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San Francisco Real Estate

January 2020 Report

Generally speaking, after years of high appreciation rates, annual 2019 Bay Area median home prices went down a little bit, went up a little bit or basically remained unchanged as compared to 2018. SF hit new quarterly price highs in spring of 2019 (amid all the IPO excitement), but ended up the year at about flat for houses and a little up for condos. (Since there has been so much new luxury condo construction in recent years, year-over-year median price comparisons may not be exactly apples to apples.)

For 2020, economist Ken Rosen at UC Berkeley has said he expects the Bay Area median price to remain basically flat, within a general range of up or down 2% - in other words, similar to what happened last year. We can't predict the future, but that certainly doesn't sound unreasonable, and happily avoids the sensationalism of many other media-grabbing forecasts.

San Francisco Real Estate, 2016 - 2019

Year-over-Year Comparisons: Selected Market Indicators

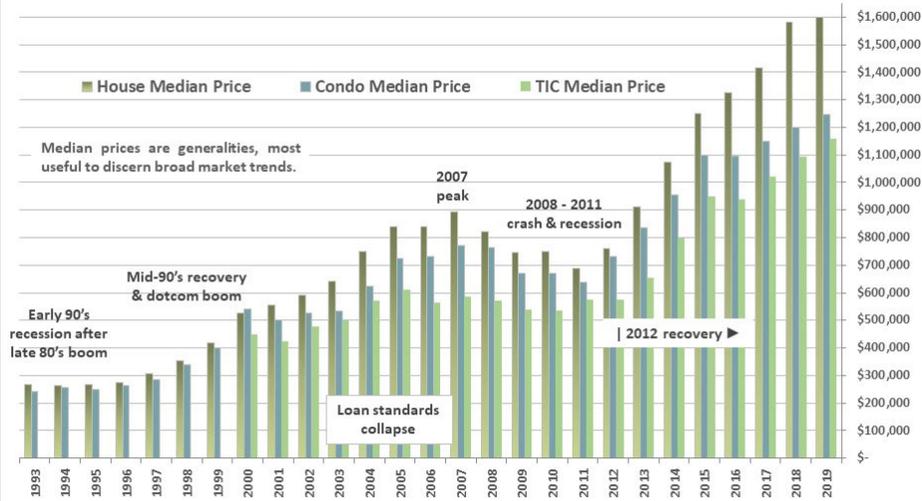
Statistic	2016	2017	2018	2019
Median House Sales Price	\$1,325,000	\$1,415,000	\$1,580,000	\$1,600,000
Median Condo Sales Price	\$1,095,000	\$1,150,000	\$1,200,000	\$1,247,500
Avg. House \$/Sq.Ft. Value	\$863/sq.ft.	\$920	\$991	\$1012/sq.ft.
Avg. Condo \$/Sq.Ft. Value	\$1026/sq.ft.	\$1049	\$1119	\$1142/sq.ft.
Median Days on Market	26 days	18 days	16 days	16 days
Median Sales Price to Orig. Median LP %	114% of list price	114% of LP	113% of LP	110% of list price
New Listings during Year	6412 new listings	6242	6703	6220 new listings
Number of Home Sales	5011 sales	5146	5234	5035 sales
Home Sales under \$1 Million	1829 sales	1629	1363	1160 sales
# Home Sales, \$3 Million+	278 sales	321	347	367 sales
# Home Sales, \$5 Million+	77 sales	78	75	83 sales
Months Supply of Inventory (rolling avg.)	2.5 months	2.3	2.5	2.8 months

Houses, condos, co-ops, TICs unless specified otherwise. Sales reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. Late reported sales may alter 2019 numbers, but typically only to a small degree. All numbers are approximate. Not all sales are reported to MLS. Many new project condo listings/sales are not in MLS.

