



COMPASS

June 2026 San Francisco House & Condo Markets Market Outlook

Data through May 2026

Market
Research
COMPASS INTERNATIONAL HOLDINGS

June 2026 Housing Market Report

Select macro-economic and demographic data for the country and the Bay Area – June 2026

June 9 2026

The Bay Area housing market hit a lot of national headlines in May. In San Francisco, AI and tech-driven demand has created aggressive bidding wars on the scarce inventory. Skyrocketing rents are back in the norm. Even the city's condo market, which has been under pressure for six years, is showing signs of demand recovery.

For the first time in many years job creation in the Bay Area is positive and economic opportunity is attracting net inbound migration, despite the region's chronic shortage of homes and affordability issues. It's notable that other tech cities like Seattle and Austin are not seeing the boom in the real estate market related to AI. In fact, those cities are now sending more people to San Francisco than the reverse.

While the city dominates the headlines, many areas have not seen the massive wealth effect driving home buying demand like the city has. In this cycle, this resurgent demand is so far concentrated to a very small section in the city, and luxury markets in Peninsula and Marin.

For much of the region, interest rates matter more than stock market performance. In May, mortgage rates jumped higher with sharply higher inflation data. That tension between higher interest rates and the wealth effect is likely to continue for the rest of 2026. Inflation pressures have been pushing higher, and it seems unlikely that interest rates will dip again very soon.

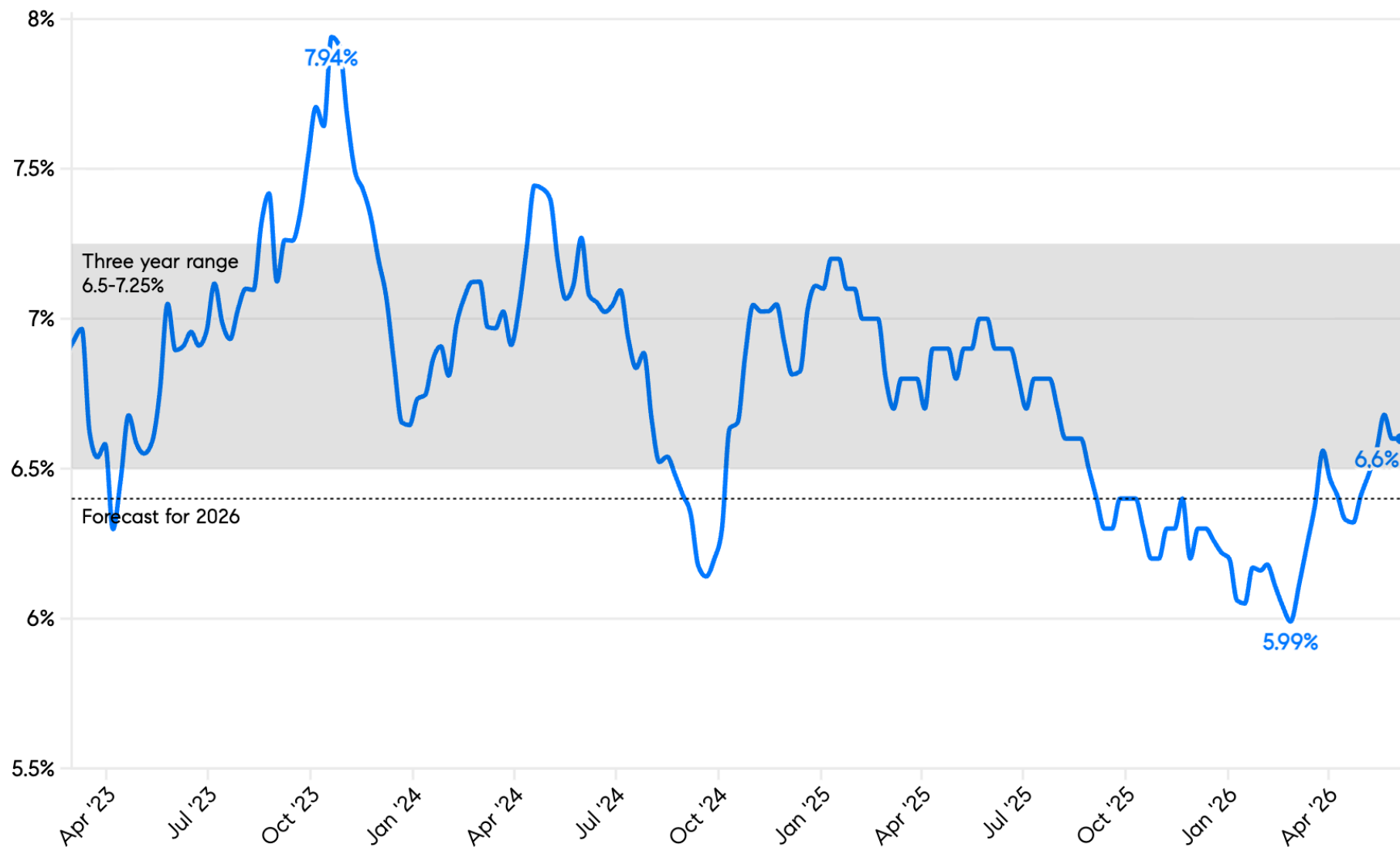
Mike Simonsen

Chief Economist, Compass International Holdings



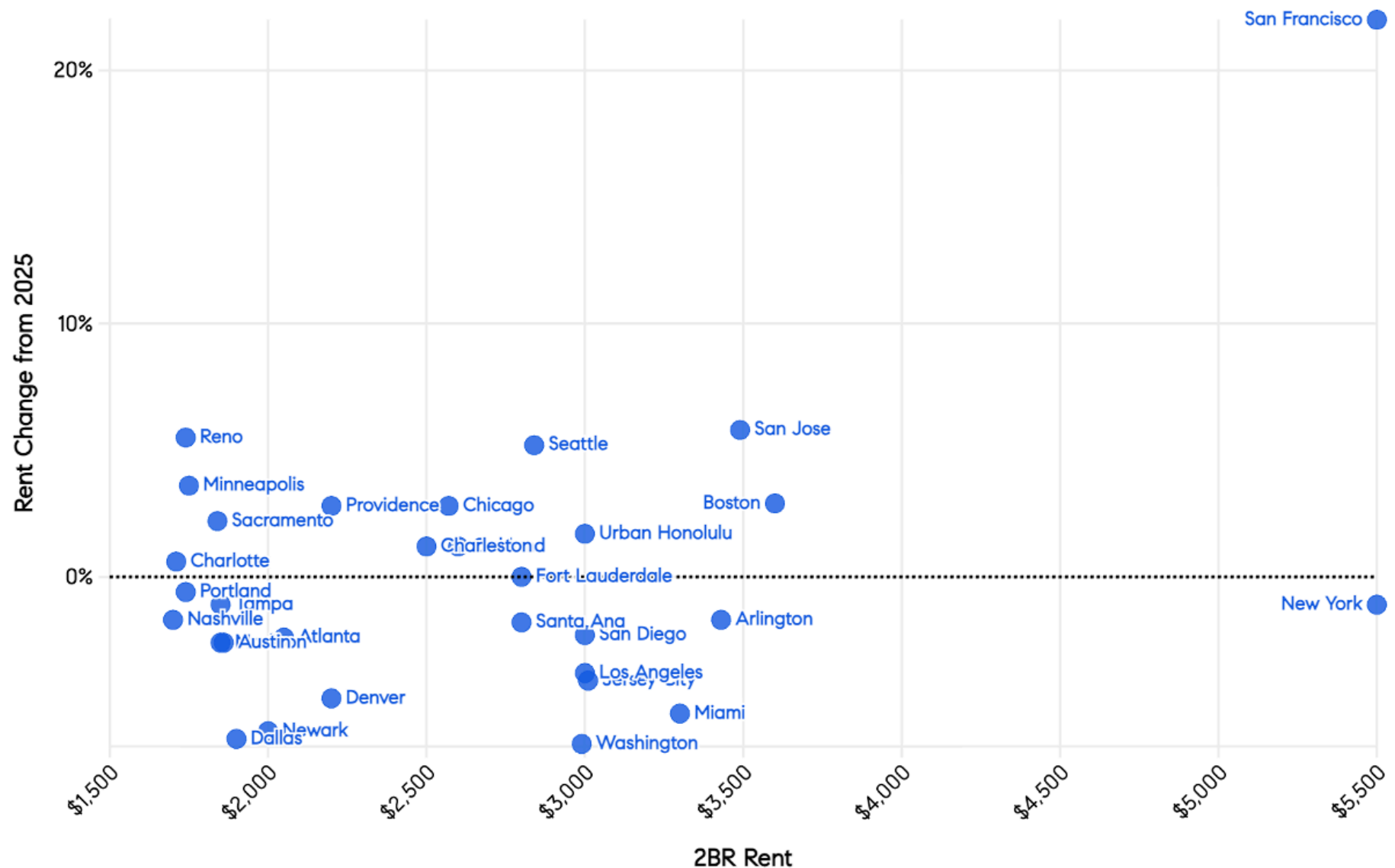
Mortgage Rates Bounce Off the Lows

Interest rates have pushed higher due to war news, overheated inflation, and recently strong jobs data. Still at the low-end of the range over the past three years, any push into the upper 6s is likely to slow home purchase demand abruptly. Our forecast is for mortgage rates to average 6.4% for the year.



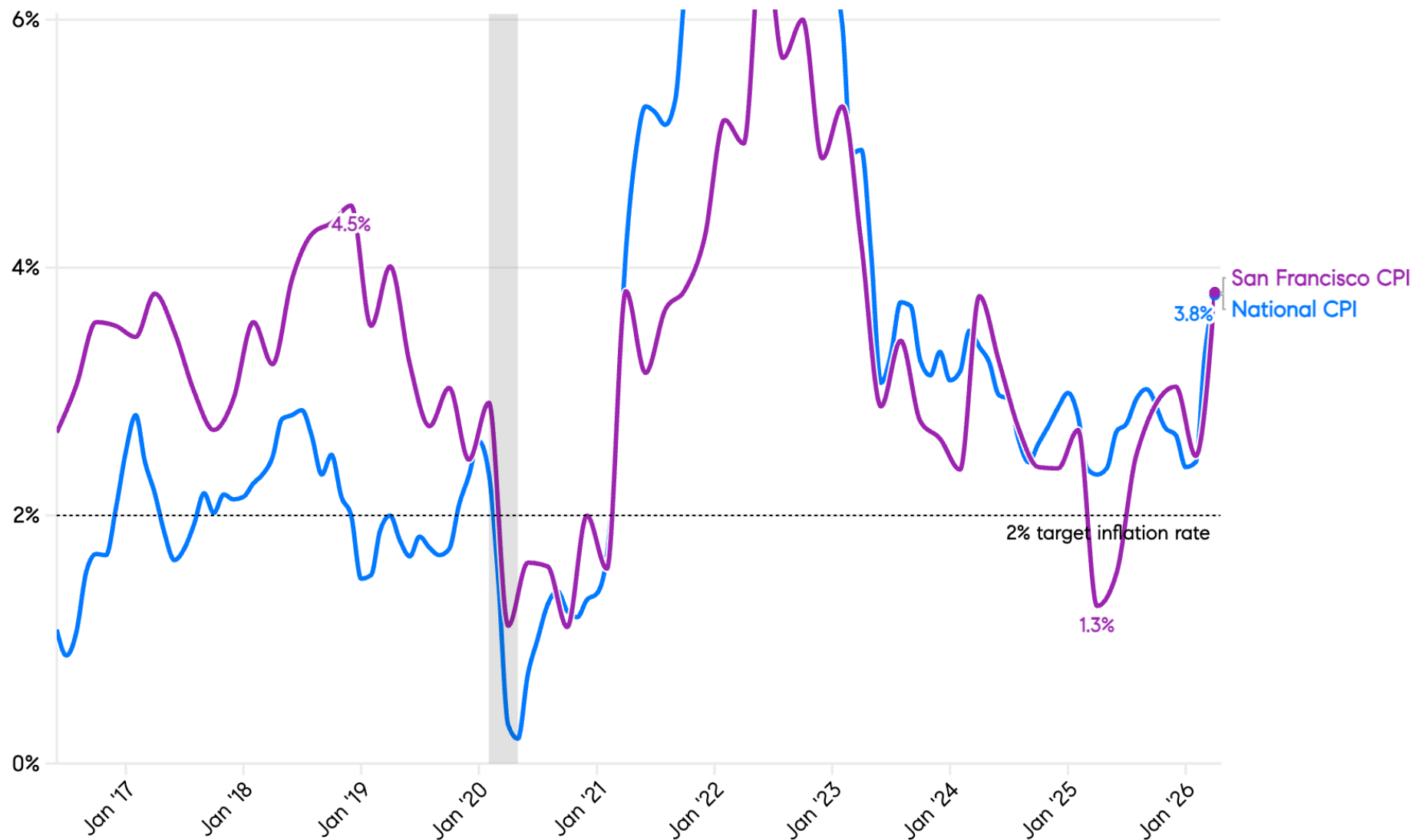
Dramatic Rent Cost Increases in San Francisco

San Francisco faces a chronic shortage of homes so as employment increases rents drive higher quickly. The South Bay is second nationally to San Francisco in rent appreciation over the last 12 months.



