COMPASS

July 2026
Santa Clara County
Market Outlook

Market
Research
COMPASS INTERNATIONAL HOLDINGS

Data through June 2026

July 2026
Housing Market Report

The Bay Area housing market is the center of national attention this summer. AI-driven wealth has offset persistently higher mortgage rates, pushing demand in a handful of neighborhoods to dramatic levels.

The most intense competition is concentrated in San Francisco itself. In June, 44 homes in the city sold for at least $1 million over asking (see charts, next page). Sales in San Francisco, San Mateo, and Marin are running well above last year's pace.

Other parts of the Bay Area are more exposed to AI's other edge: jobs, inflation, and rates. Most buyers need a mortgage, and rates have stayed elevated — though still below last year's level. Nationally, inflation remains well above what policymakers and bond markets are comfortable with, driven by energy costs, government spending, and quite possibly the AI investment boom itself. Mortgage rates spent another month near 6.5%.

Santa Clara County is feeling a different edge: Bay Area tech companies have cut 58,000 jobs so far in 2026, and in the South Bay, inventory is climbing while average sale prices trail last year.

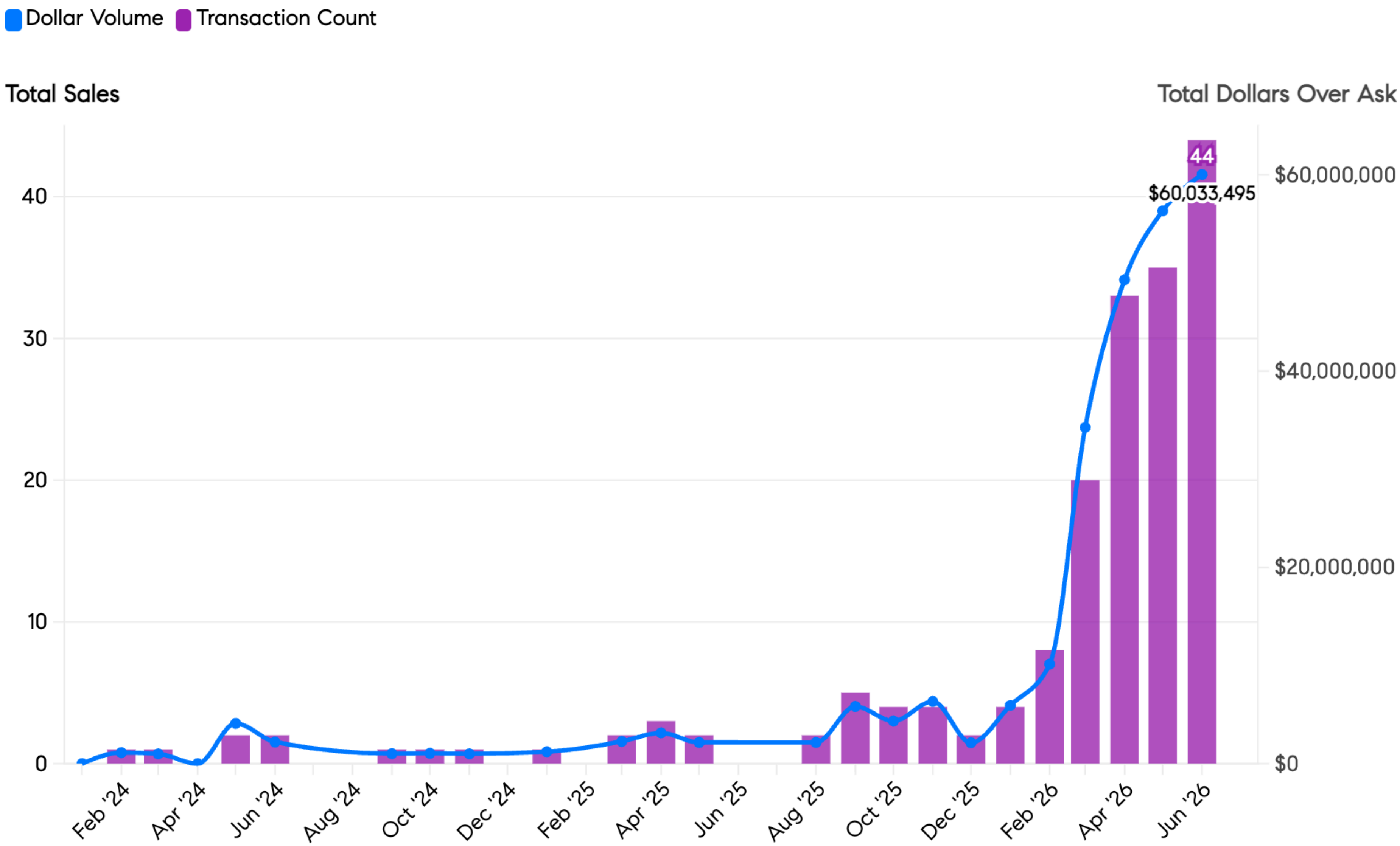
In many ways, the Bay Area is leading the nation's housing story in both directions — new wealth pulling the top of the market to record heights, while job insecurity and high rates weigh on buyers further down. It's always worth watching the Bay Area markets closely as we often signal where the rest of the country is headed next.

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.

AI Boom Hits San Francisco Home Sales

In June, 44 transactions in San Francisco closed at least $1 million above the final ask price.

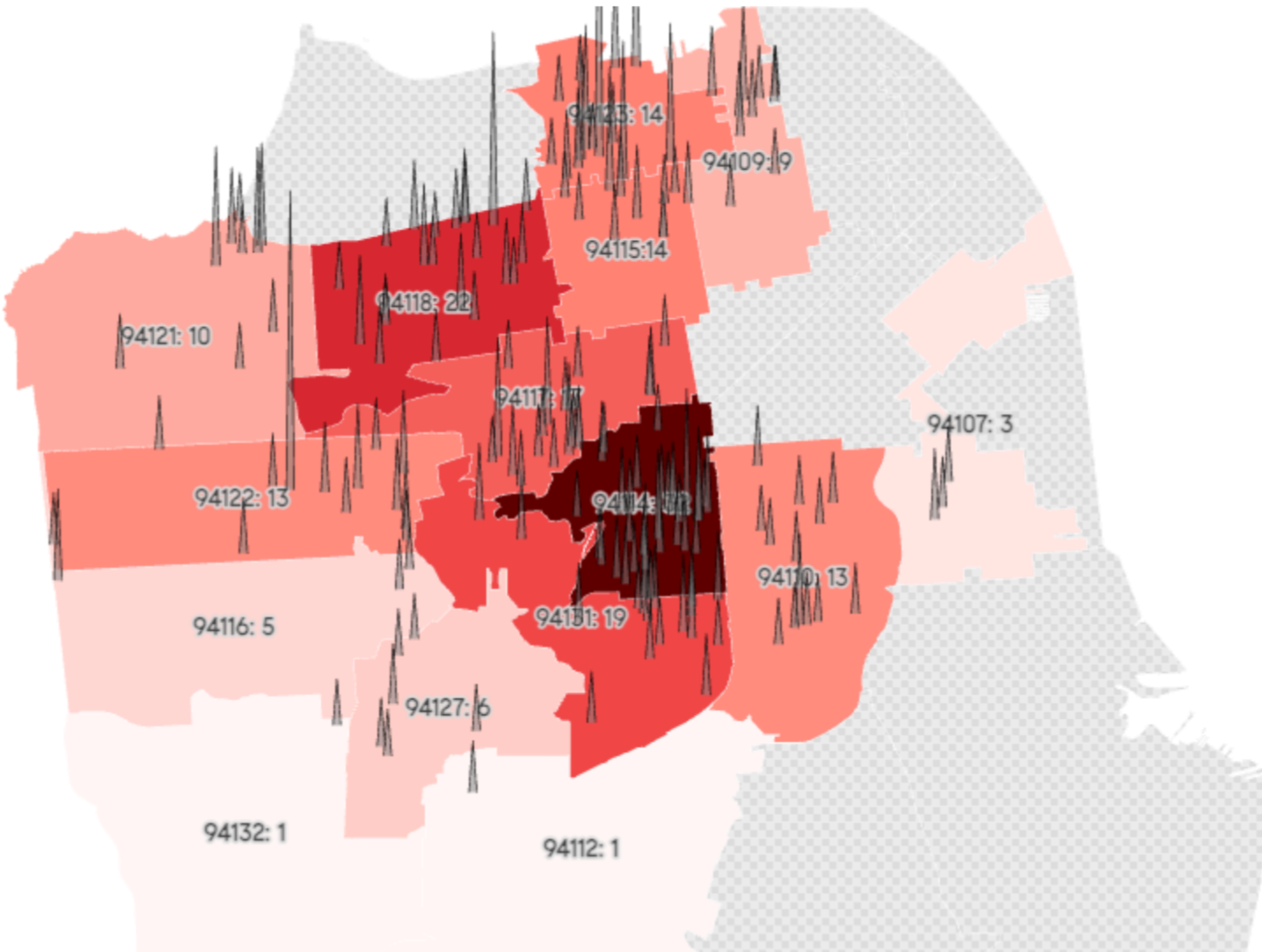


Source: Compass via MLS Data · Home sales where sale price exceeded the final list price by at least $1 million.

COMPASS INTERNATIONAL HOLDINGS

Where The Money is Concentrating

San Francisco home sales at least $1 million over the asking price. The pace of those closing at least $1 million over ask illustrates the most desirable neighborhoods.

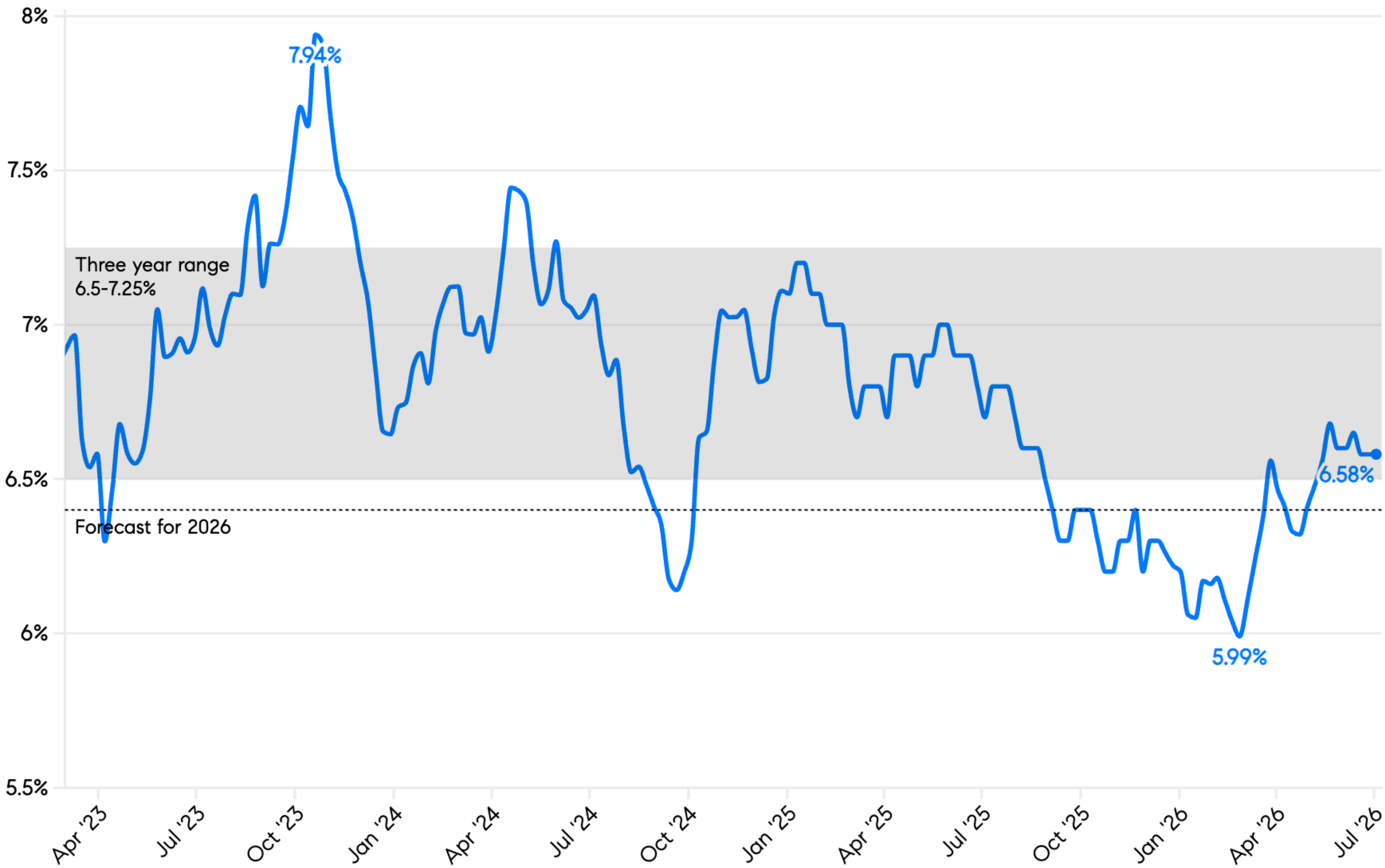


Source: Compass via MLS data · Home sales where sale price was at least $1 million over the final ask price. The height of each spike represents the total dollars over asking.

