COMPASS

August 2026
Napa County
Market Outlook

Market
Research
COMPASS INTERNATIONAL HOLDINGS

Data through July 2026

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.

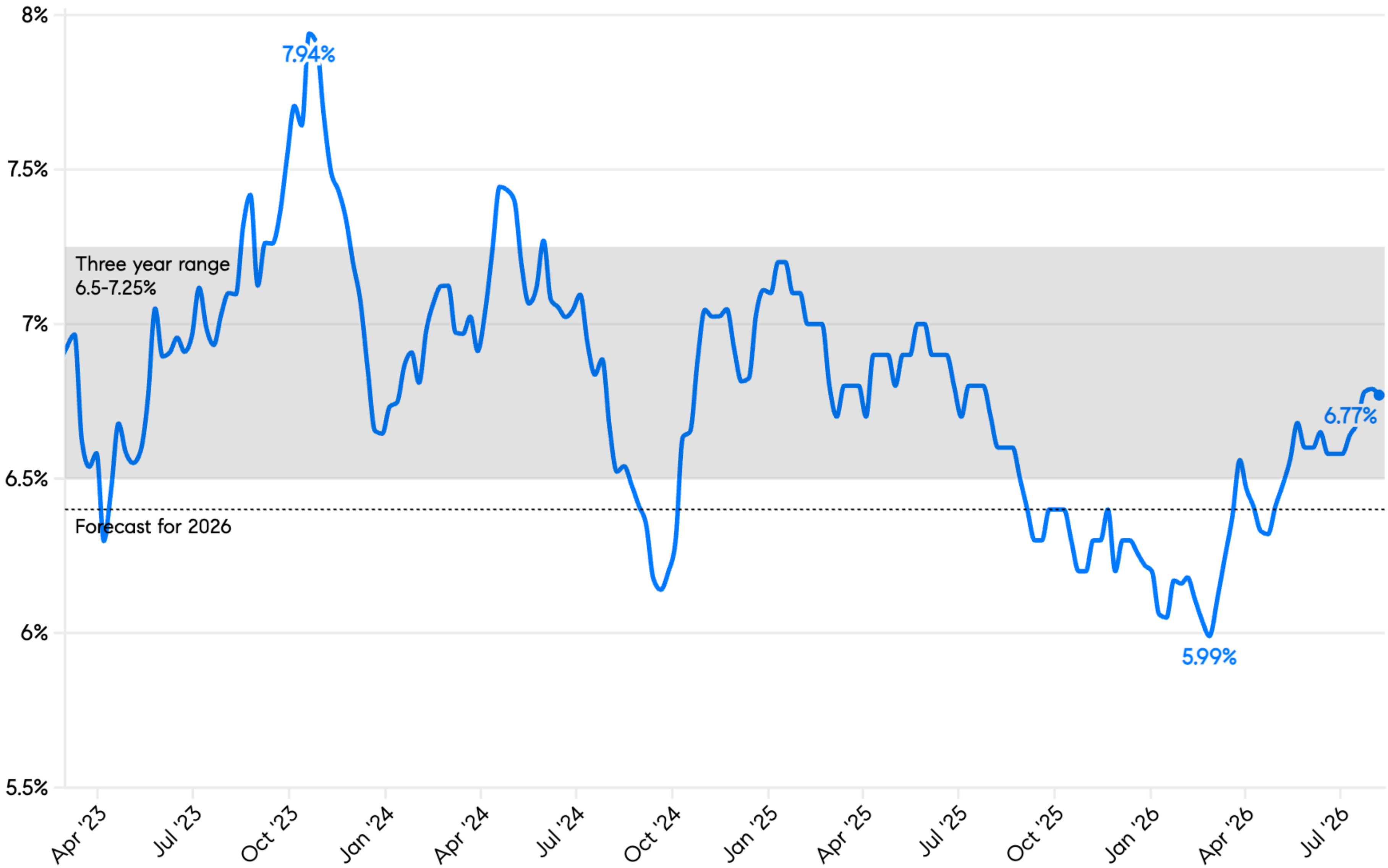
The August 2026 overview: local markets are diverging from both the regional and national picture. Real estate is local, but the bigger picture still matters.

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

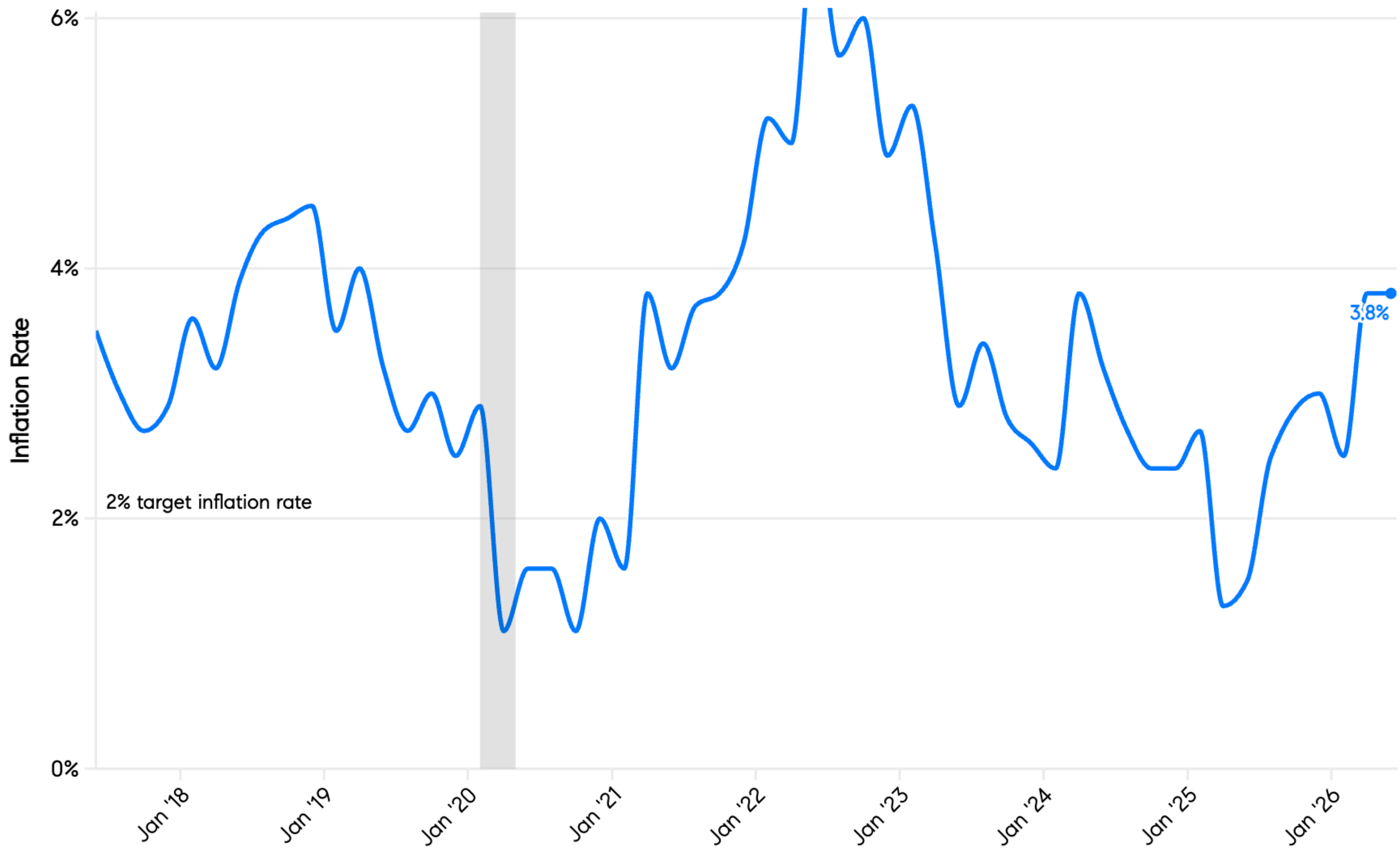
Persistent Inflation

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

Bay Area Inflation Resumes

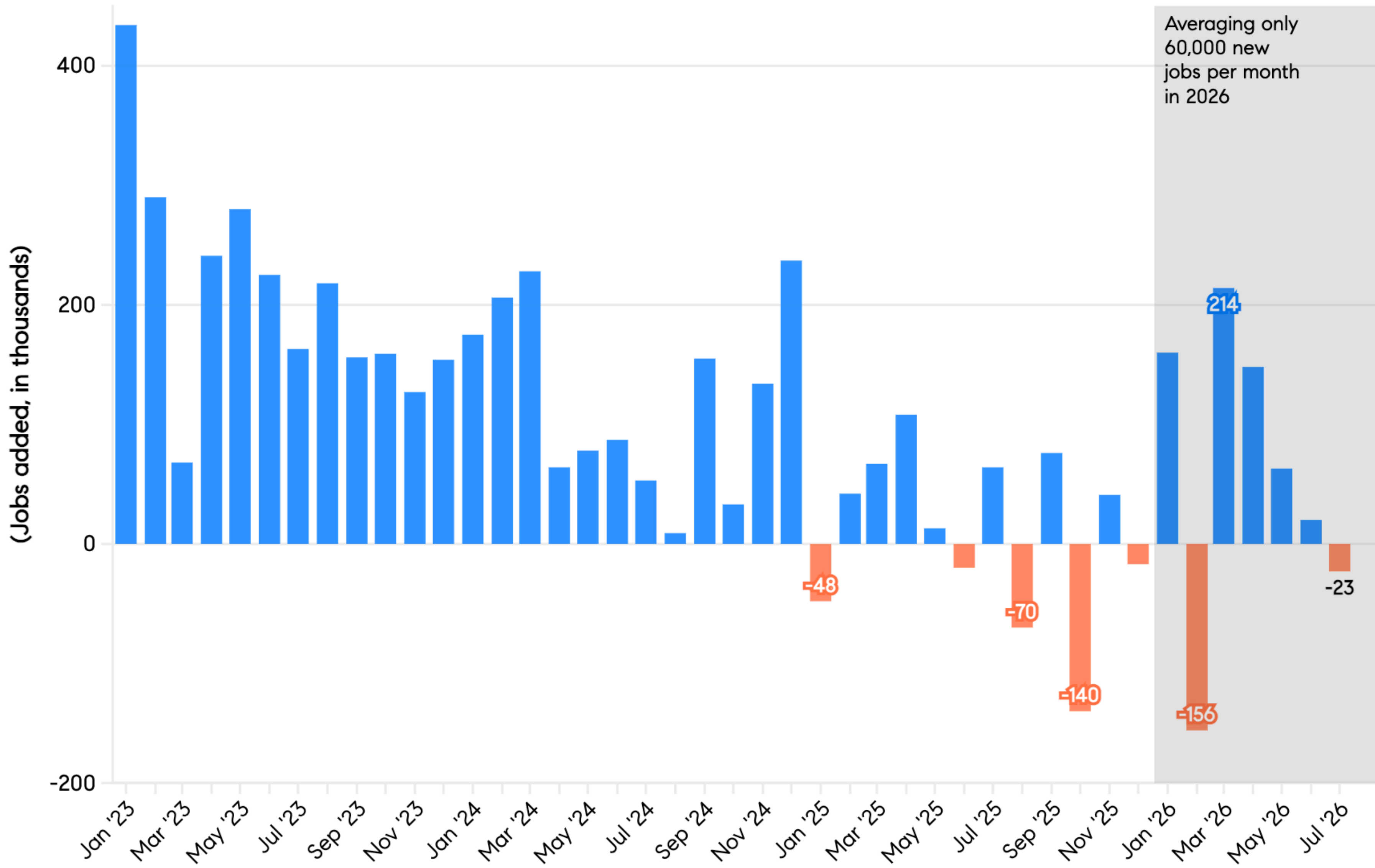
For a couple years post-pandemic, home price and rent declines in the San Francisco Bay Area kept inflation in the region below the national averages. Home price appreciation resumed recently and that has driven local inflation back up.