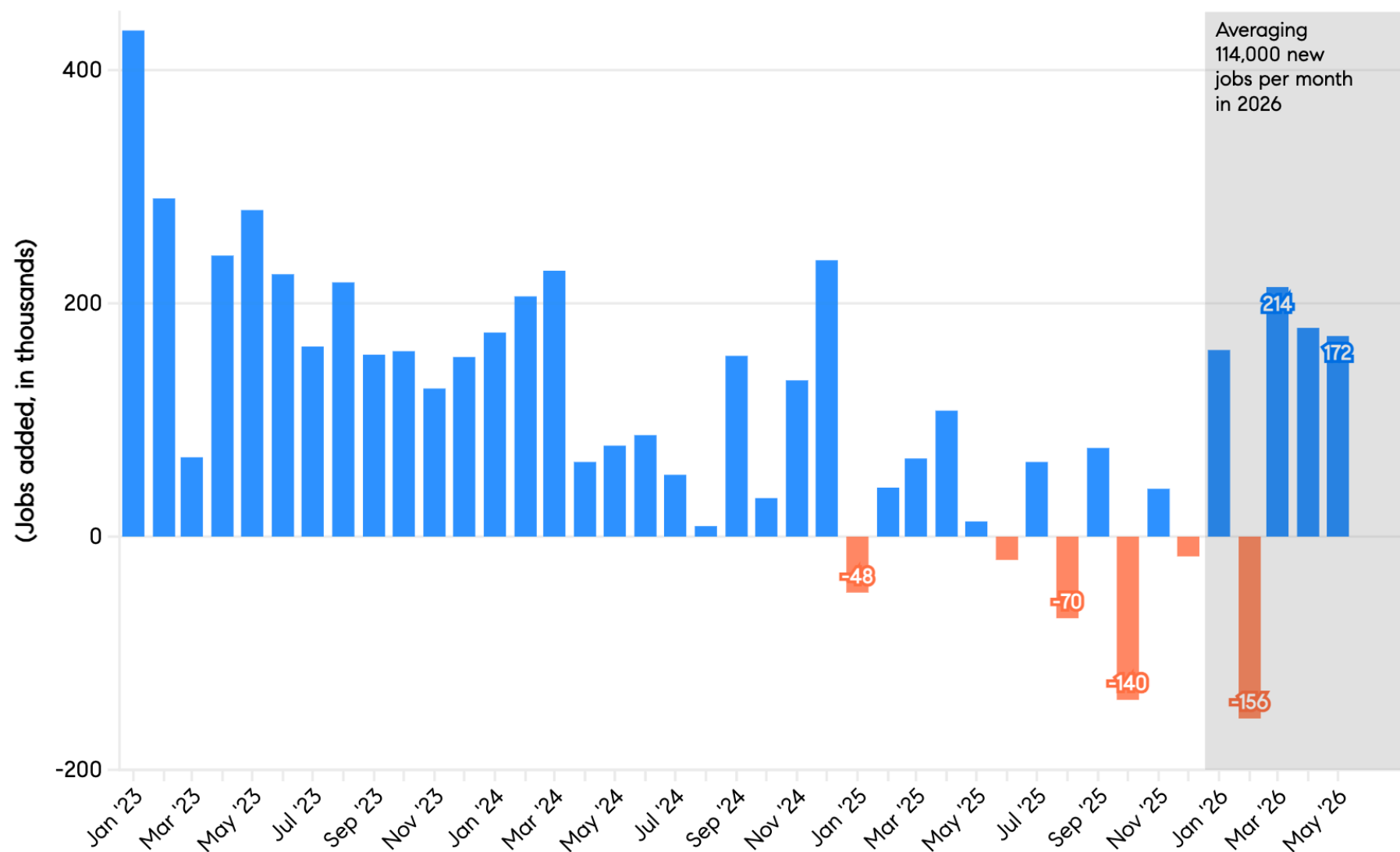
Inflation is High and Pushing Higher

For much of the last decade, Bay Area housing and services like education and childcare pushed local inflation above national averages. For a brief moment in 2023-2025, housing costs in the Bay Area kept inflation lower than the rest of the US. In 2026 surging inflation nationally is driving interest rates higher.



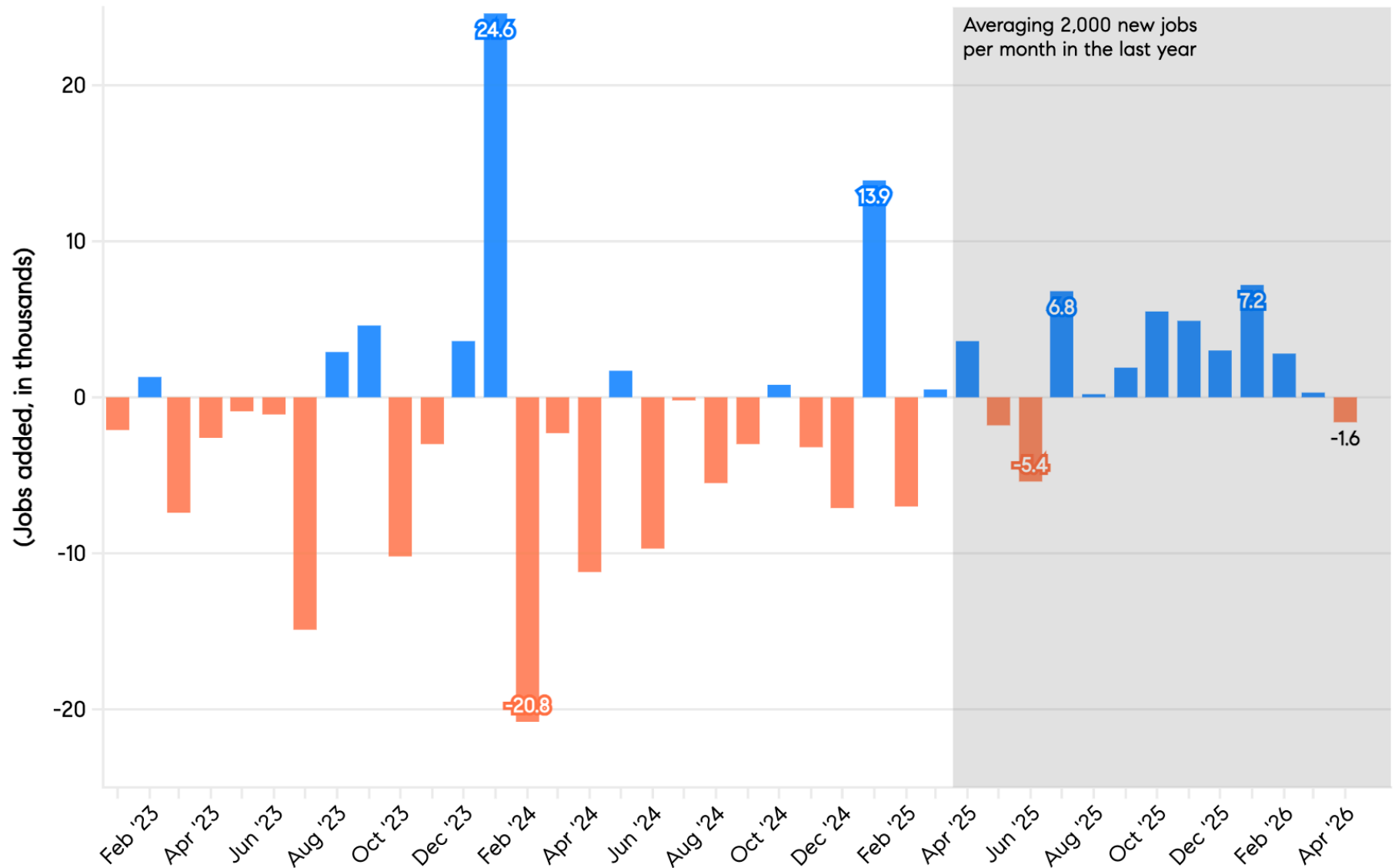
National Employment Grew in May

The labor market shows three months of growth after a very weak 2025. Corporate profitability is improving, AI investment is booming, and government spending is unabated, all of which are drivers of continued expansion in 2026. An improving labor market is generally positive for housing.



Bay Area Jobs Are Growing Again

After 5 years of shrinking employment and out-migration, Bay Area companies are adding jobs again. This is evident in housing demand which turned around mid-2025 in San Francisco, with rising rents and home prices.

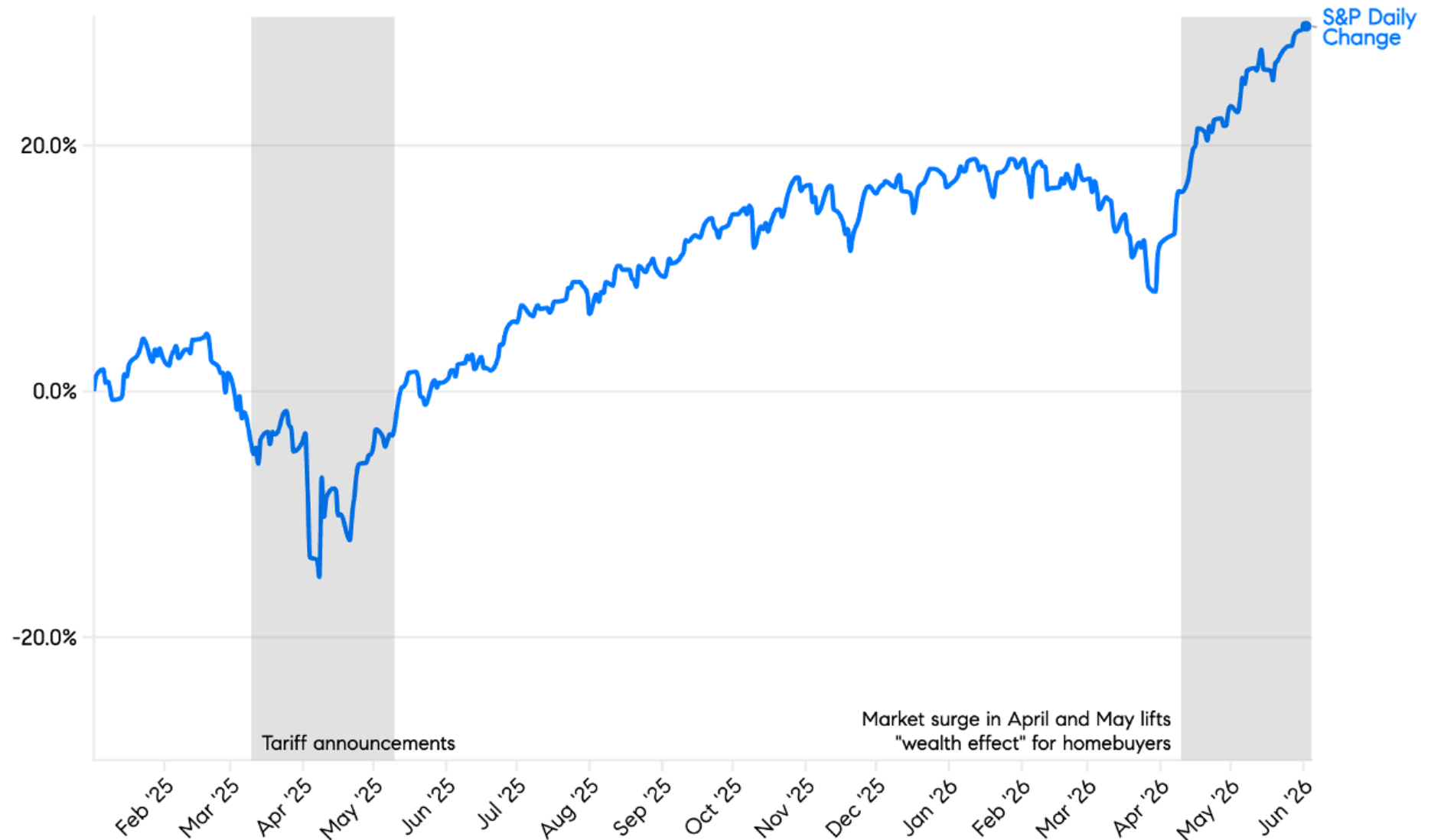


Source: BLS Non-Farm Payrolls, Total jobs, seasonally adjusted

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Stocks Surge to New Highs In May

After war, oil, and inflation fears pushed markets lower in March, April and May stock market resurgence creates a powerful "wealth effect" for potential homebuyers. This is especially true in the Bay Area with AI related market boom and IPOs in the pipeline.



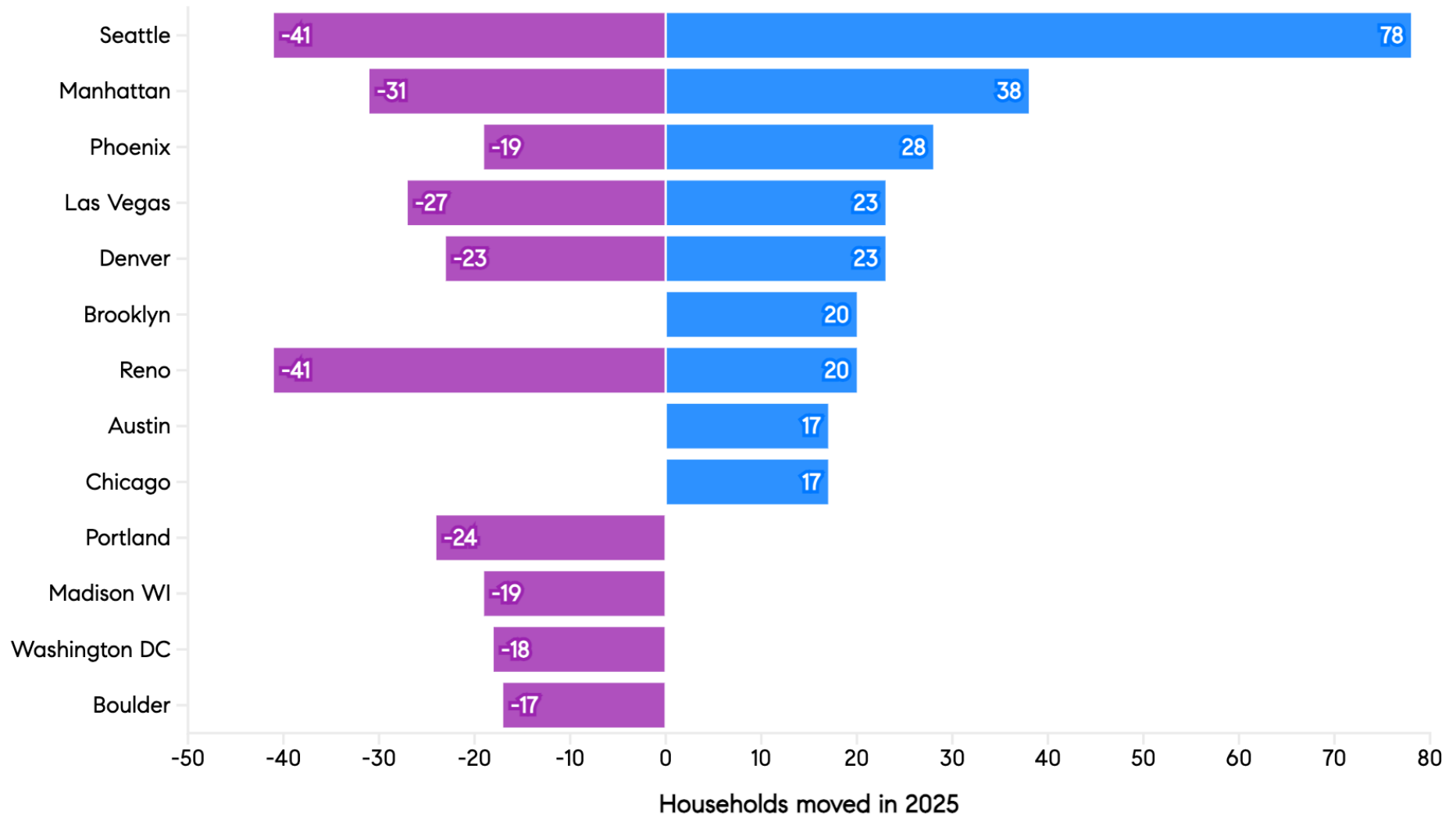
Source: MarketWatch.com
Index change vs. Jan 1. 2025

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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.