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San Francisco Home Price Appreciation Median Sales Prices by Year, 1993 – Present

Sales reported to MLS

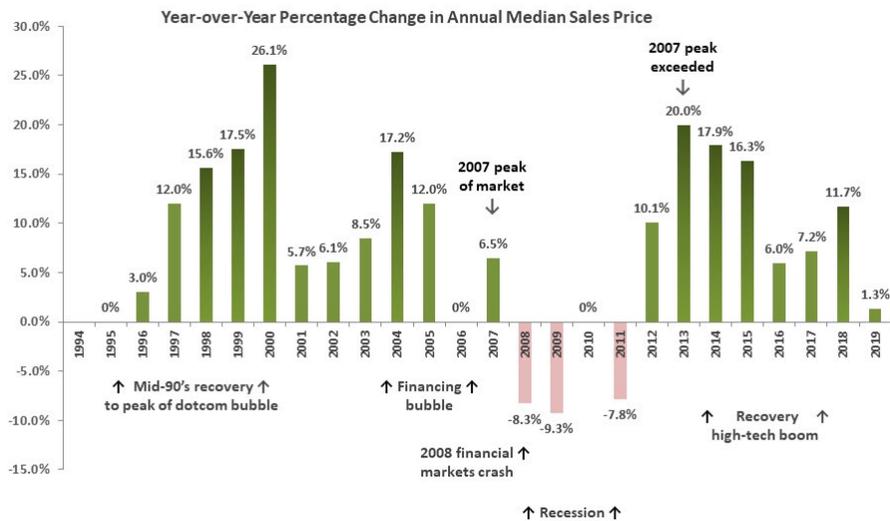


Median sales price is that price at which half the sales occurred for more and half for less. It can be and often is affected by other market factors besides changes in fair market value. Data from sources deemed reliable but may contain errors and subject to revision.

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San Francisco Median House Price Changes Since 1994

Annual % Change, Comparing Annual Median Sales Prices to Previous Year

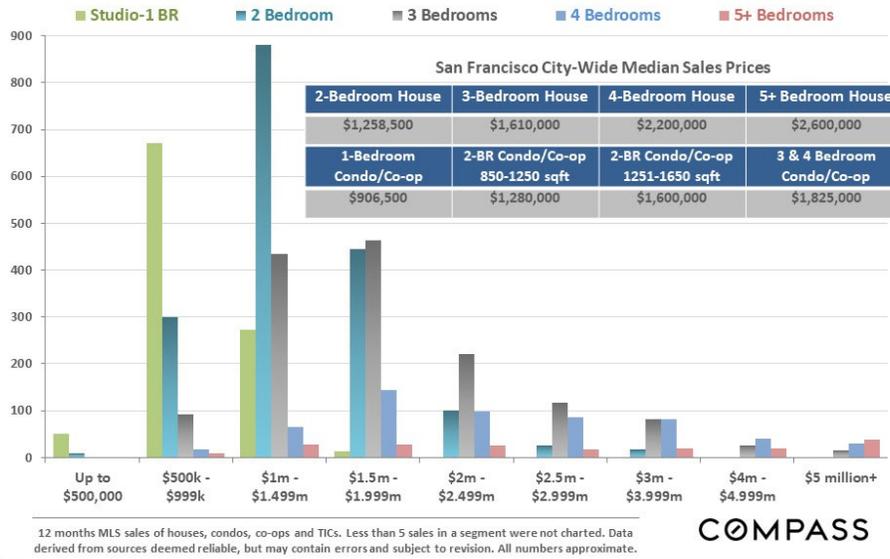


Sales data as reported to MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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San Francisco Home Sales

2019 Sales by Price Segment & Bedroom Count

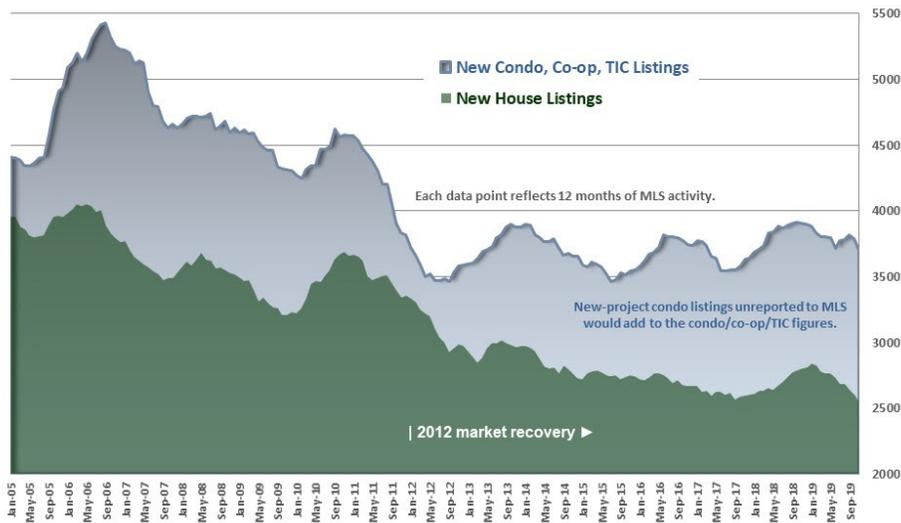


One of the big factors in SF house price appreciation since 2012 has been that fewer house owners are selling (dark green portion of chart below). If demand increases, but supply drops, that puts upward pressure on prices. Overall, house prices have out-appreciated condos over the past 7 years due to 2 factors: All the new condo construction and the fact that condo owners sell their homes more often than house owners. Both those factors increase supply to help meet increased demand.