COMPASS INTERNATIONAL HOLDINGS

Mortgage Rates Stay In The Mid-6s

Interest have stayed elevated due persistent inflation news and recently improved 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 again.

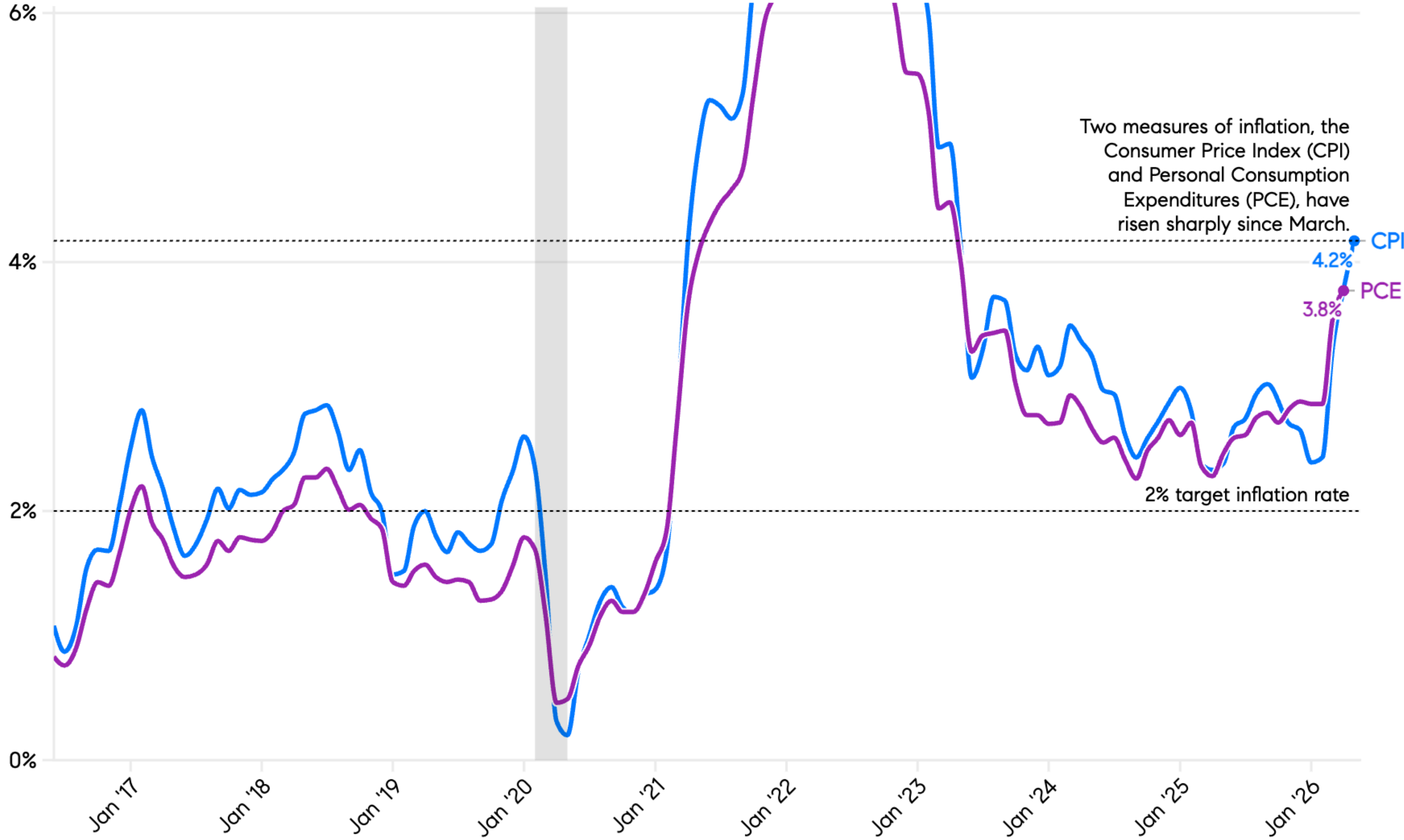


Source: Mortgage News Daily, Compass

COMPASS INTERNATIONAL HOLDINGS

Inflation Accelerates in June

Tariffs, oil, and government spending are all contributing to re-accelerating inflation. Recently falling oil prices are not yet visible in the inflation data. Inflation has forced interest rates higher, adding to affordability challenges with real estate.

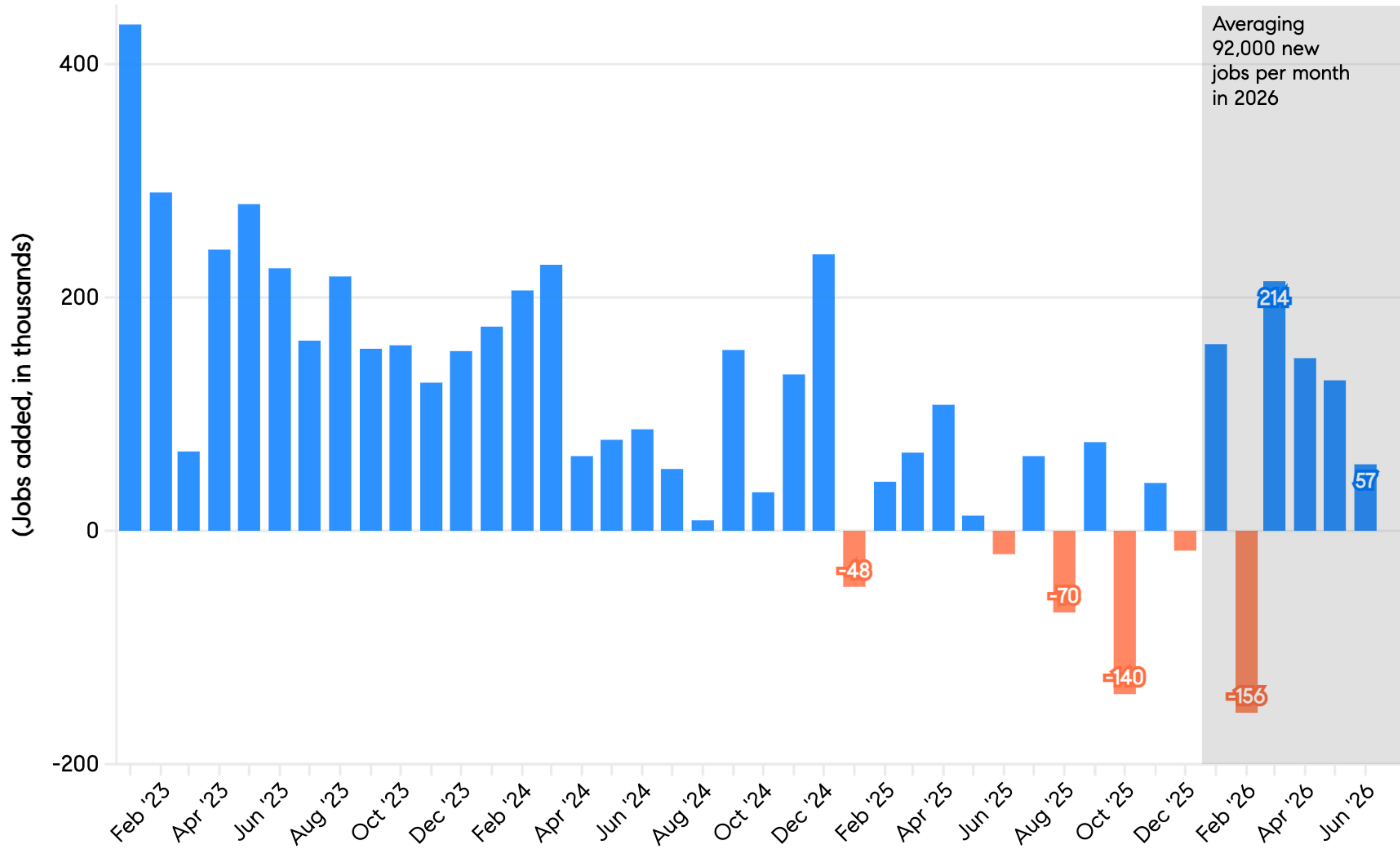


Source: US BLS, BEA

COMPASS INTERNATIONAL HOLDINGS

National Employment Grows Slowly

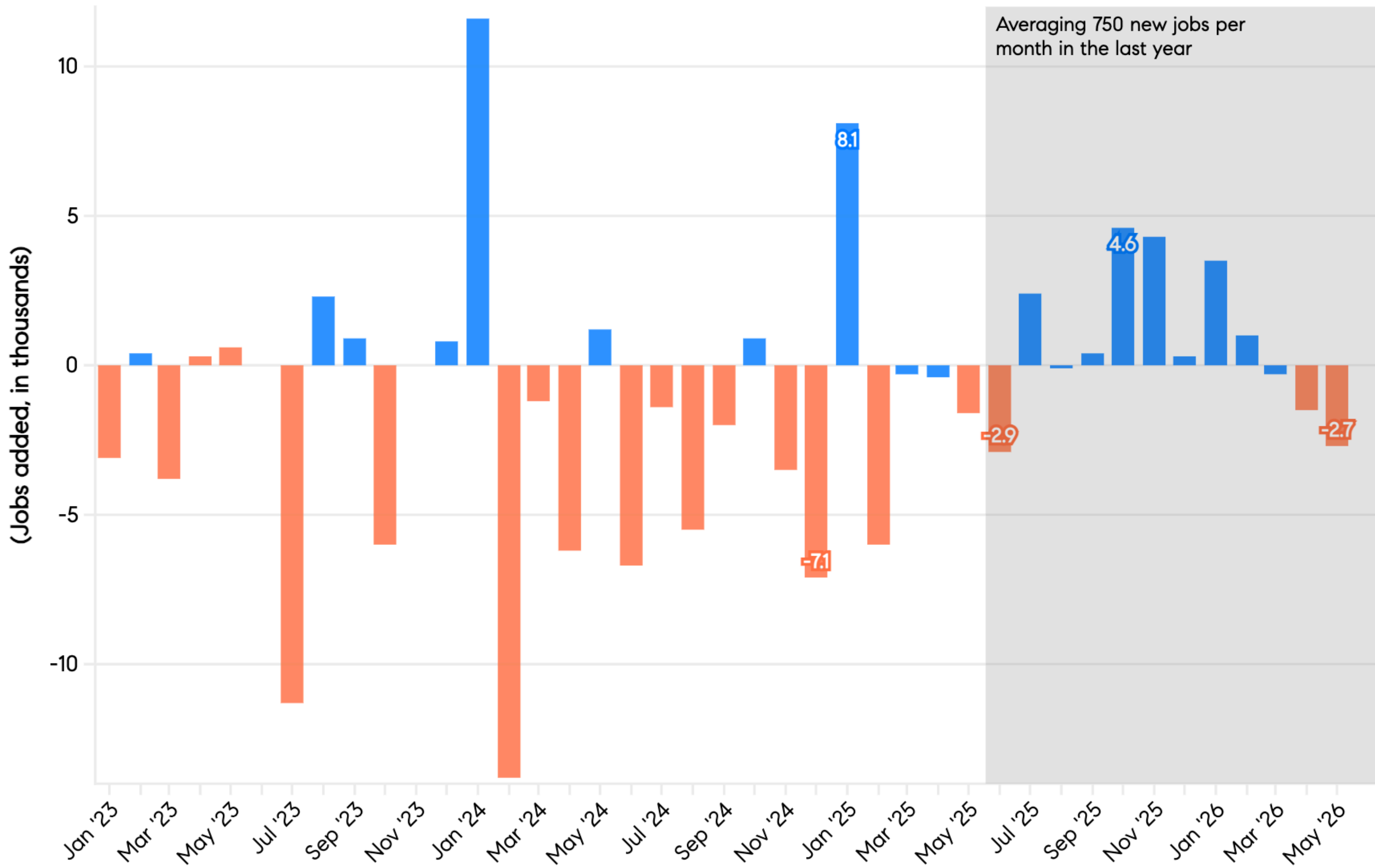
The labor market shows four months of growth after a very weak 2025. Corporate profitability is improving, AI investment is booming, and government spending is unabated, all of which are drivers of continued expansion in 2026. An improving labor market is generally positive for housing.