■ Inbound ■ Outbound

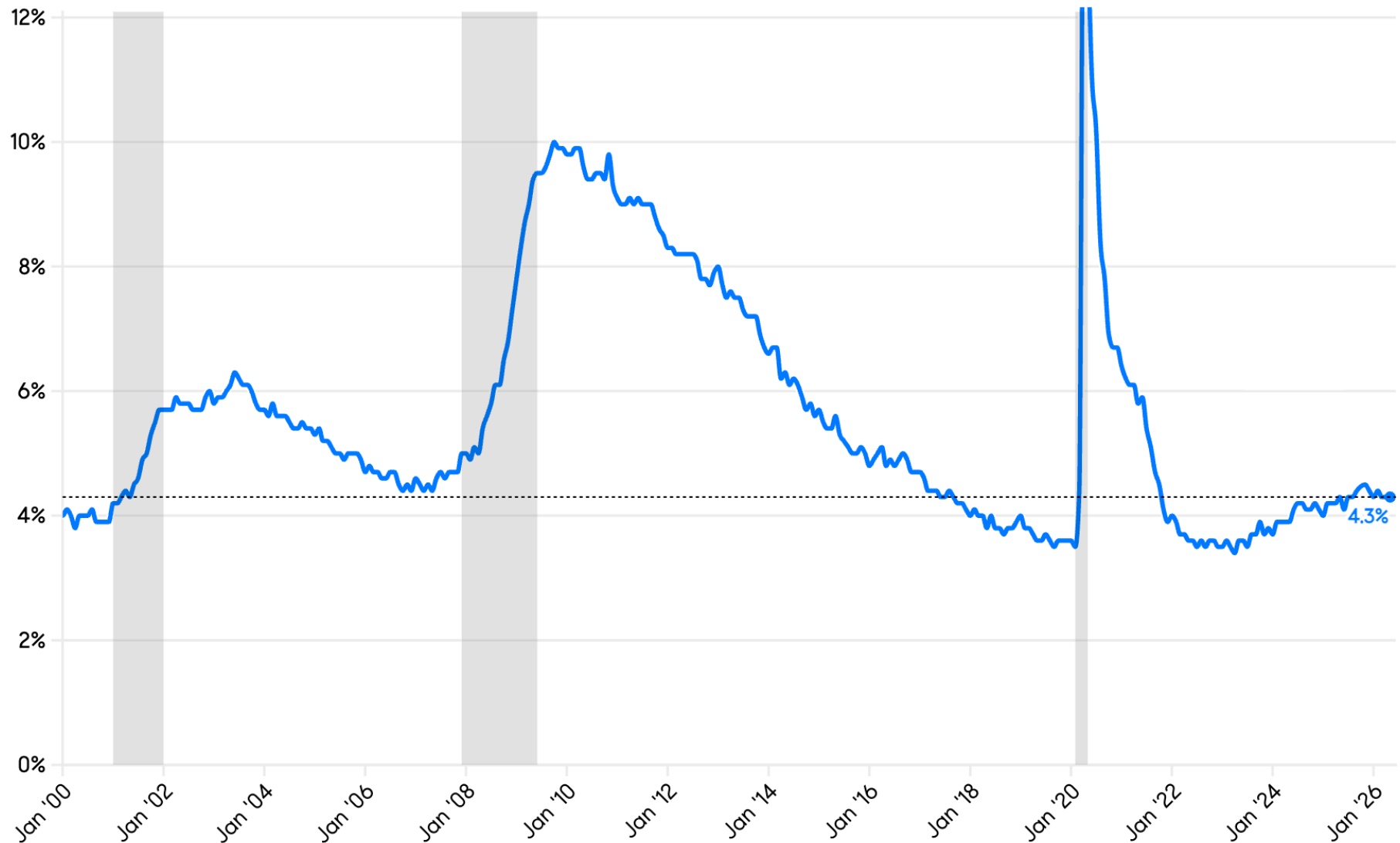


Source: Censai Analytics • Top 10 inbound and outbound counties tracked. Sources include change of address forms and voter registration changes. Likely undercounts

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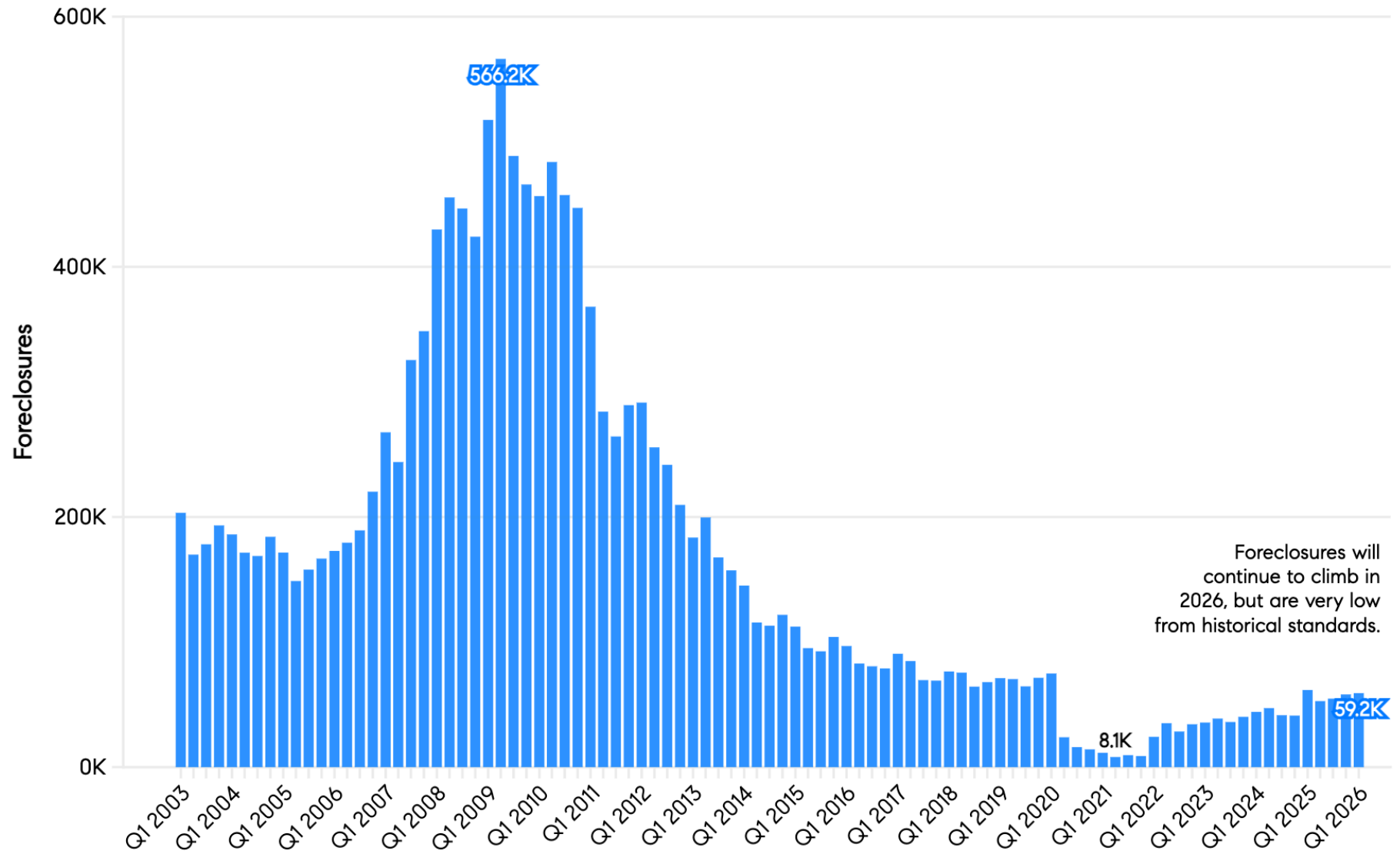
Low Unemployment Keeps People in Homes

Headline Unemployment (U3) has moved lower since November. In normal housing cycles, rising unemployment creates distressed seller inventory. Unemployment has remained low this cycle, which is one reason for less inventory and fewer home sales. Job creation and the hiring rate are more important drivers of the housing market in 2026.



Very Few Foreclosures in 2026

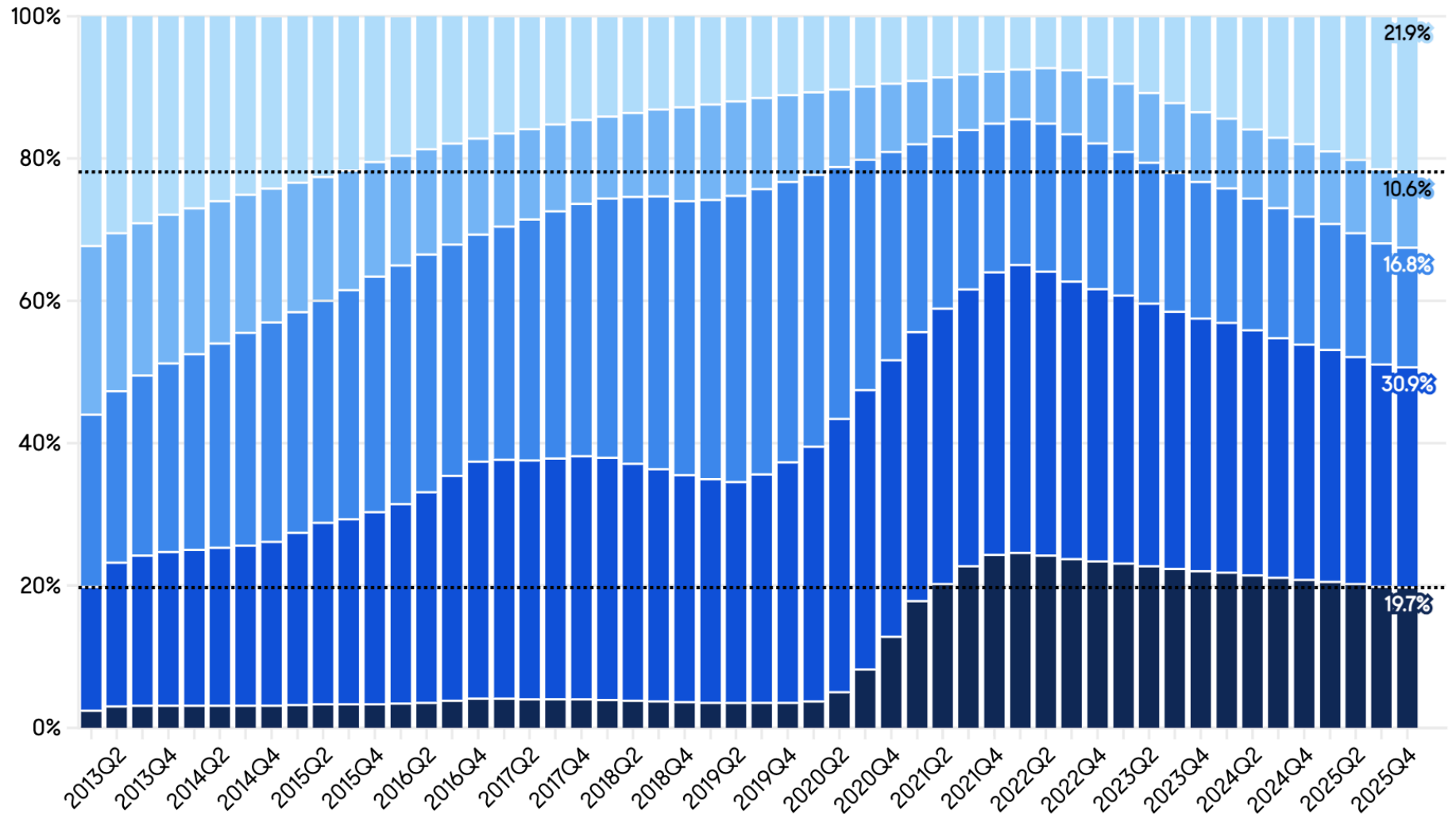
Due to high equity, low locked-in mortgage rates, and low unemployment, foreclosures are likely to stay low for 2026



Expensive and Cheap Mortgages

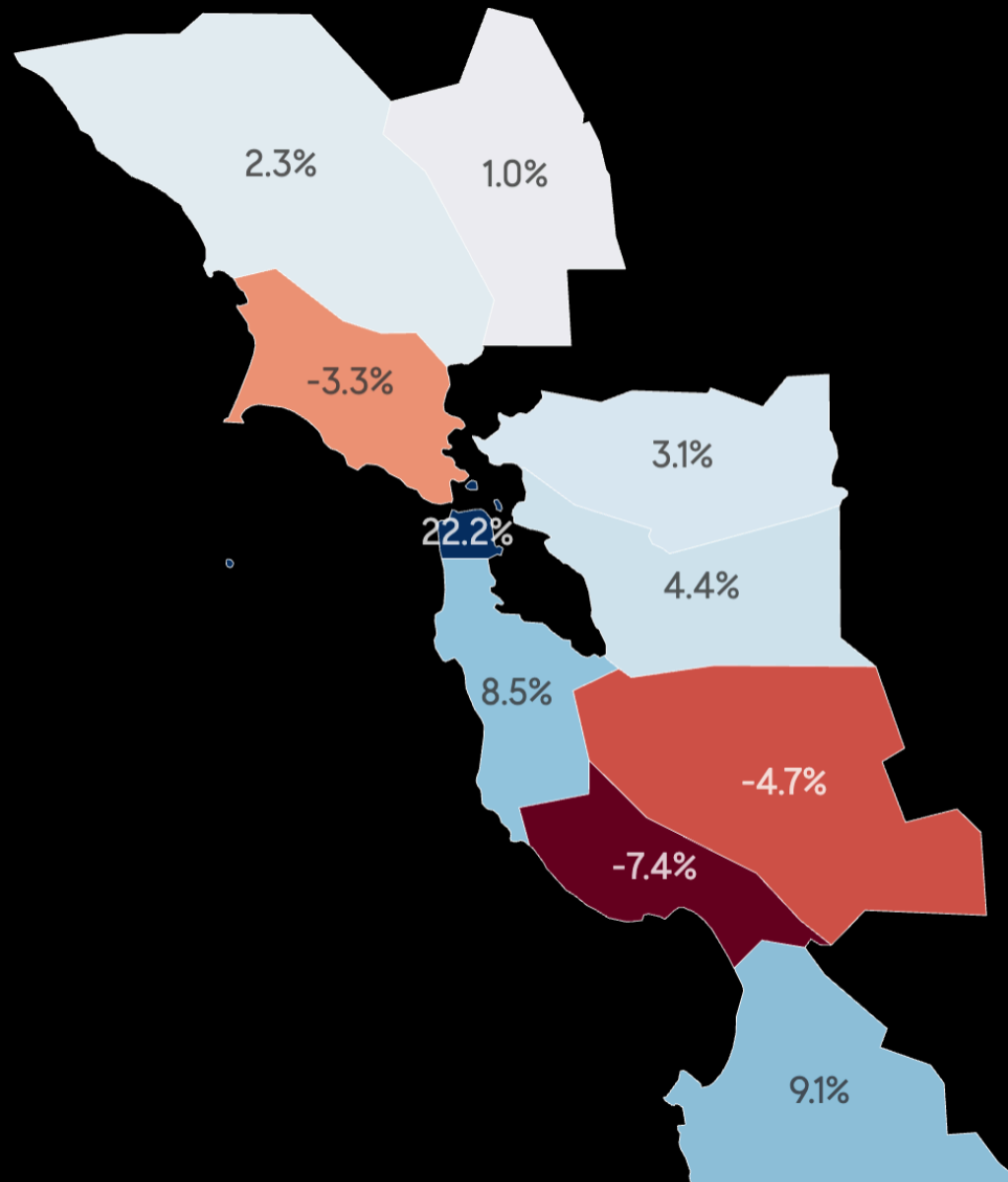
More mortgages now carry a 6-plus% rate than under 3%. Homeowners with very cheap mortgage payments are reluctant to ever sell, so inventory remains tight and sales are fewer than normal. Over time, fewer homeowners are locked-in to ultra low rates and home sales grow.

