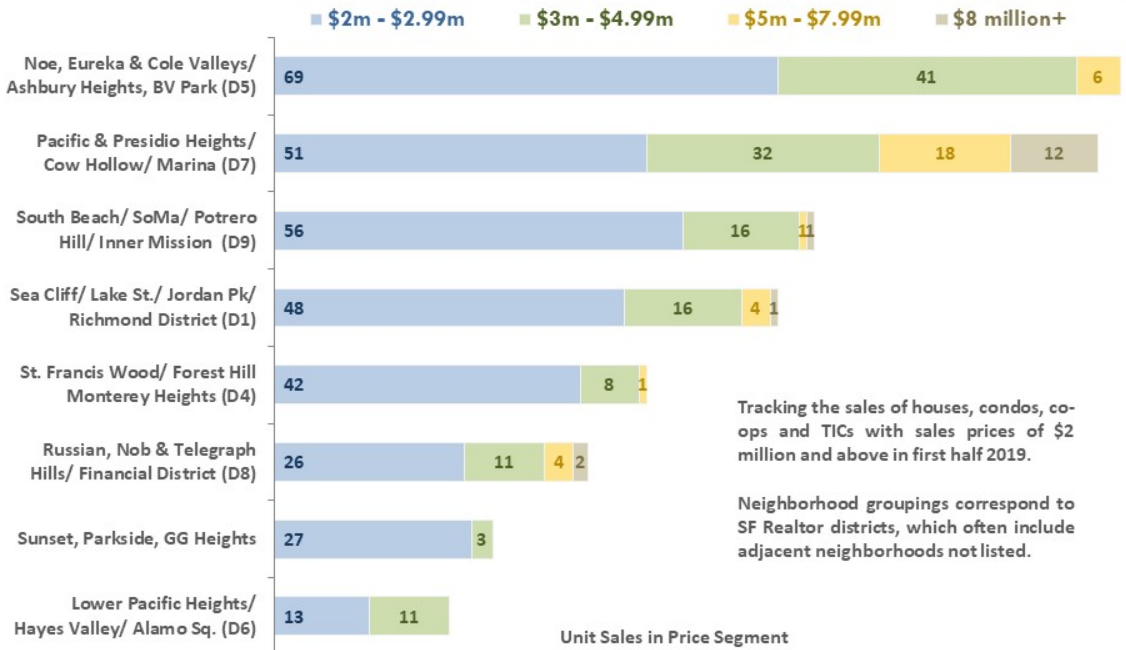
Higher-Price Home Sales

The central greater Noe-Eureka-Cole Valleys district now has the highest number of home sales over \$2 million, but the northern Pacific Heights-Cow Hollow district dominates sales of \$5 million and above.

San Francisco Higher-Price Homes Market by Realtor District

Homes Selling for \$2,000,000+, 6 Months Sales, 1st Half 2019

As reported to MLS through 6/30/19



Sales reported to MLS: Not all sales are reported to MLS, especially in the highest price ranges. Does not include districts with very few sales in this price segment. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

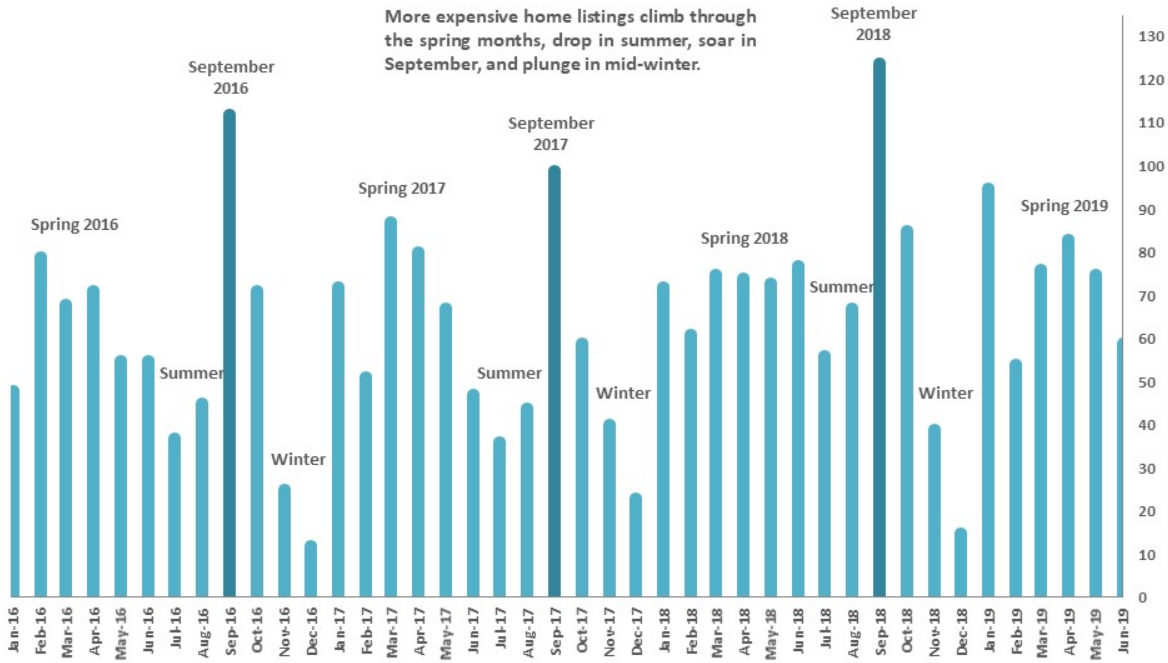
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The SF luxury home market is even more dramatically driven by seasonality than the general market. September often sees a tremendous burst of new listings. October is sometimes the single month with the most luxury house sales.