Source: US BLS, BEA

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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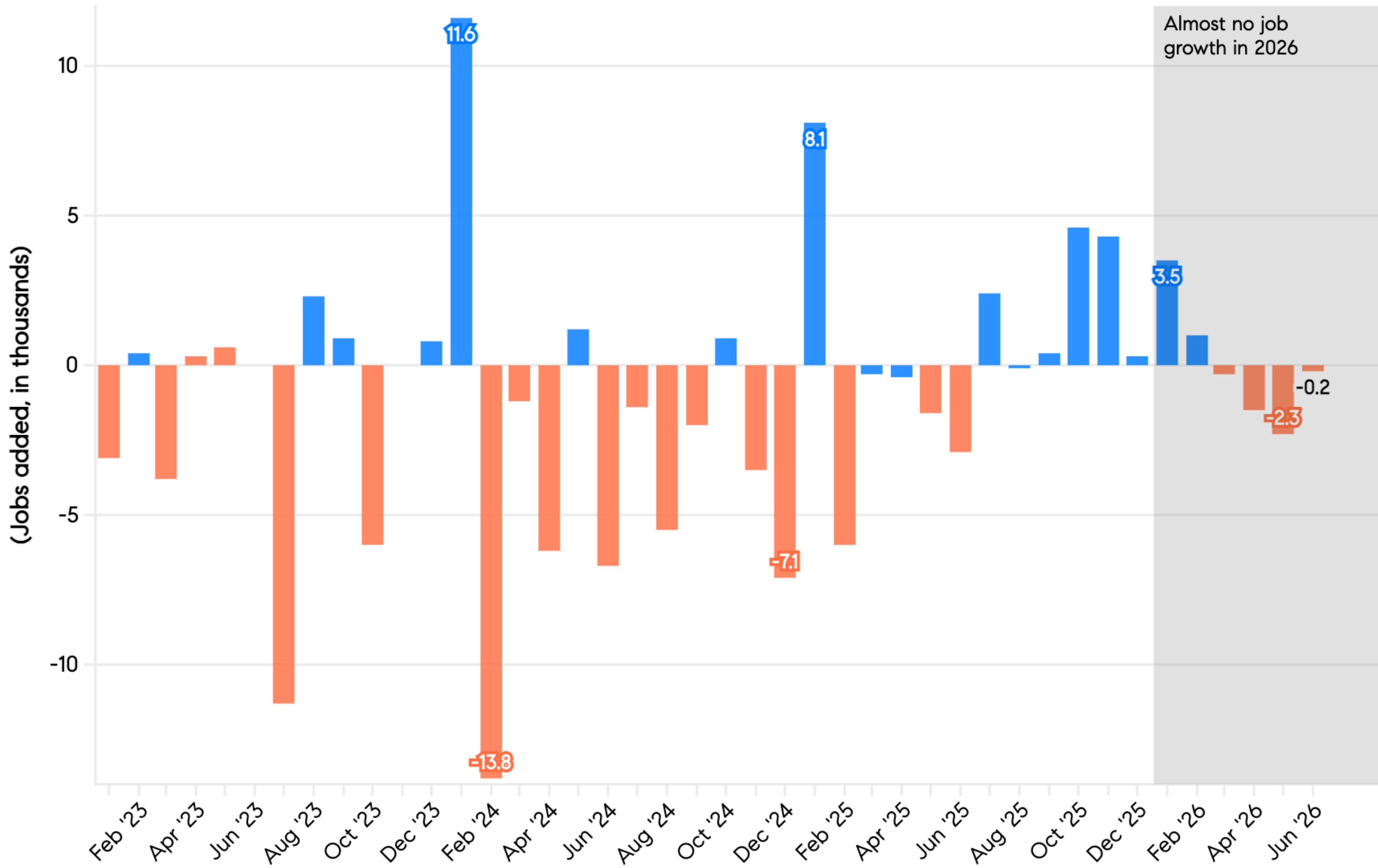
Bay Area Job Growth Slows

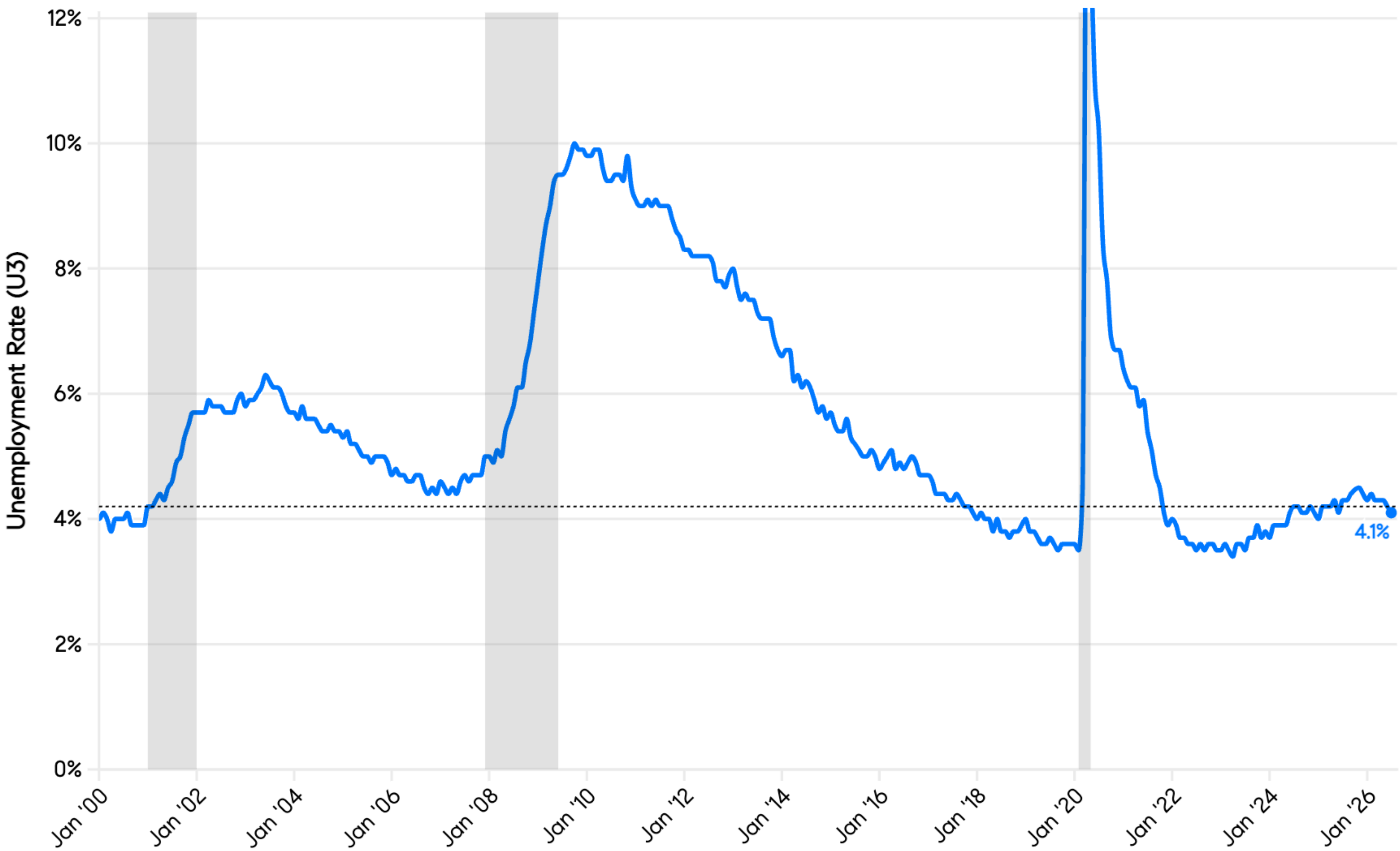
While the most recent 12 months have been mildly positive for job growth in the Bay Area, four months in a row have reported a shrinking labor market for the region.



