COMPASS

August 2026 San Francisco House & Condo Market Outlook

Data through July 2026

Market Research

COMPASS INTERNATIONAL HOLDINGS

August 2026
Housing Market Report

Mortgage rates ended July near their highs for the year, taking some momentum out of homebuyer demand. But in San Francisco, sales have been driven more by wealth creation than by mortgage rates: the AI boom has spiked demand, especially for family-ready homes in specific neighborhoods.

That boom is concentrated in the city proper, with modest overflow onto the Peninsula. San Francisco's median sales price is up 25% year-over-year; San Mateo County is up nearly 10%. In the other eight Bay Area counties, price trends look much more like the country as a whole, essentially flat versus a year ago. We've included a map showing price changes across the region so you can compare how each area is faring.

Rates remain elevated largely on inflation fears, with bonds under pressure from war-driven energy prices, tariffs, and unchecked government spending. What could bring rates down? A substantial slowdown in the labor market would ease some of that inflationary pressure. The U.S. labor market is already sluggish, and Northern California shows the same pattern: unemployment is low, but so is job creation. It's a low-hire, low-fire economy nationally.

Beyond rates, jobs matter directly for housing, since relocations for work are traditionally a major driver of demand. In the Bay Area, some AI companies are hiring fast, but the broader regional story is slightly fewer jobs in recent months. That divide shows up in housing: job creation in San Francisco is fueling demand there, while sluggish hiring elsewhere in the region means less.

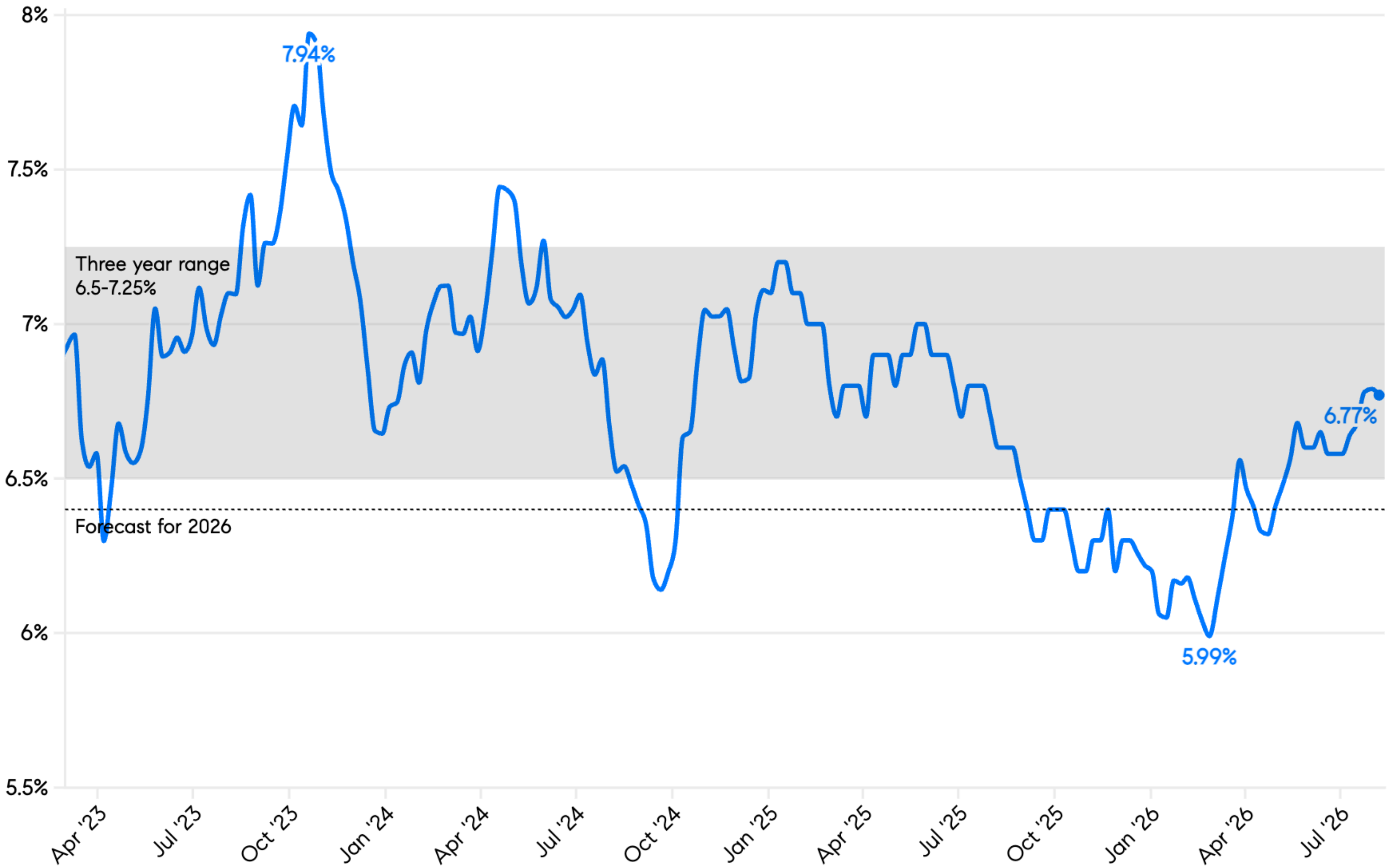
The August 2026 overview: local markets are diverging from both the regional and national picture. Real estate is local, but the bigger picture still matters.

Mike Simonsen
Chief Economist, Compass International Holdings

The first section of this report are select macro-economic and demographic data for the country and the Bay Area. In the second half of the report, we share all the details of the housing market.

Inflation Fears Keep Rates Elevated

Interest have stayed elevated due persistent inflation news, re-escalation of the war, and recently improved jobs data. Mortgage rates are at their highest levels of the year. This is likely to impact buyer demand into August.



Source: Mortgage News Daily, Compass

Persistent Inflation

While June CPI dipped to 3.5% with lower energy costs for the month, inflation readings are still well above policy makers' target levels. Volatile energy markets and government spending keep inflation fears persistent. Elevated inflation implies elevated mortgage rates.

Source: US BLS, BEA

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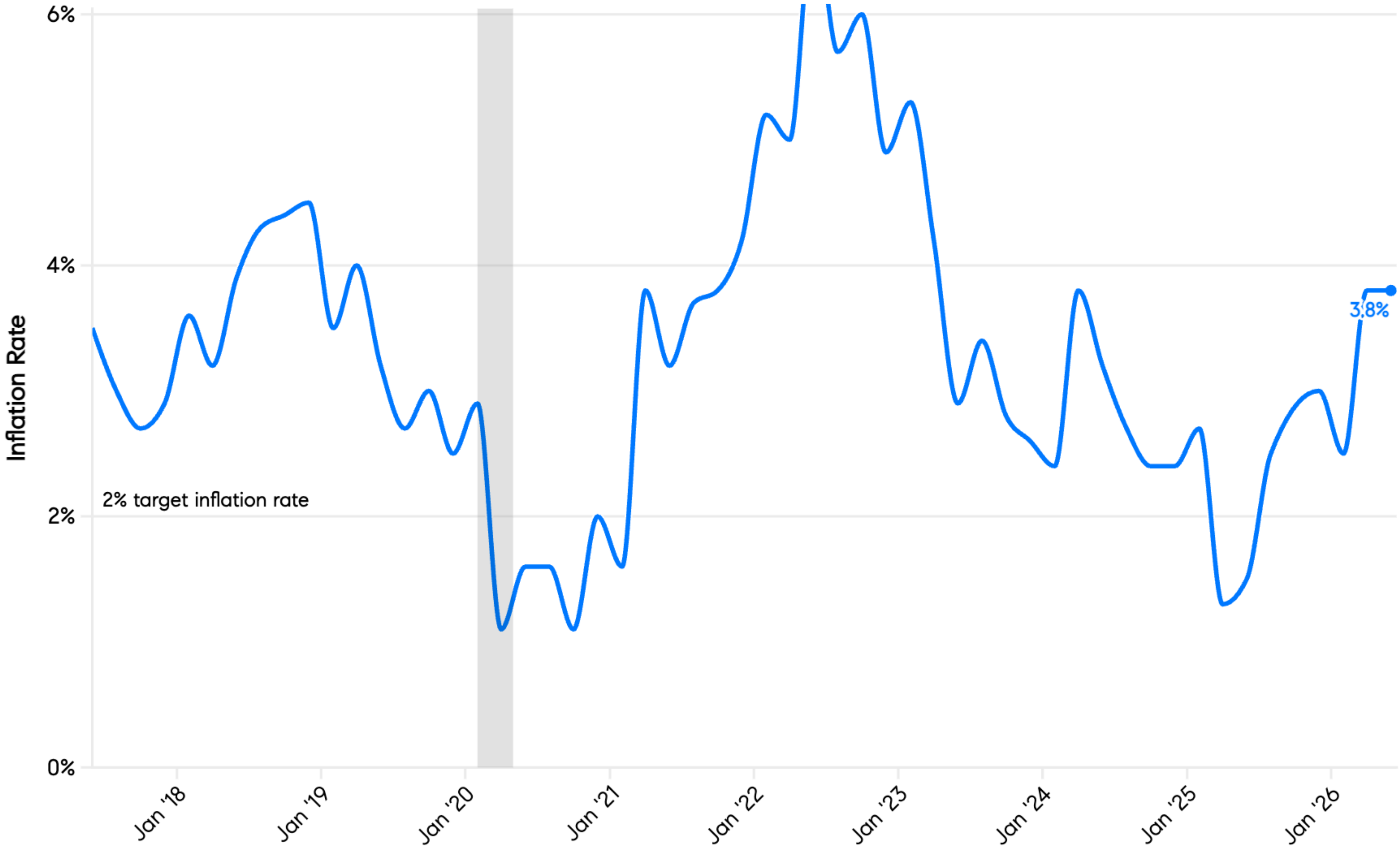
Bay Area Inflation Resumes

For a couple years post-pandemic, home price and rent declines in the San Francisco Bay Area kept inflation in the region below the national averages. Home price appreciation resumed recently and that has driven local inflation back up.



Source: US BLS, BEA

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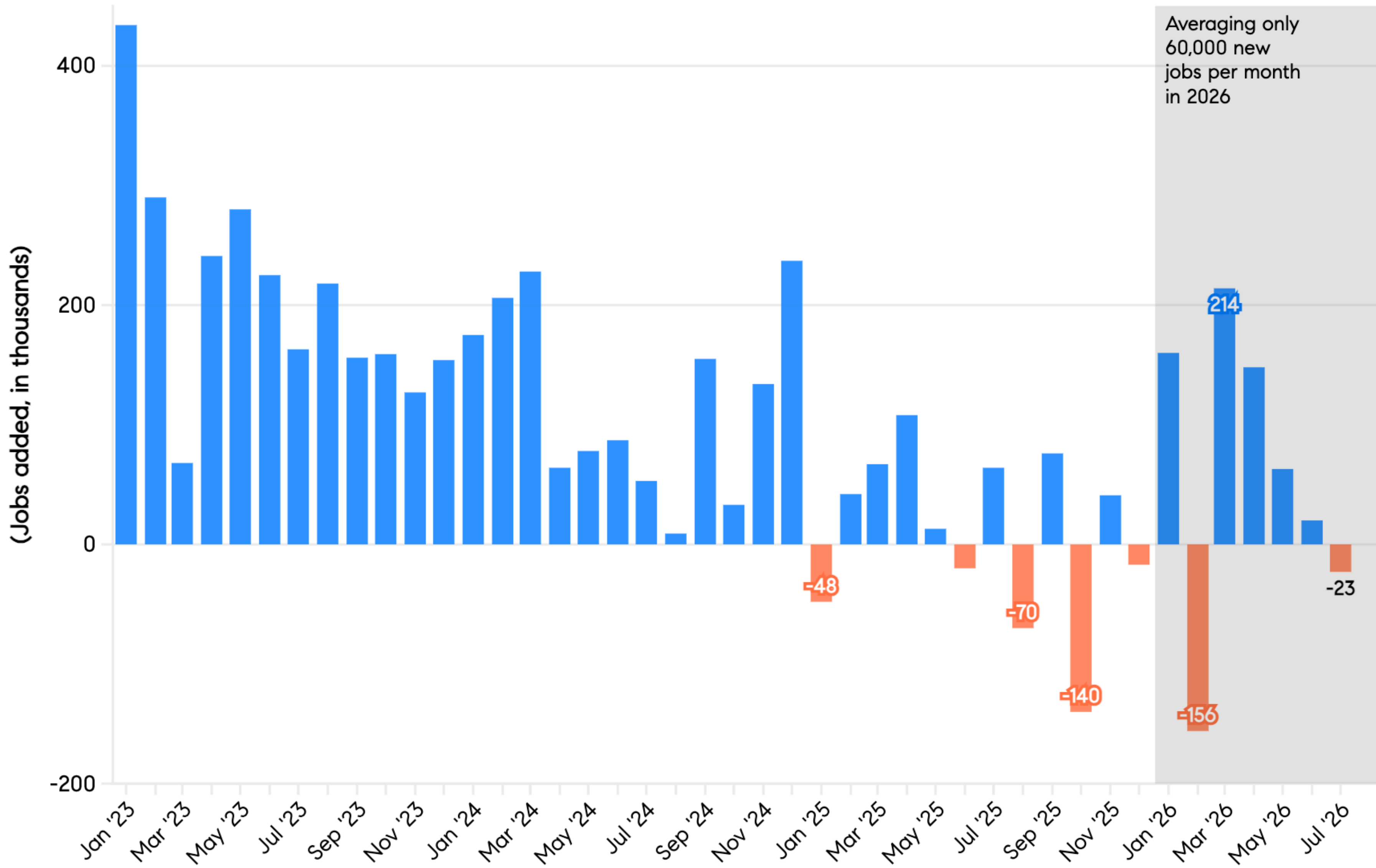
National Employment Slows in July

The labor market in 2026 remains sluggish. July payroll numbers missed expectations with 23,000 fewer jobs than a month prior. Weak labor data is mostly positive for interest rates, as it indicates a slowing economy.