■ <3% Interest Rate ■ 3-4% ■ 4-5% ■ 5-6% ■ >6% Rate



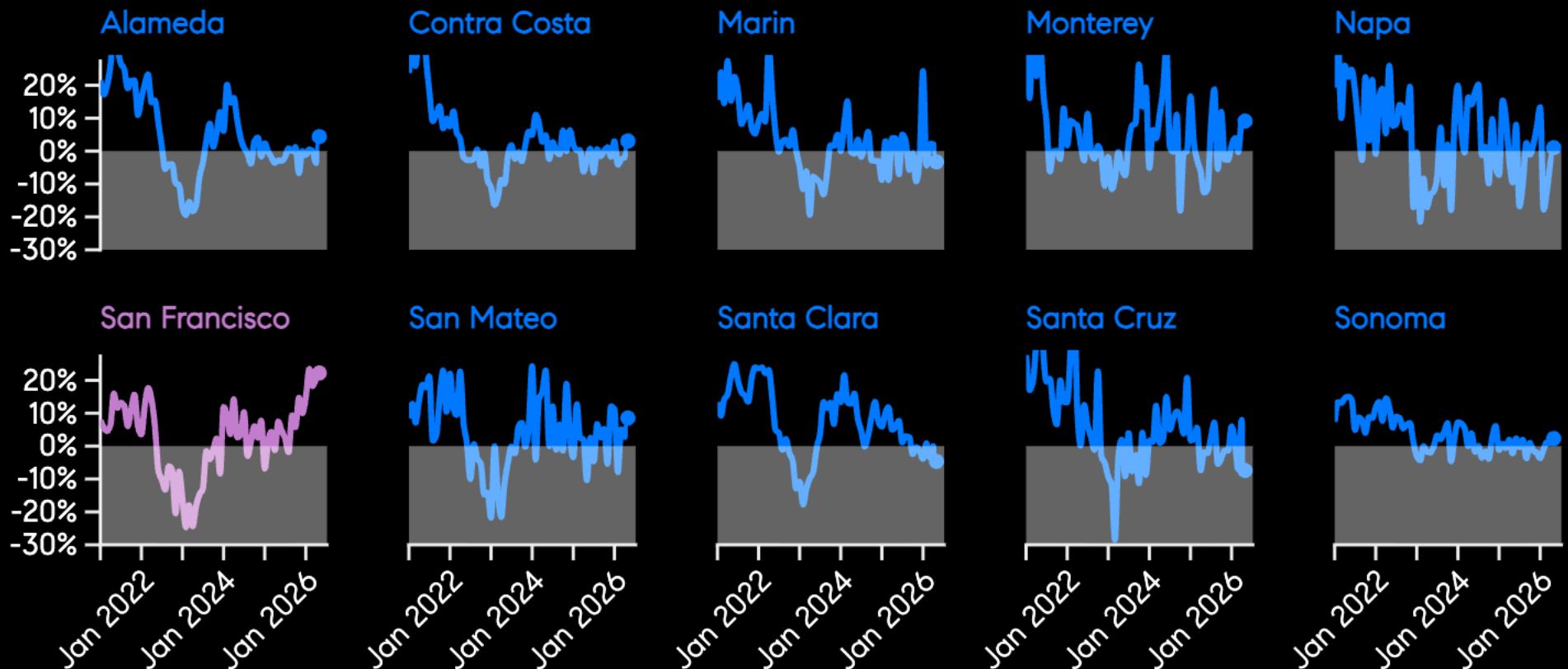
Home Price Change vs 2025

High-end home sales in San Francisco are driving the median price much higher



Home Price Changes Over Time

Median sales price appreciation for single family homes in San Francisco proper is suddenly outpacing the rest of the Bay Area

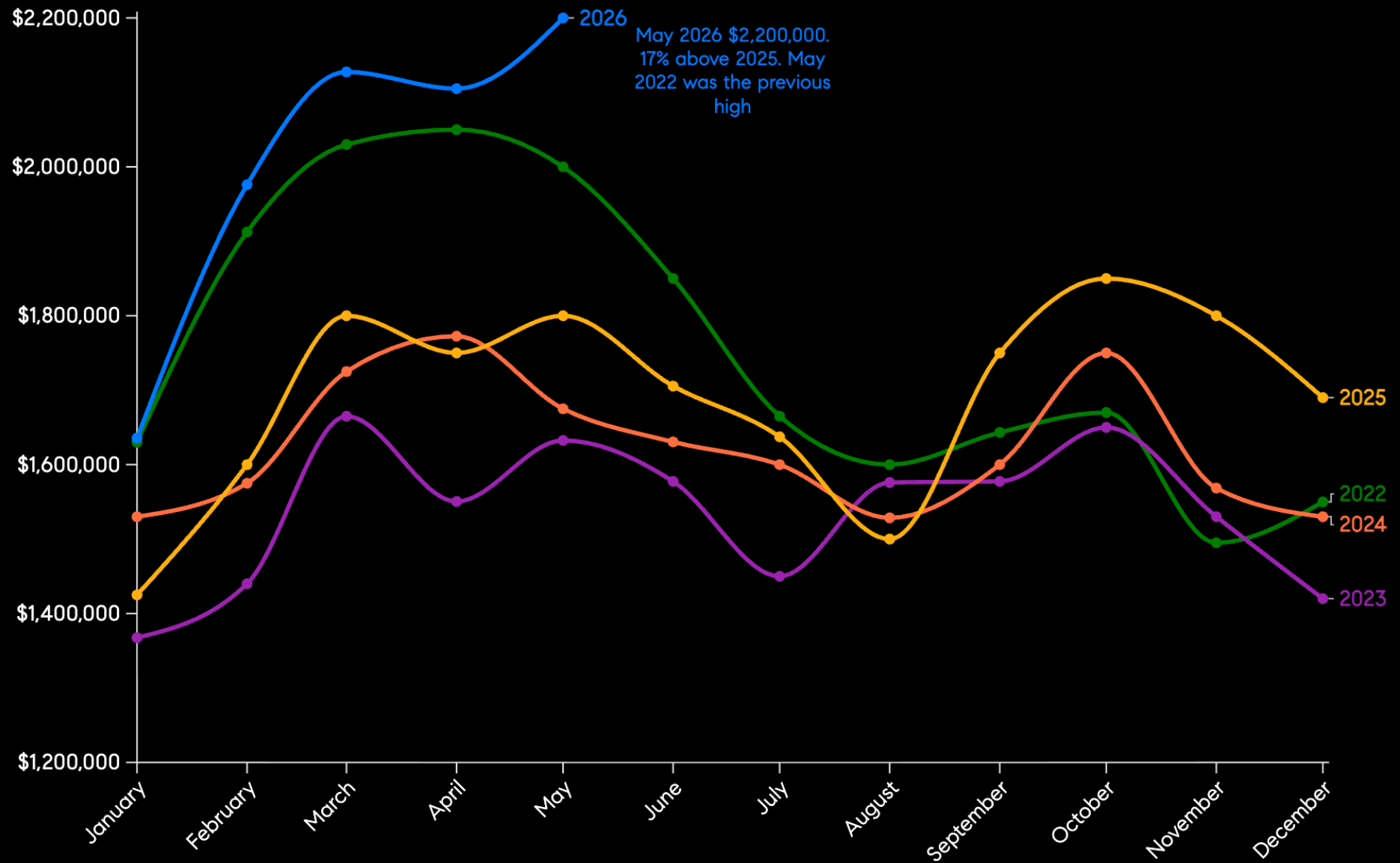


Source: Compass via MLS data • Median sales price for single family homes, change vs same month 1 year prior
Single Family Homes

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San Francisco Median Home Price

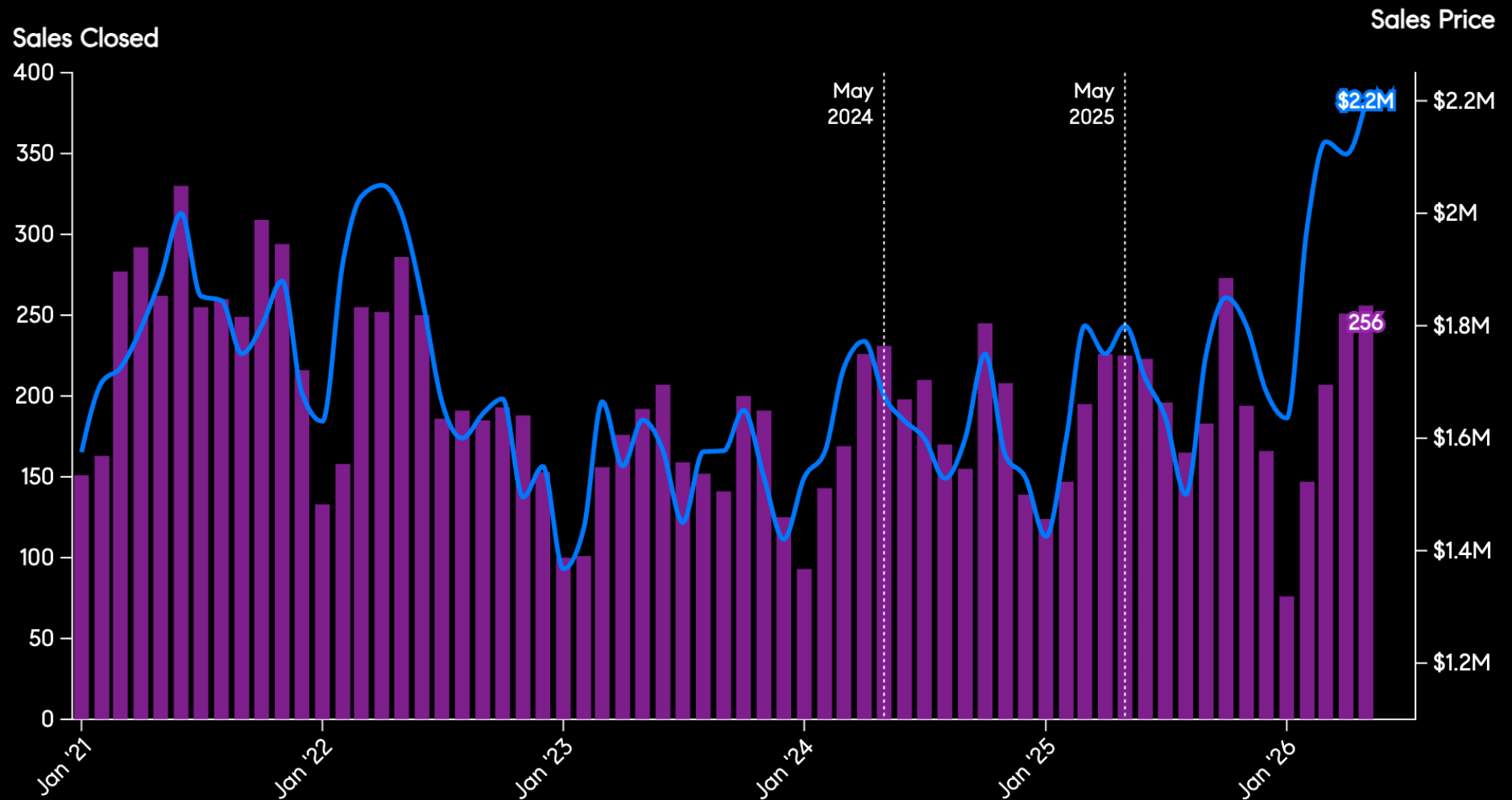
The median price for San Francisco single-family homes climbed to a record \$2.2 million in May 2026, exceeding prior seasonal highs and marking a sharp year-over-year increase.