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

Bay Area Job Growth Slows Again

While the most recent 12 months have been mildly positive for job growth in the Bay Area, the most recent two months report a weakening job market again.

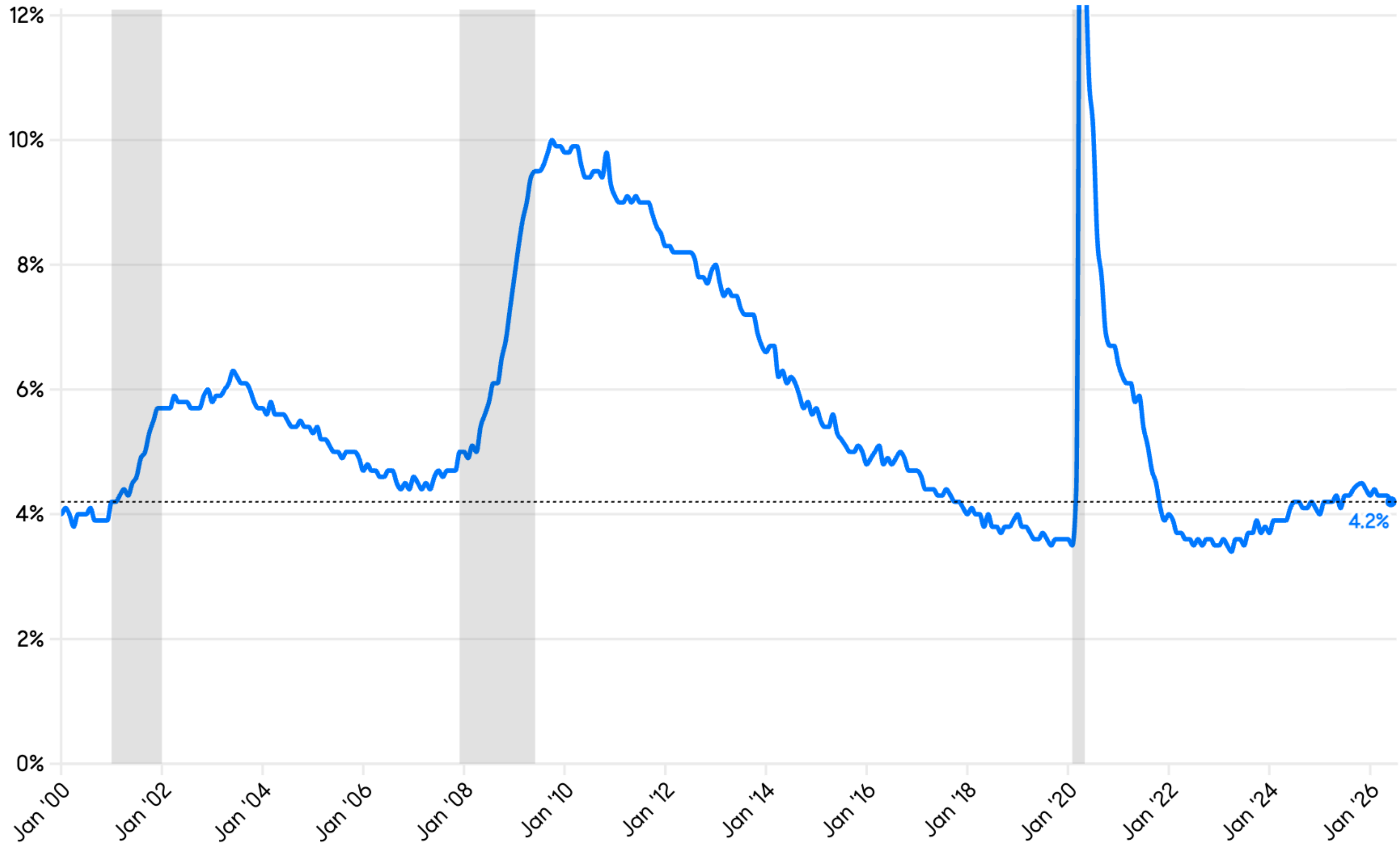


Source: BLS Non-Farm Payrolls, Total jobs, seasonally adjusted

COMPASS INTERNATIONAL HOLDINGS

June Unemployment Declined

Headline Unemployment (U3) has moved lower since November. The June numbers defied expectations and dropped to 4.2%. Continued low unemployment implies very few distressed home sales but also generally holds interest rates higher.

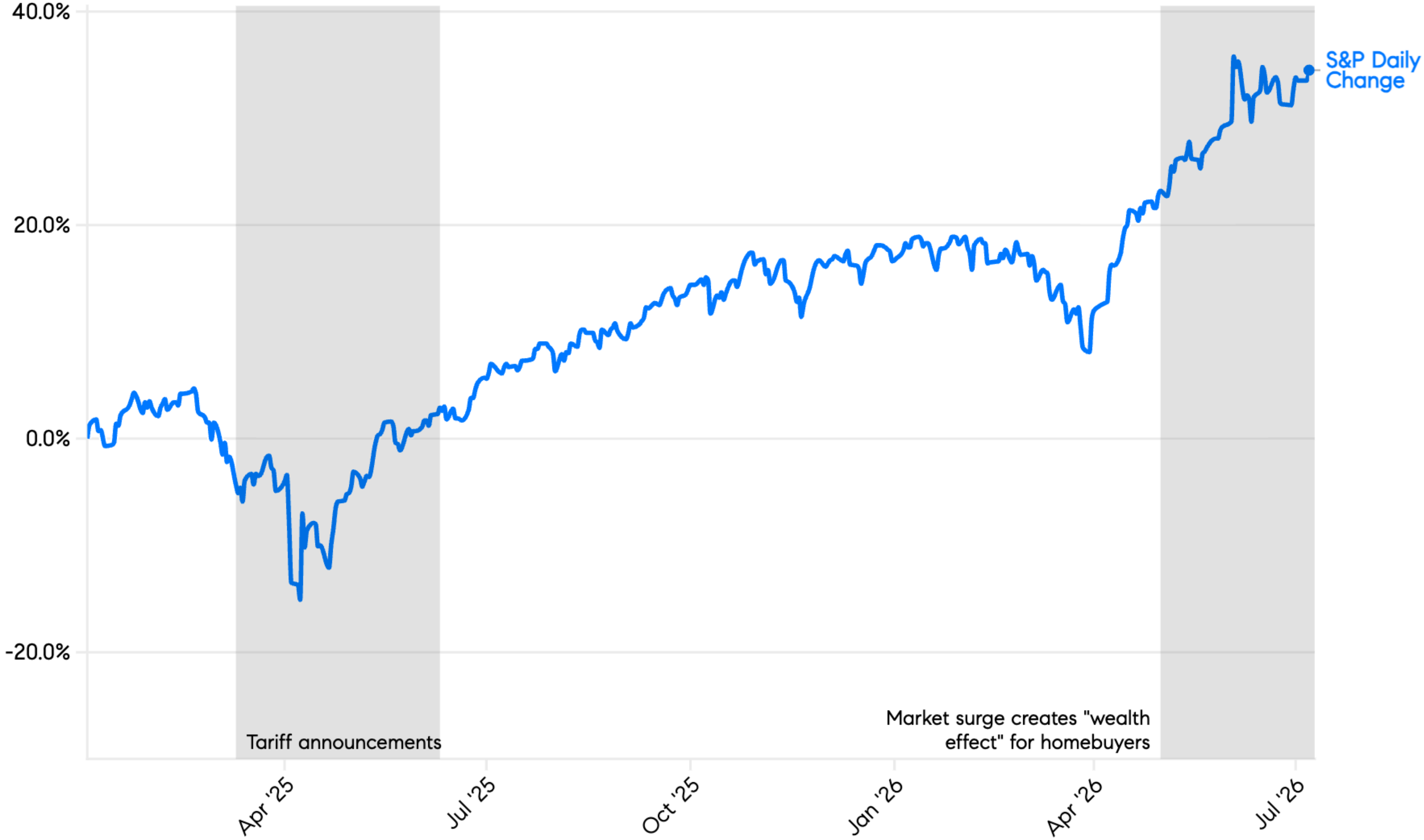


Source: US BLS

COMPASS INTERNATIONAL HOLDINGS

Wealth Effect Drives Home Purchase Demand

With stock markets near all time highs, a powerful "wealth effect" is created for potential homebuyers. The opposite effect was felt in 2025 after tariffs slowed the economy and ate up business profits. This wealth effect has had dramatic results in the Bay Area with AI related market boom and IPOs in the pipeline.