Source: BLS Non-Farm Payrolls, Total jobs, seasonally adjusted

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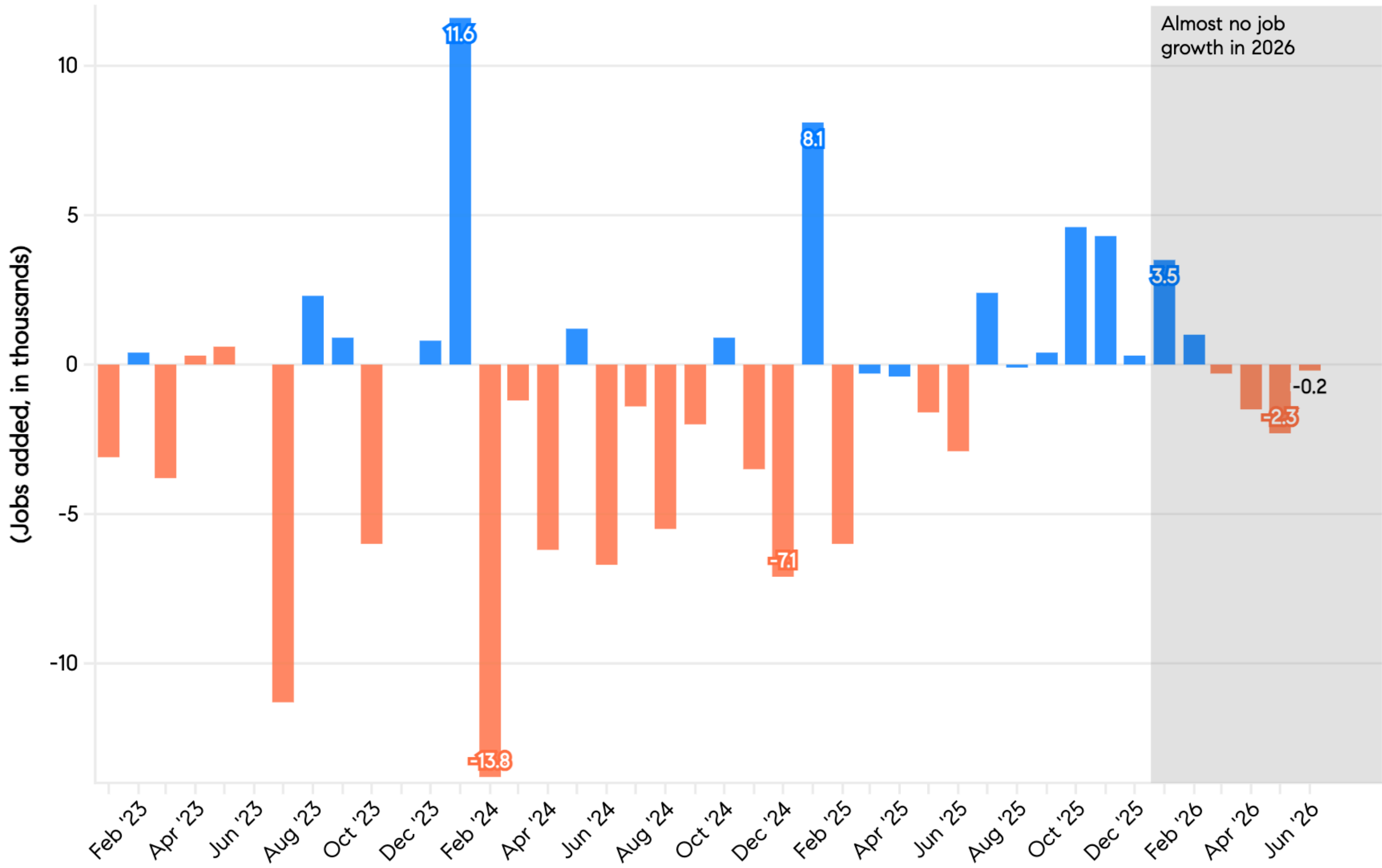
Bay Area Job Growth Slows

While the most recent 12 months have been mildly positive for job growth in the Bay Area, four months in a row have reported a shrinking labor market for the region.



Source: BLS Non-Farm Payrolls, Total jobs, seasonally adjusted

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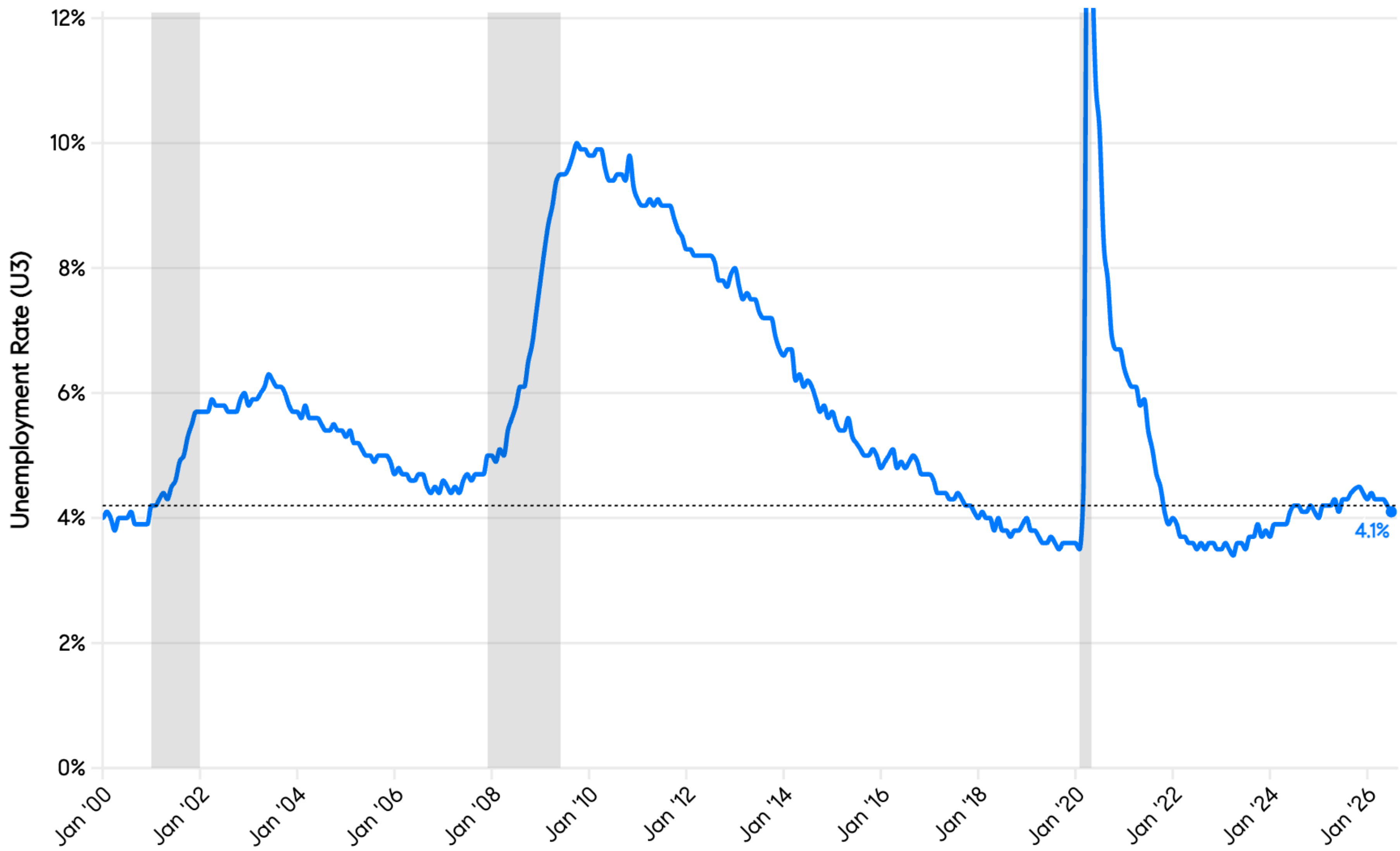
A Low Hire, Low Fire Economy

Even though job creation is slow nationally, unemployment remains at very low levels. Initial claims are at very low levels and long-term unemployment is improving. Americans are, by and large, employed. Continued low unemployment implies very few distressed home sales are in the pipeline.



Source: US BLS

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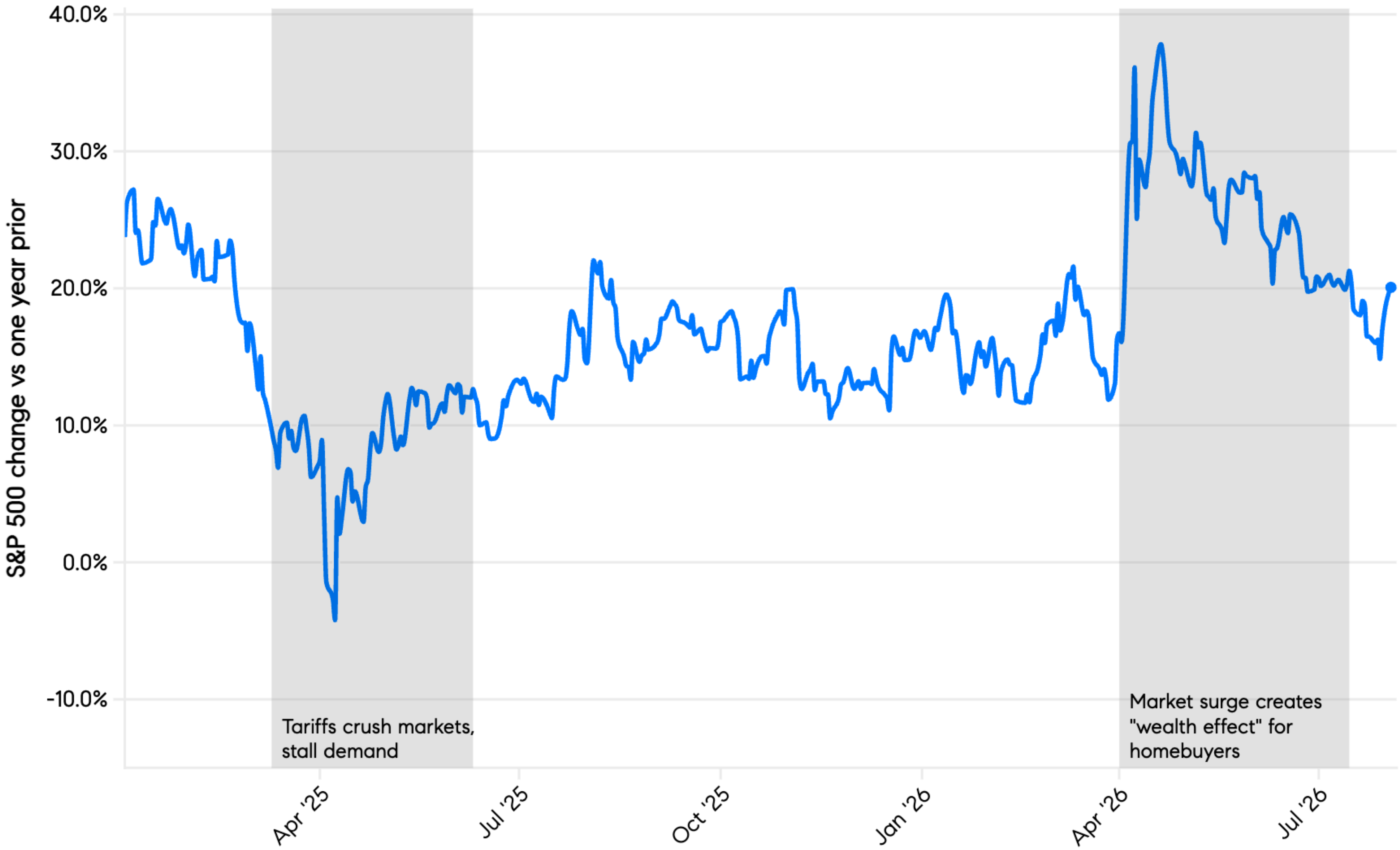
Wealth Effect Helps Purchase Demand

When stock markets reach all time highs, a "wealth effect" is created for potential homebuyers in contrast to rising interest rates. This wealth effect demand is measurable especially in luxury markets across the country and has been especially acute in certain neighborhoods in San Francisco in 2026.



Source: MarketWatch.com
Index change vs one year prior

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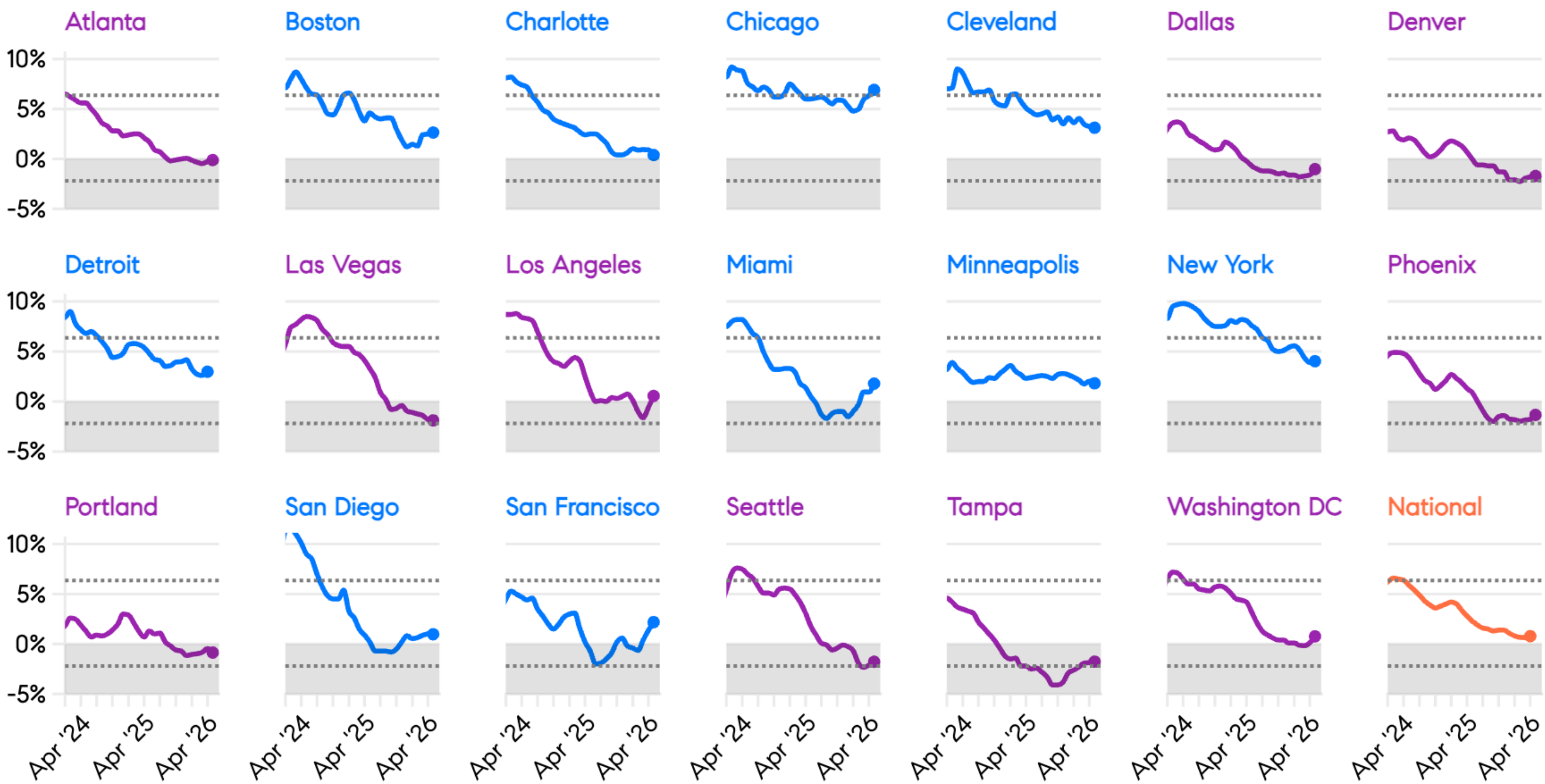
Bay Area Home Prices are Climbing

Thanks to very strong demand in certain neighborhoods, home prices overall in the Bay Area, as measured by the Case Shiller Index, are 2.2% above last year at this time. Local markets vary of course, see the sales price sections in this report for local detail.