San Francisco Luxury Homes Market Seasonality

New Listings Coming on Market: Priced \$2.5 Million & Above

As reported to MLS,
per Infosparks



Houses, condos, co-ops and TICs listed for \$2.5m+. Does not include new project condo listings not listed in MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.



Median Home Price Appreciation in the City's Northern, Old-Prestige Neighborhoods

In the next chart, we combine house sales across the swathe of older, prestige neighborhoods that run across the north of the city - generally speaking, a region of larger houses and higher prices. None of these neighborhoods have that many sales - and some have very, very few - so we combine them to increase statistical reliability. Though they are all high-price, prices do vary considerably between them.

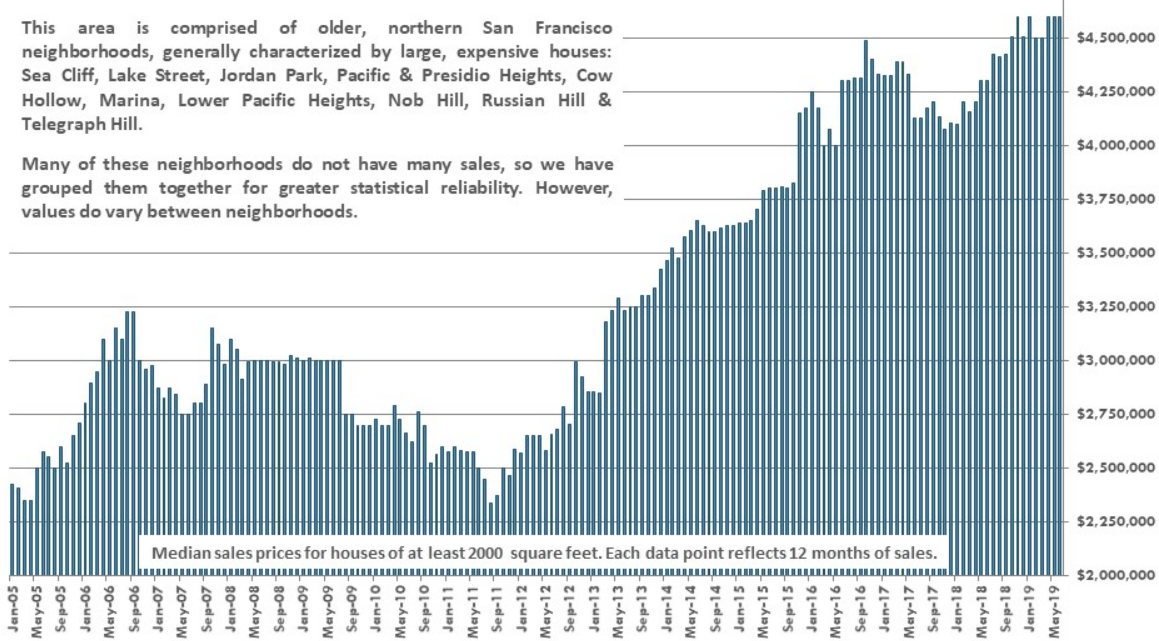
Prestige Northern San Francisco Neighborhoods

Median HOUSE Sales Prices since 2005, 12-Month Rolling Figures

Sales reported to MLS per Infosparks through 6/30/19

This area is comprised of older, northern San Francisco neighborhoods, generally characterized by large, expensive houses: Sea Cliff, Lake Street, Jordan Park, Pacific & Presidio Heights, Cow Hollow, Marina, Lower Pacific Heights, Nob Hill, Russian Hill & Telegraph Hill.