San Francisco Home Market

New Listing Volumes, since 2005, 12-Month Rolling Figures

As reported to MLS, per Infosparks.



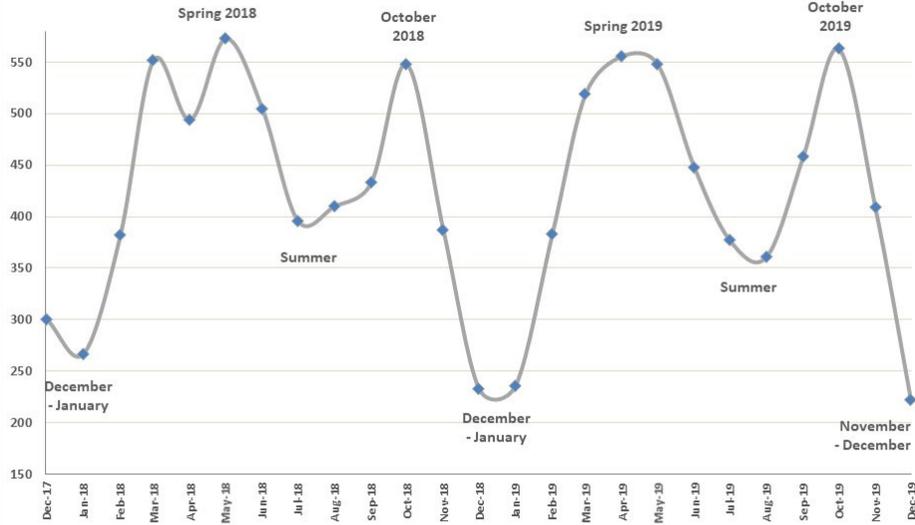
As reported to MLS: Many new-project condo listings are not entered into MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.

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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 be considered approximate.

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San Francisco Home Prices by Neighborhood

Below are just two of the updated tables in our much longer analysis of home prices by property type and bedroom count for every neighborhood in the city. If you'd like the complete report, please let me know.

San Francisco Neighborhood	2-Bedroom House	3-Bedroom House	4-Bedroom House	5+ Bedroom House
Realtor District 1, Northwest - Median Sales Prices				
Sea Cliff			\$4,357,000*	
Lake Street		\$2,480,000*	\$3,800,000	
Jordan Park/ Laurel Heights		\$2,047,000		\$4,162,500*
Inner Richmond		\$2,100,000	\$2,925,000	\$3,000,000
Central Richmond	\$1,460,000	\$2,000,000	\$2,519,000	\$2,562,500
Outer Richmond	\$1,359,000	\$1,430,000	\$1,987,000	\$2,000,000
Lone Mountain		\$2,300,000*	\$2,113,000*	
COMPASS Realtor District 2, West				
This is the 2 nd largest district for house sales in the city.				
12 months home sales reported to MLS, 12/16/18 - 12/15/19				
Inner Sunset	\$1,440,000	\$1,680,000	\$2,300,000	
Central Sunset	\$1,400,000	\$1,525,000	\$1,900,000	
Outer Sunset	\$1,250,000	\$1,415,000	\$1,620,000	\$1,894,000*
Golden Gate Heights		\$1,722,500	\$1,950,000	\$2,650,000*
Inner Parkside	\$1,515,000	\$1,725,000	\$2,050,000*	
(Central) Parkside	\$1,300,000	\$1,474,000	\$1,922,500	\$1,950,000
Outer Parkside	\$1,200,000	\$1,325,000	\$1,756,000	\$1,590,000*
COMPASS Realtor District 3, Southwest				
12 months home sales reported to MLS, 12/16/18 - 12/15/19				
Lake Shore		\$1,450,000		
Lakeside		\$1,825,000		
Merced Manor		\$1,655,000*		
Merced Heights	\$1,000,000	\$1,310,000	\$1,500,000	
Ingleside	\$945,000	\$1,155,000	\$1,257,000*	\$1,377,500
Ingleside Heights	\$1,000,000	\$1,187,500		
Oceanview	\$882,500	\$1,125,000		

An asterisk signifies 4 or fewer sales during the 12-month period. Fewer sales usually means less statistical reliability.