San Francisco Single Family Price Trends

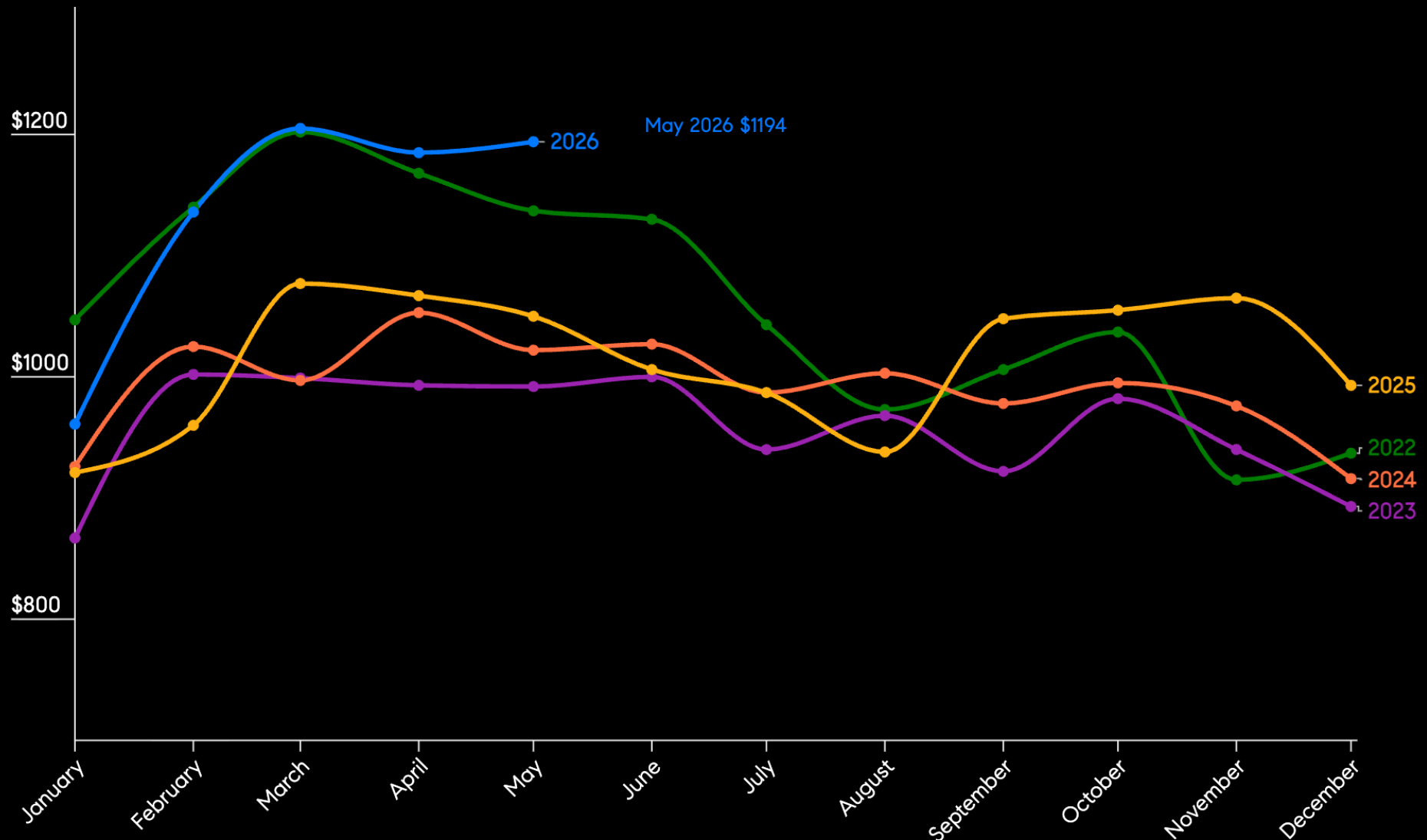
Rising buyer demand pushed median sale prices 22% higher than a year ago as closed sales continued to gain momentum.

■ Median Sale Price ■ Closed



San Francisco Median Price Per Square Foot

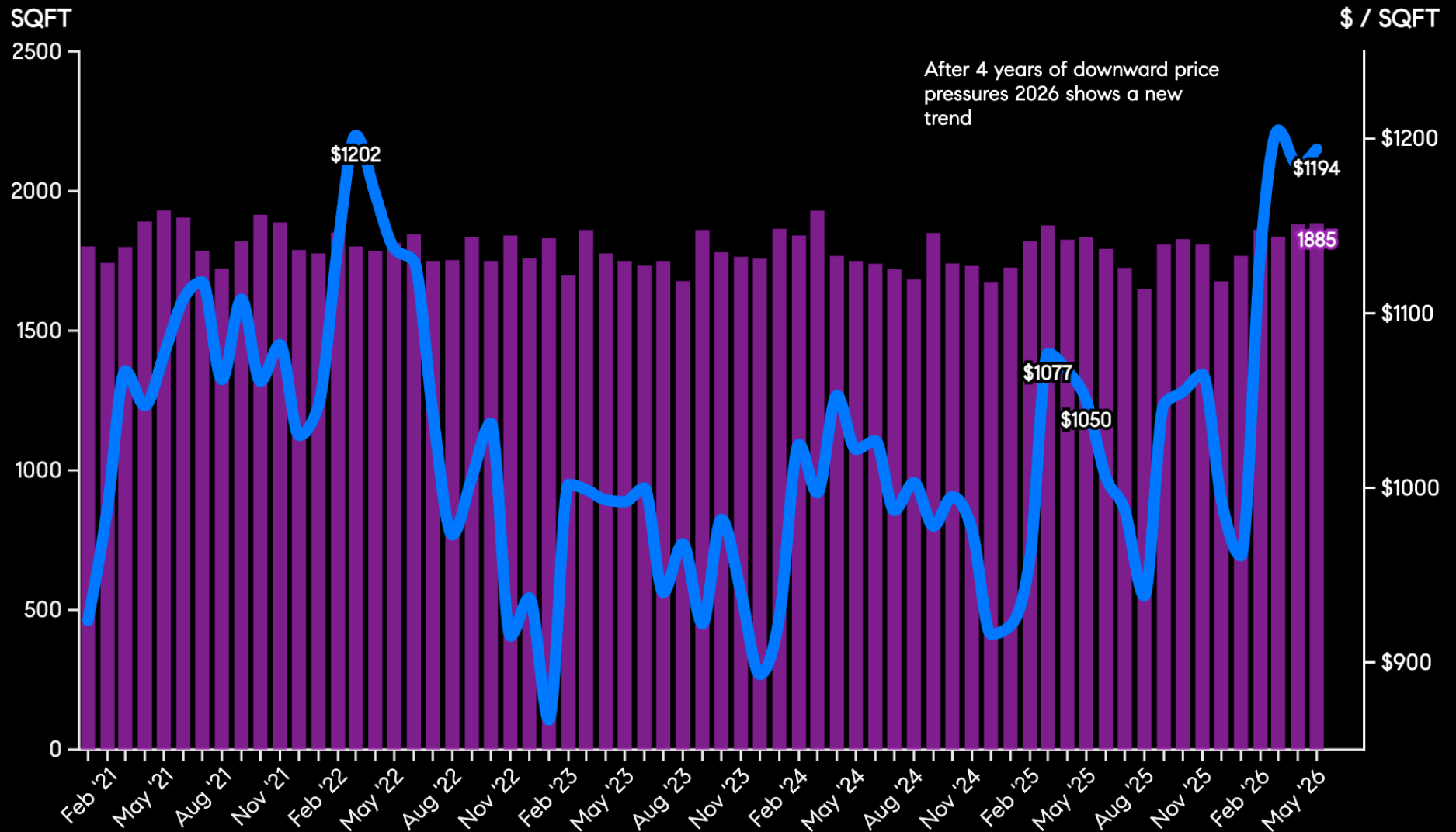
The median \$psqft for San Francisco single-family homes in May exceeded prior seasonal highs.



Price Per Square Foot in San Francisco

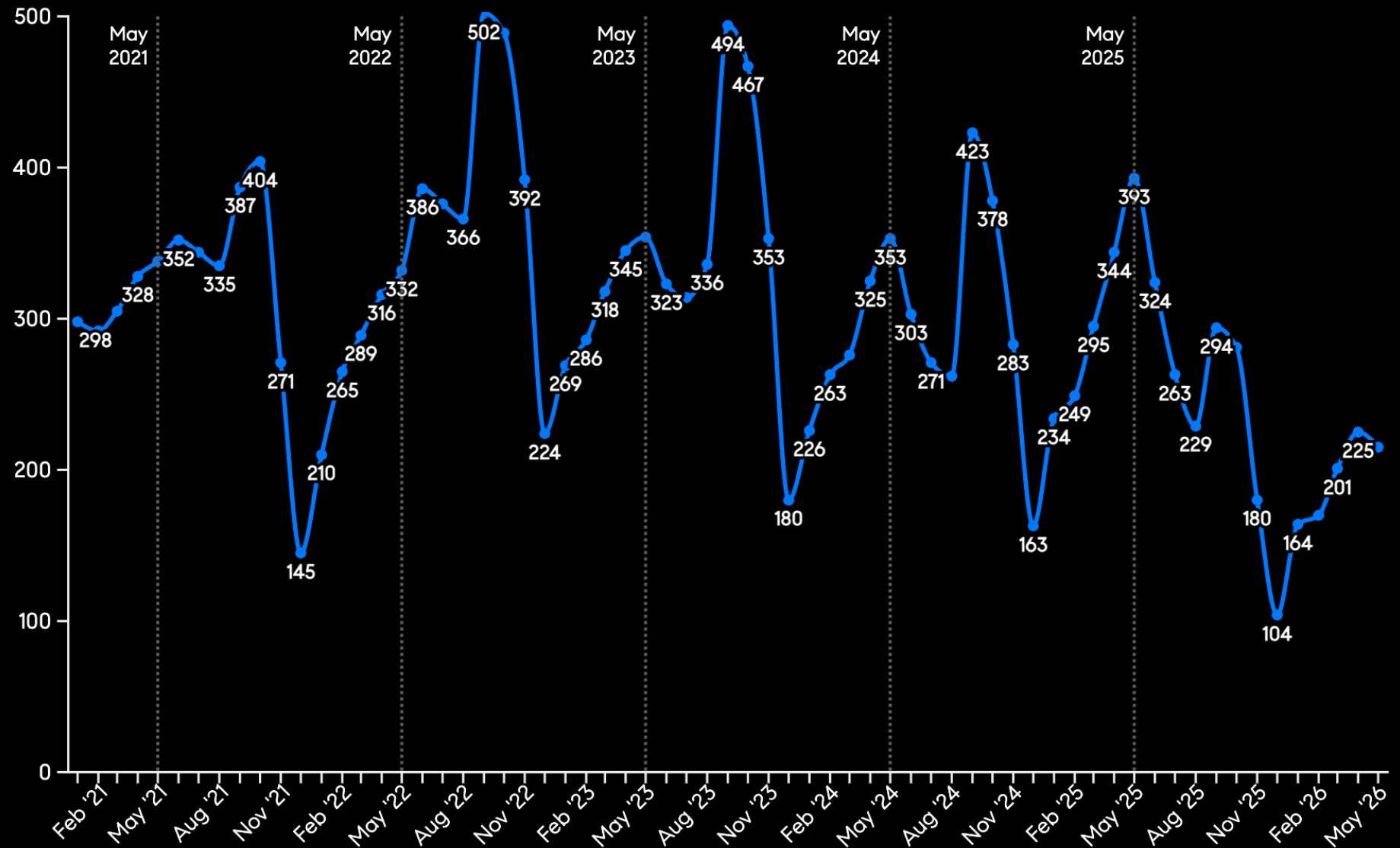
Price per square foot is up 13.7% compared to May of 2025.

■ Median \$ / SQFT ■ Median SQFT



San Francisco Active Inventory

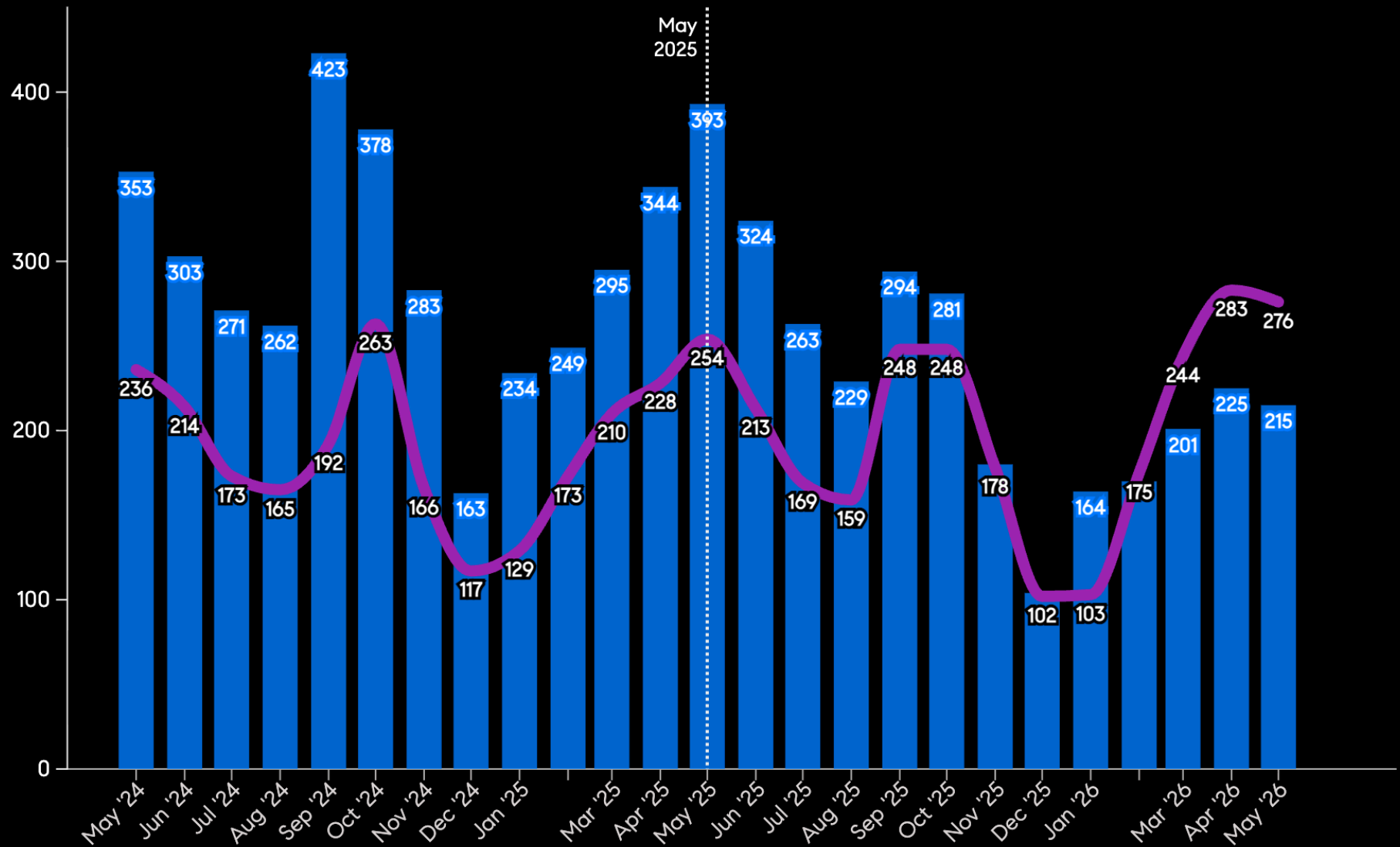
Available inventory of single family homes in the city is dramatically tighter than recent years



Inventory and Pending Sales

San Francisco active inventory for single family homes is down 45% compared to last May.