Many of these neighborhoods do not have many sales, so we have grouped them together for greater statistical reliability. However, values do vary between neighborhoods.



Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic often affected by factors other than changes in fair market value. Short term fluctuations are less important than longer-term trends. Data from sources deemed reliable, but may contain errors and subject to revision.

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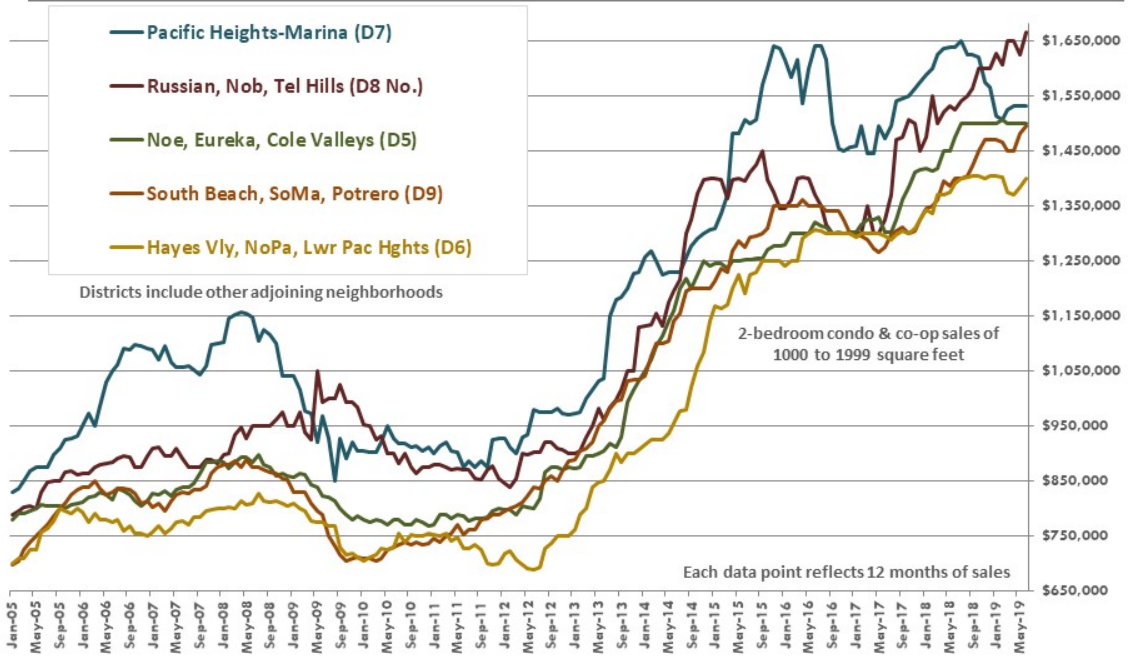
Median Two-Bedroom Condo Prices by Realtor District

There is significantly less variation in condo prices in most of the neighborhoods of SF than there is with houses. Much of this has to do with all the new construction that has occurred in the last 20 years. Probably the greatest differences in condo values are between those on lower floors and those on higher floors of new luxury high-rises.

5 San Francisco Districts – Appreciation Trends

Median 2-BR CONDO & CO-OP Sales Prices since 2005

Sales reported to MLS per Infosparks, 12-month rolling figures through 6/30/19



2-bedroom condo and co-op sales of 1000-1999 square feet. Median sales price is that price at which half the sales occurred for more and half for less. Data from sources deemed reliable, but may contain errors and subject to revision.