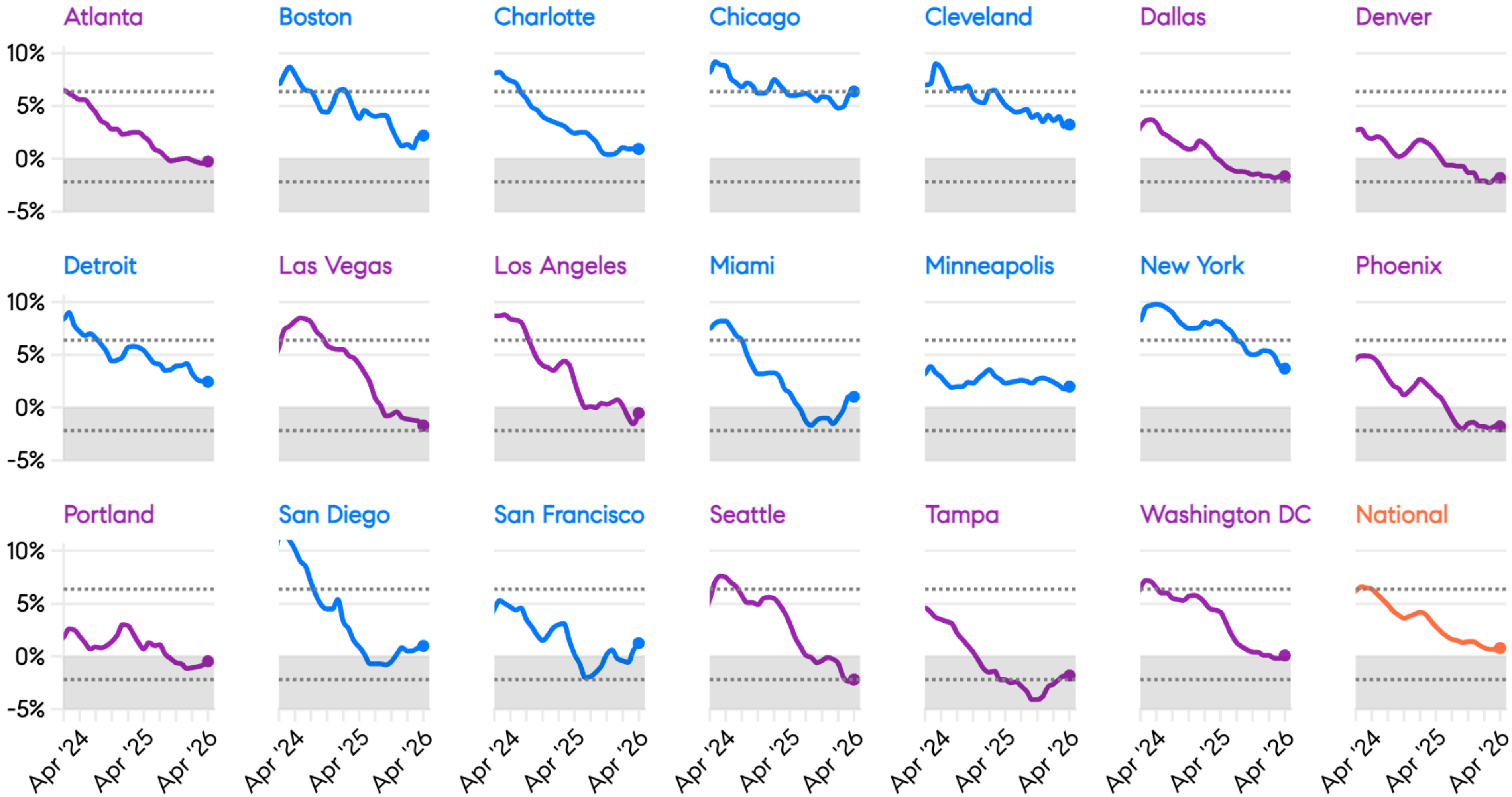


Source: MarketWatch.com
Index change vs. Jan 1. 2025

COMPASS INTERNATIONAL HOLDINGS

Bay Area Sales Price Growth is Accelerating

According to the Case Shiller Index, nationally home prices are only 0.8% above last year. San Francisco prices have recently swung positive while other Western US cities show prices falling compared to last year.

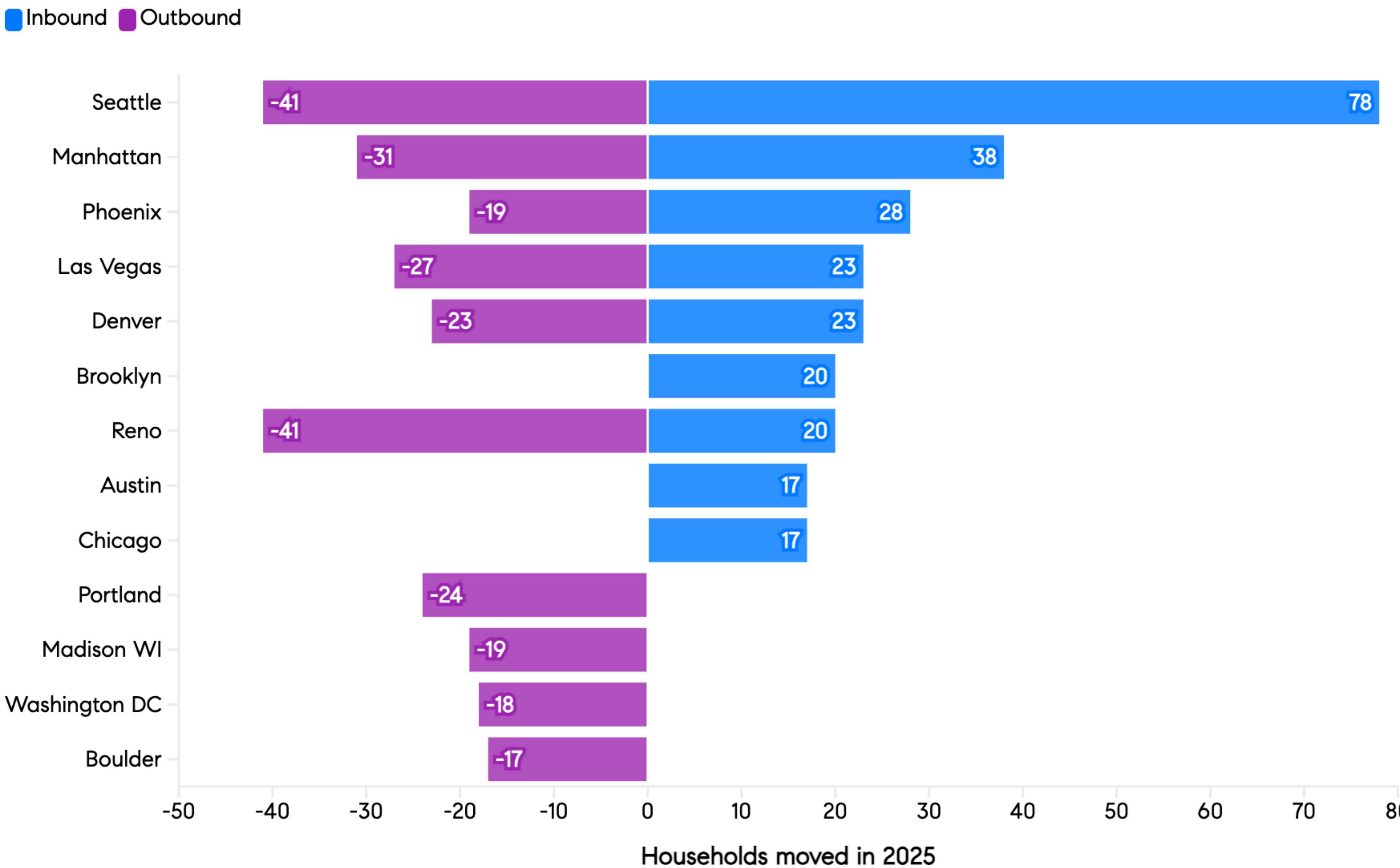


Source: S&P CoreLogic Case-Shiller · Purple cities have home price appreciation vs. March 2025. Orange cities have home price declines from Mar 2025. Dotted lines are top and bottom performing markets. Gray area is below 0%

COMPASS INTERNATIONAL HOLDINGS

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.

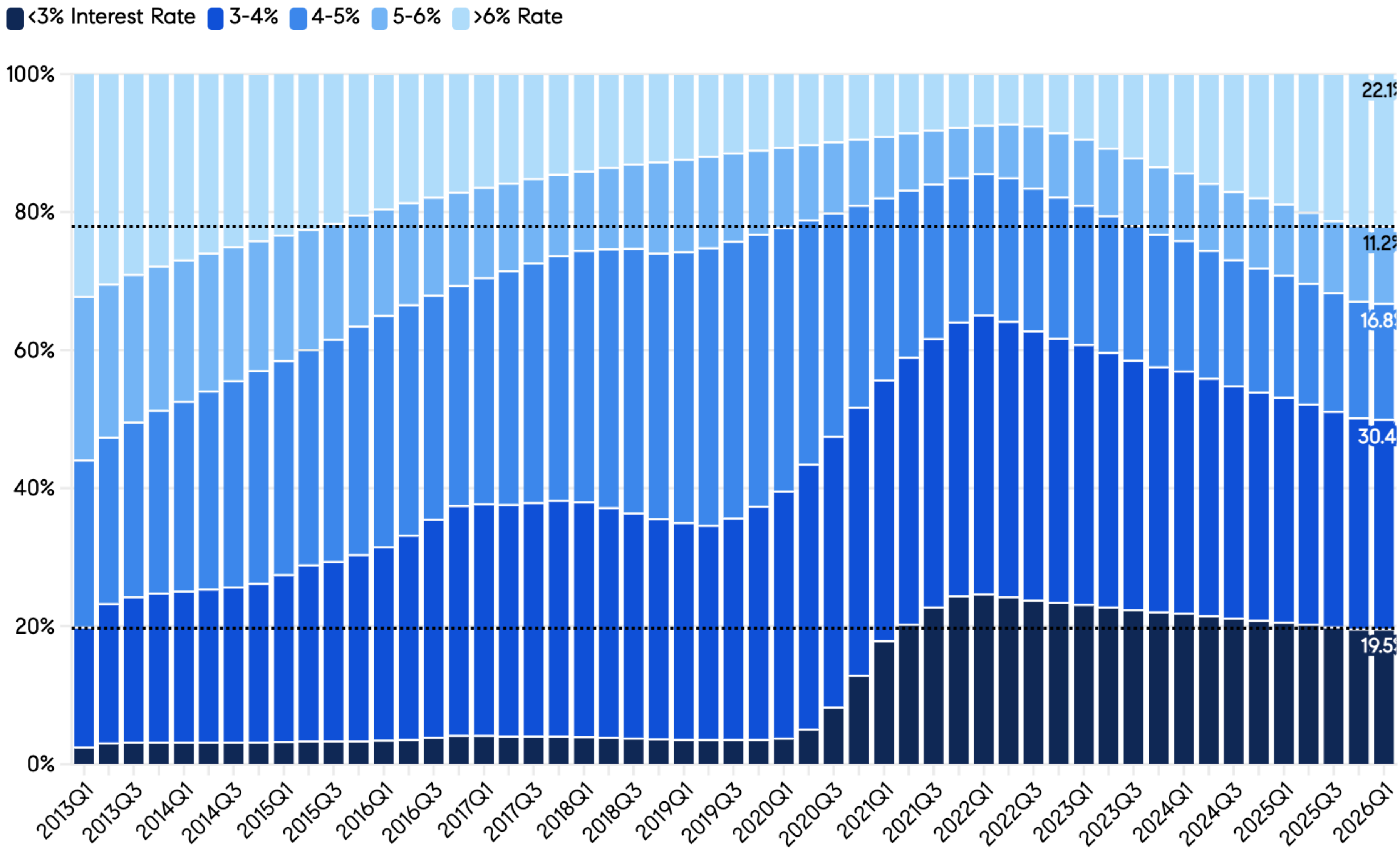


Source: Censai Analytics · Top 10 inbound and outbound counties tracked. Sources include change of address forms and voter registration changes. Likely undercounts students and non-voters.

COMPASS INTERNATIONAL HOLDINGS

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 will grow.



Source: FHFA · All outstanding mortgages, through December 2025

COMPASS INTERNATIONAL HOLDINGS

Santa Clara County 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.

Santa Clara Market Recap

Santa Clara County recorded the second-largest year-over-year decline in median sale price among Bay Area counties, with prices down 9%. The median sale price fell from $2,100,000 in June 2025 to $1,910,000 million in June 2026 for single family homes.

There were 835 single-family homes closed in June 2026, generally in line with previous years, with the exception of the unusually active market in 2022.

The market continues to strongly favor sellers. As of the last day of June 2026, Santa Clara County had 1,773 active listings and 861 single family and condos under contract, resulting in an absorption rate of 43% and just 2.1 months of inventory.

Looking at year-over-year price appreciation, both the single-family home and condo markets have weakened. Condo median prices are currently 12% below their June 2025 level, with this depreciation trend beginning around September 2025. Despite softer prices, the median price per square foot has remained relatively stable at approximately $1,090, while the median home size has held steady at roughly 1,800 square feet, suggesting the decline in median prices is not being driven by smaller homes selling.

