COMPASS

June 2026
San Mateo County
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.

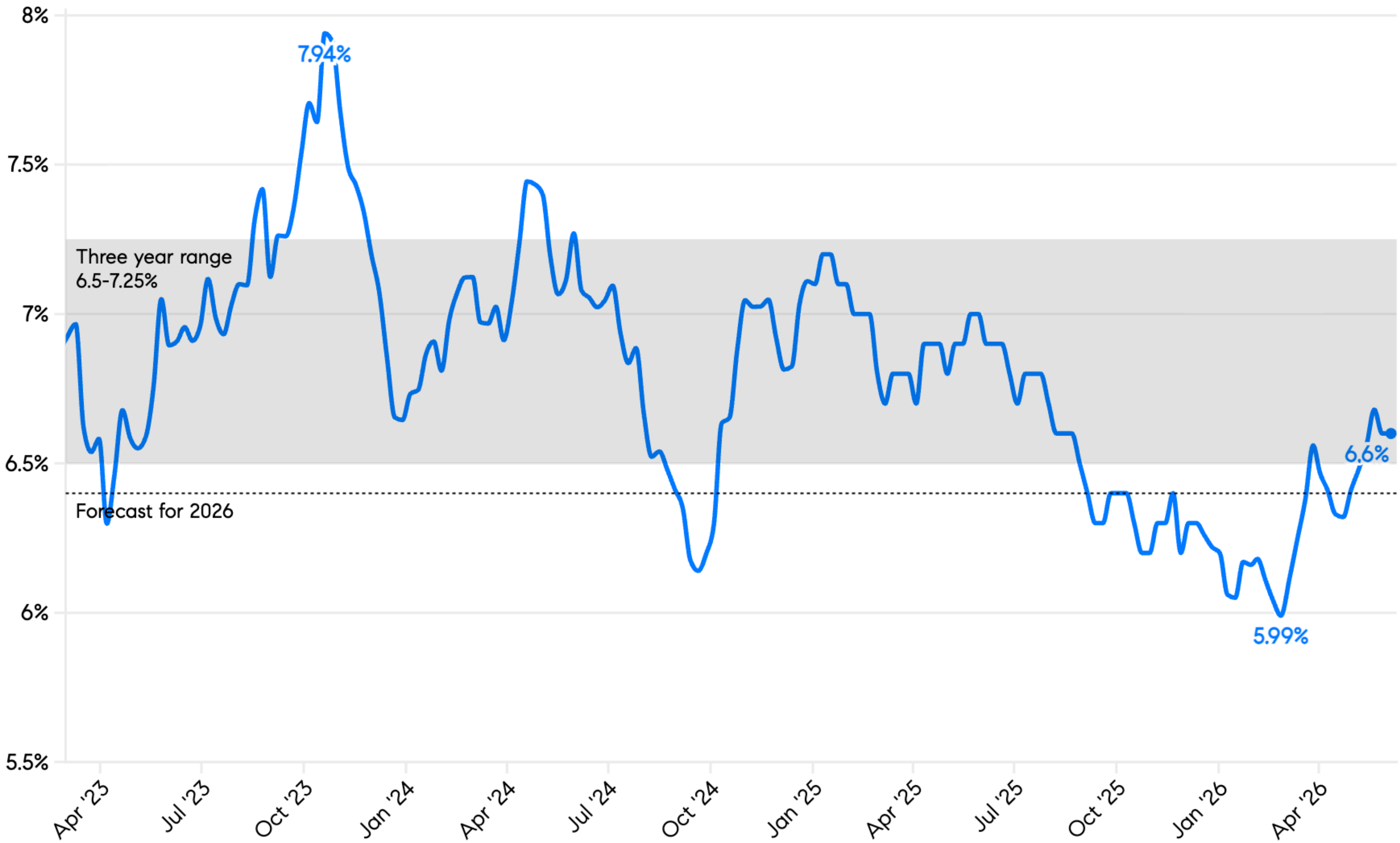
While the city dominates the headlines, many areas have not seen the massive wealth effect driving home buying demand like the city has. In this cycle, this resurgent demand is so far concentrated to a very small section in the city, and luxury markets in Peninsula and Marin.