San Francisco Neighborhood	1-Bedroom Condo/Co-op	2-BR 850-1250 Sq.Ft.	2-BR 1251-1650 Sq.Ft.	3 & 4 Bedroom Condo/Co-op
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Realtor District 5, Central – Median Sales Prices				12 months home sales reported to MLS, 12/16/18 - 12/15/19
This is the 3rd biggest district, for condo sales in the city.				
Glen Park		\$1,325,000*		
Haight Ashbury	\$855,000	\$1,250,000*	\$1,460,000*	\$1,756,000
Noe Valley	\$890,000	\$1,355,000	\$1,715,000	\$1,825,000
Cole Valley/ Parnassus Heights	\$945,000	\$1,485,000	\$1,625,000	\$2,100,000
Ashbury Heights/ Buena Vista Park	\$945,000	\$1,455,000*	\$1,680,000	\$2,687,500*
Corona Heights		\$1,440,000	\$1,762,500*	\$1,800,000
Duboce Triangle	\$1,100,000	\$1,430,000*		\$1,787,500
Twin Peaks		\$1,232,500*		\$1,774,500*
Eureka (Castro) Valley/ Dolores Heights	\$1,050,000	\$1,500,000	\$1,800,000	\$1,995,000
Mission Dolores	\$880,000	\$1,350,000	\$1,500,000	\$1,732,500
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Realtor District 6, Central North, Condos & Co-ops				12 months home sales reported to MLS, 12/16/18 - 12/15/19
Anza Vista	\$975,000	\$1,185,000		
Hayes Valley	\$905,000	\$1,422,400	\$1,652,500*	\$1,625,000
North of Panhandle (NoPa)	\$815,000	\$1,325,000	\$1,377,500	\$1,675,000
Alamo Square	\$975,000*			\$1,727,500
Lower Pacific Heights	\$707,500	\$1,297,500	\$1,450,000	\$1,725,000
Western Addition	\$805,000	\$975,000		\$1,140,500

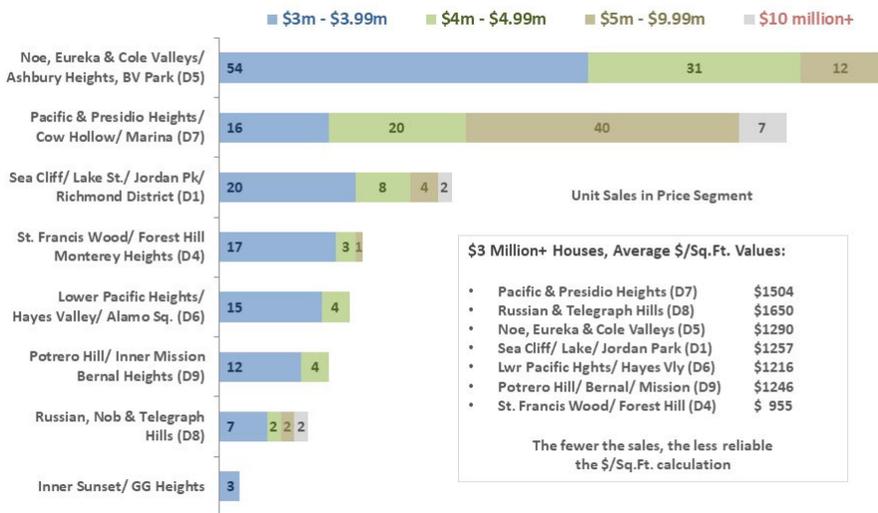
* An asterisk signifies 4 or fewer sales during the 12-month period. Fewer sales usually means less statistical reliability.