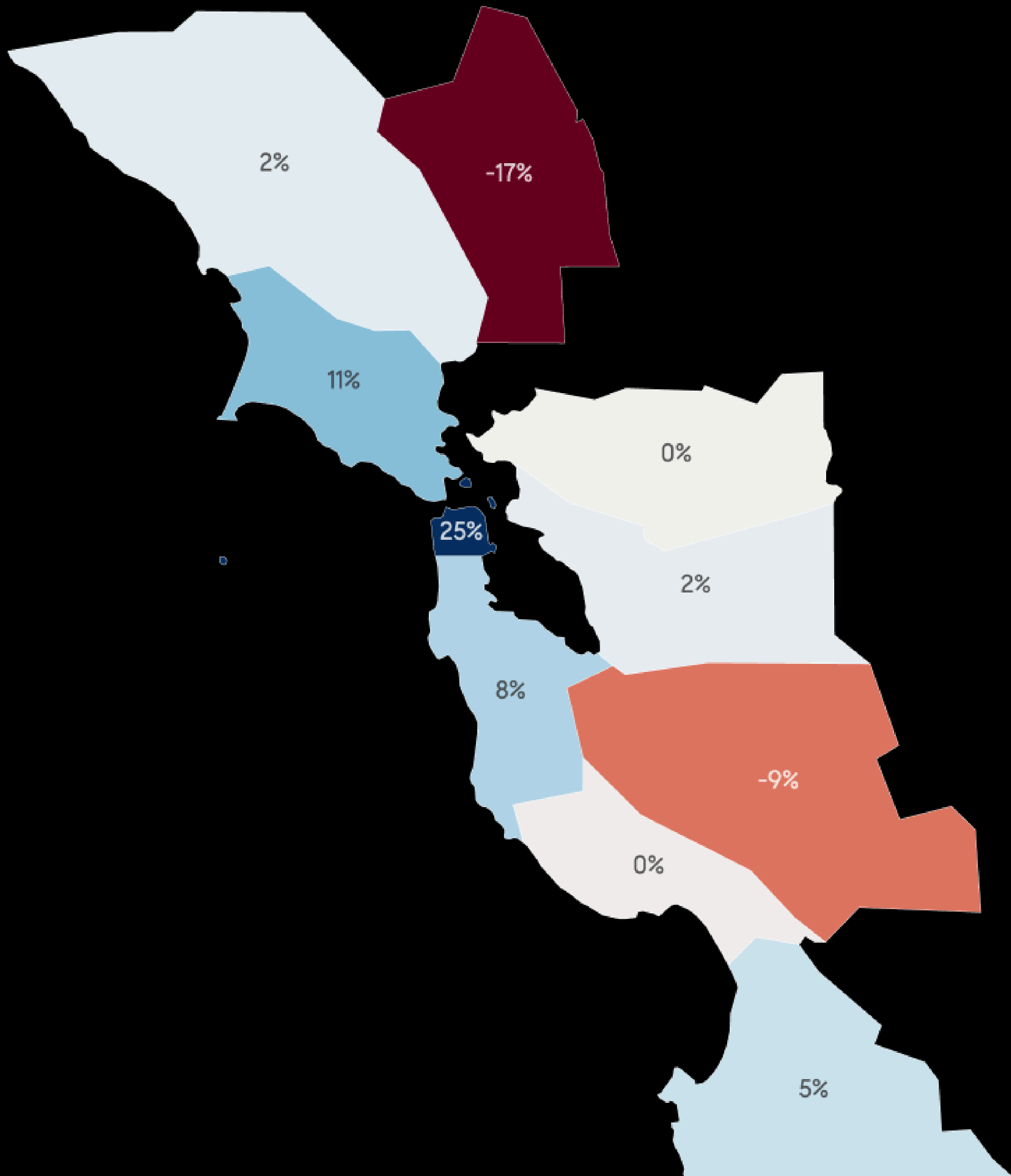
Price reductions eased slightly from a month earlier, declining to 473 in June. Even so, the average single family home sold for 101% of its asking price, indicating that well-priced homes remain competitive. The sale-to-list price ratio rose sharply beginning in October 2021 before falling rapidly between April and July 2022, coinciding with aggressive interest rate hikes and increasing price reductions. Since then, both metrics have largely normalized and now exhibit typical seasonal patterns.

Homes are taking slightly longer to sell than they did a year ago. In June, the average days on market was 27 for single-family homes and 46 for condos, compared with a respective 24 and 37 in June 2025.

The median condo sale price in Santa Clara County was $661,500 in June 2026. There were 150 condo sales, generally in line with recent years but below the 237 condos sold in June 2022. Condo values continue to soften, with price per square foot declining steadily since June 2024 to $678. The median condo size sold in June was 1,067 square feet.

Over the past 12 months, San Jose recorded the highest number of condo sales (933), followed by Santa Clara and Mountain View, making them the county's most active condo markets.

Home Price Change vs 2025

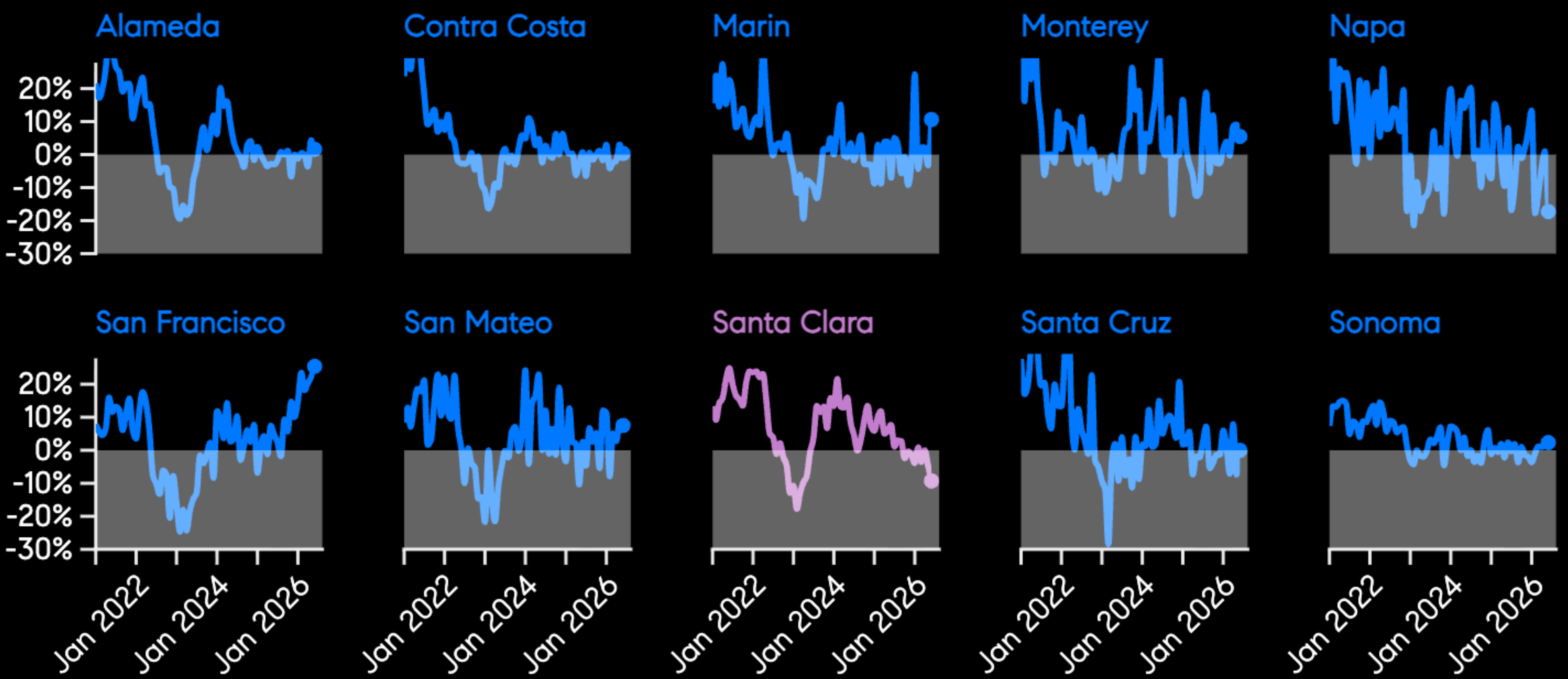


Source: Compass via MLS data · Median sales price single family homes

COMPASS INTERNATIONAL HOLDINGS

Home Price Changes Over Time

Median sales prices in Santa Clara have decreased by 9.3% compared to this same time last year.



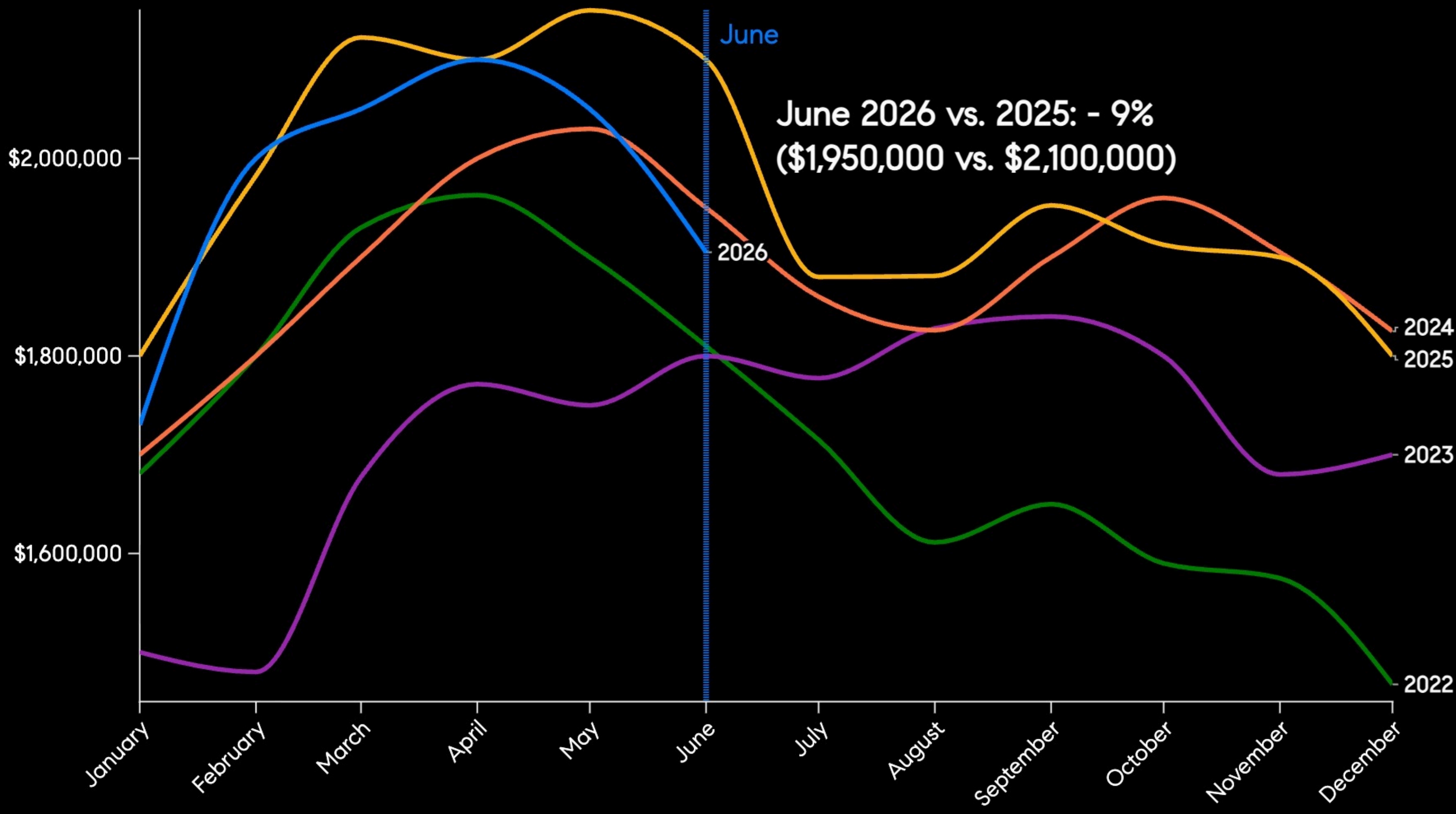
Source: Compass via MLS data · Median sales price for single family homes, change vs same month 1 year prior