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.



Source: Mortgage News Daily, Compass

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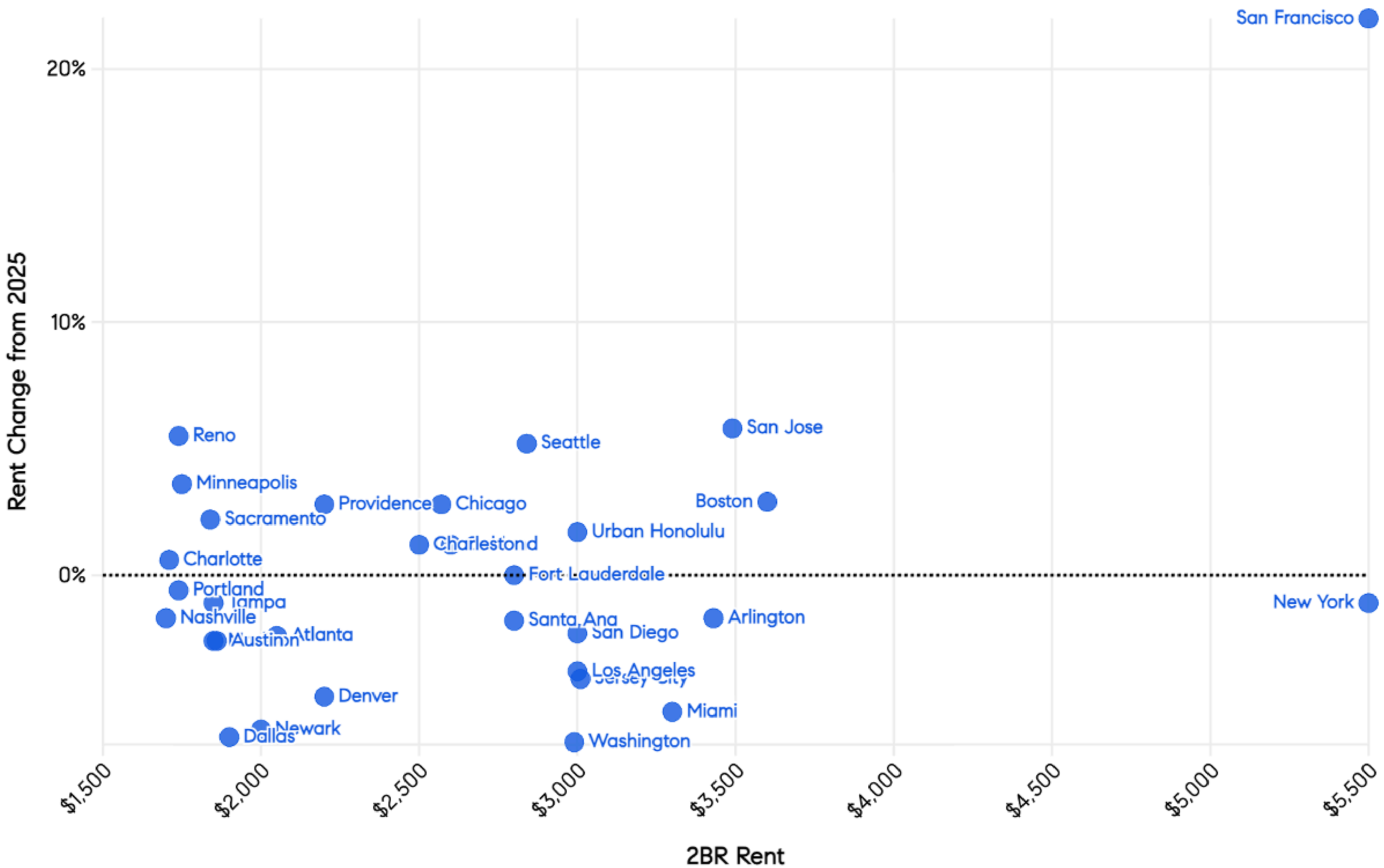