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

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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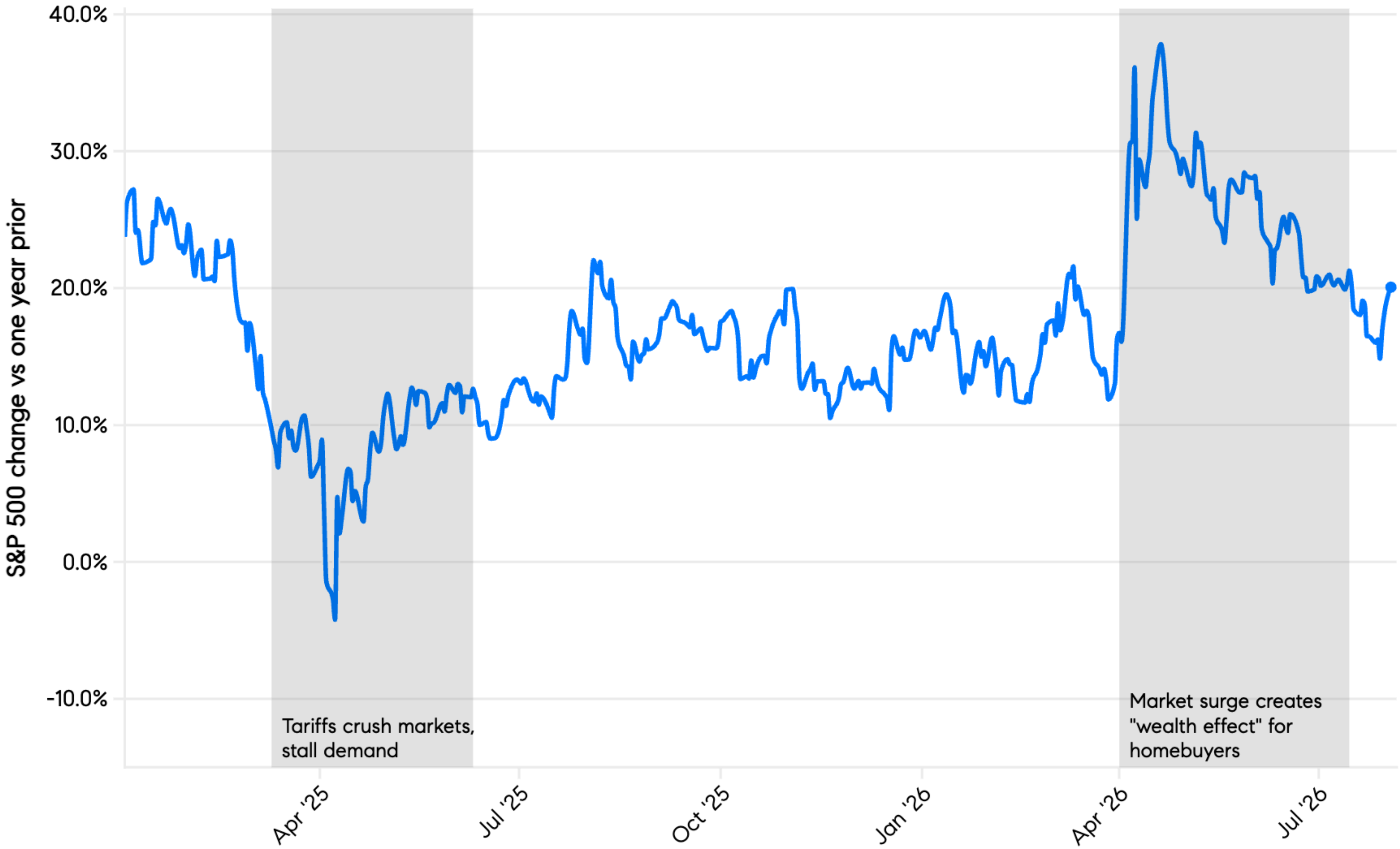
Wealth Effect Helps Purchase Demand

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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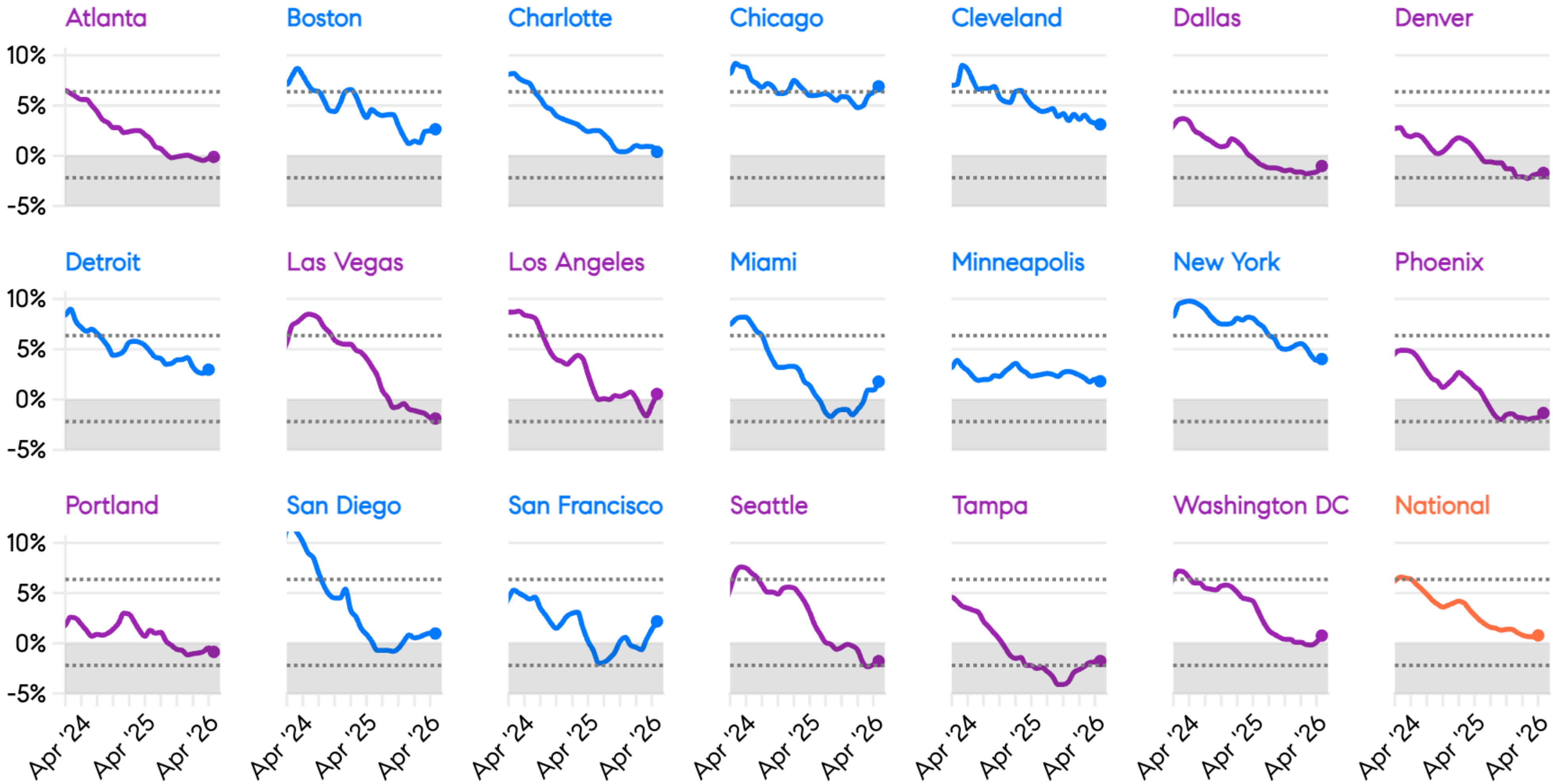
Bay Area Home Prices are Climbing

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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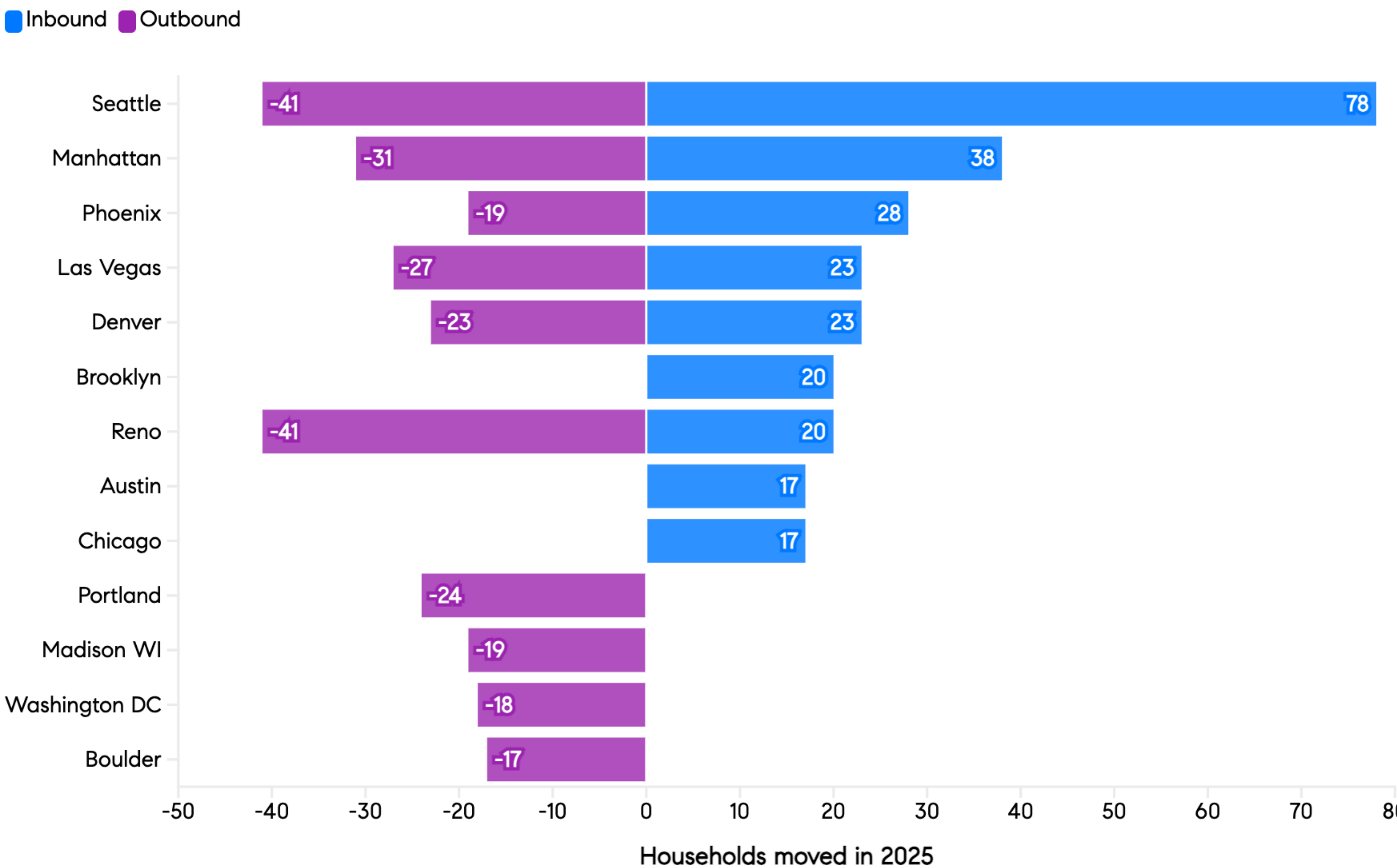
Bay Area Migration Sources & Destinations

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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Napa 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.