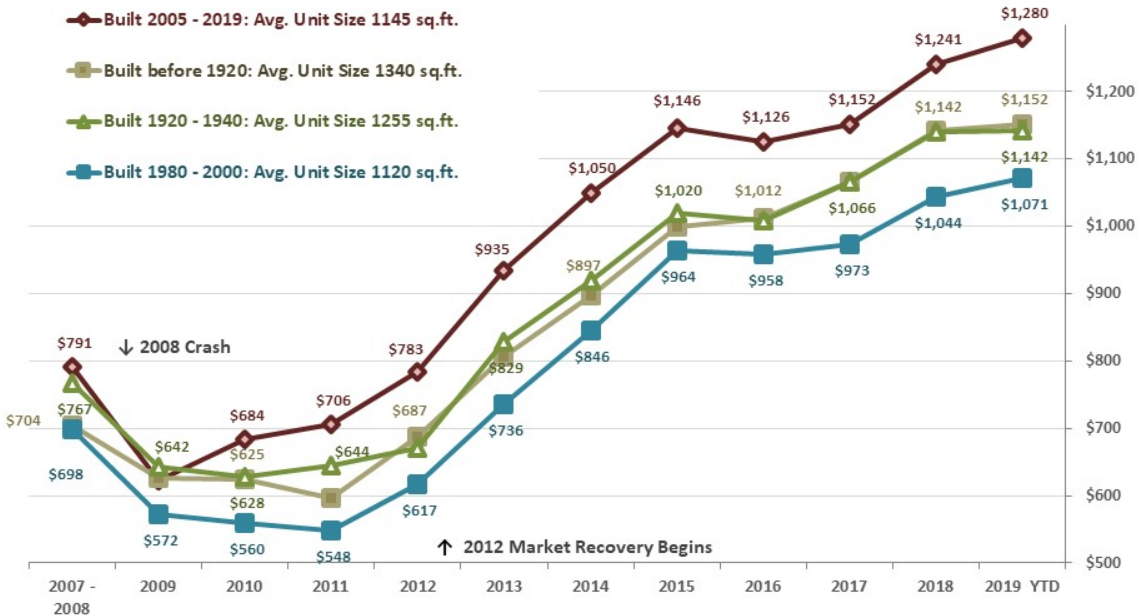


Condo Average Dollar per Square Foot Values by Era of Construction

San Francisco Condo Values

Average Dollar per Square Foot by Era of Construction

As reported to MLS. Below-Market-Rate sales excluded



2007-2008 data is for sales through 8/31/08. 2019 YTD reflects sales reported by 7/15/2019. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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Foreign National Home Buying Tumbles

According to a new report by the National Association of Realtors - based on a survey of its member agents - the purchase of U.S. homes by foreign nationals plunged in the 12 months through March 2019. The drop was particularly steep for Chinese nationals, for whom California (and the Bay Area, in particular) has been the top destination.

Foreign National Homebuyers in America

Estimated Dollar Volume Sales in Billions, Top 5 Countries

National Association of Realtors estimates

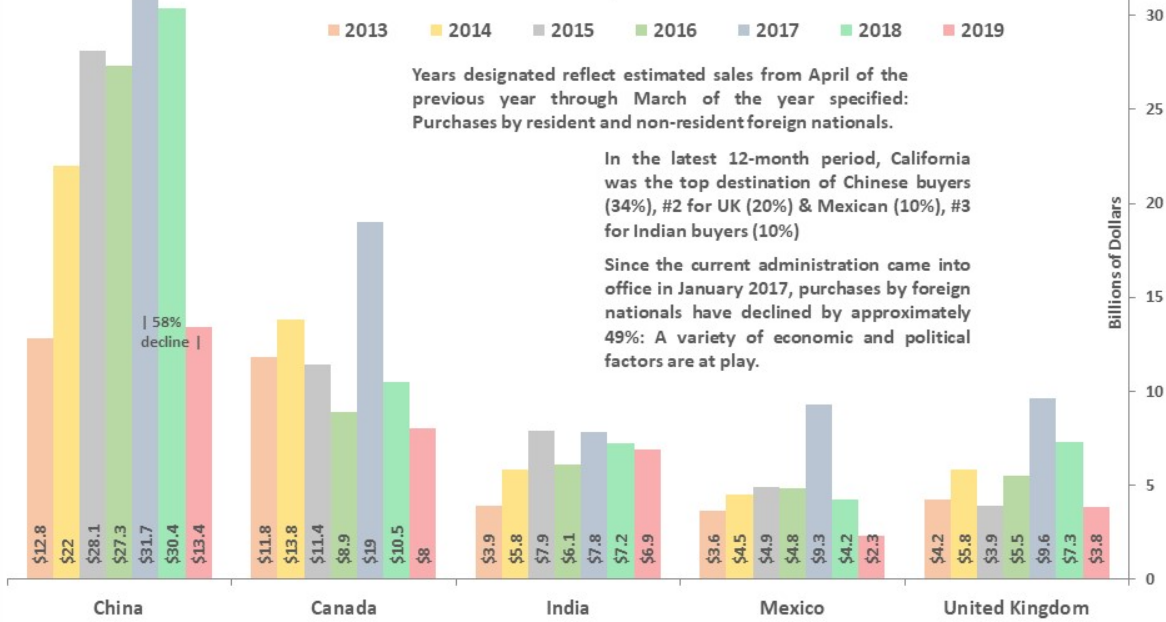
International Homebuyer Purchases in Billions of Dollars