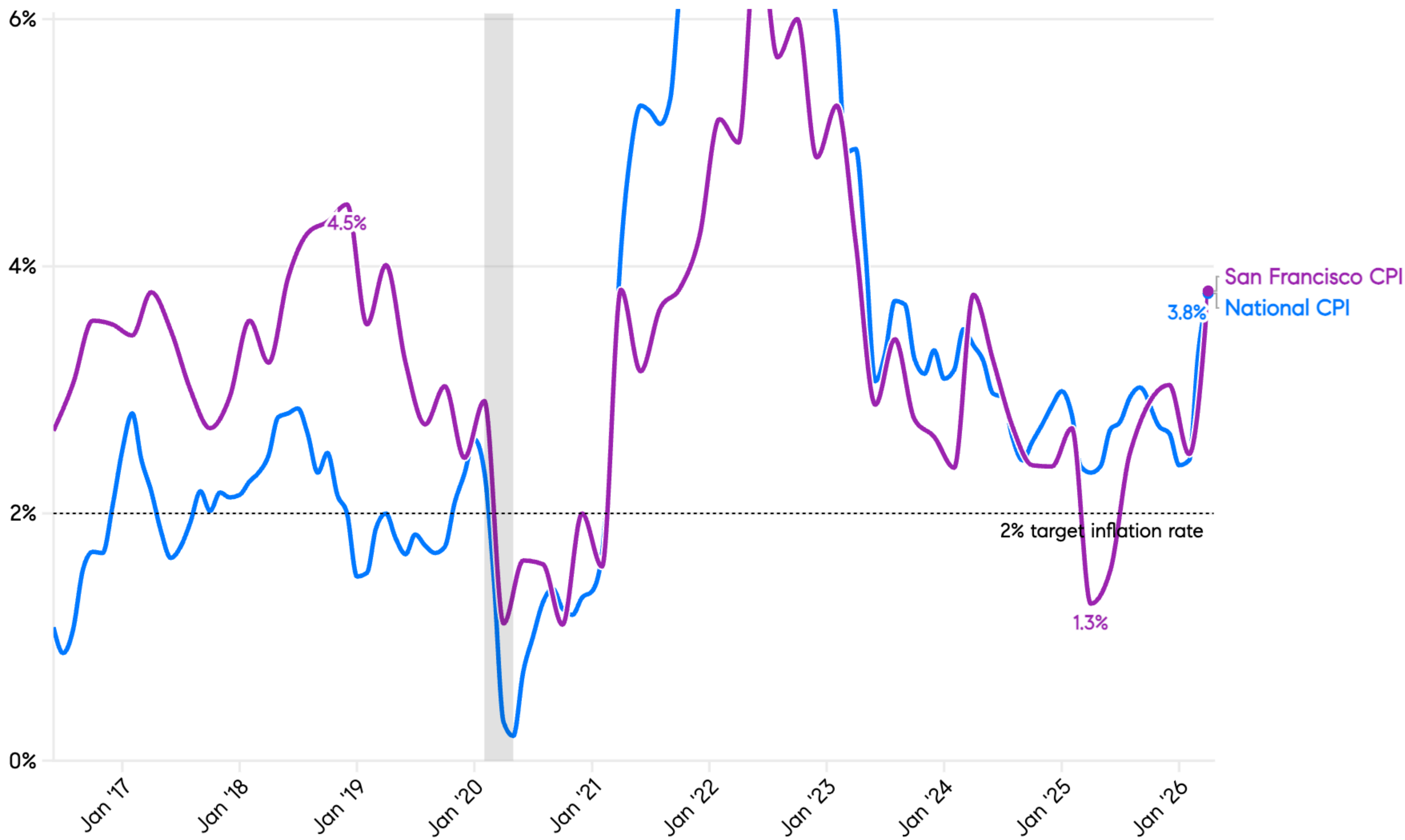
Dramatic Rent Cost Increases in San Francisco

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.