Napa Market Recap

Key Market Highlights

- Median sale price: **$900K**, down **3% YoY** and **19% from July 2024**.
- **80 closed sales**, contributing to greater median price volatility.
- **581 active listings**, up **1% YoY**.
- **91 listings in contract**.
- Median price per square foot: **$567**, down **8% YoY**.
- Sale-to-list price ratio: **97%**, unchanged YoY.
- **100 price reductions**, down **9% YoY**.
- Average days on market: **73 days**, up **28% YoY**.

Median sale price was **$900K in July 2026**, down **3% YoY** from **$930K in July 2025** and **19% from July 2024**.

St. Helena had the highest median sale price at **$2.675M**, down **13% YoY**. **Napa** declined **1%**, while **Calistoga** declined **67%**.

Napa recorded **33 closed sales under $1M**. St. Helena had **7 closed sales**, while Calistoga had **4**, contributing to greater variation in city-level median prices.

There were **581 active listings**, up **1% YoY**. Napa had **99 listings under $1M** and **33 above $5M**. St. Helena had **20 listings above $5M**.

Median price per square foot was **$567**, down **8% YoY**. **St. Helena** had the highest at **$1,081**.

The sale-to-list price ratio was **97%**, while price reductions totaled **100**, down **9% YoY**.

Average days on market was **73 days**, up **28% YoY** but down from **78 days in June 2026**.

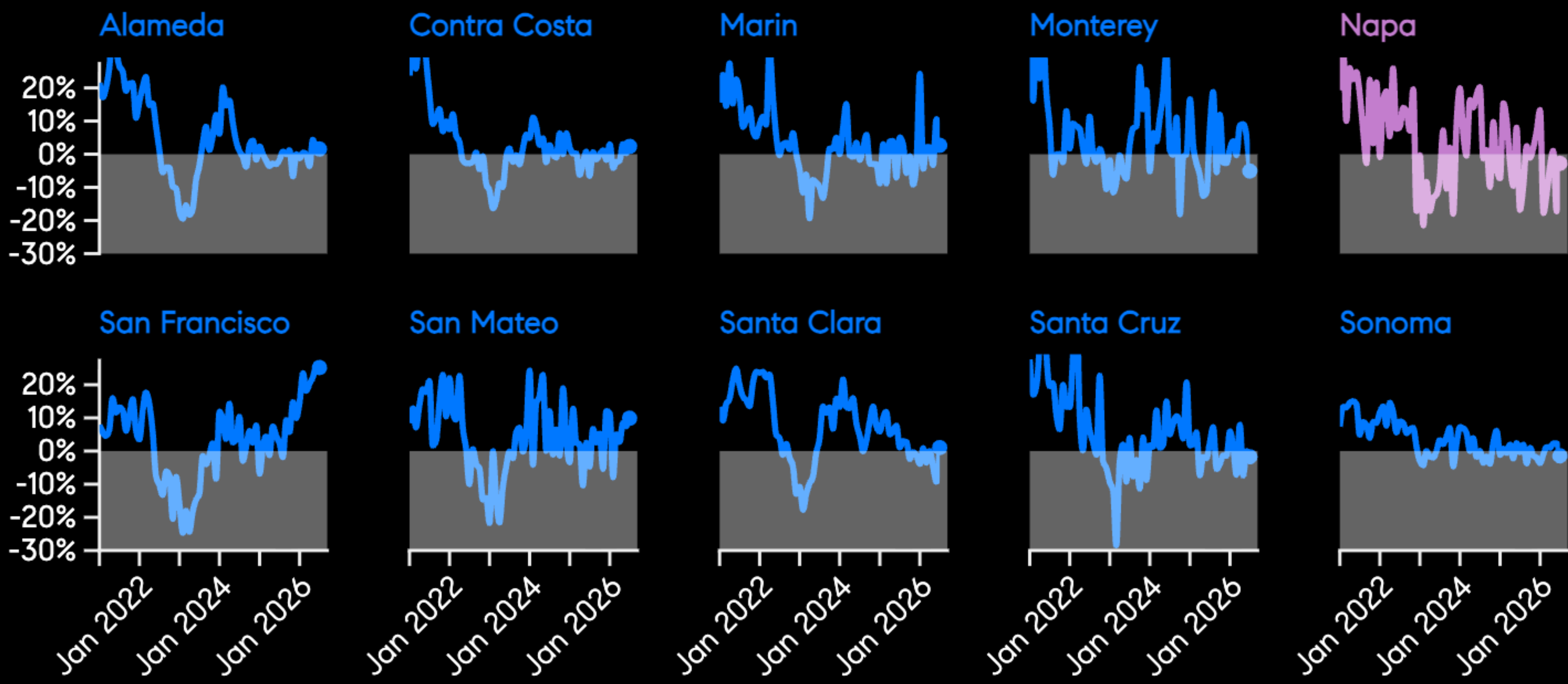
San Francisco remained the region's strongest performer in July with 25% year-over-year price appreciation.

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

Home Price Changes Over Time

Median sales prices in Napa decreased by 2.8% 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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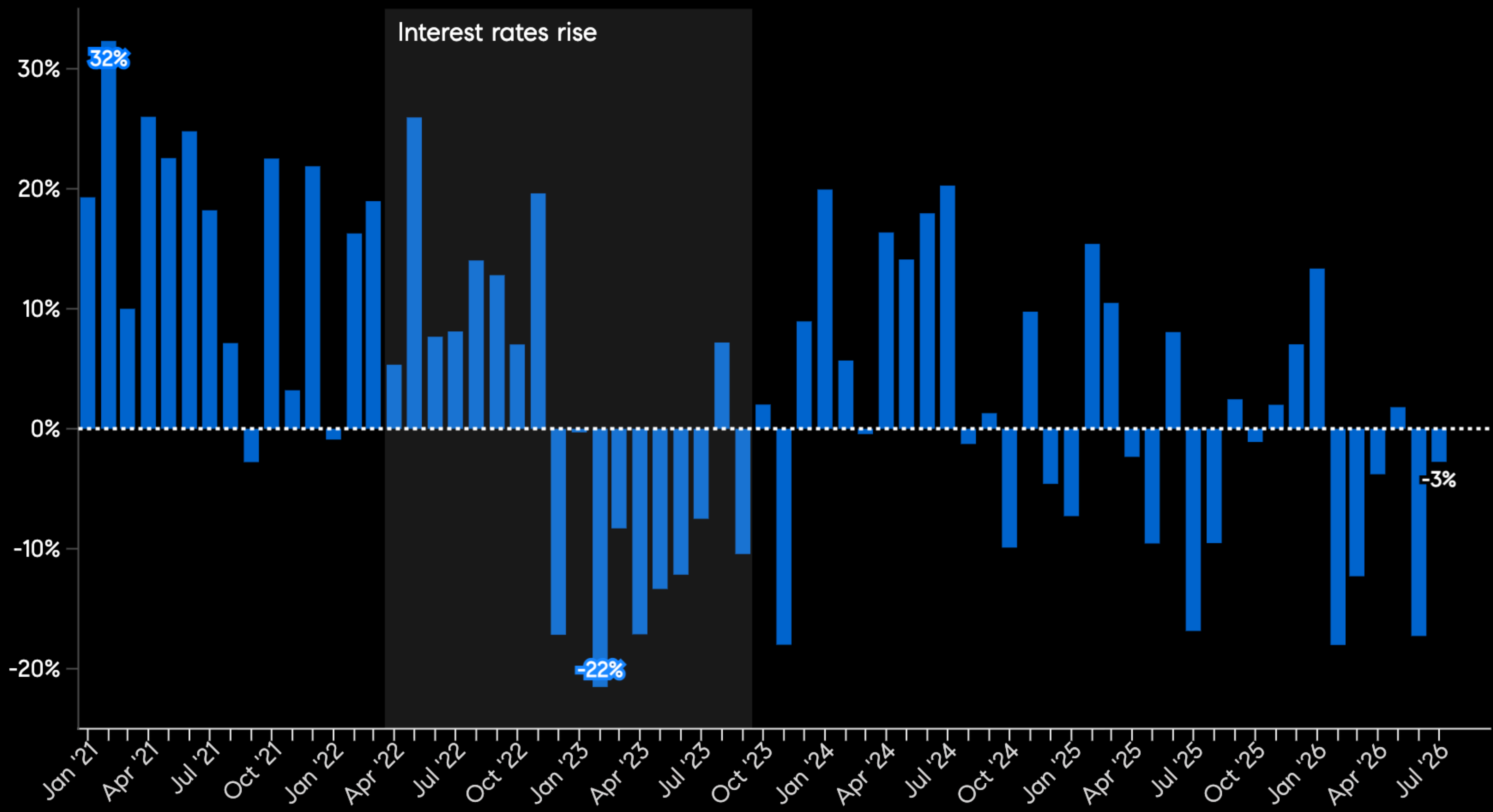
Median Price Year Over Year Change