San Francisco Luxury Home Markets by District

San Francisco Luxury House Market

Houses Selling for \$3,000,000+ in 2019*

As reported to MLS



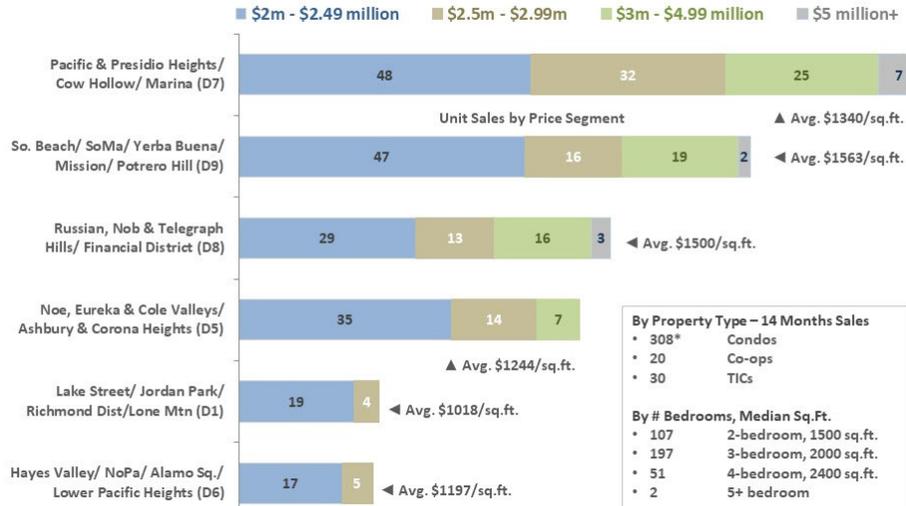
* Sales reported to MLS. Not all luxury home sales are reported to MLS. Neighborhood groupings correspond to SF Realtor districts, which often include adjacent neighborhoods not listed. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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San Francisco Luxury Condo Market

Condos, Co-ops & TICs, Sales Prices of \$2 Million+ in 2019*

Sales reported to MLS



By Property Type – 14 Months Sales

- 308* Condos
- 20 Co-ops
- 30 TICs

By # Bedrooms, Median Sq.Ft.

- 107 2-bedroom, 1500 sq.ft.
- 197 3-bedroom, 2000 sq.ft.
- 51 4-bedroom, 2400 sq.ft.
- 2 5+ bedroom

* Sales reported to MLS – many new luxury condo projects do not report all sales. Neighborhood groupings correspond to SF Realtor districts, which include other neighborhoods as well. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

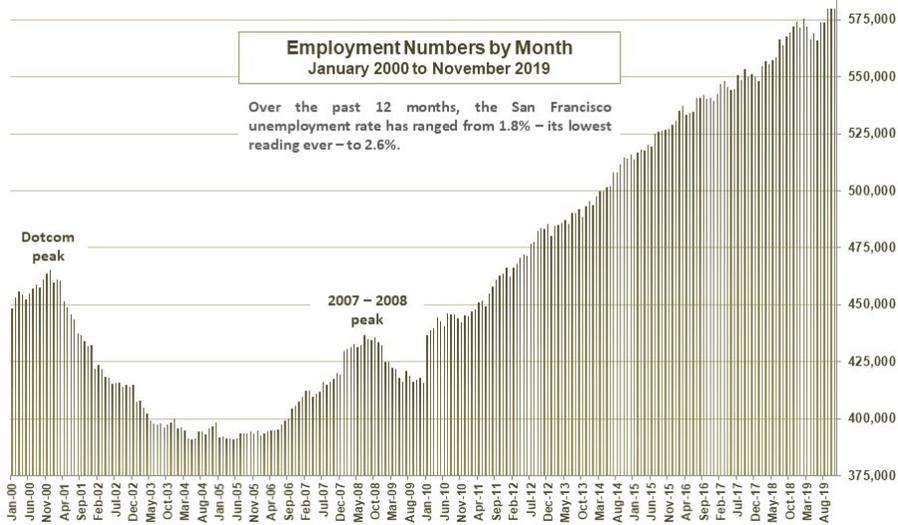


Economic Factors Affecting Real Estate Markets

San Francisco Employment Trends

Number of Employed Residents since 2000

Per California Employment Development Dept. (EDD)