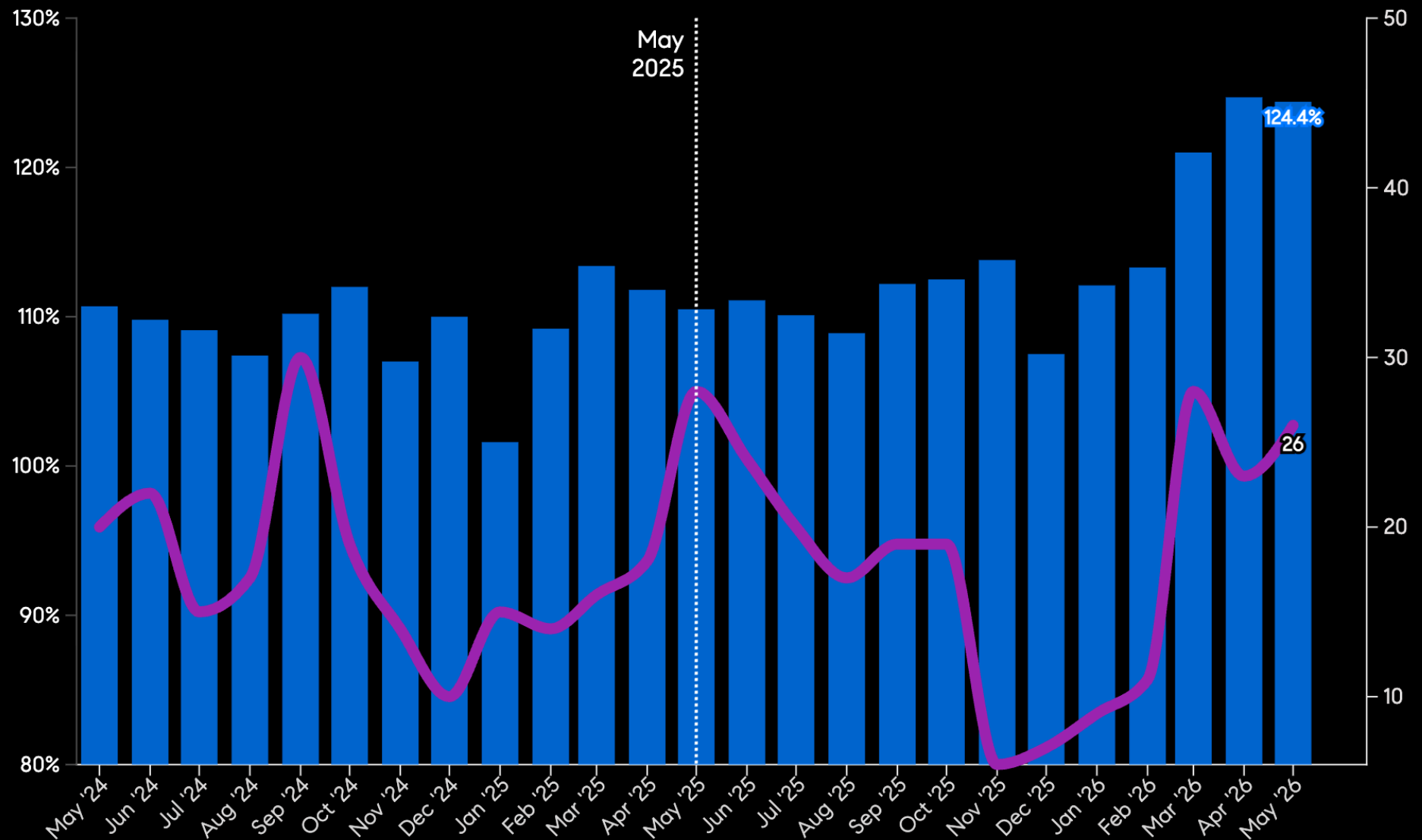
Pending Active



San Francisco Seller Pricing and Buyer Demand

Strong competition persists. Overbidding remains common, yet the level of price reductions suggests sellers must price strategically to capture demand.

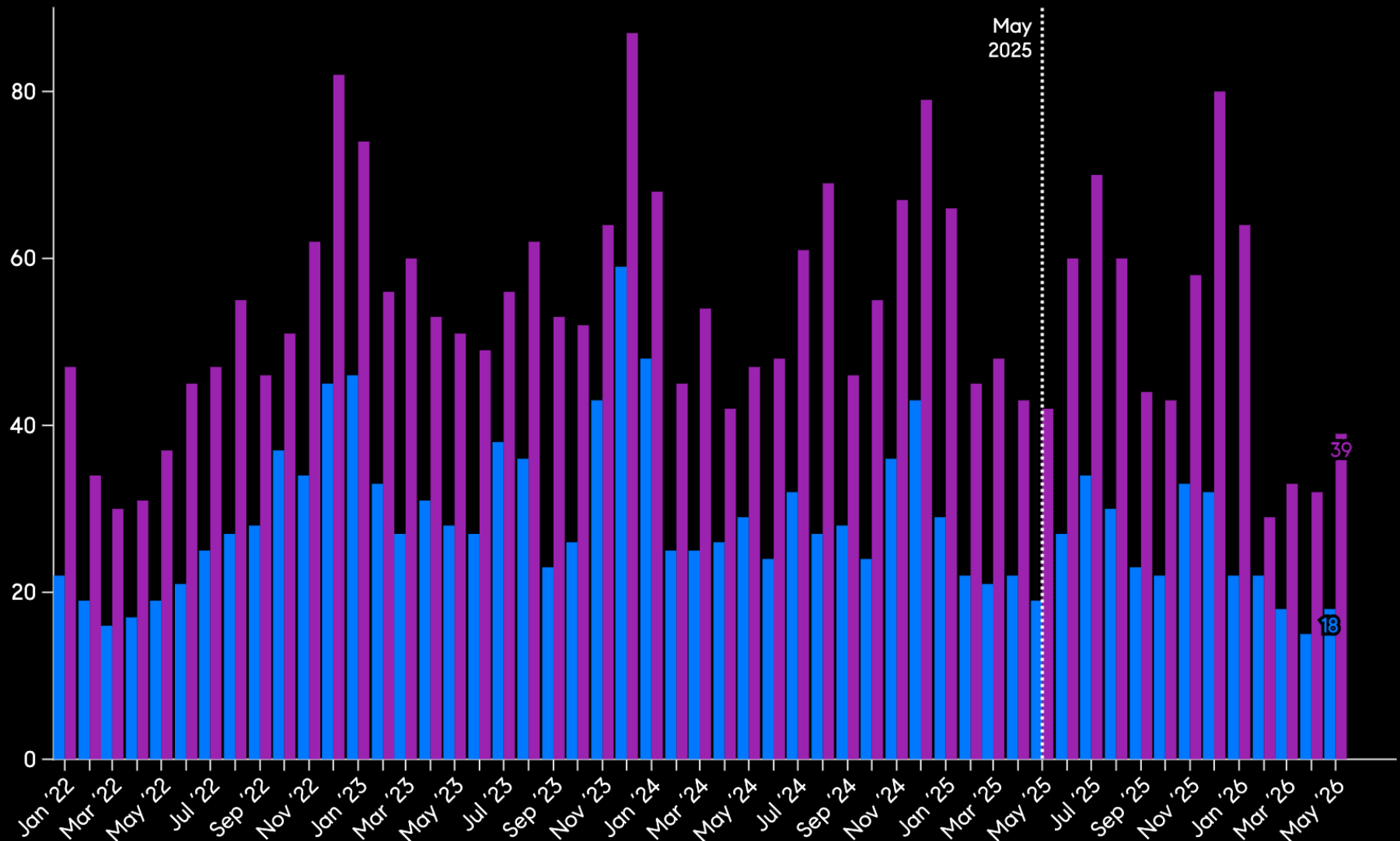
Price Reductions Sold Price to List Price %



Days on Market

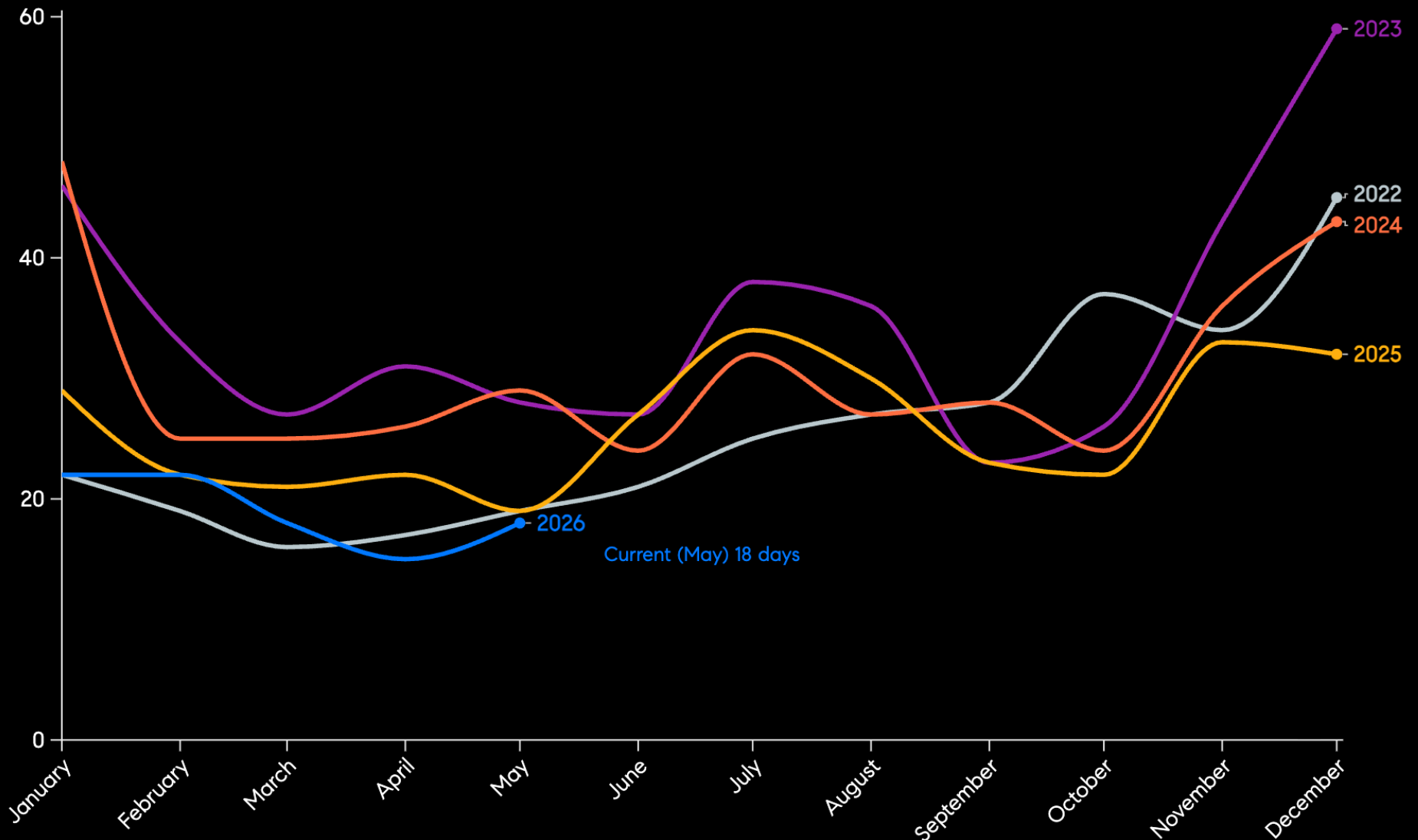
In San Francisco, DOM is decreasing compared to last year.

DOM SFR DOM Condo



Average Days on Market

Market time for single family homes is at the fastest pace in 5 years. Faster DOM reflects greater demand this year.



Source: Compass via MLS data • Average days from listing date to contract date for homes sold in the given month
Single Family Homes

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San Francisco Neighborhoods

May 12 month rolling average for single family homes

Neighborhood	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings	MDN SQF
Central Richmond	\$2,200,000	14.3	1,127	45	-4.3	49	2,198
Cole Vly-Ashbury Hghts.	\$3,762,500	7.5	1,416	32	-5.9	33	2,796
Corona Heights	\$2,555,000	2.7	1,373	13	-7.1	14	2,252
Cow Hollow	\$6,300,000	13	1,701	22	-8.3	26	4,155
Diamond Heights	\$2,375,000	3.3	1,077	22	4.8	20	2,307
Eureka Valley	\$3,128,000	5.3	1,581	71	4.4	69	2,046
Forest Hill	\$3,352,500	15.4	1,311	12	0	13	2,512
Glen Park	\$2,000,000	0.6	1,232	62	-6.1	70	1,678
Golden Gate Heights	\$2,188,000	2.2	1,055	36	2.9	33	2,210
Ingleside Terrace	\$2,505,000	1.1	947	17	6.3	14	2,431
Inner Parkside	\$2,150,000	3.6	1,109	27	3.8	27	2,043
Inner Richmond	\$2,960,000	9.6	1,182	25	4.2	30	2,632
Inner Sunset	\$2,100,000	3.7	1,167	36	-7.7	34	1,892