Source: US BLS, BEA

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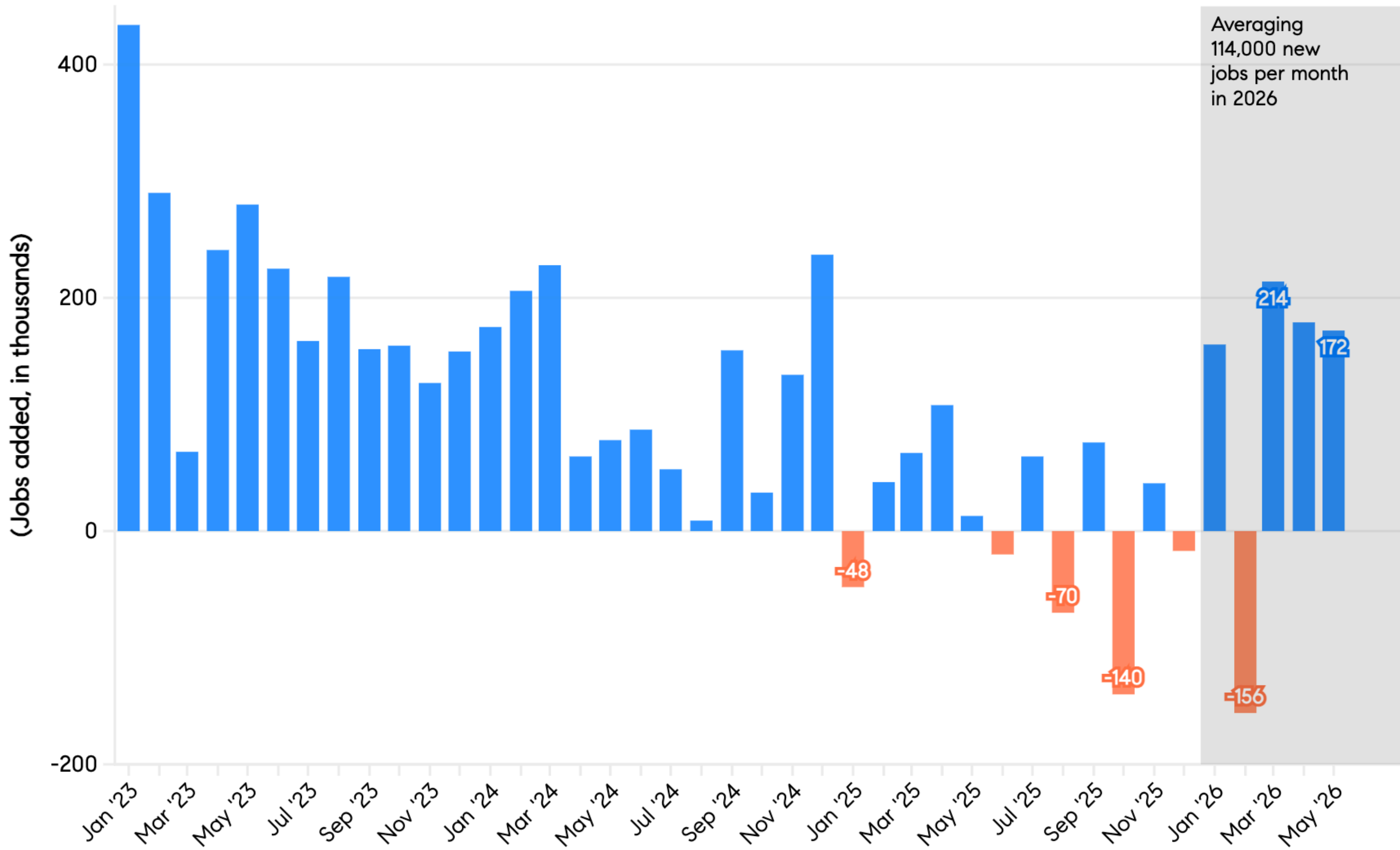
National Employment Grew in May