Napa County



Source: Compass via MLS · Single family homes

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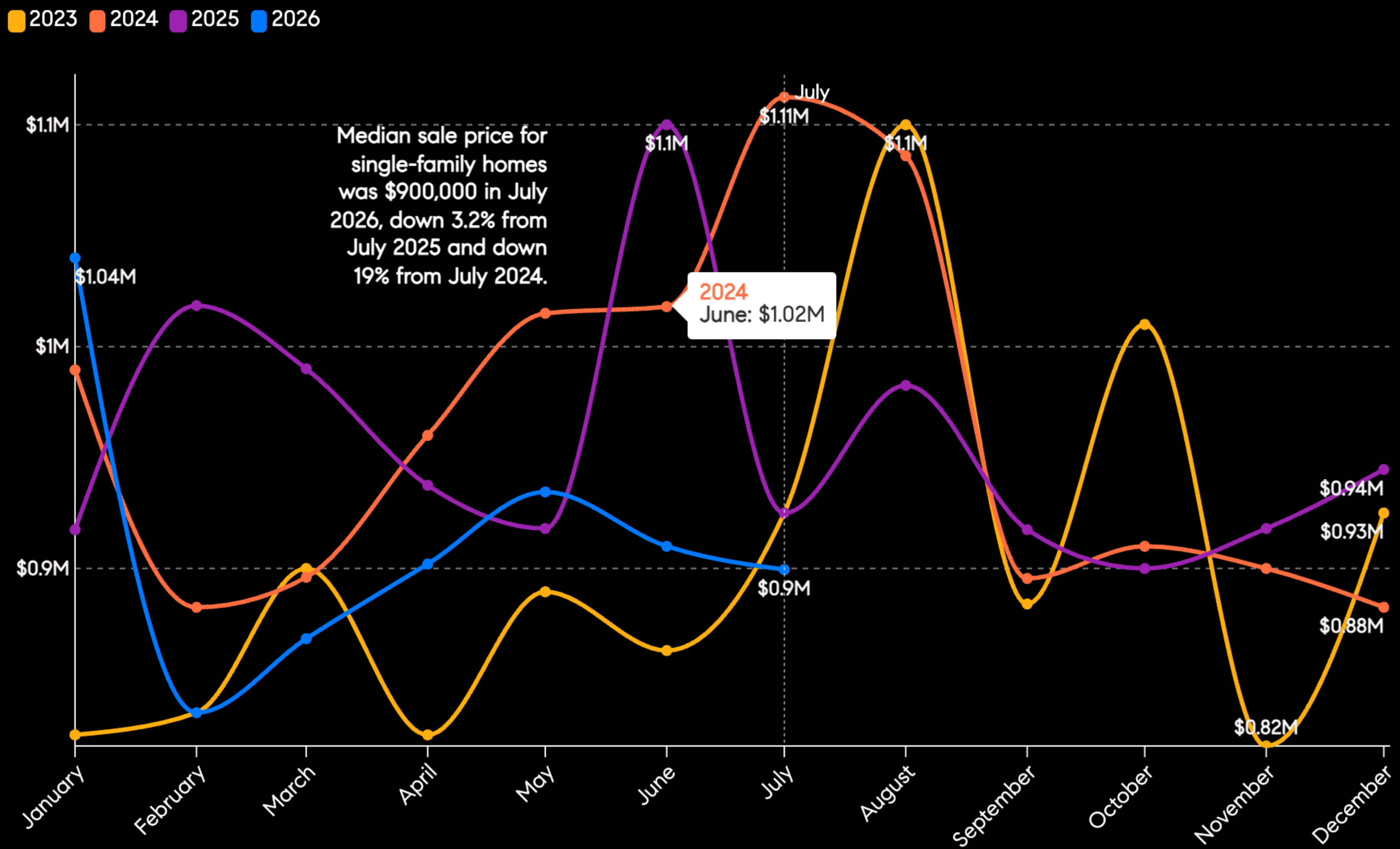
Median Sale Price - Single Family

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

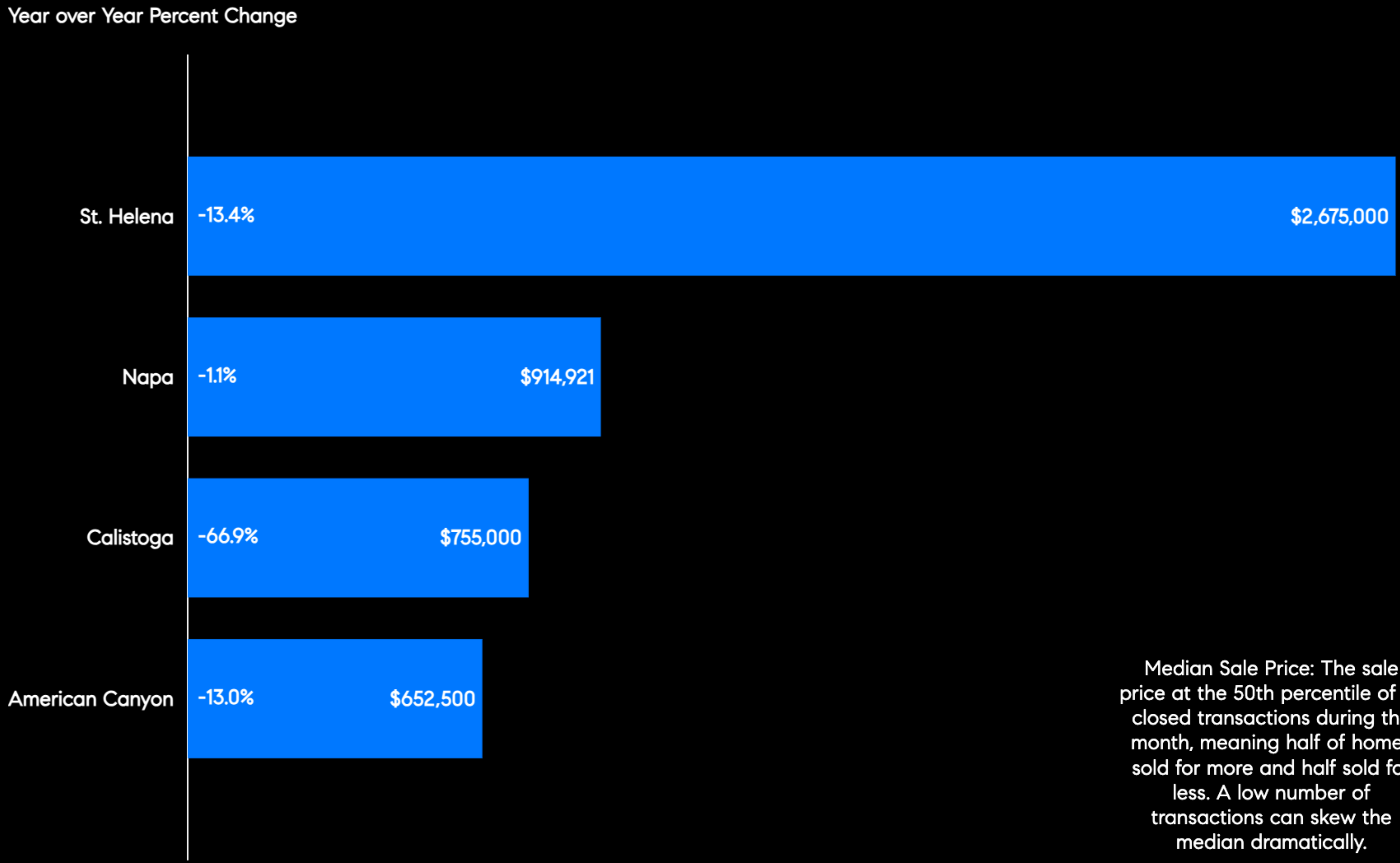
Napa County



Source: Compass via MLS · Single Family

July Median Sale Price

Napa County



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.

Source: Compass via MLS · Single Family Homes

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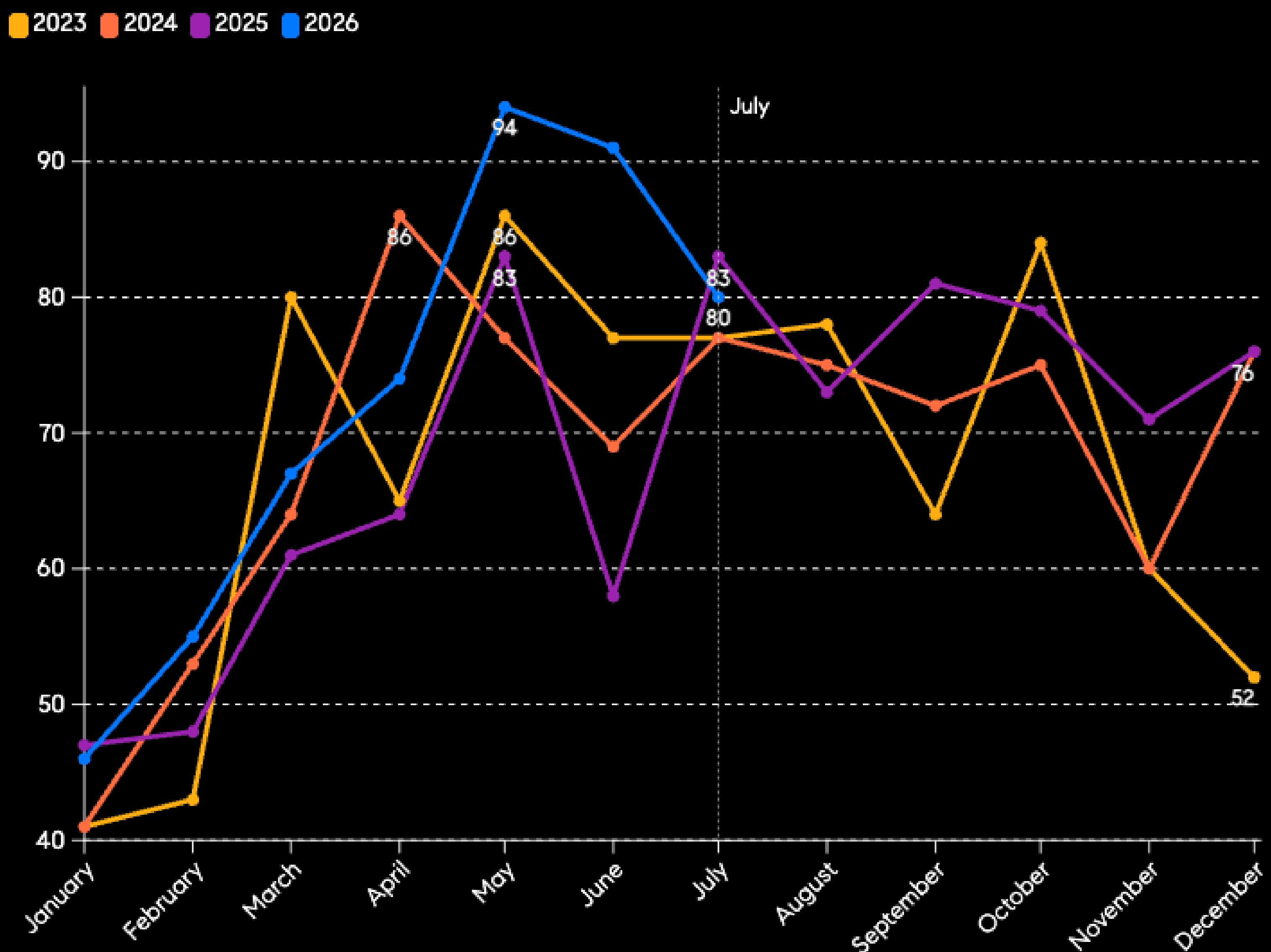
Closed Sales per Month