2013 2014 2015 2016 2017 2018 2019

Years designated reflect estimated sales from April of the previous year through March of the year specified: Purchases by resident and non-resident foreign nationals.

In the latest 12-month period, California was the top destination of Chinese buyers (34%), #2 for UK (20%) & Mexican (10%), #3 for Indian buyers (10%)

Since the current administration came into office in January 2017, purchases by foreign nationals have declined by approximately 49%: A variety of economic and political factors are at play.



Estimates from the "Profile of International Transactions in U.S. Residential Real Estate 2019" published by the National Association of Realtors in July 2019, based upon a survey of Realtors. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered very approximate, good-faith estimates.



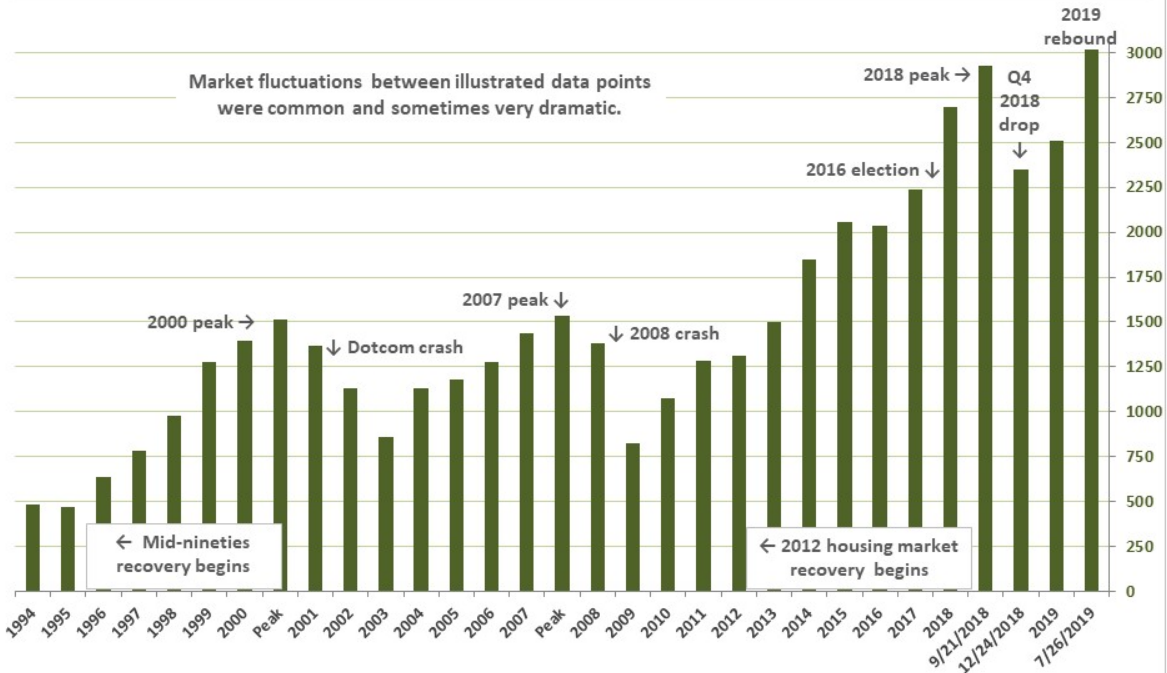
Stock Market Hits New High

The last 12 months have been an extremely dramatic time for financial markets as illustrated below. The alternating confidence and fear generated by its swings have been considerable factors in Bay Area real estate markets. A parallel dynamic has occurred with the swings in interest rates.

The spring burst in high-tech IPOs in San Francisco also played a role in the heat of the Q2 market.

S&P 500 Stock Index, January 1994 – July 26, 2019

January Opening Values Except as Specified



An approximate illustration only. January opening value data points except as noted in horizontal axis. Data from sources deemed reliable but may contain errors and subject to revision. Financial markets can be prone to significant volatility even on a short-term basis.

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