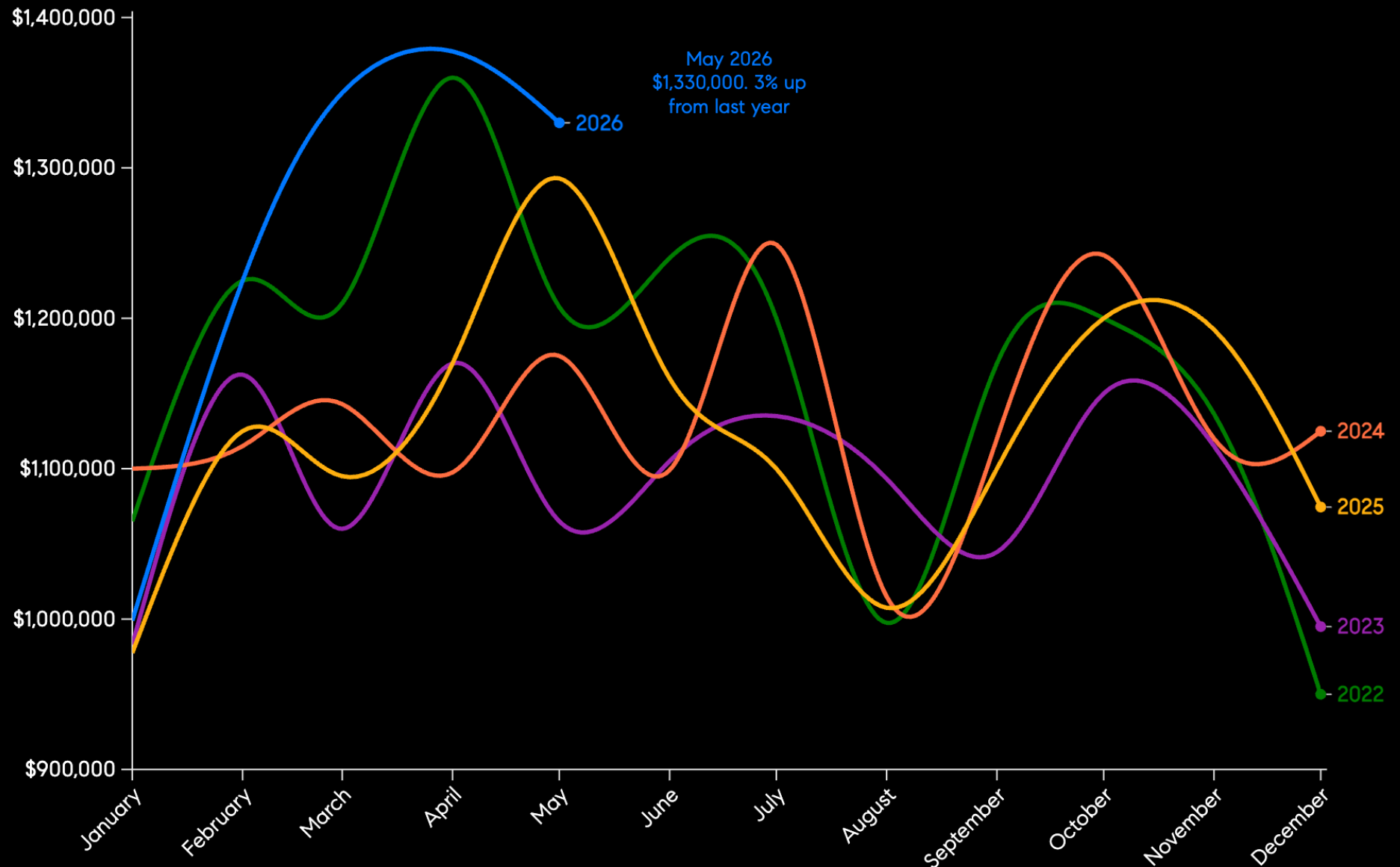
San Francisco Neighborhoods

May 12 month rolling average for single family homes

Neighborhood	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings	MDN SQF
Lake Street/Jordan Park	\$4,600,000	5.4	1,388	33	-2.9	32	3,258
Lone Mountain	\$2,600,000	-3	1,150	13	-7.1	14	2,164
Lower Pacific Heights	\$4,090,000	0.4	1,416	17	54.5	17	2,693
Marina	\$4,915,000	-0.8	1,669	23	-11.5	24	2,870
Mt. Davidson Mnr.	\$2,500,000	0	997	19	0	21	2,486
Noe Valley	\$2,800,000	0.9	1,490	119	1.7	126	2,103
Pacific Heights	\$7,250,000	0	1,625	55	-3.5	56	4,907
Presidio Heights	\$7,850,000	-3	1,609	27	-3.6	28	5,125
Russian Hill	\$4,225,000	1.3	1,331	17	30.8	17	3,451
Sea Cliff	\$5,850,000	24.8	1,741	11	22.2	13	2,845
St. Francis Wood	\$3,642,500	0	1,314	14	-12.5	17	3,099
West Portal	\$2,680,000	2.1	1,182	17	-10.5	18	2,433

San Francisco Median Condo Price

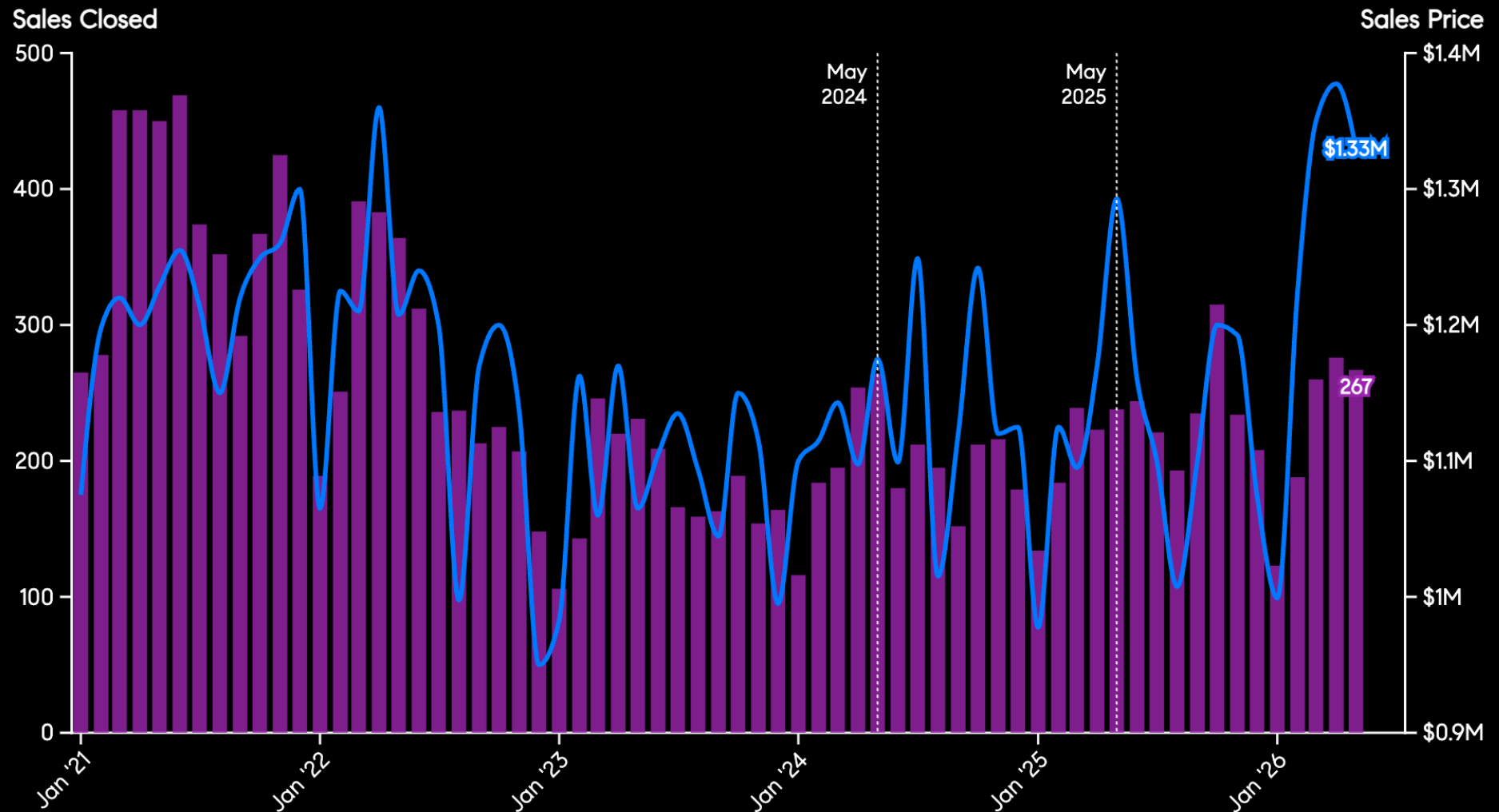
Condo pricing is finally growing after several years



San Francisco Condo Price Trends

As of May 2026 condos are up 3% from last year, while sales volume is up 14% since 2025.

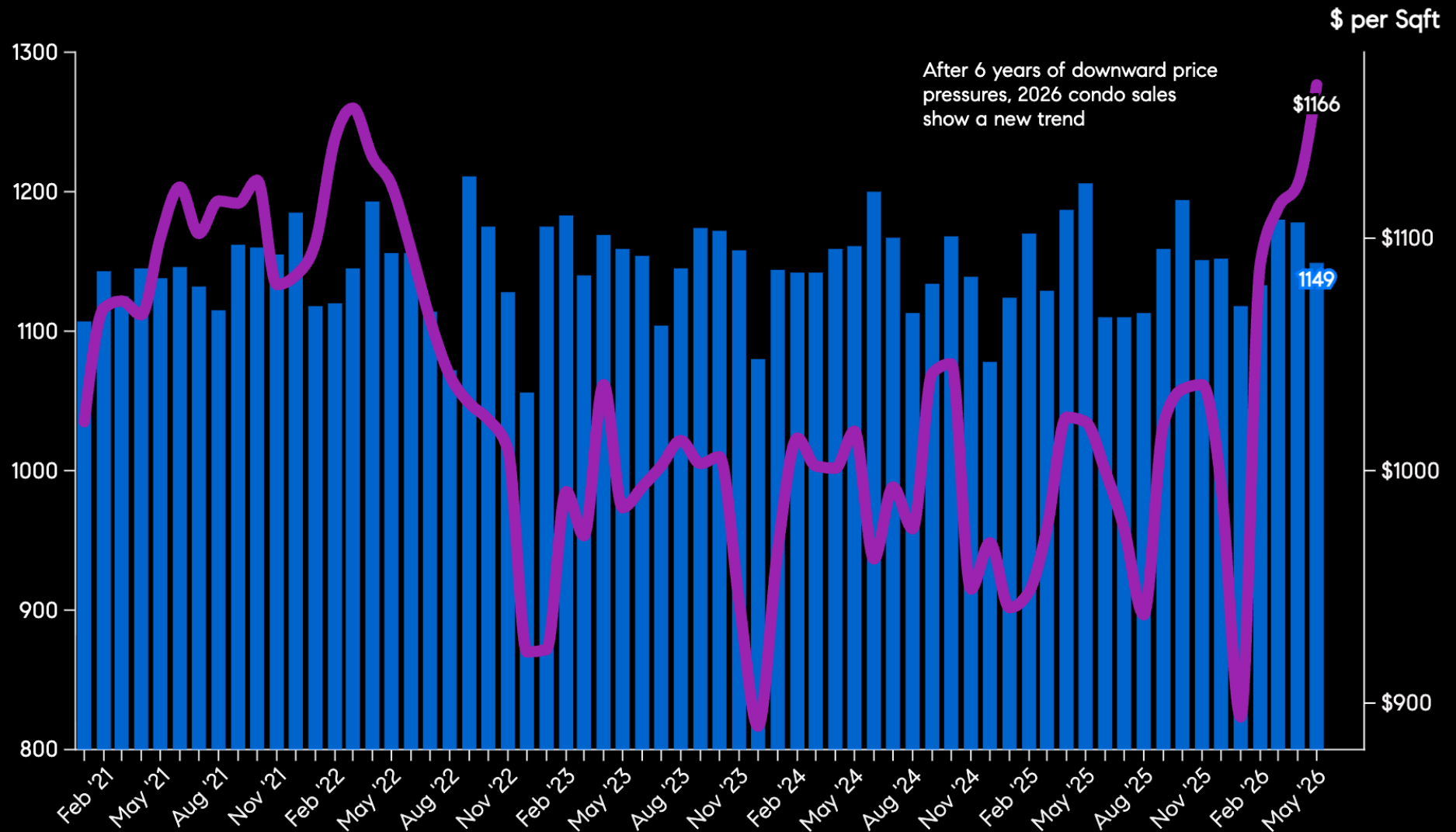
■ Median Sale Price ■ Closed



Price Per Square Foot in San Francisco

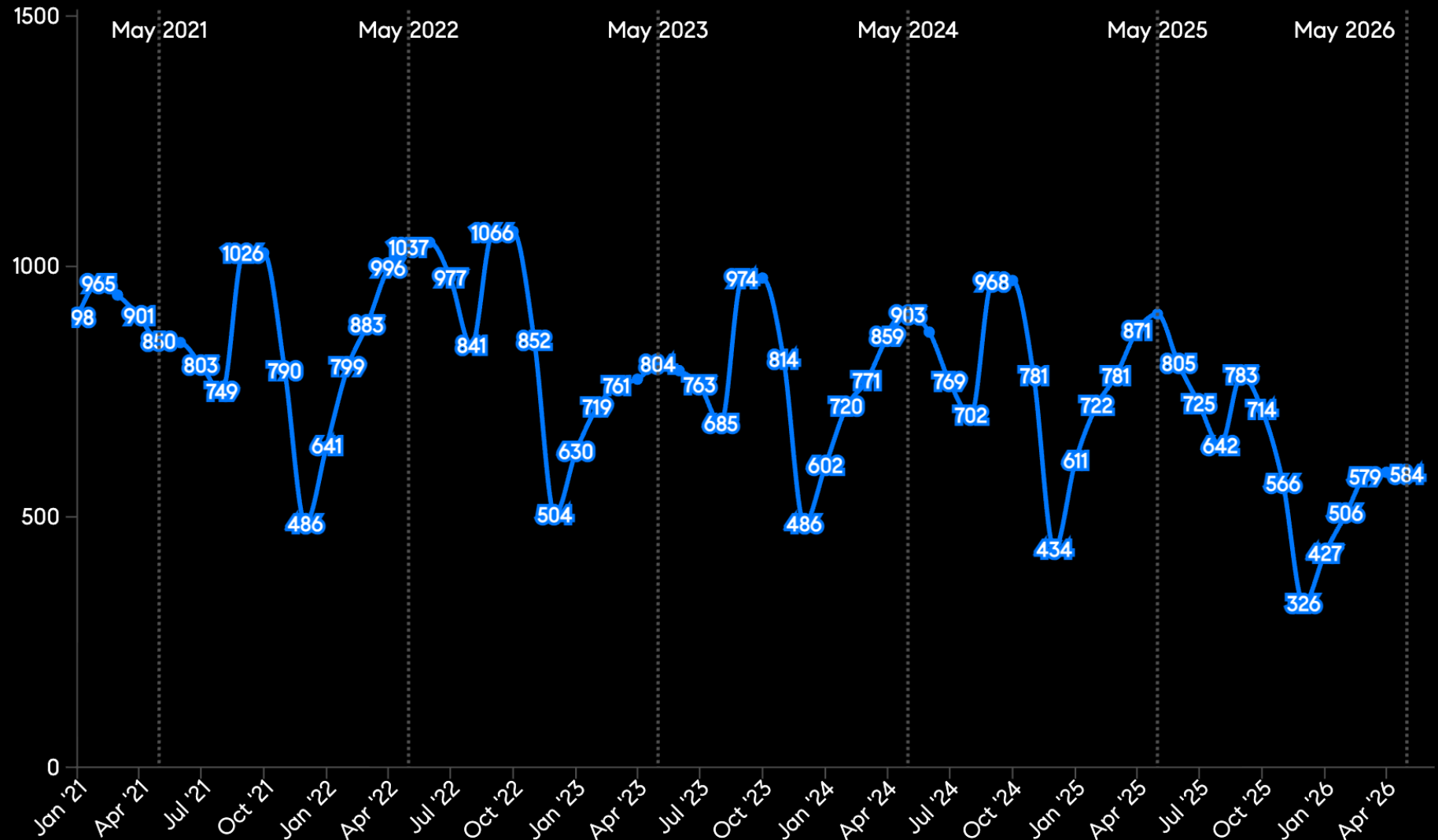
Since January, condo prices have resumed climbing after six years of declines.