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

Napa County



Source: Compass via MLS · Single family homes

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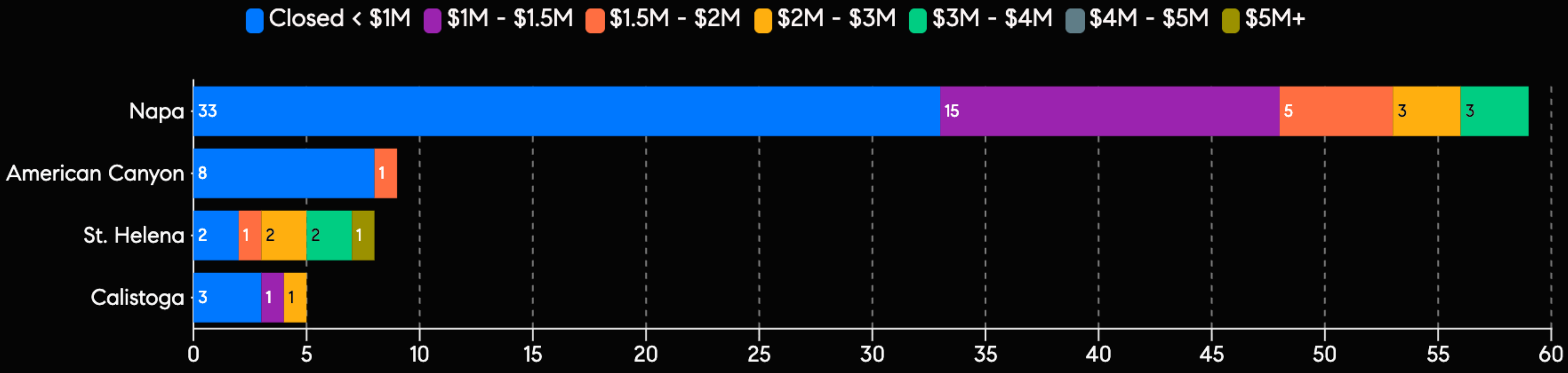
July Closed Sales by Price Segment

Napa County



Source: Compass via MLS · Single Family Homes

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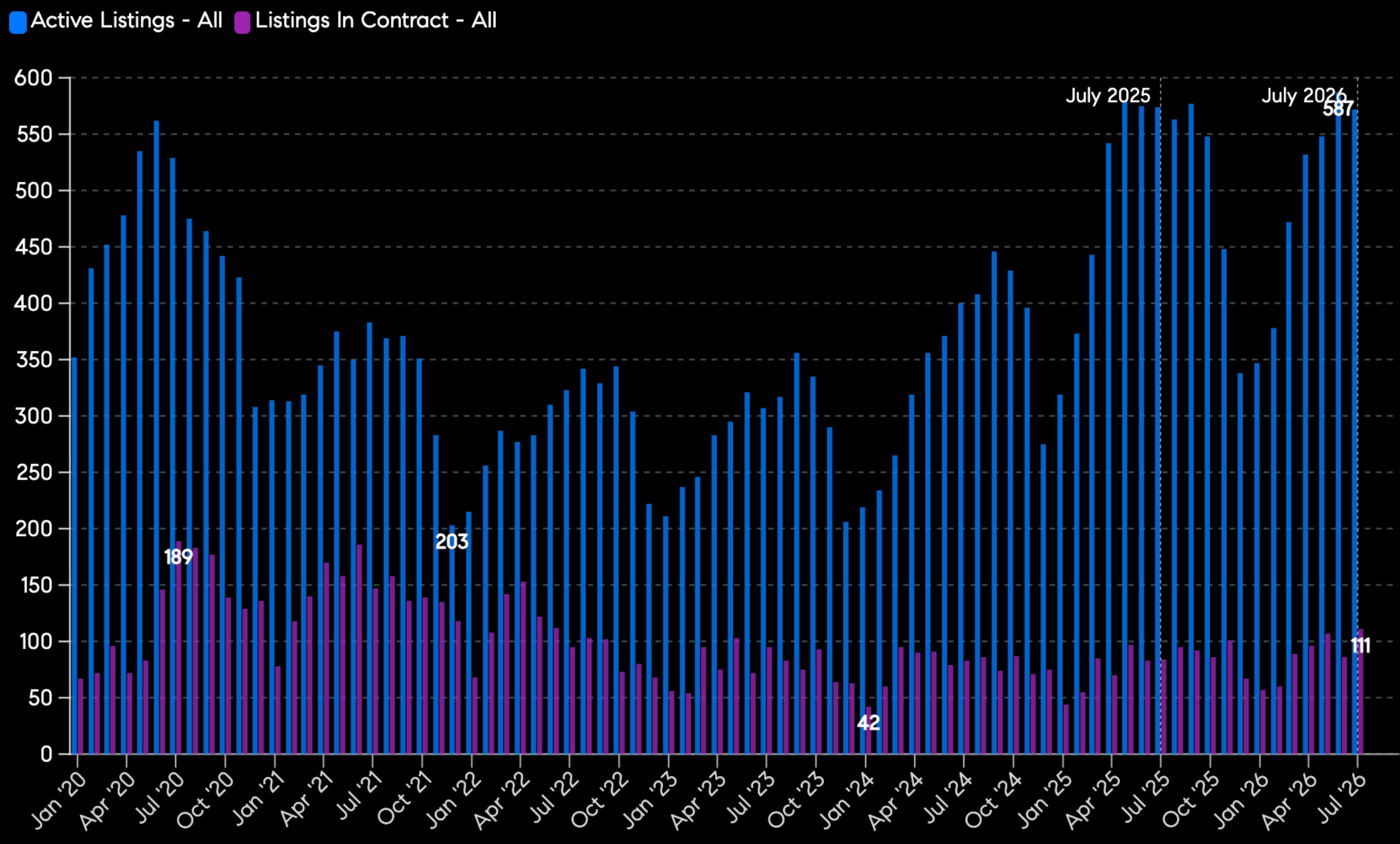
Active & In Contract Listings

Available inventory has consistently trailed 2025 levels throughout 2026.

Napa County

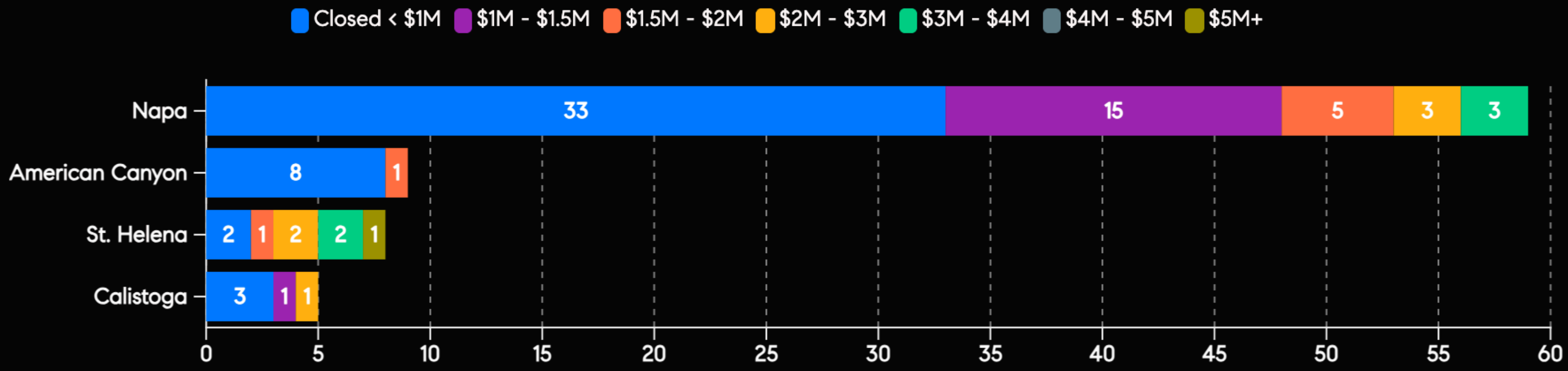


Source: Compass via MLS · Through the last day of the month

July Active Listings by Price Segment

Single Family Homes

Napa County



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.

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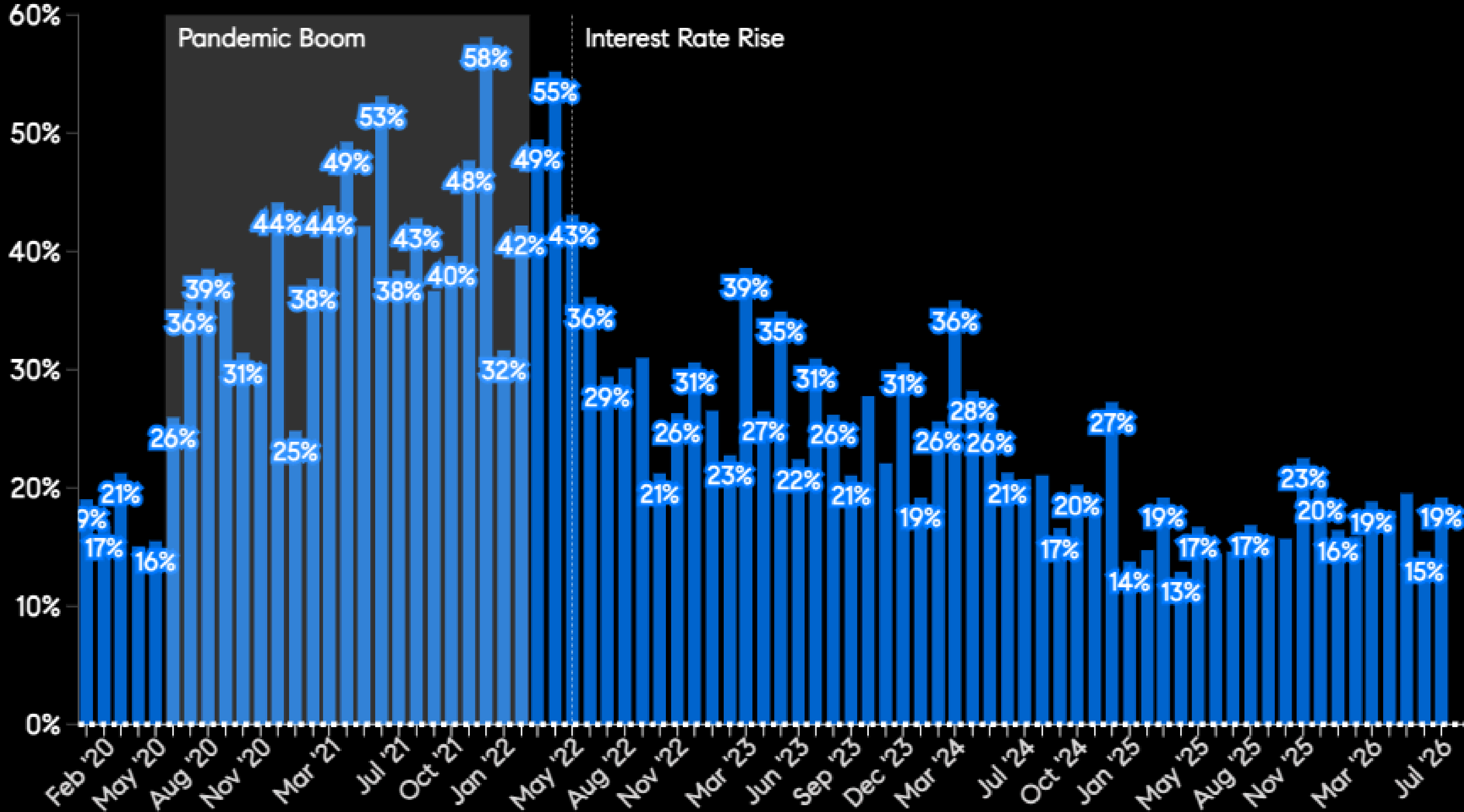