Source: S&P CoreLogic Case-Shiller • Blue cities have home price appreciation vs. May 2025. Purple cities have home price declines from May 2025. Dotted lines are top and bottom performing markets. Gray area is below 0%

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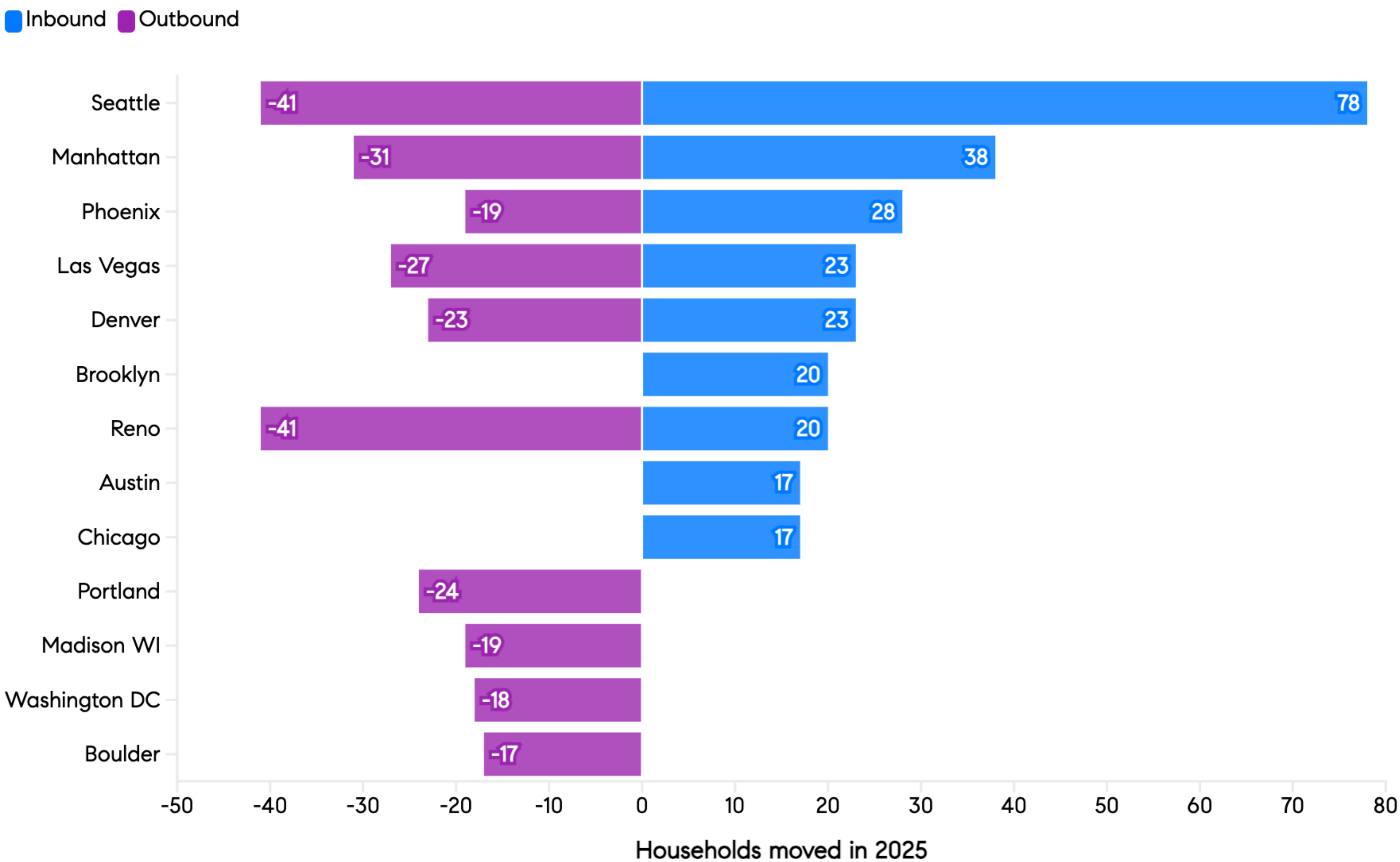
Bay Area Migration Sources & Destinations

In 2025, inbound migration to the Bay Area resumed for the first time in many years. Seattle and Austin are net inbound to San Francisco. Lower cost of living cities remain popular destinations for outbound movers.



Source: Censai Analytics · Top 10 inbound and outbound counties tracked. Sources include change of address forms and voter registration changes. Likely undercounts students and non-voters.

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San Francisco Market

Report created in good faith using public and proprietary data from sources deemed reliable but may contain errors and is subject to revision. Data is pulled at the end of the month, and last-period figures may still be preliminary due to late-reported activity. All numbers are approximate and may change, including Private Exclusive sales and other transactions not publicly reported at the time of publication.

San Francisco Recap

Single-Family Homes

- The median sale price increased **25.2% year over year** but declined **4.7% month over month** to **$2.05 million**.
- Median price per square foot rose **19.6% year over year** to **$1,181**, but slipped **4.0% month over month**.
- Closed sales declined **11.7% year over year** and **35.4% month over month** to **173 transactions**, while pending sales fell **11.2% year over year** and **32.7%** from June to **150**.
- Inventory remained constrained, falling **40.9% year over year**, though it increased **2.6%** from last month to **156 active listings**.
- Average days on market declined **16.2% year over year** but increased **32.1% month over month** to **28 days**.

Condominiums

- The median condo sale price increased **13.6% year over year** and **3.1% month over month** to **$1.25 million**.
- Median price per square foot rose **13.1% year over year** to **$1,103** but fell **2.1% month over month**.
- Closed sales increased **24.9% year over year** but declined **14.0% from June** to **276** transactions, while pending sales rose **15.7% year over year** and fell **32.6% month over month** to **221**.
- Inventory declined **42.5% year over year** and **9.9% month over month** to **417** listings.
- Average days on market fell **38.0% year over year** but rose **15.3% month over month** to **43.3 days**.

San Francisco remained the region's strongest performer in July with 25% year-over-year price appreciation.

Compared with June, July brought broader improvement in year-over-year home price performance across the Bay Area. Napa's decline narrowed from -17% to -3%, while Santa Clara rebounded from -9% to +1%. San Mateo County strengthened from 8% to 10%. Marin County moved in the opposite direction, with appreciation slowing from 11% in June to 3% in July.

Source: Compass via MLS data · Median sales price single family homes

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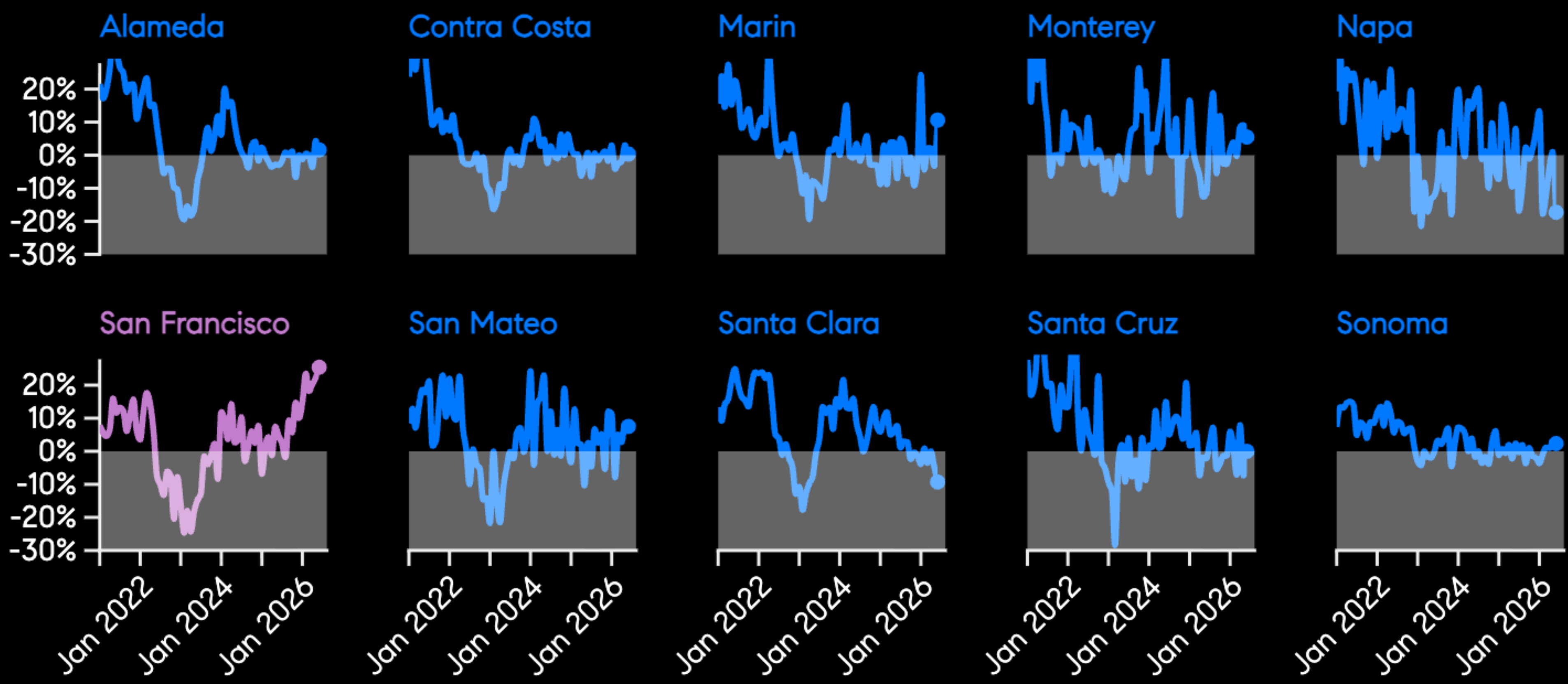
Home Price Changes Over Time

Median sales prices in San Francisco have risen by 25% compared to this same time last year.



Source: Compass via MLS data · Median sales price for single family homes, change vs same month 1 year prior

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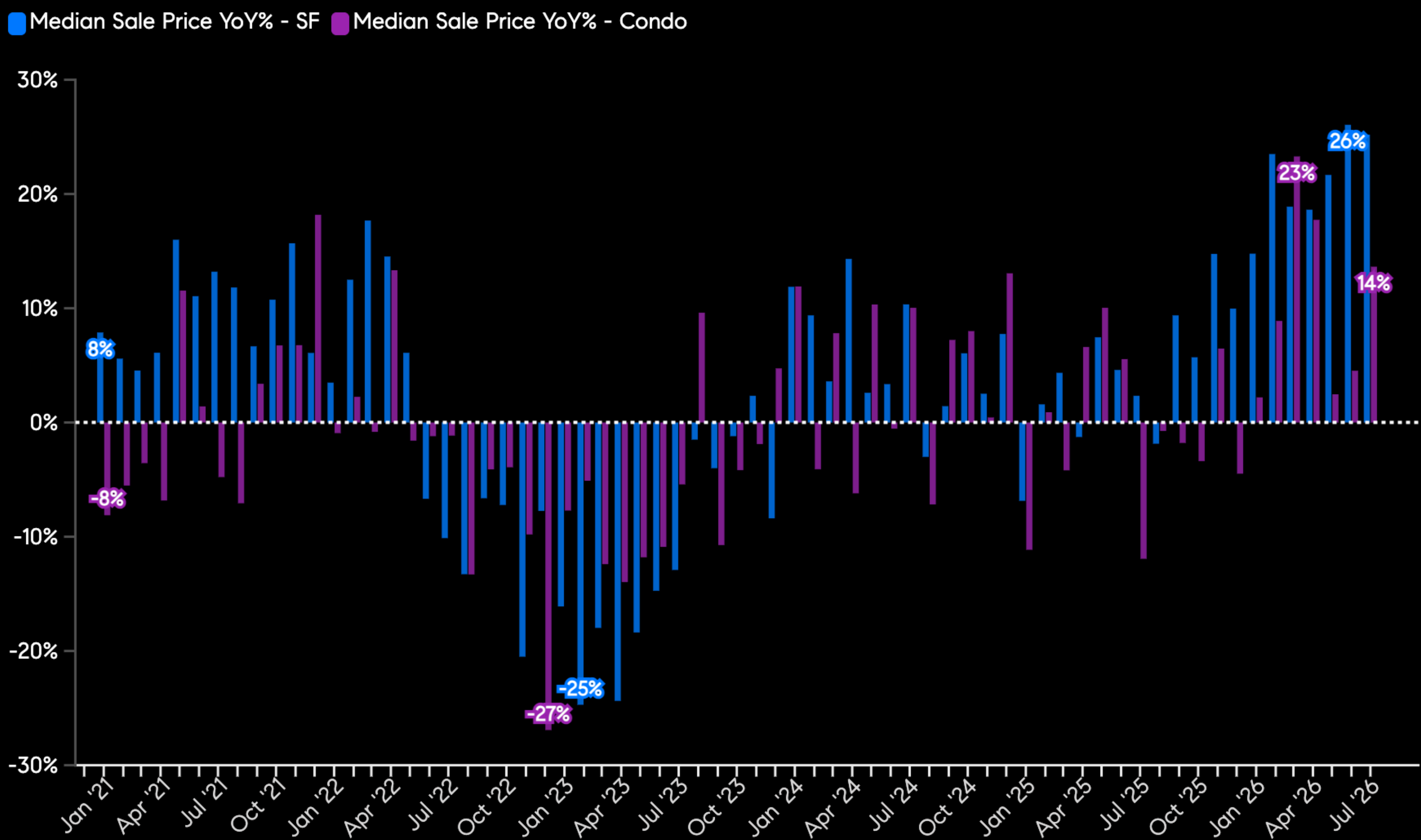
Median Price Year Over Year Change