PPSF Median SQFT



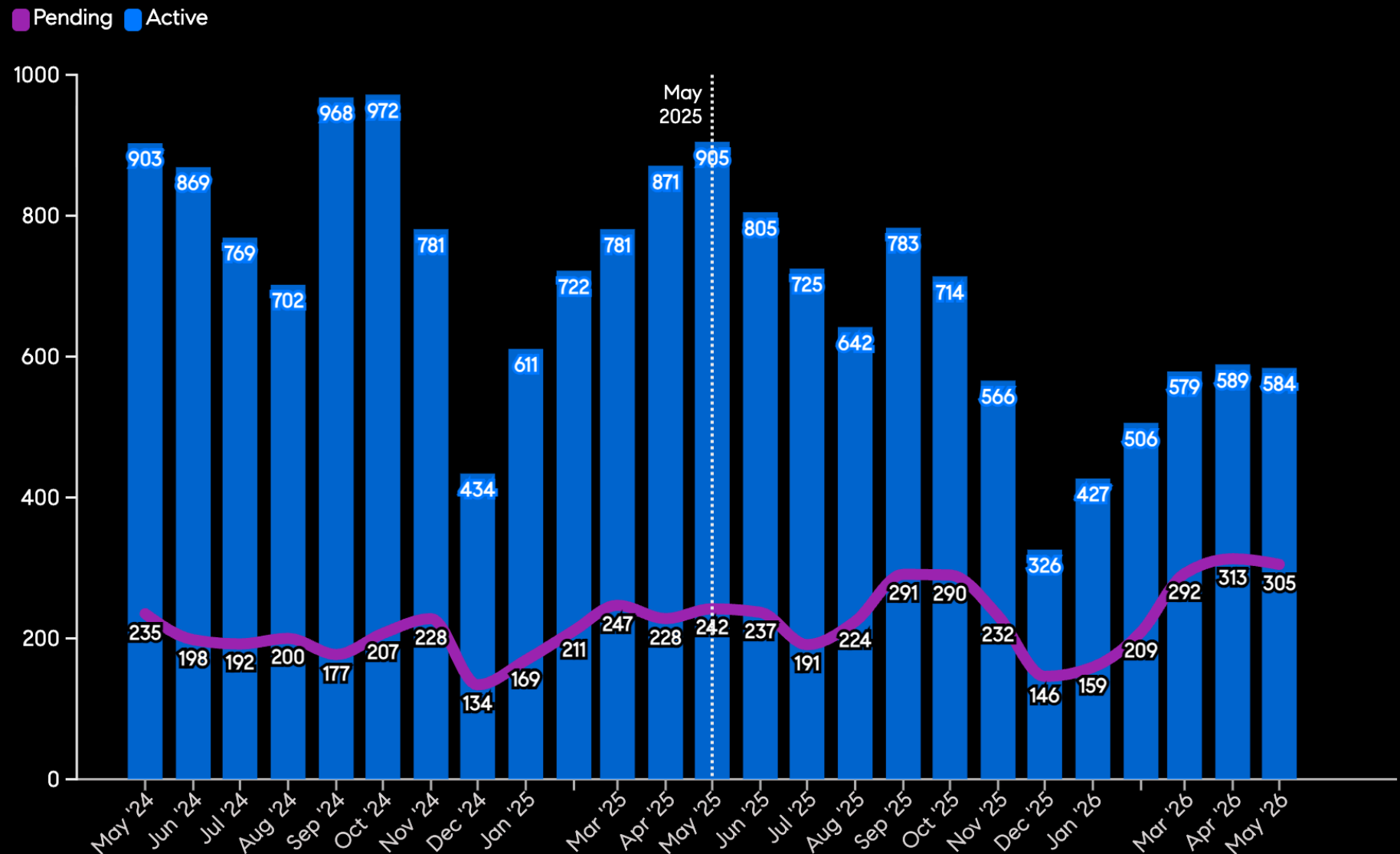
San Francisco Condo Active Inventory

Condo inventory remains constrained heading into the summer market. With only about 584 active listings in May 2026, supply is significantly below pre-2026 levels, indicating sellers continue to face relatively limited competition.



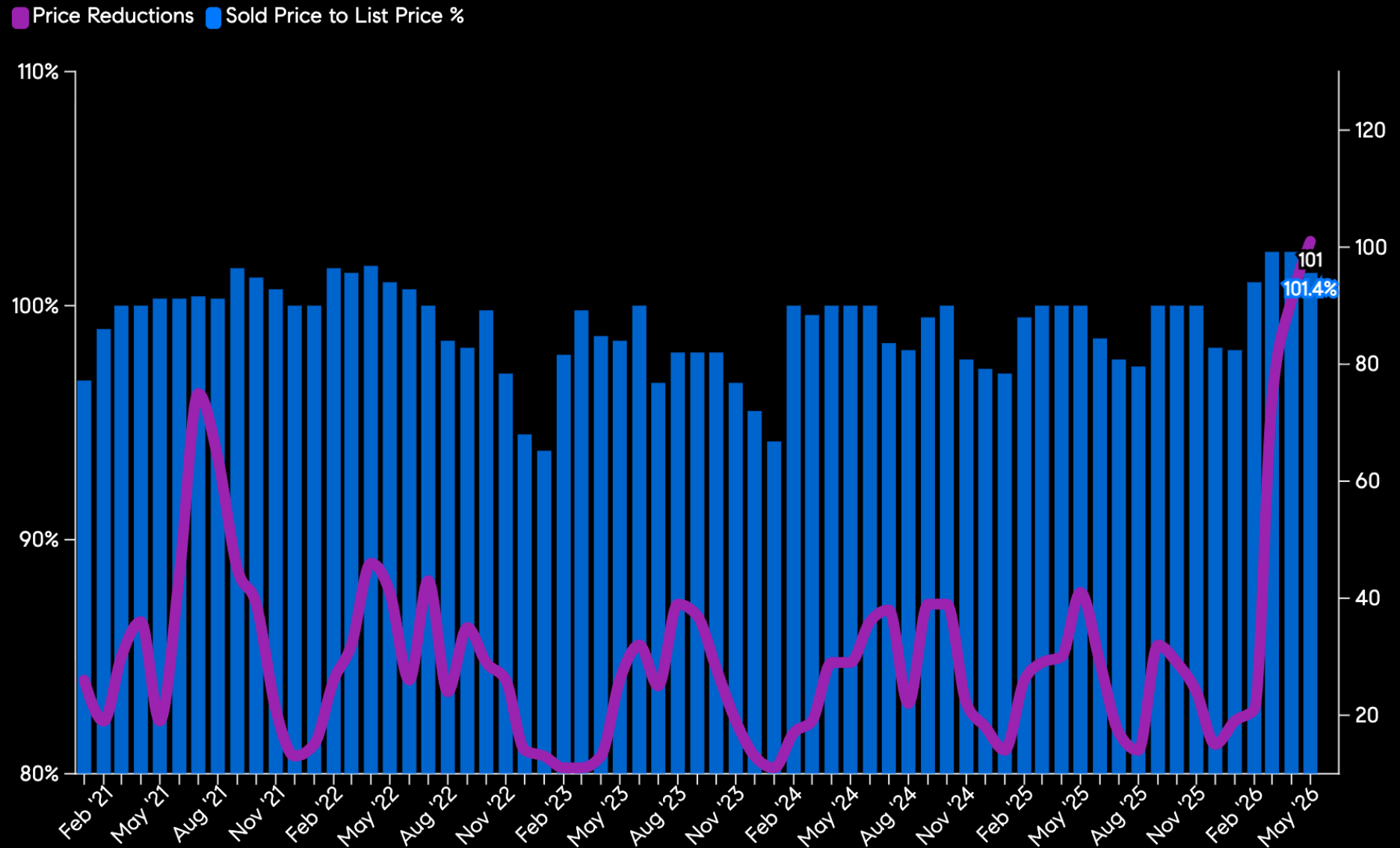
San Francisco Condo Monthly Status

The city's condo market saw a 35% increase in pending sales driving inventory down 26% from 2025



San Francisco Seller Pricing and Buyer Demand

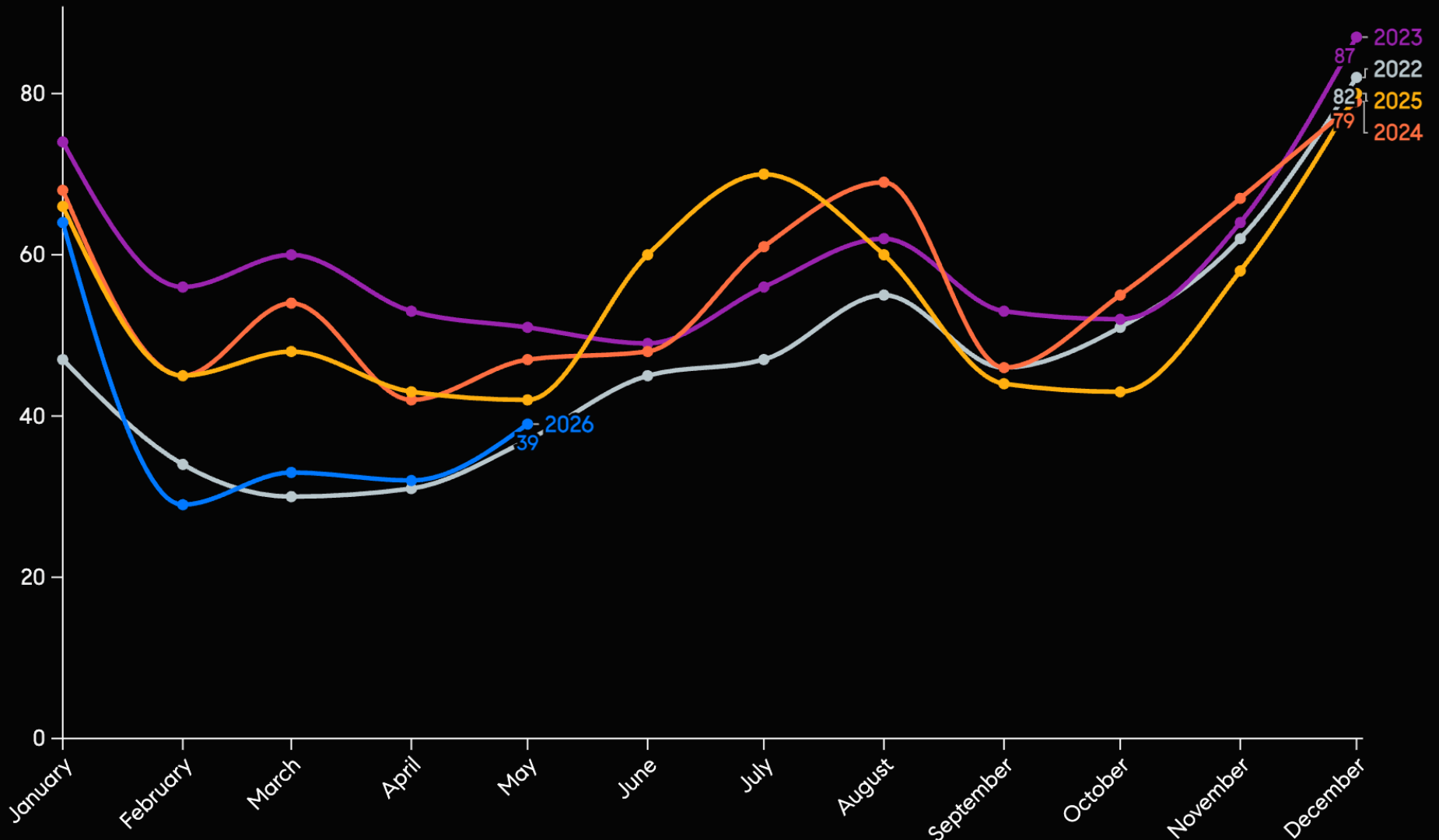
Despite a rise in price reductions, condos continue to sell near or above asking price, reflecting selective but resilient buyer demand.



Days on Market for Condos

In San Francisco, increased condo demand is visible with much shorter market time.

2022 2023 2024 2025 2026



San Francisco Neighborhoods

May 12 month rolling average for condos

Neighborhood	Median Sale Price	% Change	\$PSFT	Closed Sales	% Change	Pendings	MDN SQF
Alamo Square	\$1,397,500	6.7	\$1002	20	11.1	19	1,418
Central Richmond	\$1,430,000	-0.2	\$929	33	-2.9	34	1,559
Central Waterfront-Dogpatch	\$1,132,500	-6.3	\$1119	40	-4.8	38	1,105
Cole Vly-Ashbury Hghts.	\$1,512,500	-3.4	\$1167	56	-1.8	61	1,278
Cow Hollow	\$1,757,500	1	\$1363	74	-3.9	75	1,500
Duboce Triangle	\$1,515,000	3.1	\$1180	23	0	21	1,217
Eureka Valley	\$1,450,000	-3.3	\$1185	79	0	82	1,251
Hayes Valley	\$1,200,000	0	\$1095	92	0	90	1,185
Hunters Point	\$675,000	3.8	\$594	18	5.9	17	1,086
Inner Mission	\$950,000	-1	\$877	117	-1.7	138	1,116
Inner Sunset	\$1,375,000	17.4	\$1027	23	15	22	1,405

San Francisco Neighborhoods

May 12 month rolling average for condos

Neighborhood	Median Sale Price	% Change	\$PSFT	Closed Sales	% Change	Pendings	MDN SQF
Mission Bay	\$1,200,000	-7.6	\$1021	63	3.3	63	1,140
Mission Dolores	\$1,167,500	-4.7	\$1068	64	1.6	69	1,145
Nob Hill	\$1,275,000	1.2	\$1037	103	3	112	1,250
Noe Valley	\$1,500,000	0.7	\$1119	97	-4	100	1,271
NoPa	\$1,300,000	-6.2	\$1021	15	0	15	714
Pacific Heights	\$1,730,000	4.5	\$1213	168	1.8	166	1,421
Potrero Hill	\$1,087,500	5.1	\$958	85	2.4	85	1,129
Presidio Heights	\$2,475,000	-1	\$1319	25	19	25	2,015
Russian Hill	\$1,305,000	1	\$1190	147	3.5	153	1,182
SoMa	\$752,500	2	\$708	56	-6.7	59	1,106
South Beach	\$1,200,000	0	\$1082	260	1.6	276	1,155
Van Ness-Civic Center	\$745,000	0.8	\$770	92	2.2	96	904



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