Source: NorCal MLS

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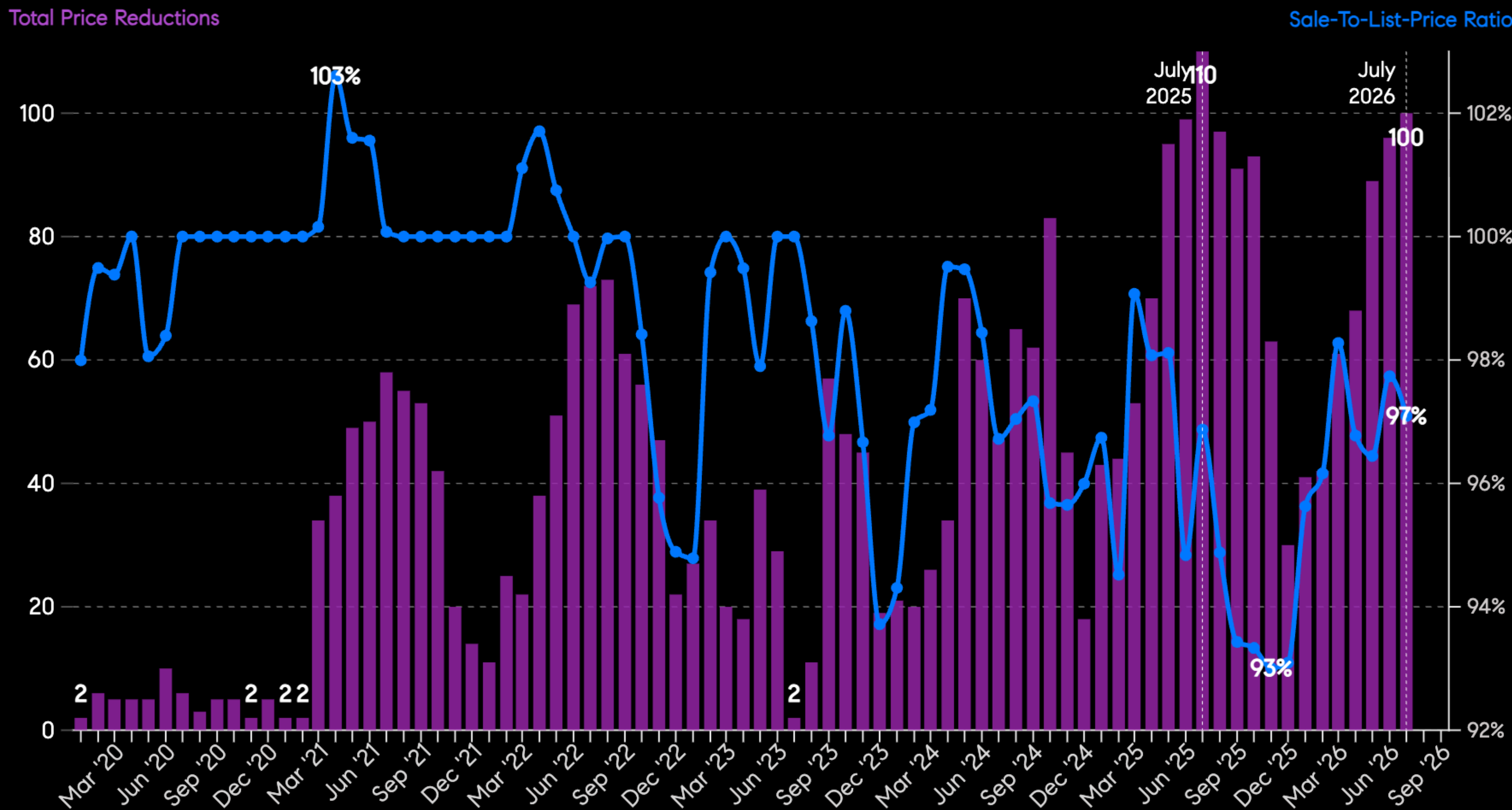
Sale-To-List-Price Ratio

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.