San Francisco County



Source: Compass via MLS

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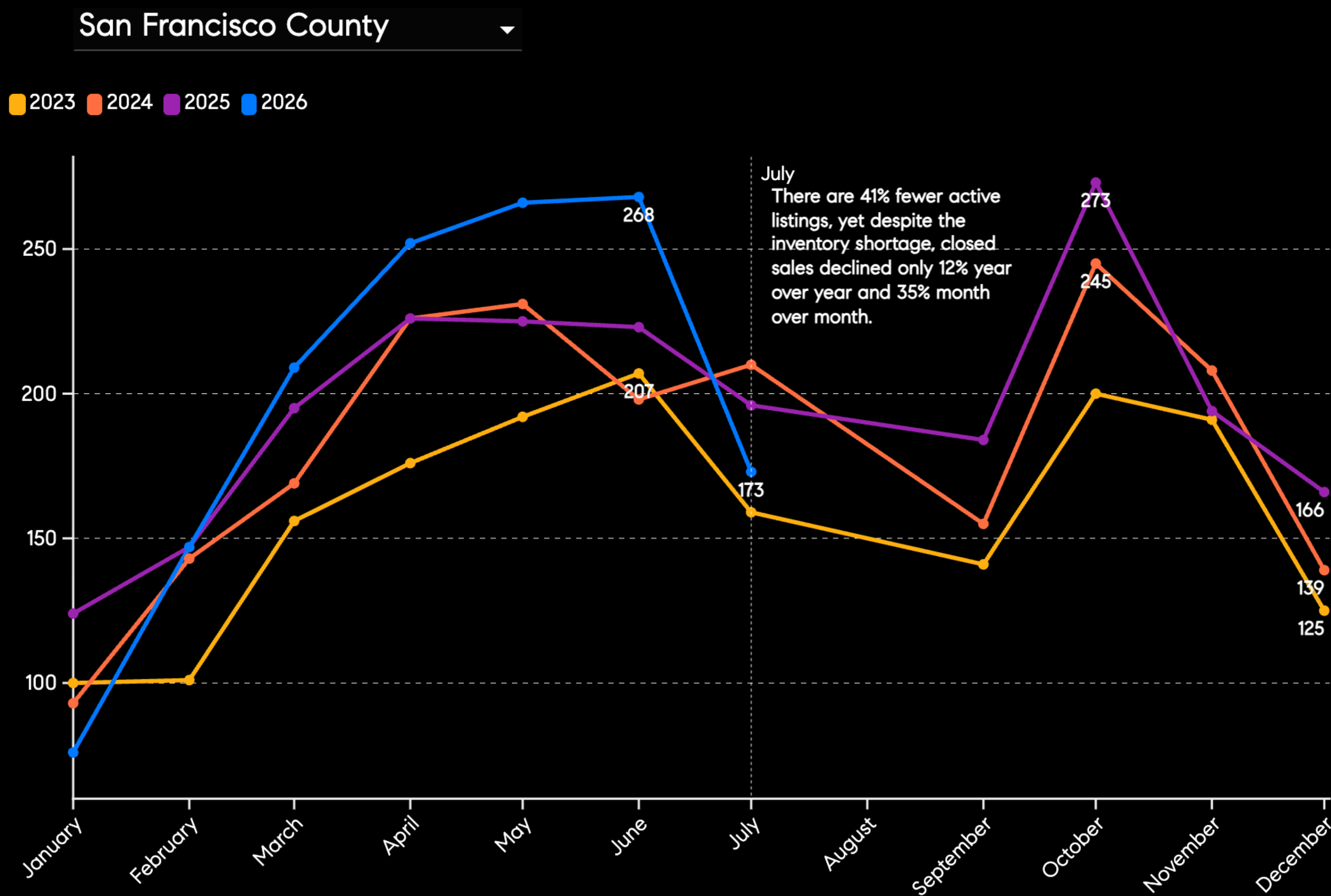
Closed Sales per Month

Each line is a different year, making it easy to compare seasonal trends



Source: Compass via MLS · Single family homes

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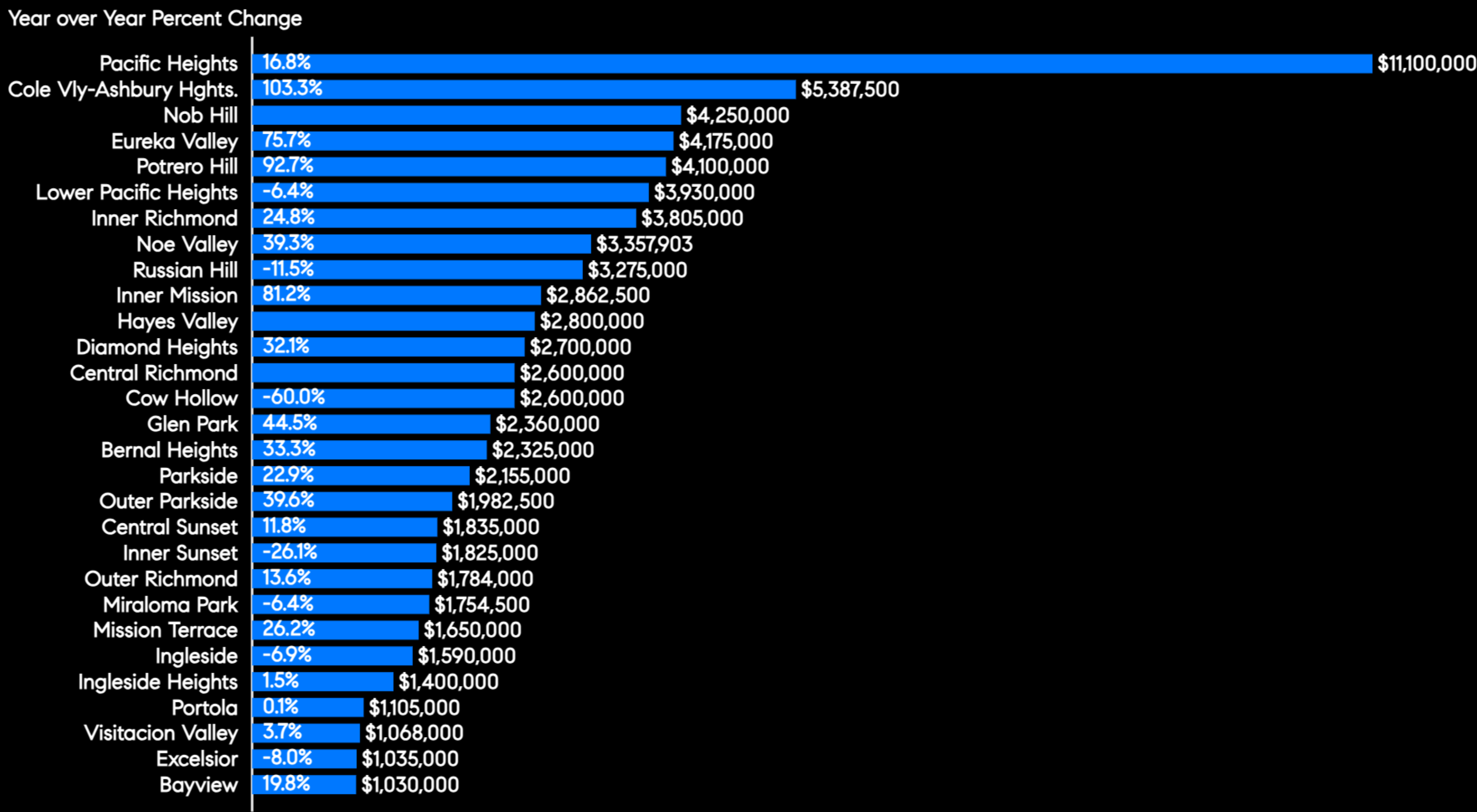
July Median Sale Price

Single Family Homes

San Francisco



Source: Compass via MLS · Single Family Homes
Median Sale Price: The sale price at the 50th percentile of all closed transactions during the month, meaning half of homes sold for more and half sold for less. A low number of transactions can skew the median dramatically

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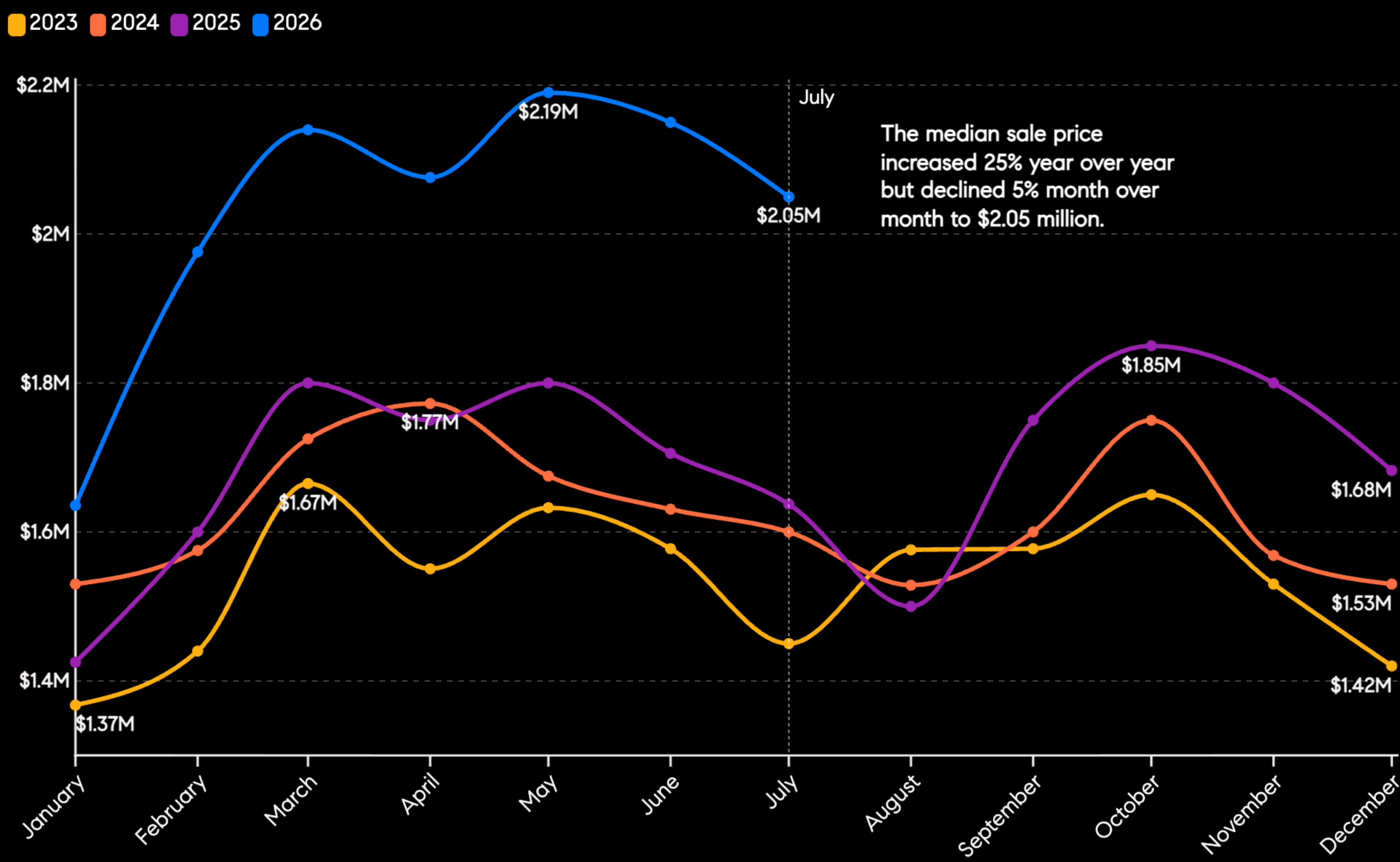
Median Sale Price - Single Family

Each line represents a different year, making it easy to compare seasonal trends.