COMPASS INTERNATIONAL HOLDINGS

Median Sale Price

Single Family Homes

Santa Clara County



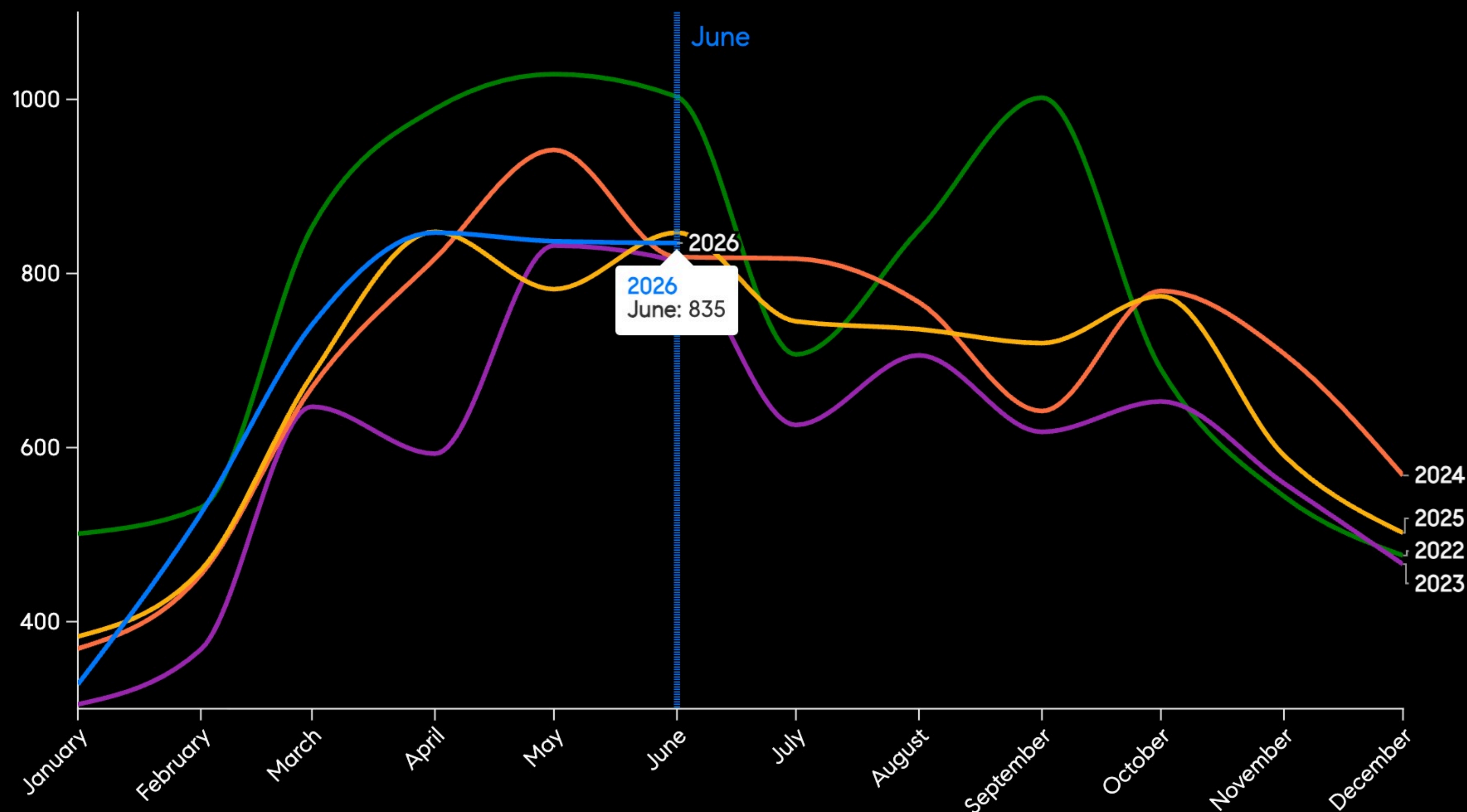
Source: Compass via MLS · Single Family

COMPASS INTERNATIONAL HOLDINGS

Closed Sales

Single Family Homes

Santa Clara County

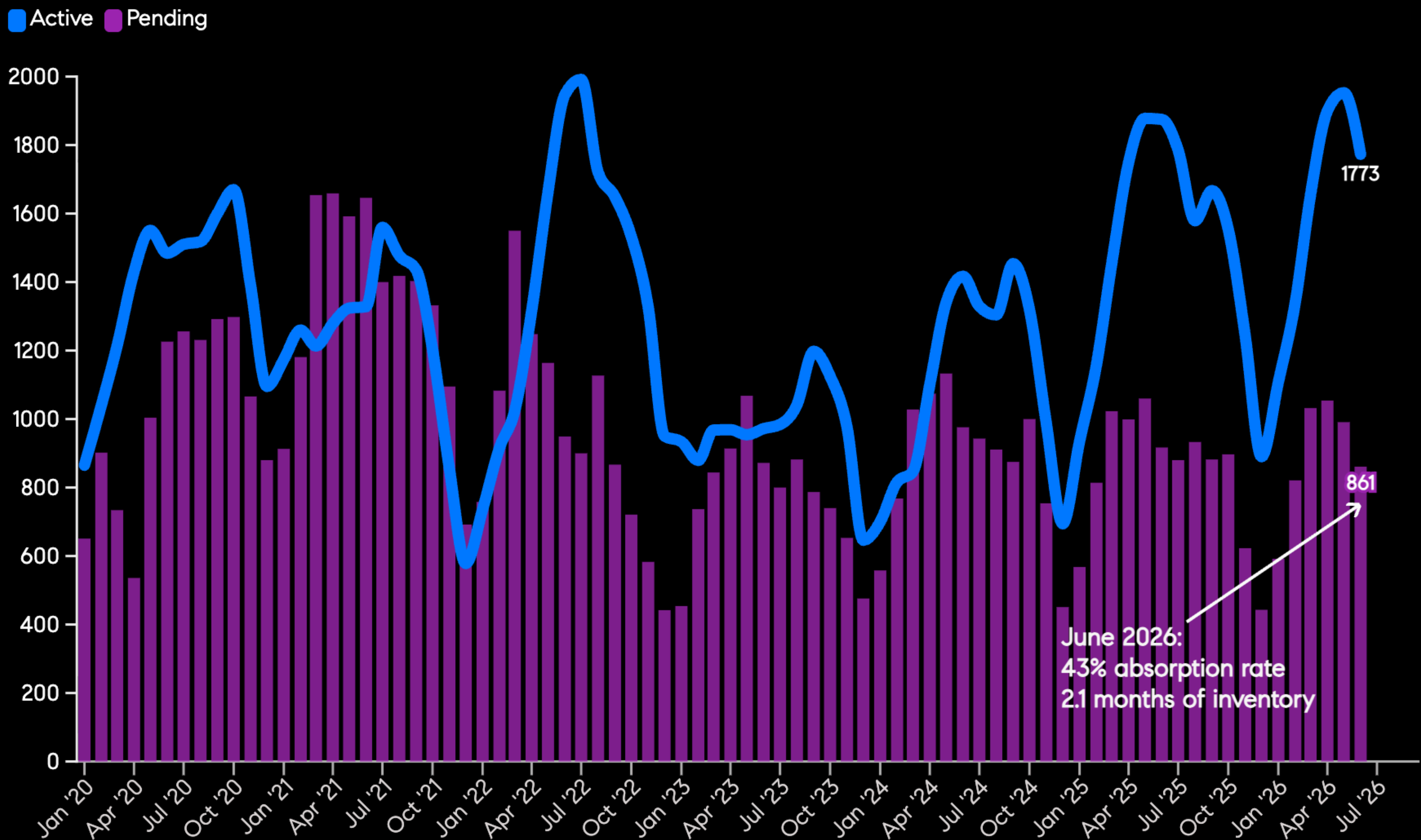


Source: Compass via MLS · Single Family

COMPASS INTERNATIONAL HOLDINGS

Active Listings and Pending Sales

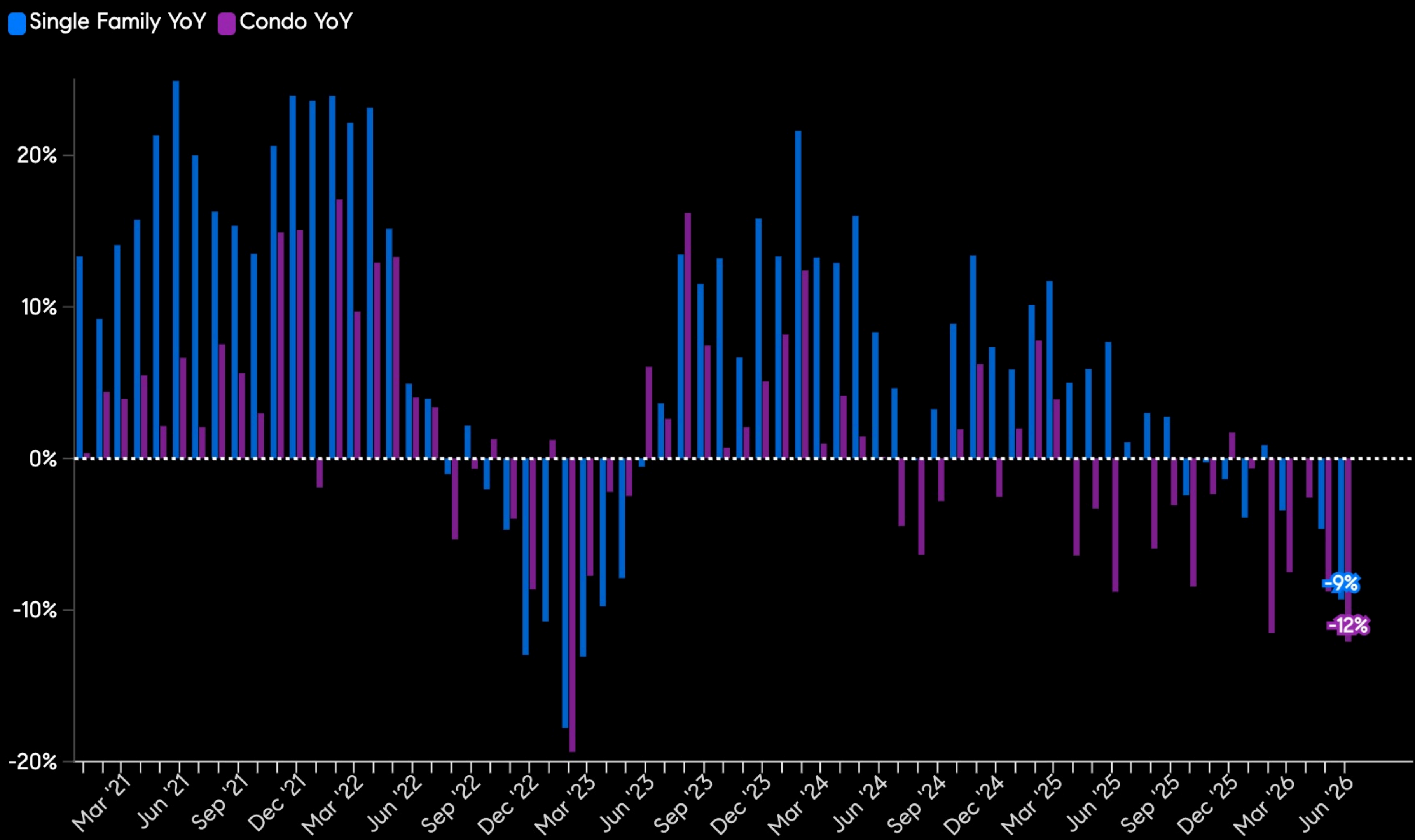
Santa Clara County



Source: Compass via MLS · Single Family Homes and Condos

Median Price Year Over Year Change

Santa Clara County

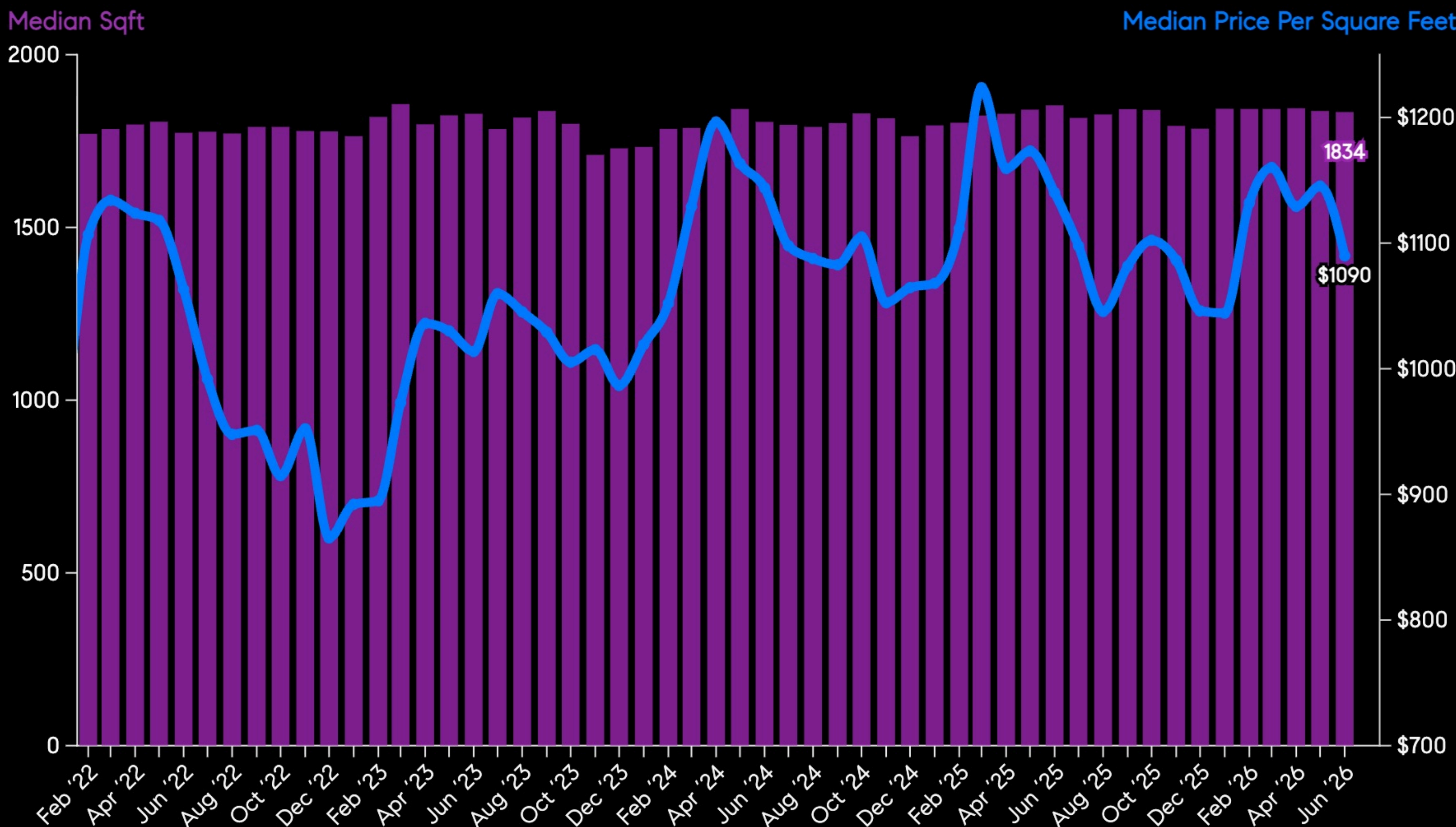


Source: Compass via MLS

COMPASS INTERNATIONAL HOLDINGS

Price Per Square Foot and Median Square Feet

Santa Clara County

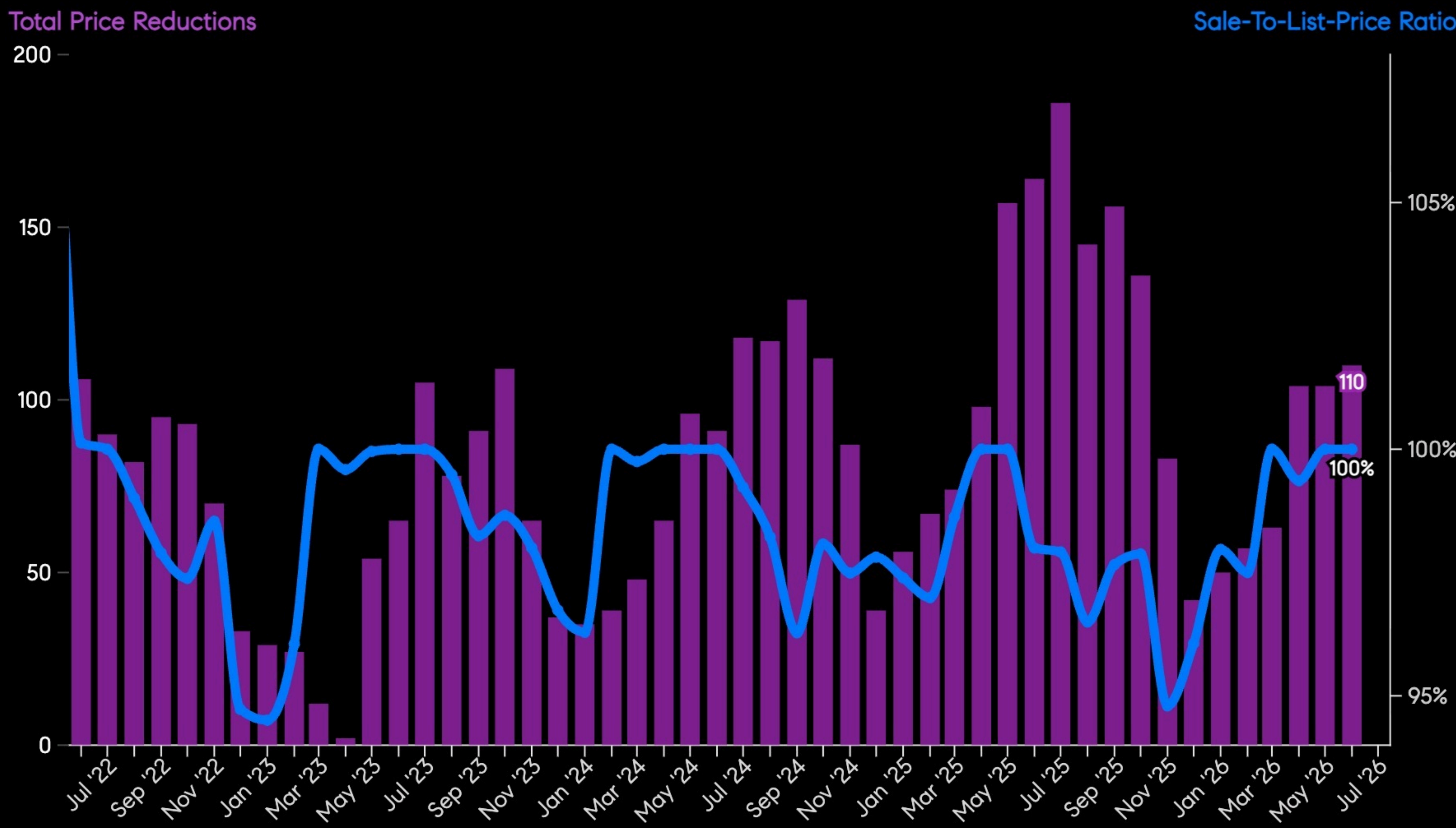


Source: Compass via MLS data · Single Family Homes

COMPASS INTERNATIONAL HOLDINGS

Sale-To-List-Price Ratio

Santa Cruz County

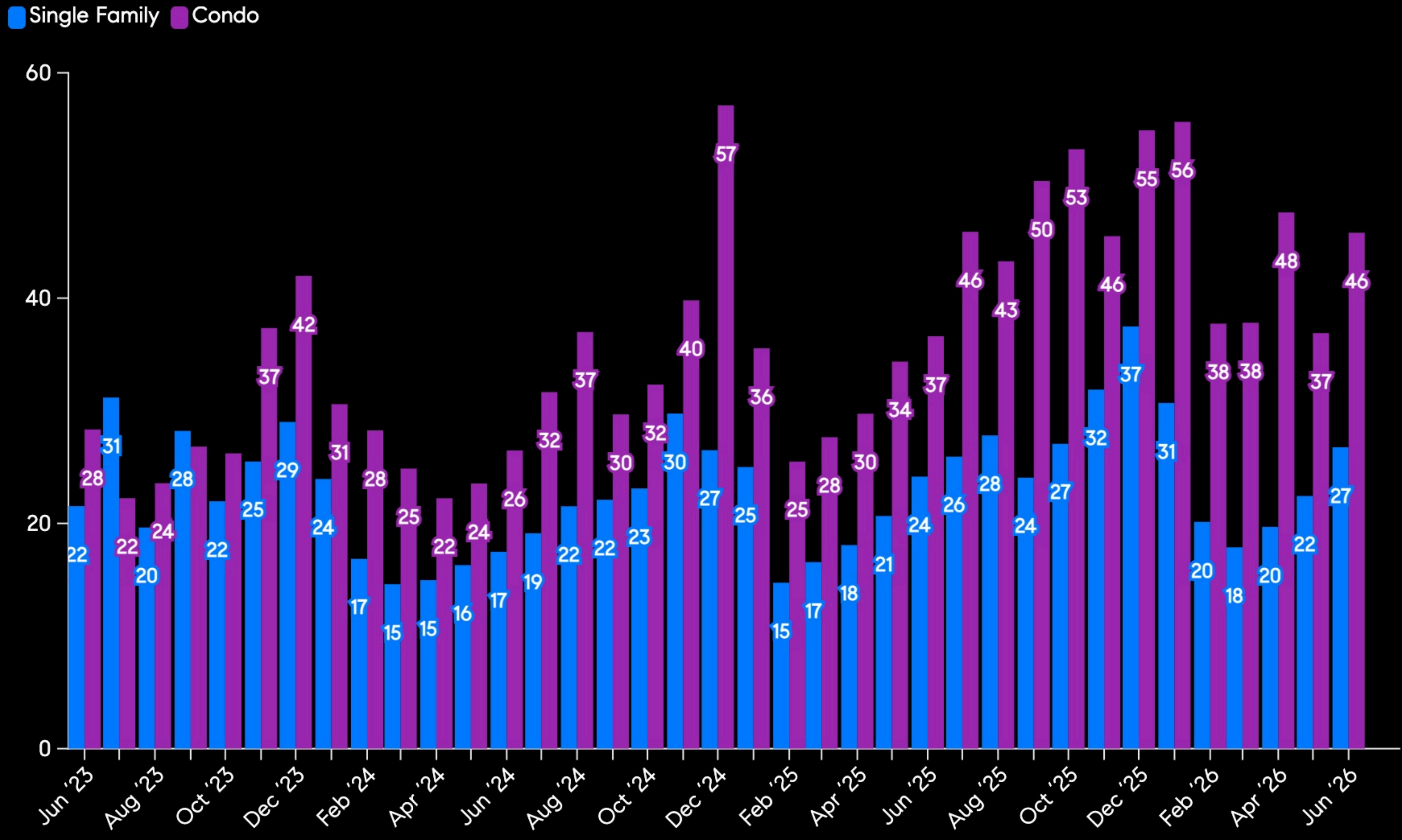