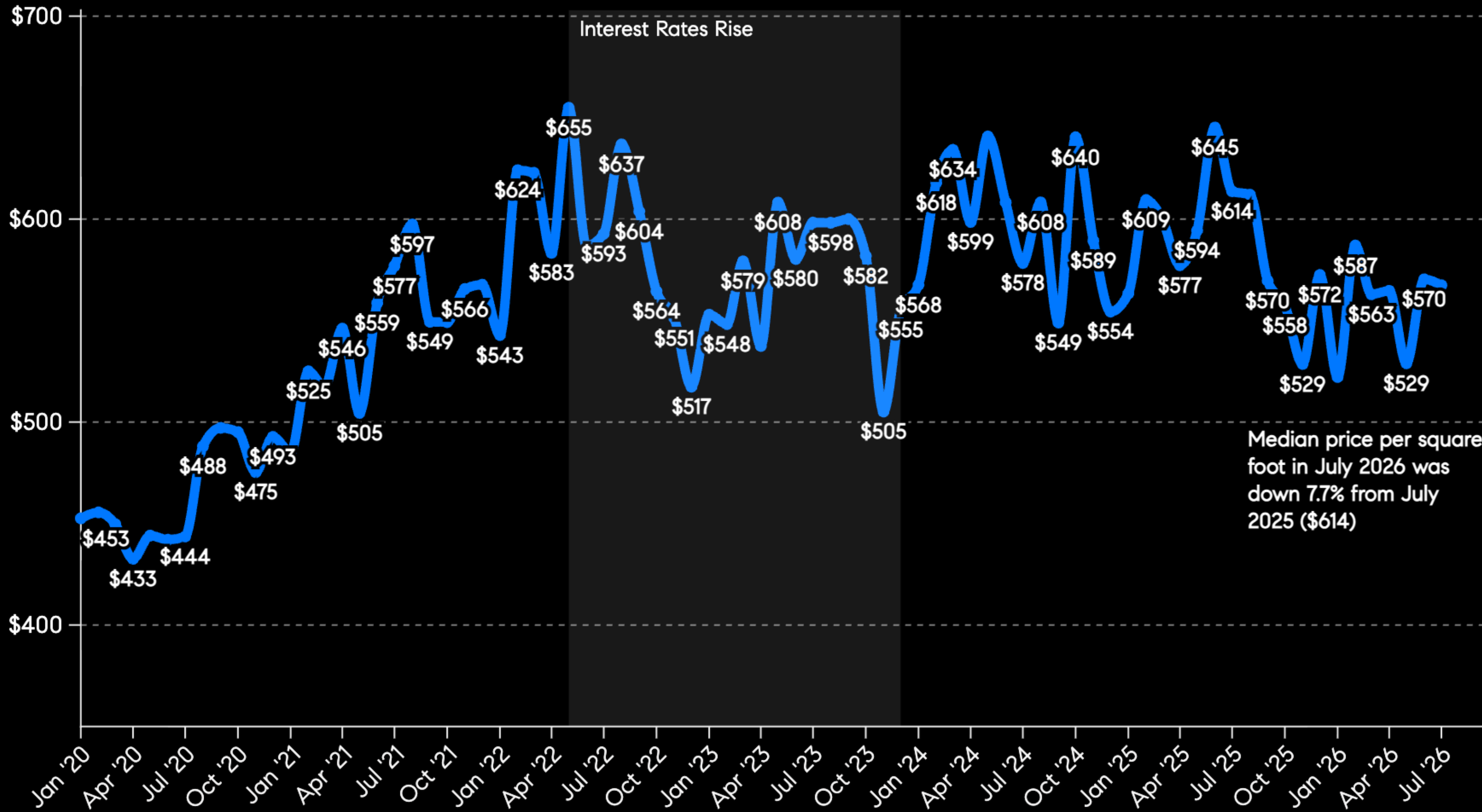
Napa County



Source: Compass via MLS · Single Family Homes

Price Per Square Foot by Month

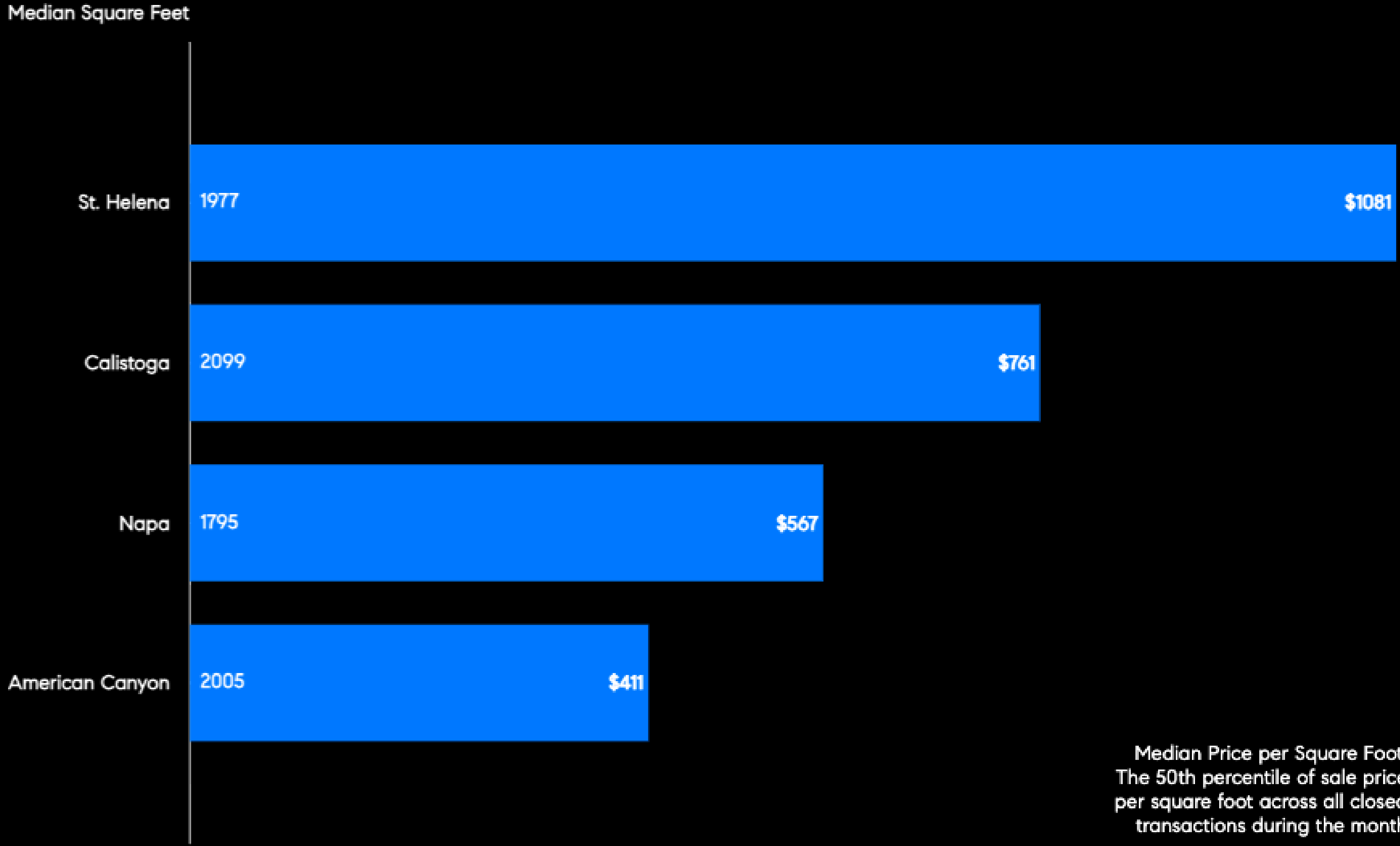
Napa County



Source: Compass via MLS data · Single Family Homes

July Median Price Per Square Foot

Napa County



Median Price per Square Foot:
The 50th percentile of sale price per square foot across all closed transactions during the month

Source: Compass via MLS · Single Family Homes

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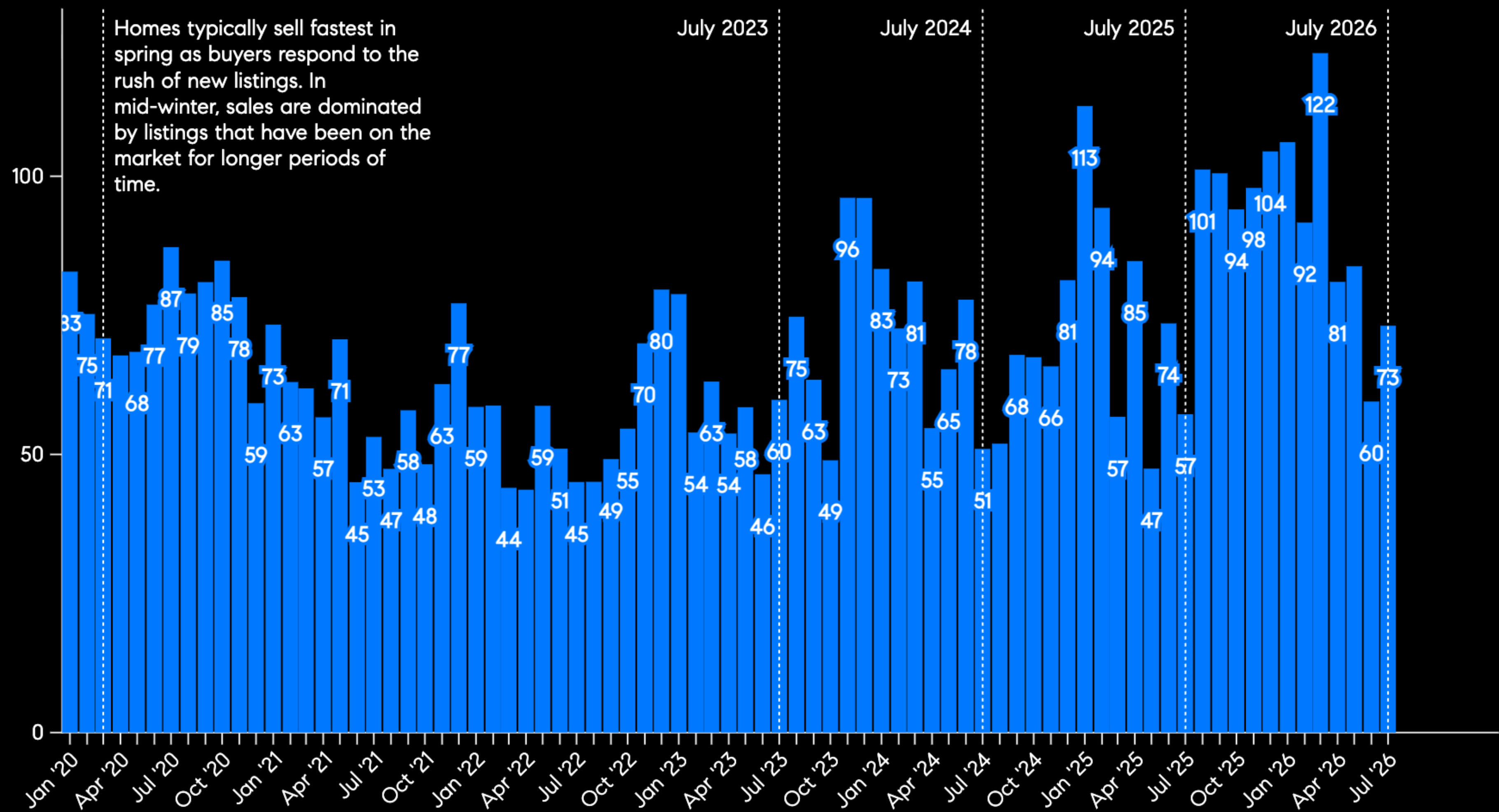
Average Days on Market: Speed of Sale

A measurement of how quickly listings go into contract. This statistic typically ebbs and flows per seasonal demand trends and is a lagging indicator of market activity 3 to 6 weeks earlier.

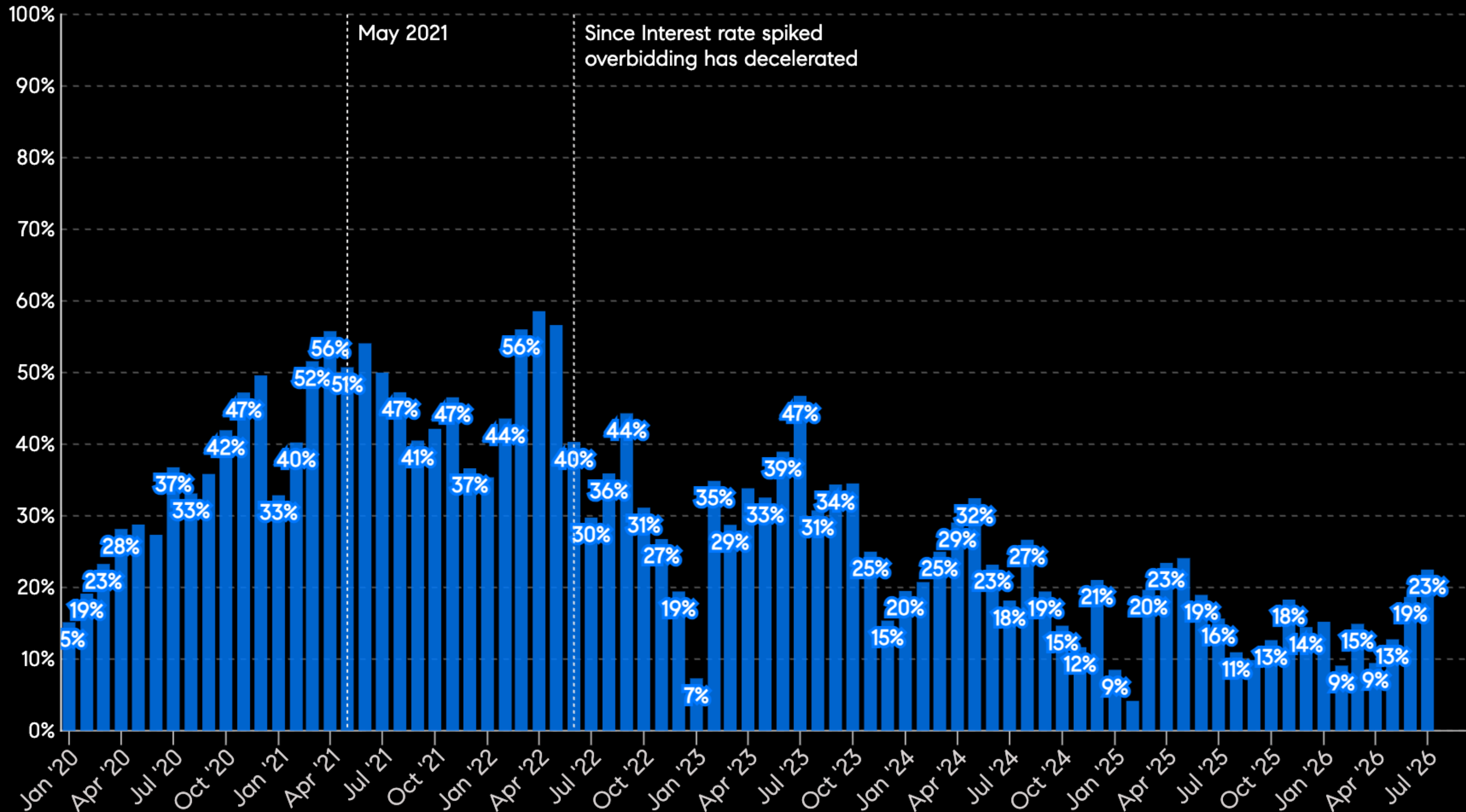
Napa County



Overbidding: Sales Price Above List

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

Napa County



Source: Compass via MLS · Single Family Homes

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Santa Cruz Market Recap

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Napa + Nearby Sonoma Neighborhoods

City	Sale to List %	Absorption Rate %	Overbid %	DOM	12 Month Appreciation %
American Canyon	97	52	33	67	-4.6
Calistoga	99	8	40	35	11.5
Napa	97	24	22	68	-2.9
St. Helena	82	7	0	153	2.2

NAPA VALLEY 38°29'75"N 122°28'68"W

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