San Francisco County

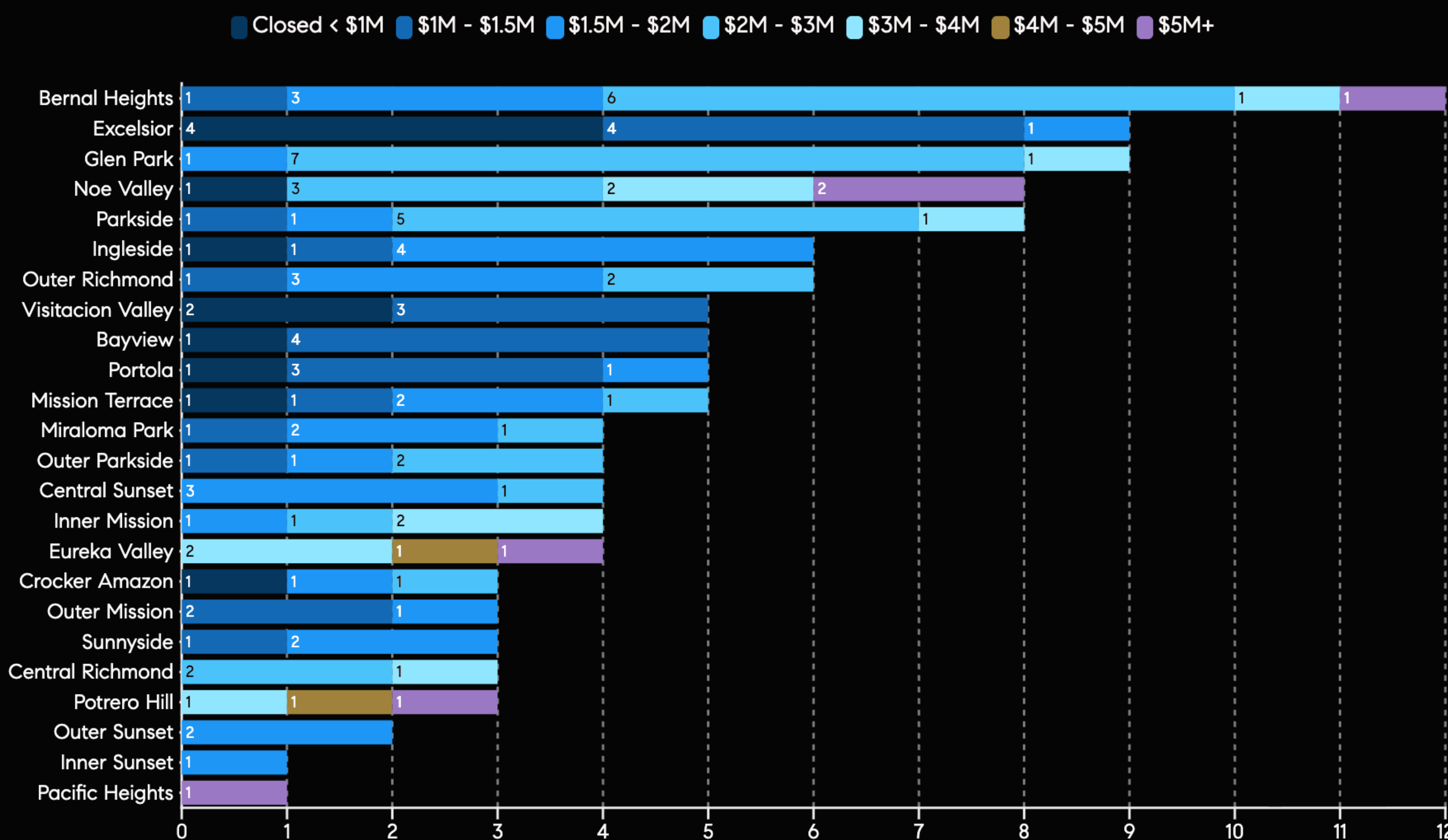


Source: Compass via MLS : Single Family

July Closed Sales by Price Segment

Single Family Homes

San Francisco

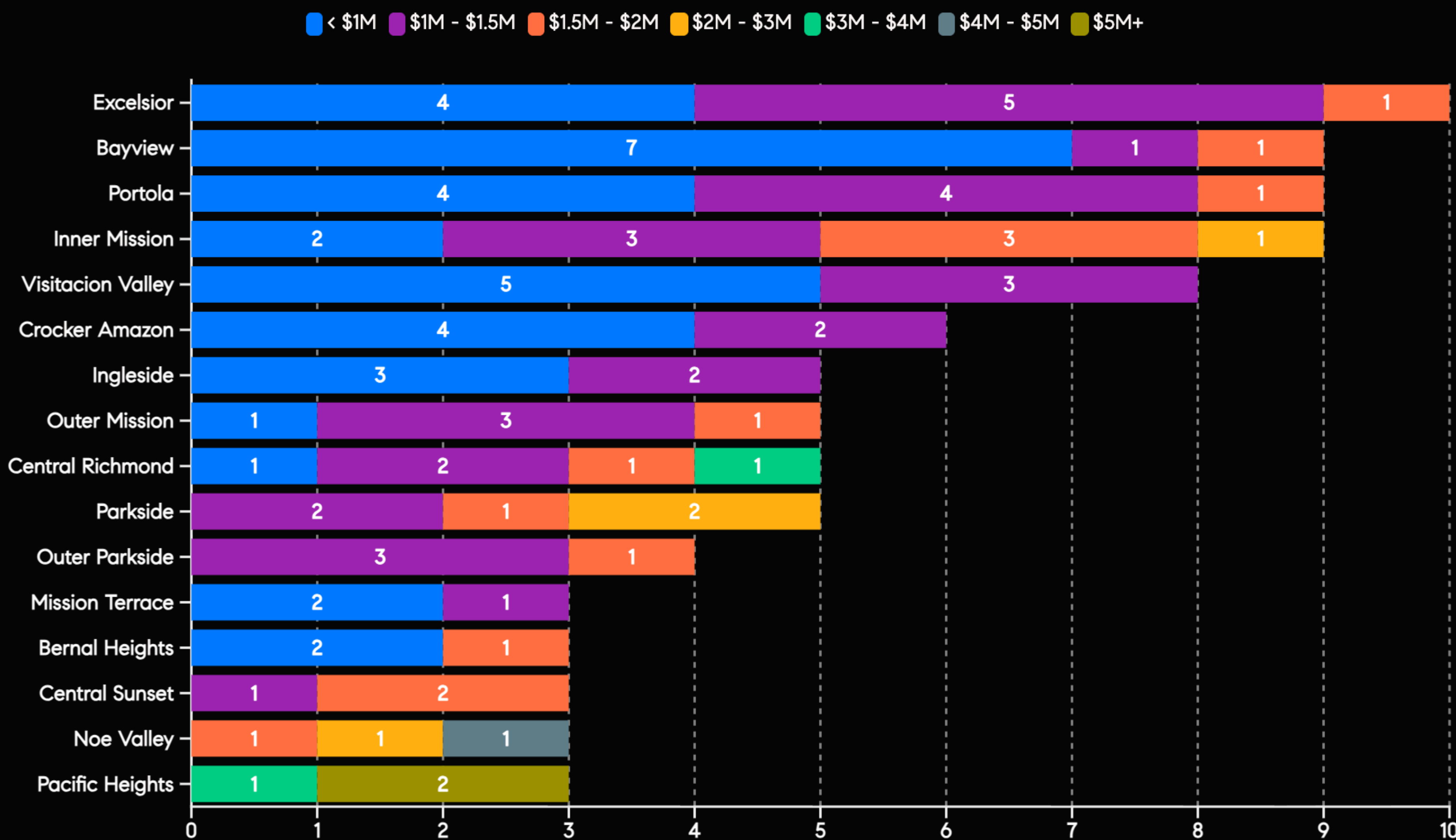


Source: Compass via MLS · Single Family Homes

July Active Listings by Price Segment

Single Family Homes

San Francisco



Source: Compass via MLS · Active on the last day of the month

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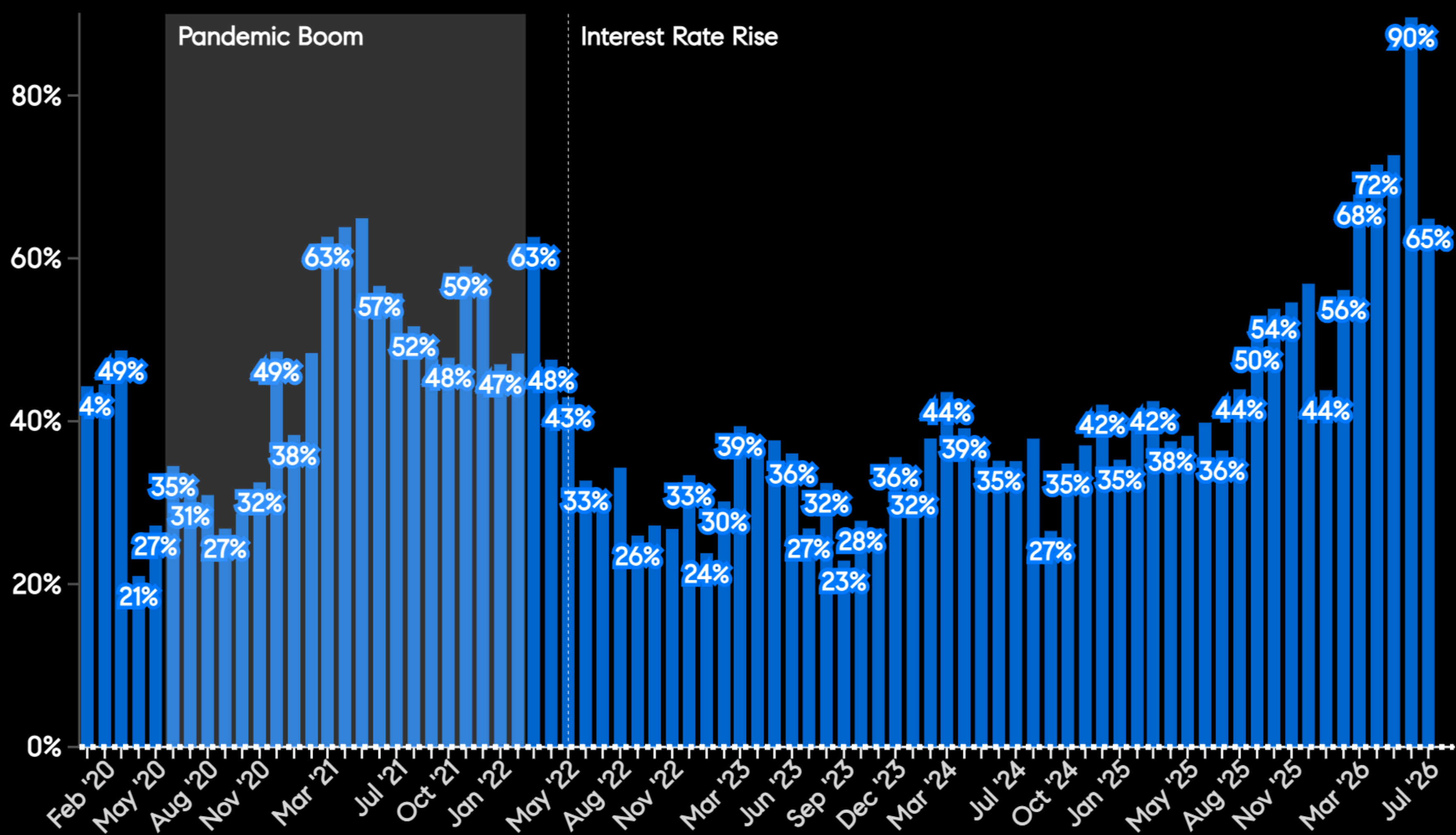
Percentage of Inventory Pending

Absorption Rate: listings in contract divided by active listings; measures how quickly inventory is being absorbed.

San Francisco County

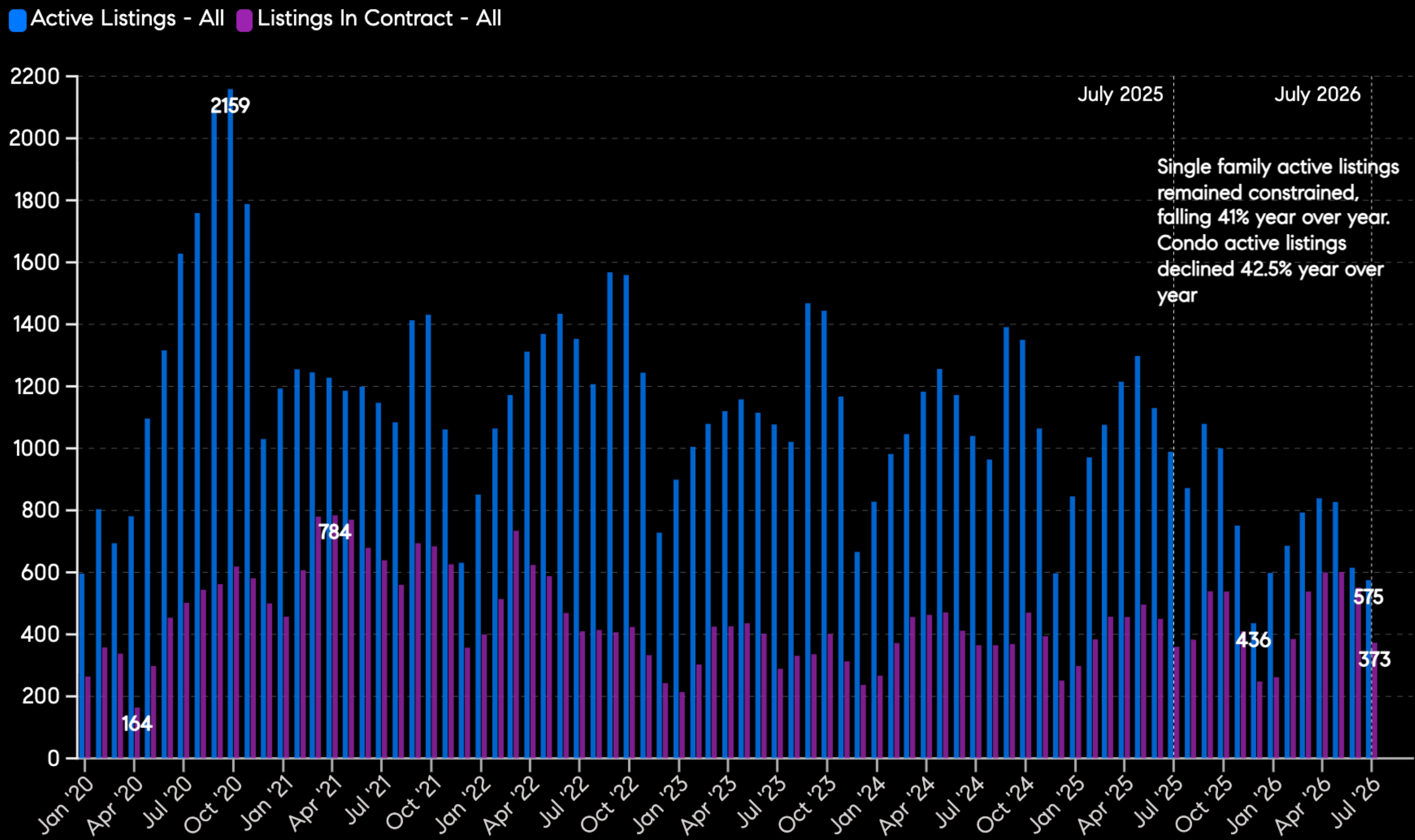


Source: NorCal MLS

Active & In Contract Listings

Available inventory has consistently trailed 2025 levels throughout 2026.