Source: Compass via MLS · Single Family Homes

COMPASS INTERNATIONAL HOLDINGS

Average Days on Market

Santa Clara County



Source: Compass via MLS · Single Family

COMPASS INTERNATIONAL HOLDINGS

Local Santa Clara County Communities

June 12 month rolling average for local single family homes

City	Median Sale Price	MDN % Change	PPSFT	Closed Sales	Closed % Change	Pendings
Campbell	$2,133,000	0.02	$1,208	206	-0.03	216
Cupertino	$3,395,700	-0.01	$1,661	208	-0.13	211
Gilroy	$1,150,000	0.01	$525	368	-0.01	373
Los Altos	$4,750,000	-0.02	$1,944	291	0.01	290
Los Altos Hills	$5,431,500	-0.02	$1,548	108	0.23	112
Los Gatos	$2,697,500	-0.01	$1,239	403	0.03	398
Milpitas	$1,630,444	-0.02	$997	196	-0.09	194
Monte Sereno	$4,668,000	-0.07	$1,529	37	-0.05	43
Morgan Hill	$1,500,000	0.03	$662	385	0.08	392
Mountain View	$2,789,000	0.03	$1,668	235	-0.06	246
Palo Alto	$4,000,000	0.07	$2,074	417	0.08	427
San Jose	$1,650,000	-0.02	$975	4,101	-0.02	4,154