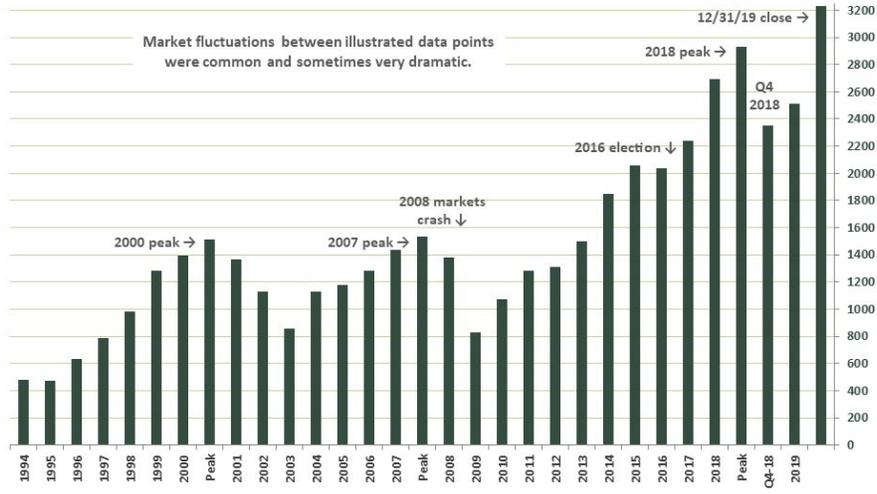


EDD data. Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision.



S&P 500 Stock Index, January 1994 – December 31, 2019

January Opening Values except as specified



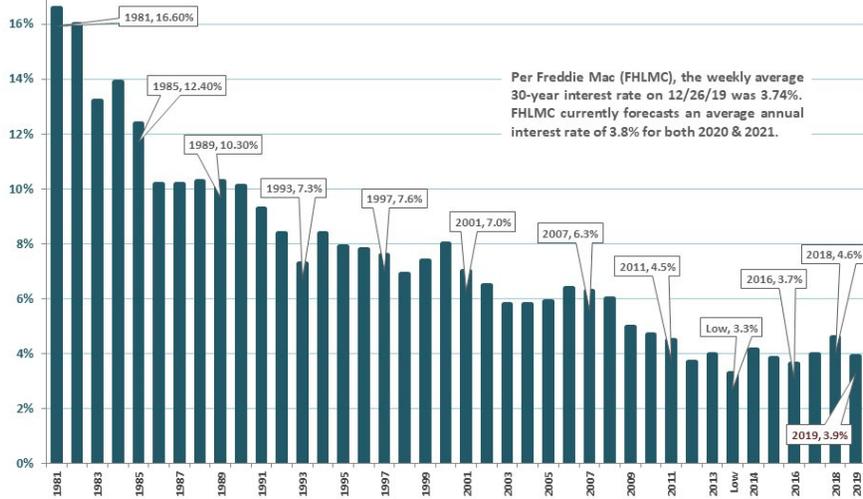
An approximate illustration only. January opening value data points except as noted in horizontal axis. Data from sources deemed reliable but may contain errors and subject to revision. Financial markets can be prone to significant volatility even on a short-term basis.

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Average Annual Interest Rates

30-Year Conforming Loans, by Year – Present

Annual average rates, plus last weekly rate, published by the FHLMC



Interest rates may fluctuate suddenly and dramatically. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and accountant.

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Potential Factors in Bay Area Real Estate Markets in 2020

Positive Factors

- The Bay Area is still the most dynamic economic and technologically innovative region in the world, continuing to generate enormous amounts of new wealth – and home to some of the most profitable companies in the world
- The Bay Area remains a magnet for many of the best and brightest around the world.
- Employment at all-time highs, with unemployment rates at all-time lows.
- Interest rates are close to historic lows, a critical issue in the cost of housing.
- Stock markets are at all-time highs.
- Venture capital investment remains strong, continuing to flood the Bay Area with funding (but VC sentiment can shift quickly).
- The Bay Area is internationally considered to be one of the great metro areas of the world, financially, culturally and for sheer beauty.



Negative Factors

- Highest housing costs in the nation = huge political, social and economic issues.
- Increasing out-migration of residents and businesses.
- National policies negatively affecting foreign immigration.
- Highest state income taxes in the country, competing against no-income-tax states with their own high-tech centers.
- Recent federal income tax laws negatively impact ongoing cost of housing for many in Bay Area.
- Consumer, corporate, national government and international debt levels at all-time highs - and increasing. Debt typically plays a large role in negative economic adjustments.
- Possible signs of over-exuberance in financial markets after a long economic up-cycle.
- Potential for increased international conflict, politically & economically.
- Climate change/ecological issues.

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