San Francisco County



Source: Compass via MLS · Active and pending on the last day of the month

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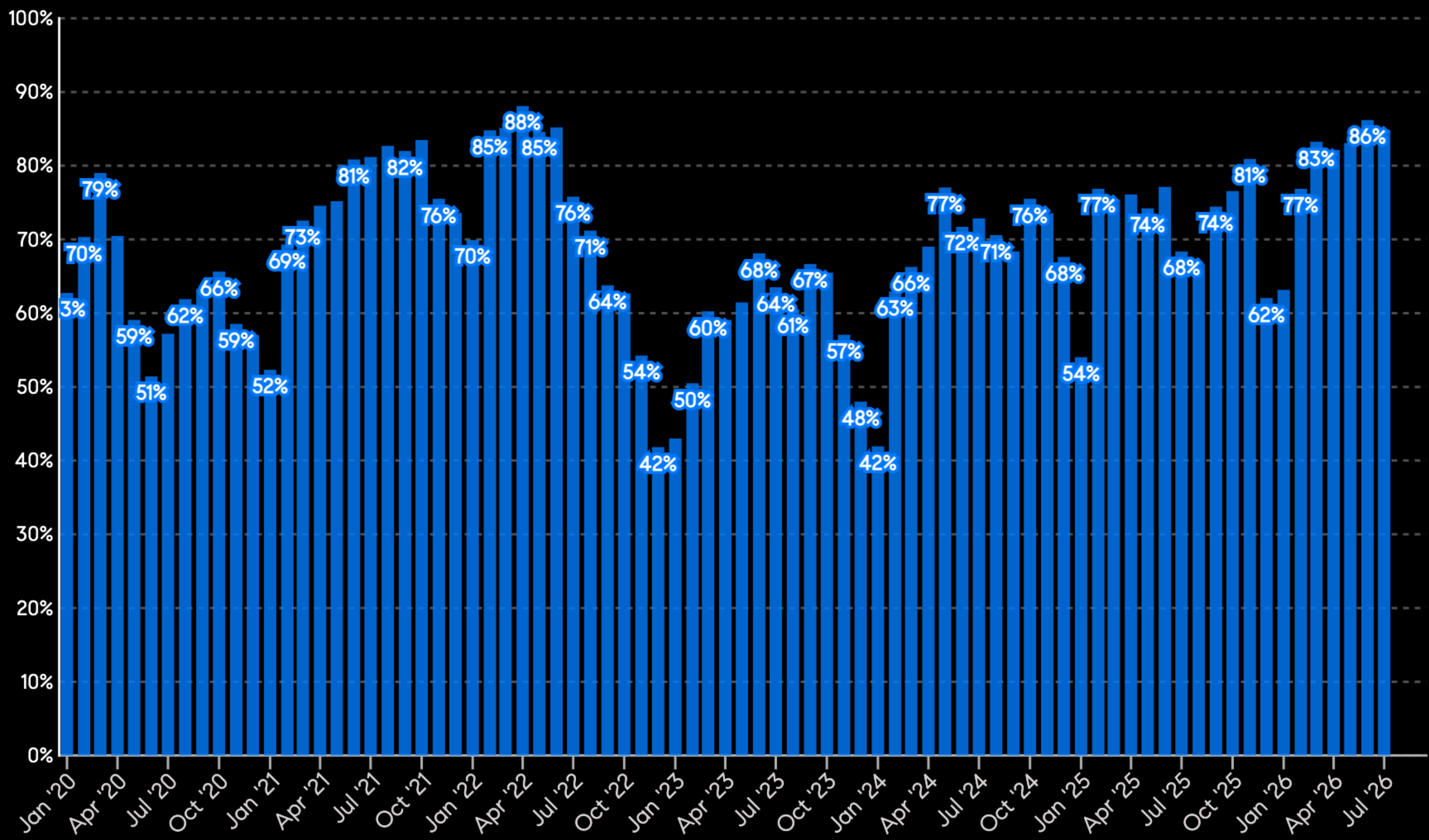
Overbidding: Sales Price Above List

Share of closed sales where the close price exceeded the list price

San Francisco County



Source: Compass via MLS · Single Family Homes

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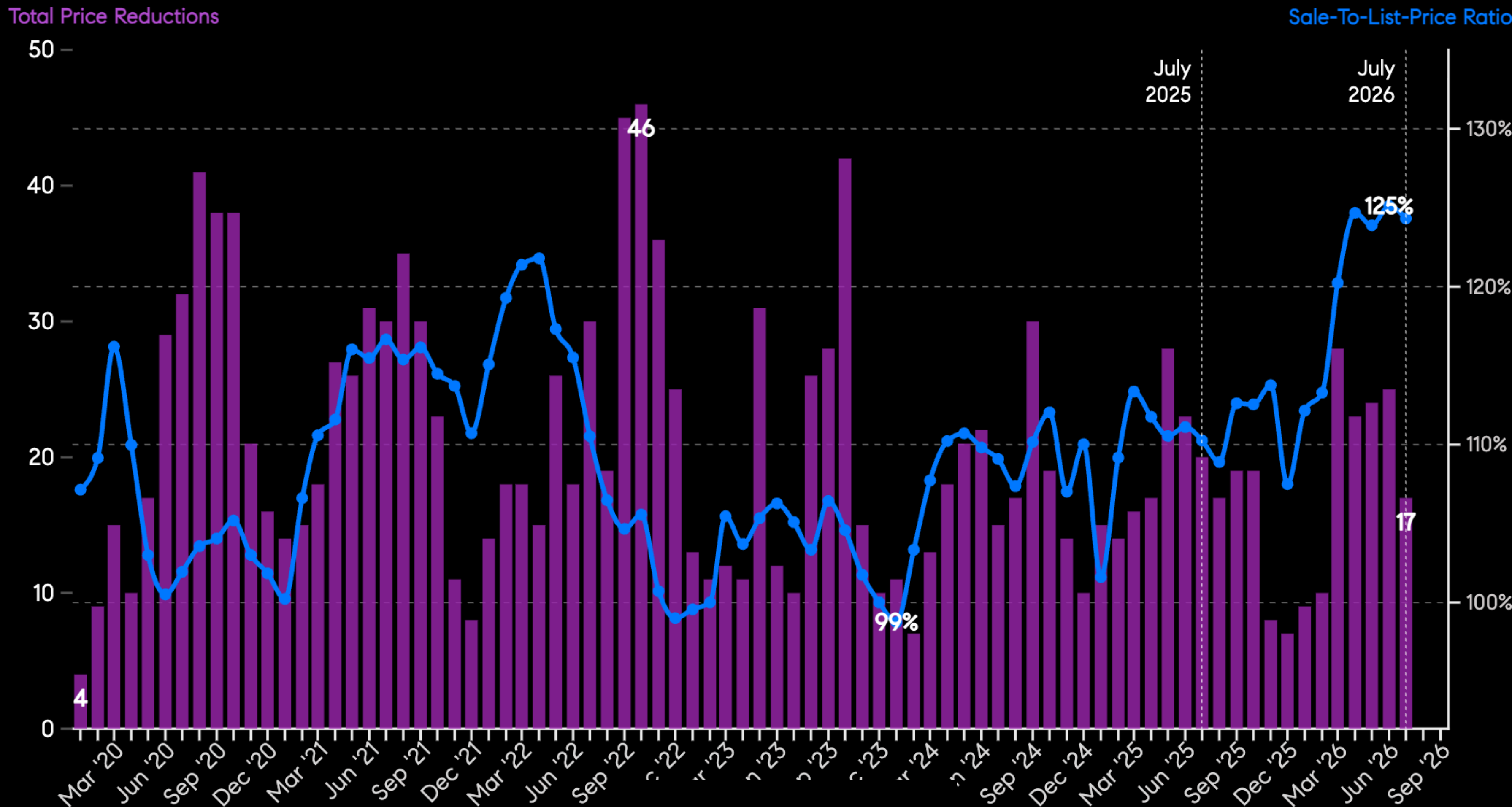
Sale-To-List-Price Ratio

The sale-to-list price ratio is best interpreted alongside price reductions. A high sale-to-list ratio can reflect aggressive marketing strategies rather than market strength, while an increase in price reductions signals sellers are adjusting to buyer demand.

San Francisco County

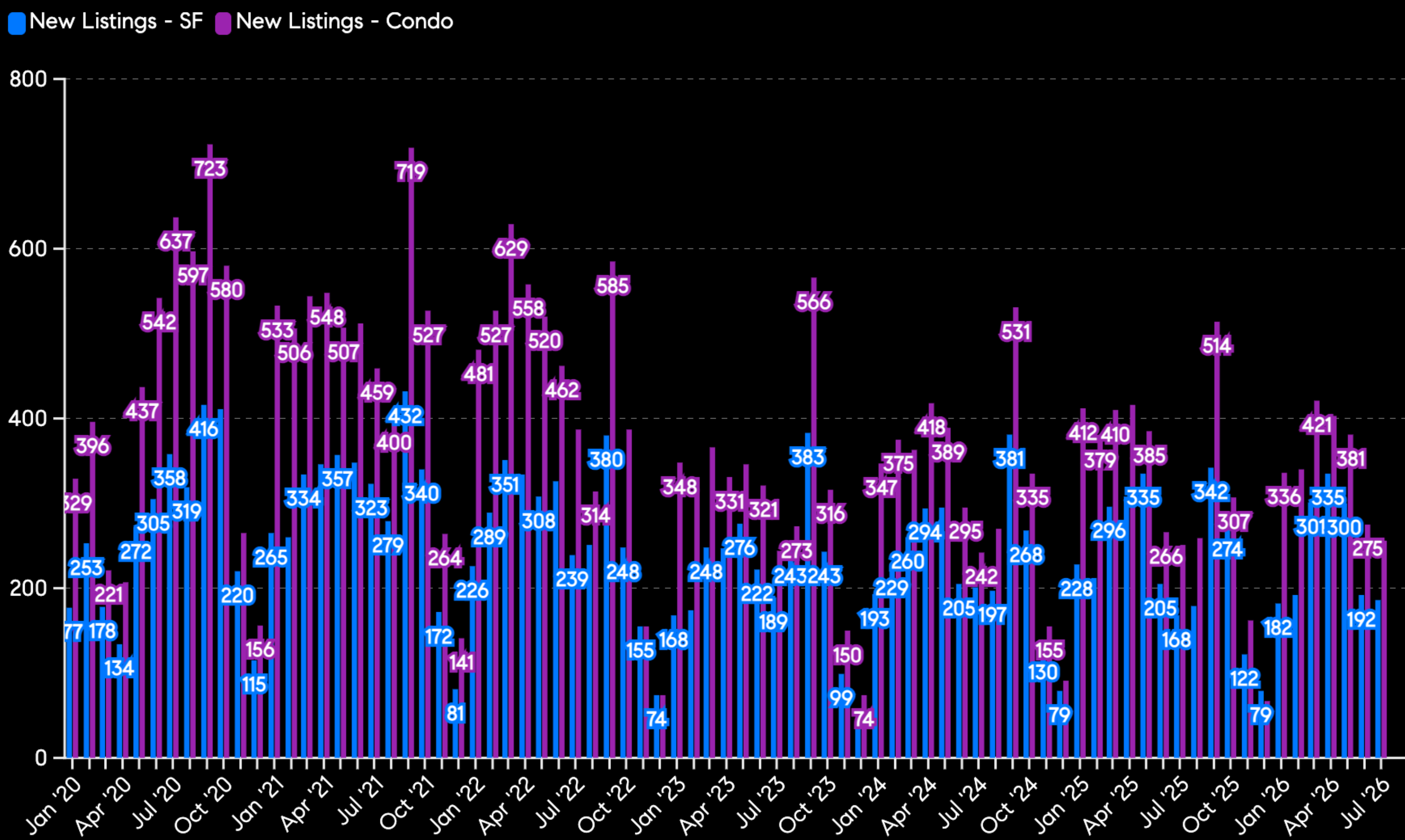


Source: Compass via MLS · Single Family Homes

New Listings per Month

Seasonal new listings peak in April and May and then decline for the second half of the year. Fewer new listings implies tighter competition for buyers.