Source: Compass via MLS · Single Family Homes

Local Santa Clara County Communities

June 12 month rolling average for local single family homes

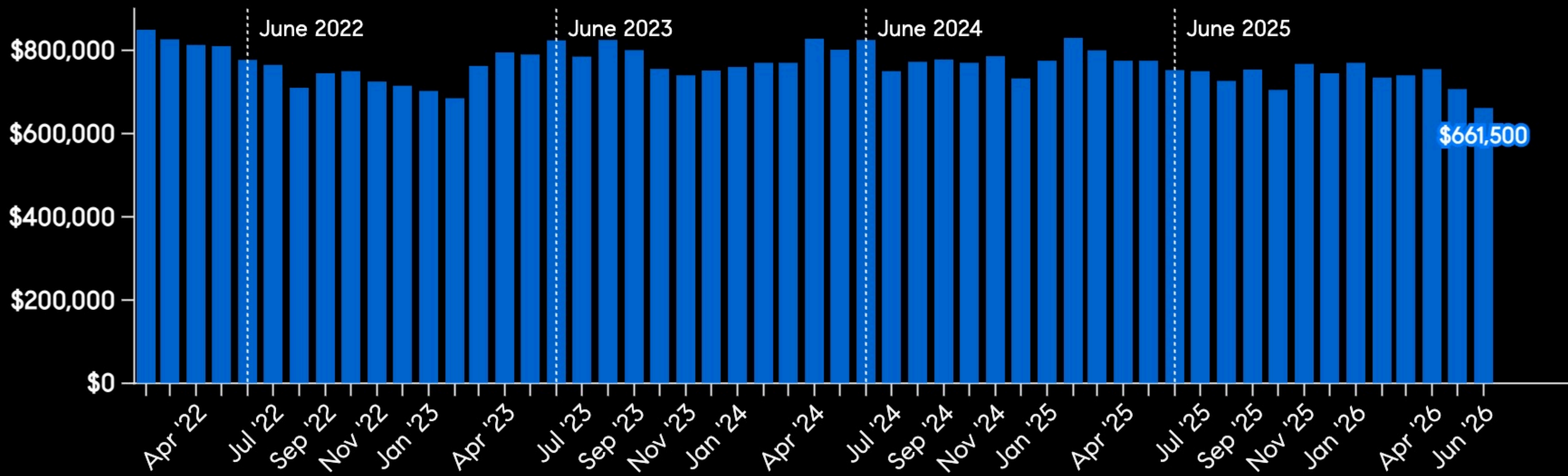
City	Median Sale Price	MDN % Change	PPSFT	Closed Sales	Closed % Change	Pendings
Santa Clara	$1,980,000	0	$1,323	435	-0.01	448
Saratoga	$4,262,500	0.01	$1,588	220	-0.18	221
Sunnyvale	$2,632,500	-0.01	$1,531	529	0.01	523

Source: Compass via MLS · Single Family Homes

Median Sale Price

Condos

Santa Clara County



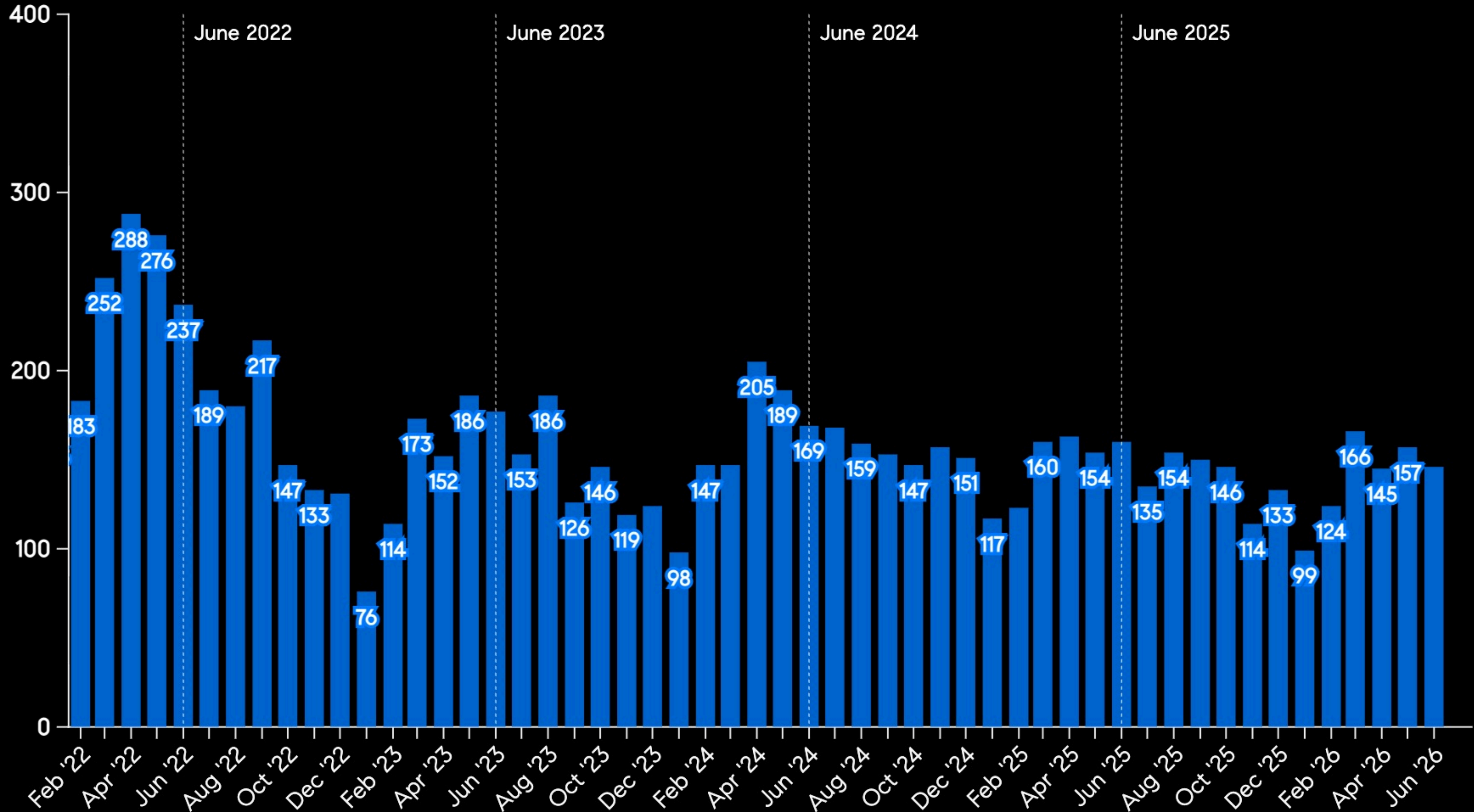
Source: Compass via MLS data · Condos

COMPASS INTERNATIONAL HOLDINGS

Closed Sales

Condos

Santa Clara County

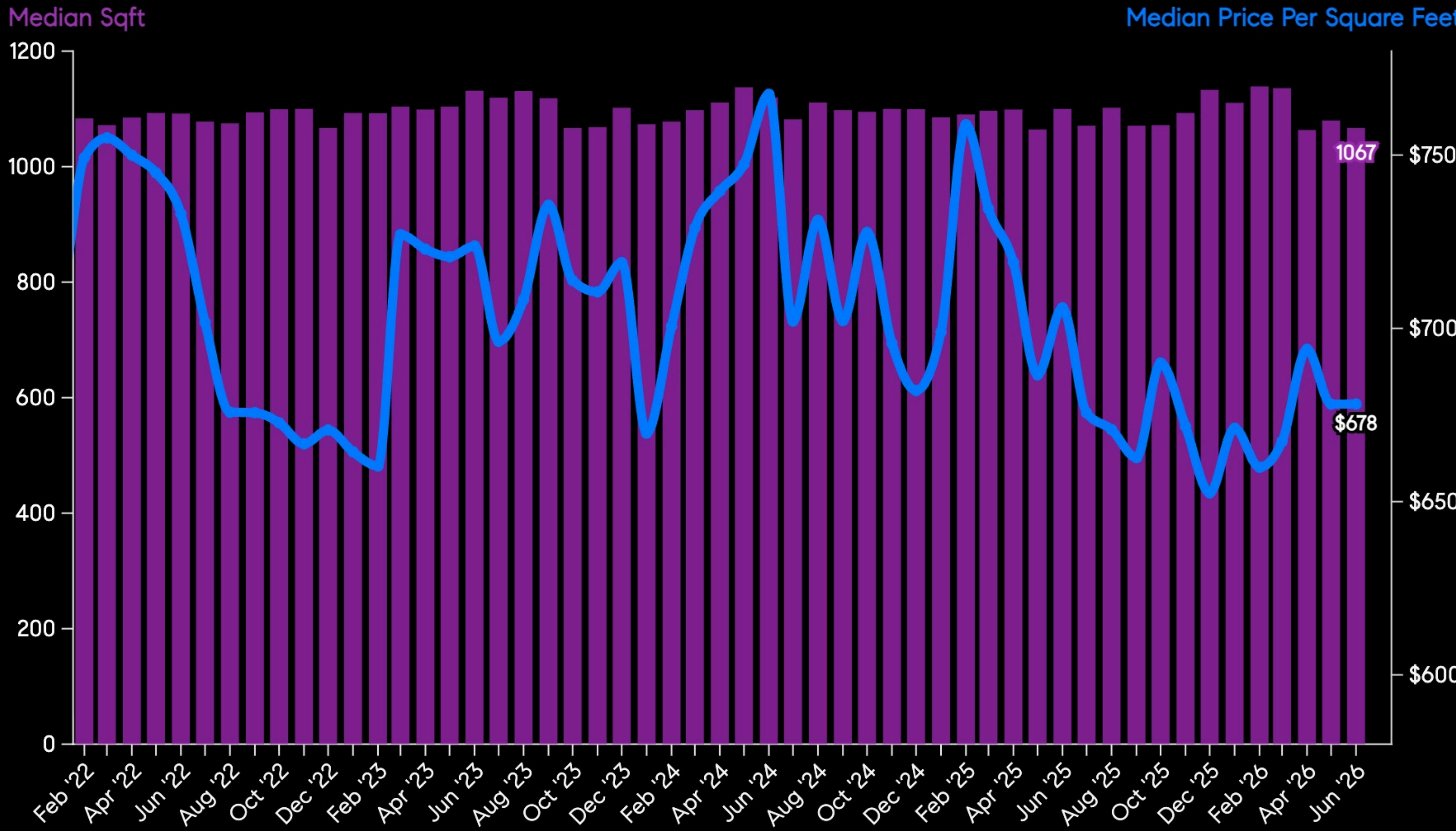


Source: Compass via MLS data · Condos

Price Per Square Foot and Median Square Feet

Condos

Santa Clara County



Source: Compass via MLS data · Condos

COMPASS INTERNATIONAL HOLDINGS

Local Santa Clara County Communities

June 12 month rolling average for condos

City	Median Sale Price	MDN % Change	PPSFT	Closed Sales	Closed % Change	Pendings
Campbell	$700,000	0.01	$743	40	-0.35	42
Cupertino	$1,000,000	-0.18	$897	19	-0.71	19
Gilroy	$545,000	0.07	$484	21	2.5	20
Los Altos	$1,745,000	-0.02	$1422	39	-0.26	40
Los Gatos	$685,000	-0.33	$677	32	-0.38	34
Milpitas	$788,800	-0.1	$674	57	-0.3	59
Morgan Hill	$865,675	0.12	$532	49	0.81	52
Mountain View	$759,000	-0.09	$804	114	-0.02	108
Palo Alto	$1,387,250	0.1	$1039	106	0.49	105
San Jose	$670,000	-0.06	$621	933	-0.08	978
Santa Clara	$690,000	-0.08	$681	123	-0.18	123
Saratoga	$990,000	-0.19	$825	18	-0.1	18
Sunnyvale	$869,000	-0.01	$818	113	0.28	115

Source: Compass via MLS · Condos

COMPASS