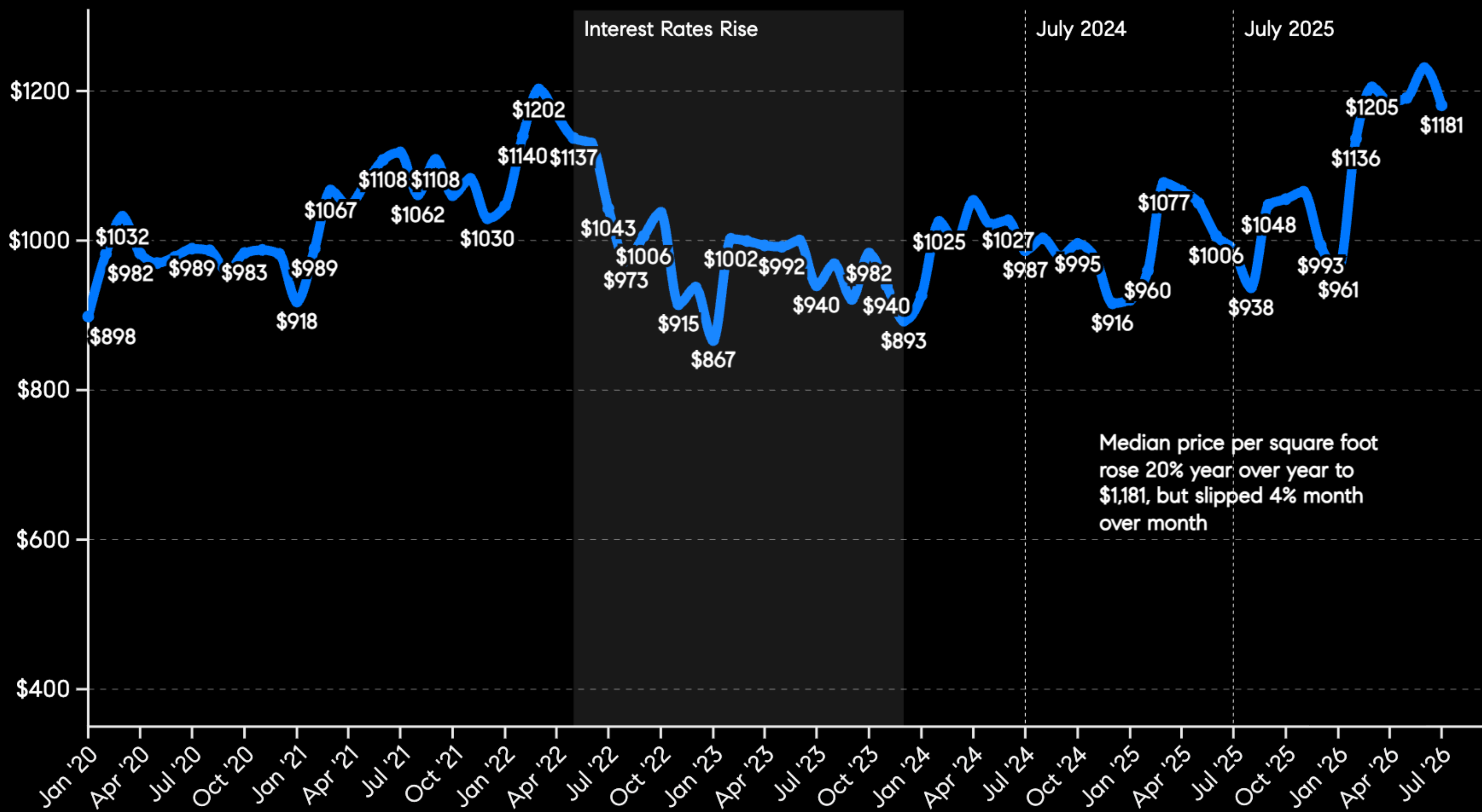
San Francisco County



Price Per Square Foot by Month

Single Family Homes

San Francisco County



Source: Compass via MLS data · Single Family Homes

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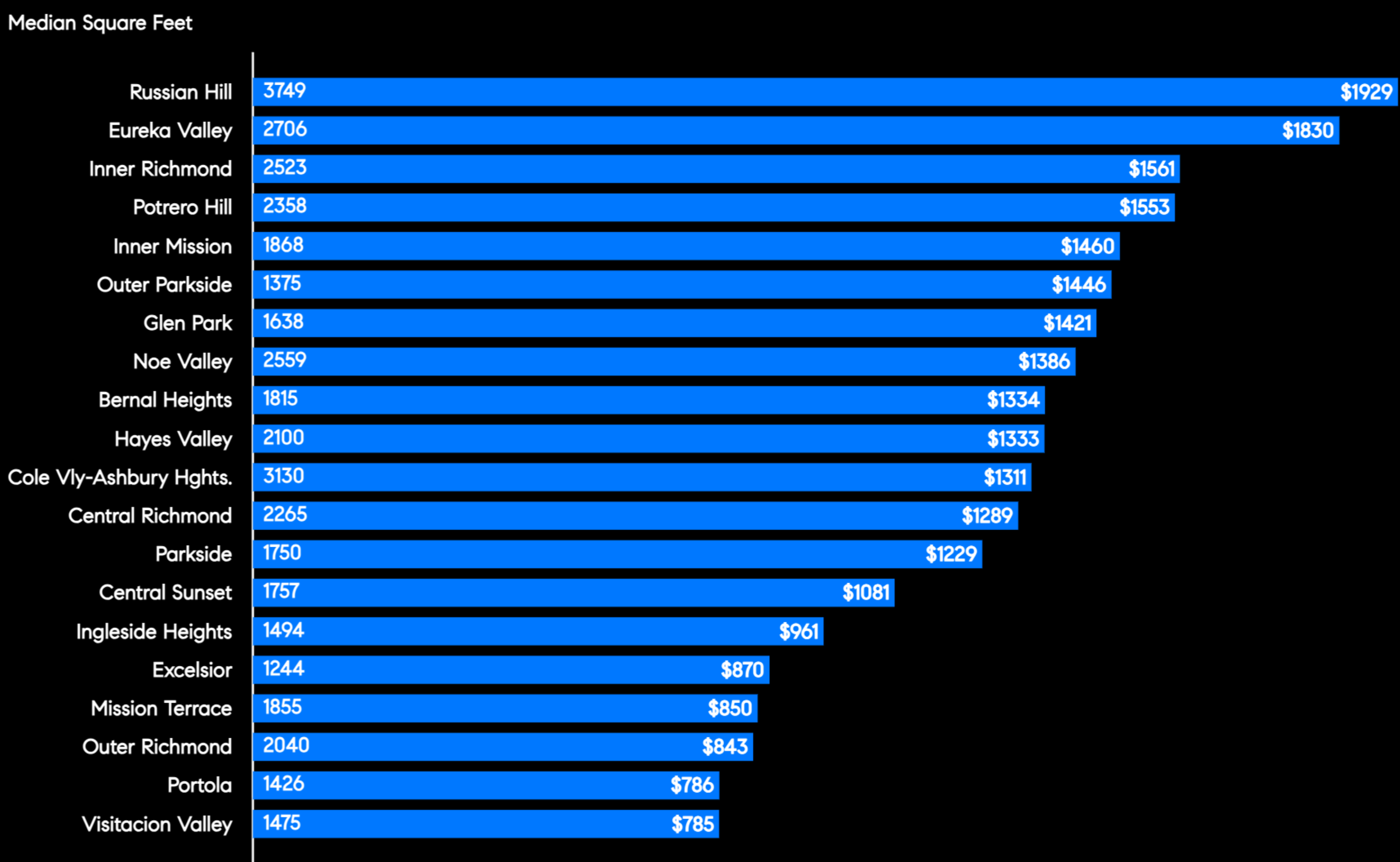
July Median Price Per Square Foot

San Francisco



Source: Compass via MLS · Single Family Homes
Median Price per Square Foot: The 50th percentile of sale price per square foot across all closed transactions during the month

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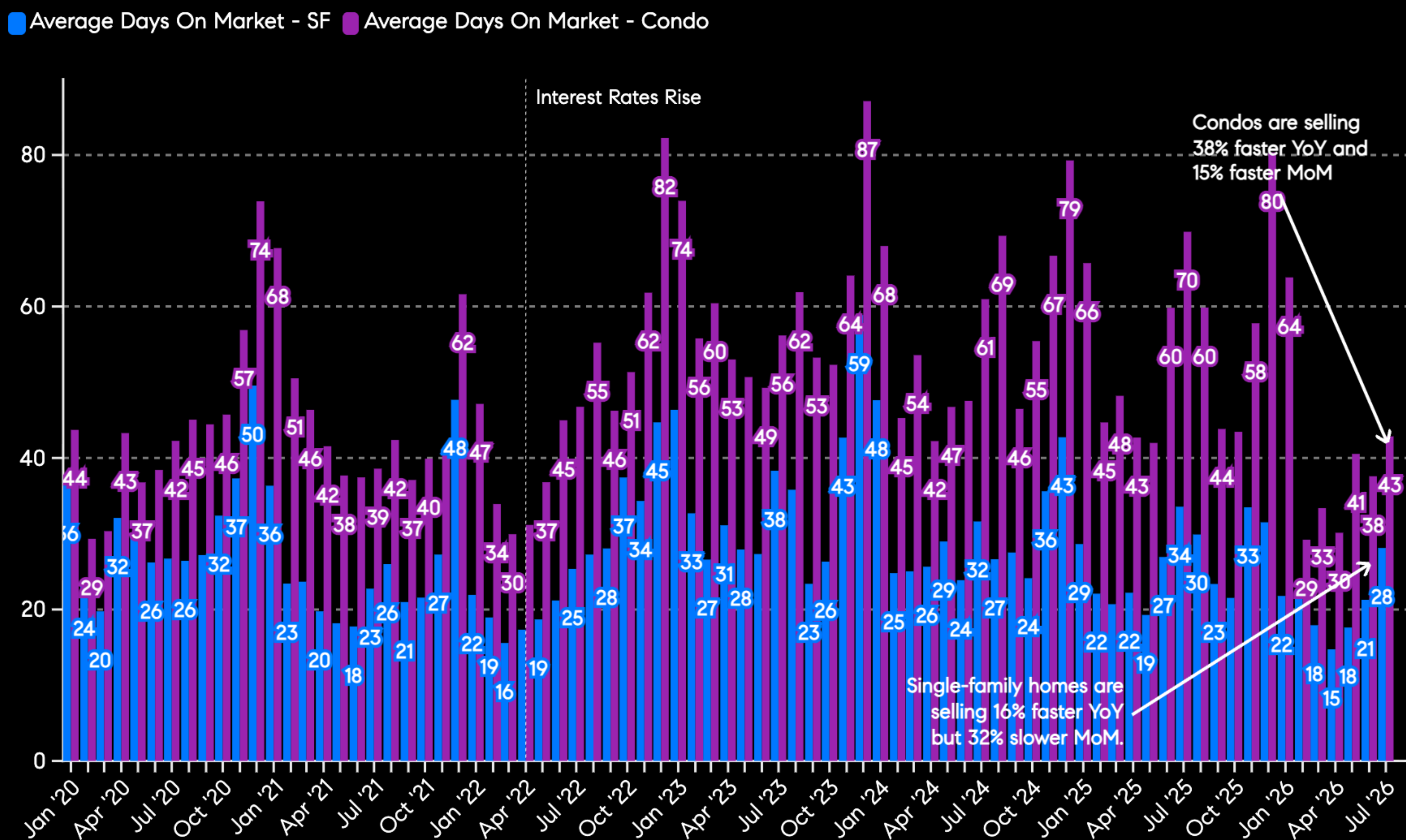
Average Days on Market

Average days on market have increased since mid 2022 reflecting the impact of higher interest rates on pace of sales.

San Francisco County



San Francisco Neighborhoods

City	Sale to List %	Absorption Rate %	Overbid %	DOM	12 Month Appreciation %
Noe Valley	108	133	50	6	15.2
Pacific Heights	97	33	0	637	20.7
Bernal Heights	128	200	100	14	7.1
Inner Mission	126	11	75	19	21.6
Russian Hill	109	67	67	5	11.2
Potrero Hill	114	400	67	26	27.4
Excelsior	120	90	78	28	2.2
Central Sunset	150	367	100	14	14.2
Parkside	145	100	100	16	11.6
Glen Park	135	300	78	10	21.3
Central Richmond	137	60	100	22	29.9
Lower Pacific Heights	112	33	100	0	33.6
Outer Richmond	122	100	83	15	18.6

Source: Compass via MLS · Single Family Homes

San Francisco Neighborhoods

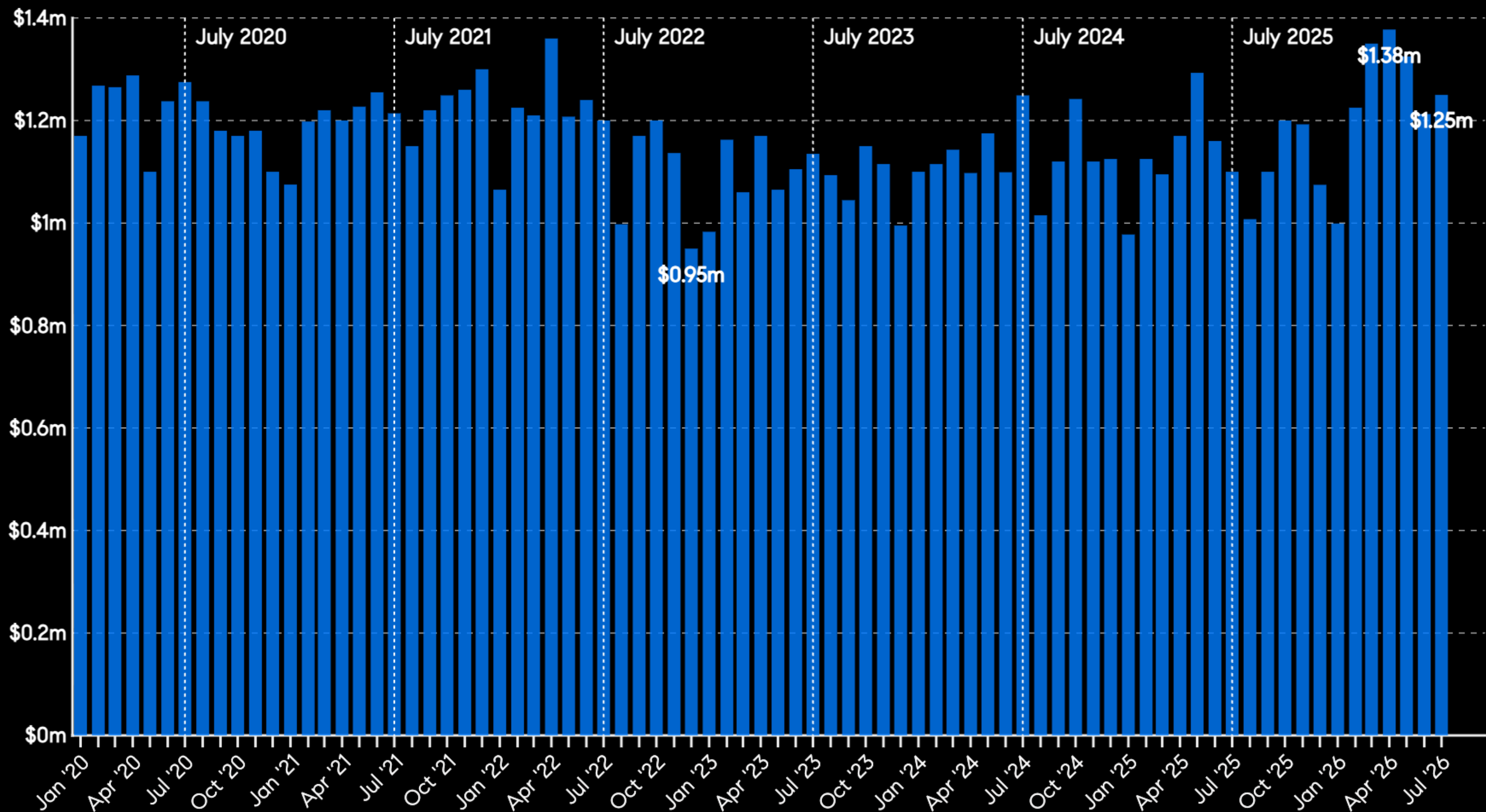
City	Sale to List %	Absorption Rate %	Overbid %	DOM	12 Month Appreciation %
Portola	124	78	100	22	8.8
Outer Parkside	158	175	100	10	12.3
Bayview	111	67	80	48	5.7
Visitacion Valley	110	71	80	13	1.7
Ingleside Heights	119	150	80	49	5.9
Diamond Heights	104	100	100	6	6.5
Miraloma Park	130	100	100	16	16.2
Ingleside	117	100	67	53	15.5
Mission Terrace	135	33	100	6	17.3

Source: Compass via MLS · Single Family Homes

Median Sale Price

Condos

San Francisco County



Source: Compass via MLS data · Condos

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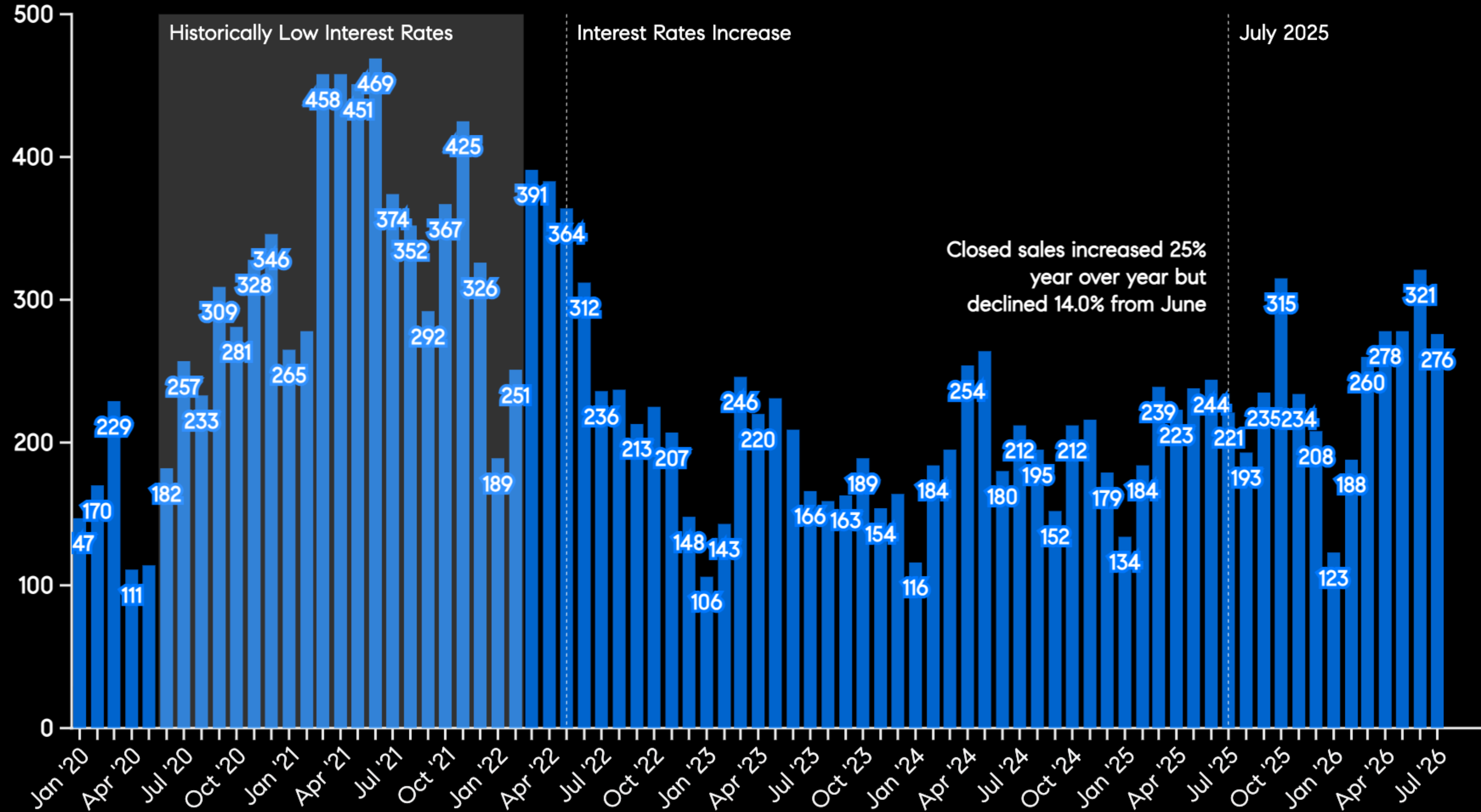
Closed Sales

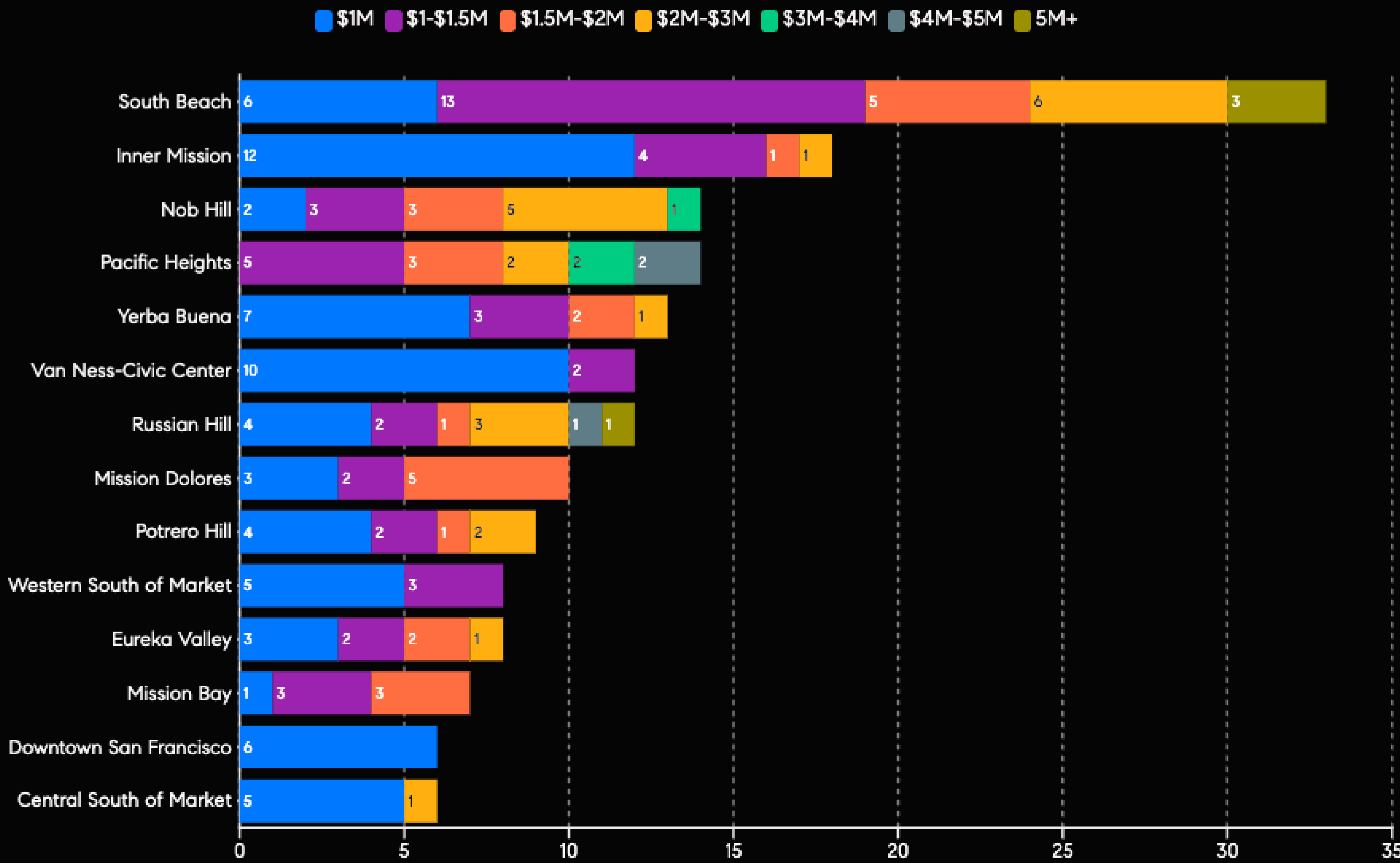
Condos

San Francisco County



July Closed Condo Sales by Price Segment

San Francisco



Source: Compass via MLS · Condos

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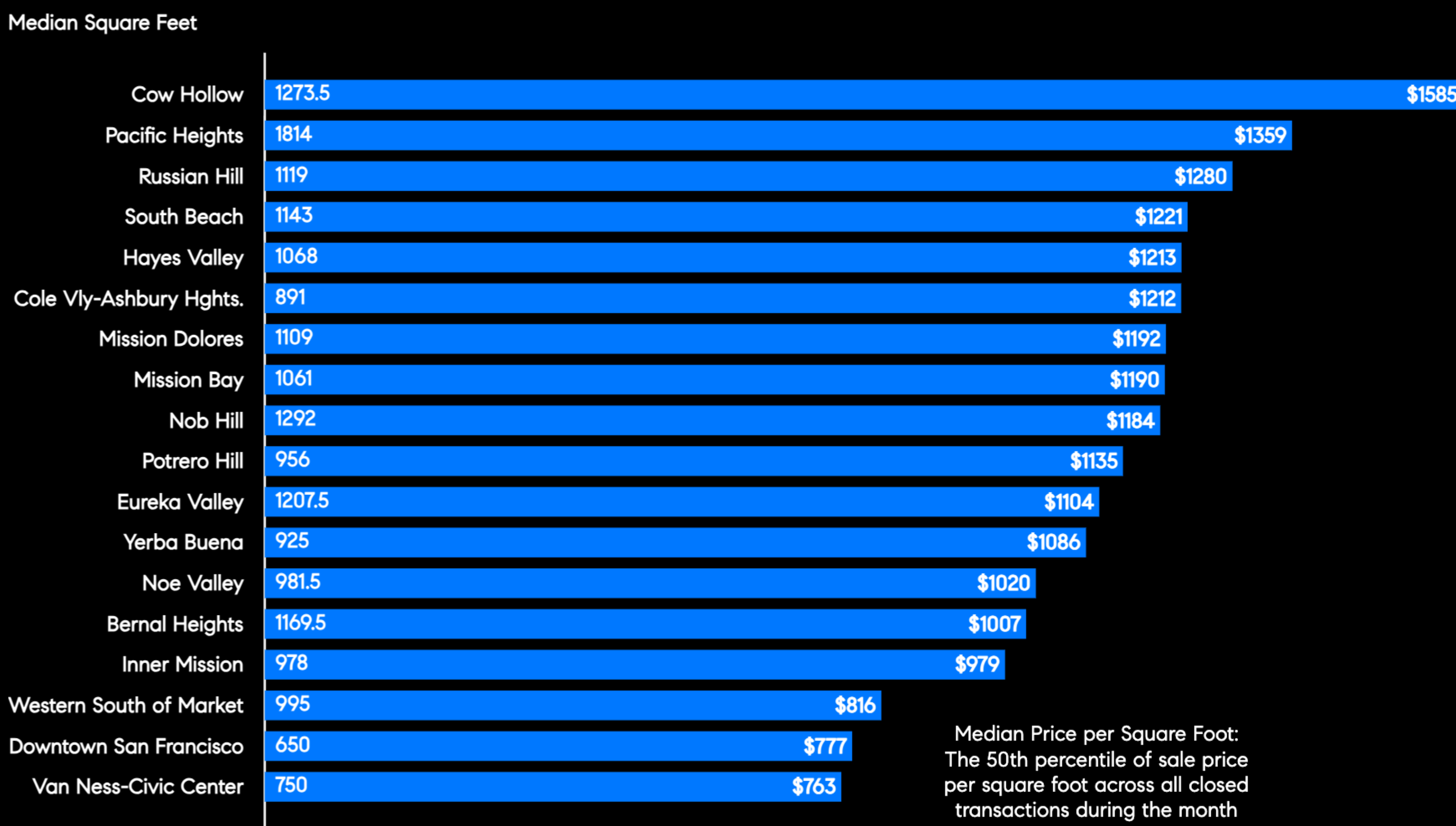
July Median Price Per Square Foot

Condo

San Francisco



Source: Compass via MLS · Condo

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San Francisco Neighborhoods

City	Sale to List %	Absorption Rate %	Overbid %	DOM	12 Month Appreciation %
South Beach	100	35	40	53	-8.7
Noe Valley	103	42	75	15	5.3
Pacific Heights	105	125	67	30	5.4
Bernal Heights	115	200	100	32	17.4
Inner Mission	100	53	50	55	-2.6
Eureka Valley	104	140	58	43	-4.5
Russian Hill	98	71	43	54	0.2
Potrero Hill	109	43	78	14	7
Nob Hill	100	50	36	33	4.6
Hayes Valley	117	54	100	20	8.9
Yerba Buena	100	42	27	67	28.6
Van Ness-Civic Center	98	40	17	34	17.5
Cow Hollow	124	133	60	55	-3.4

Source: Compass via MLS · Condo

San Francisco Neighborhoods

City	Sale to List %	Absorption Rate %	Overbid %	DOM	12 Month Appreciation %
Cole Vly-Ashbury Hghts.	111	300	80	107	-0.7
Central Richmond	111	200	100	5	10
Lower Pacific Heights	109	133	100	27	18.4
Outer Richmond	93	50	0	12	0.8
Mission Bay	102	80	86	15	24.1
Western South of Market	95	24	25	137	2.8
Mission Dolores	111	180	64	46	10.9
Inner Richmond	107	125	80	26	2.7
Downtown San Francisco	94	33	17	120	0.4
Bayview	117	40	100	41	28.1
Diamond Heights	94	120	33	58	10.4
Western Addition	97	60	25	9	28.6

Source: Compass via MLS · Condo

SAN FRANCISCO 37°48'21"N 122°24'23"W

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