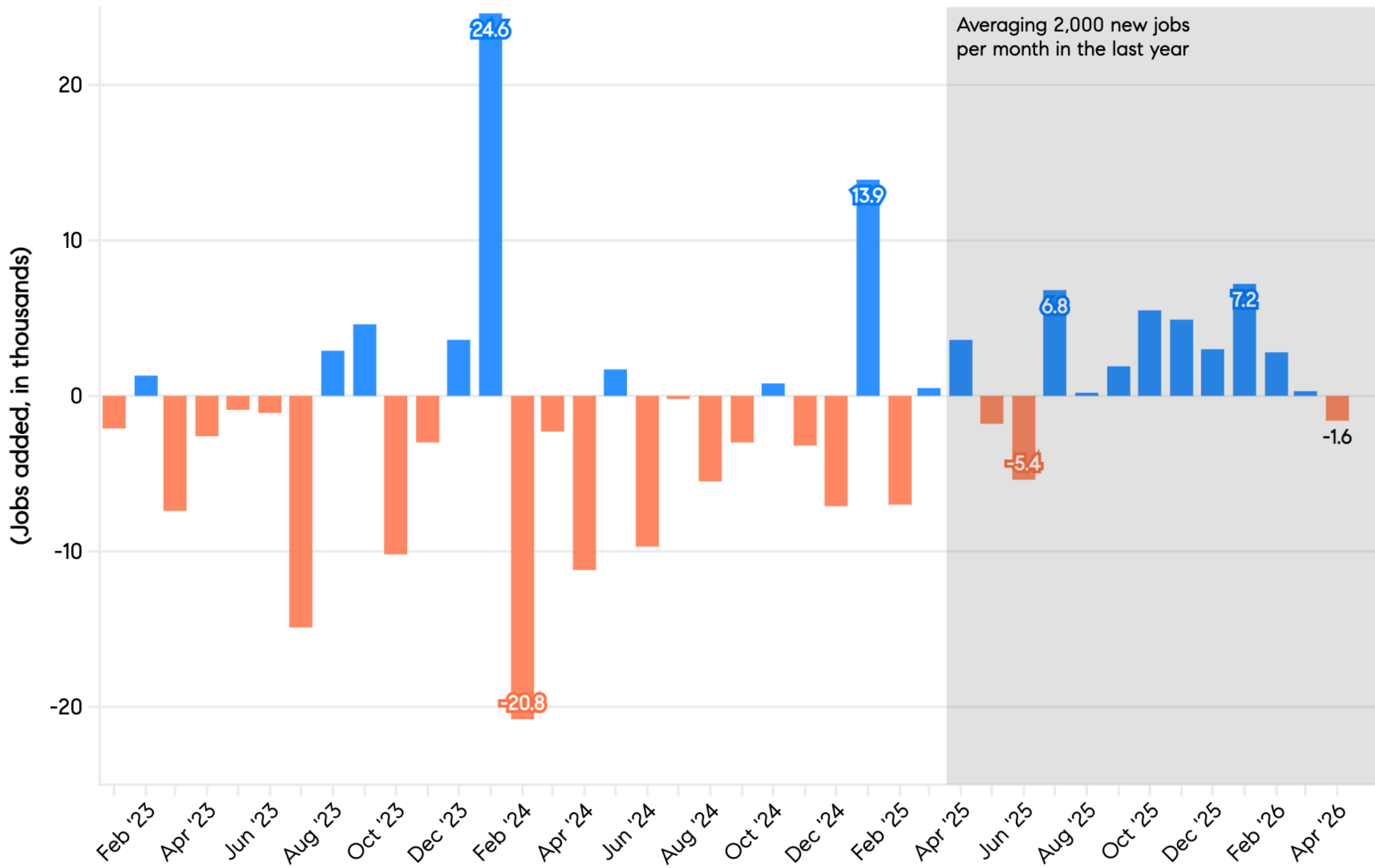
The labor market shows three months of growth after a very weak 2025. Corporate profitability is improving, AI investment is booming, and government spending is unabated, all of which are drivers of continued expansion in 2026. An improving labor market is generally positive for housing.



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

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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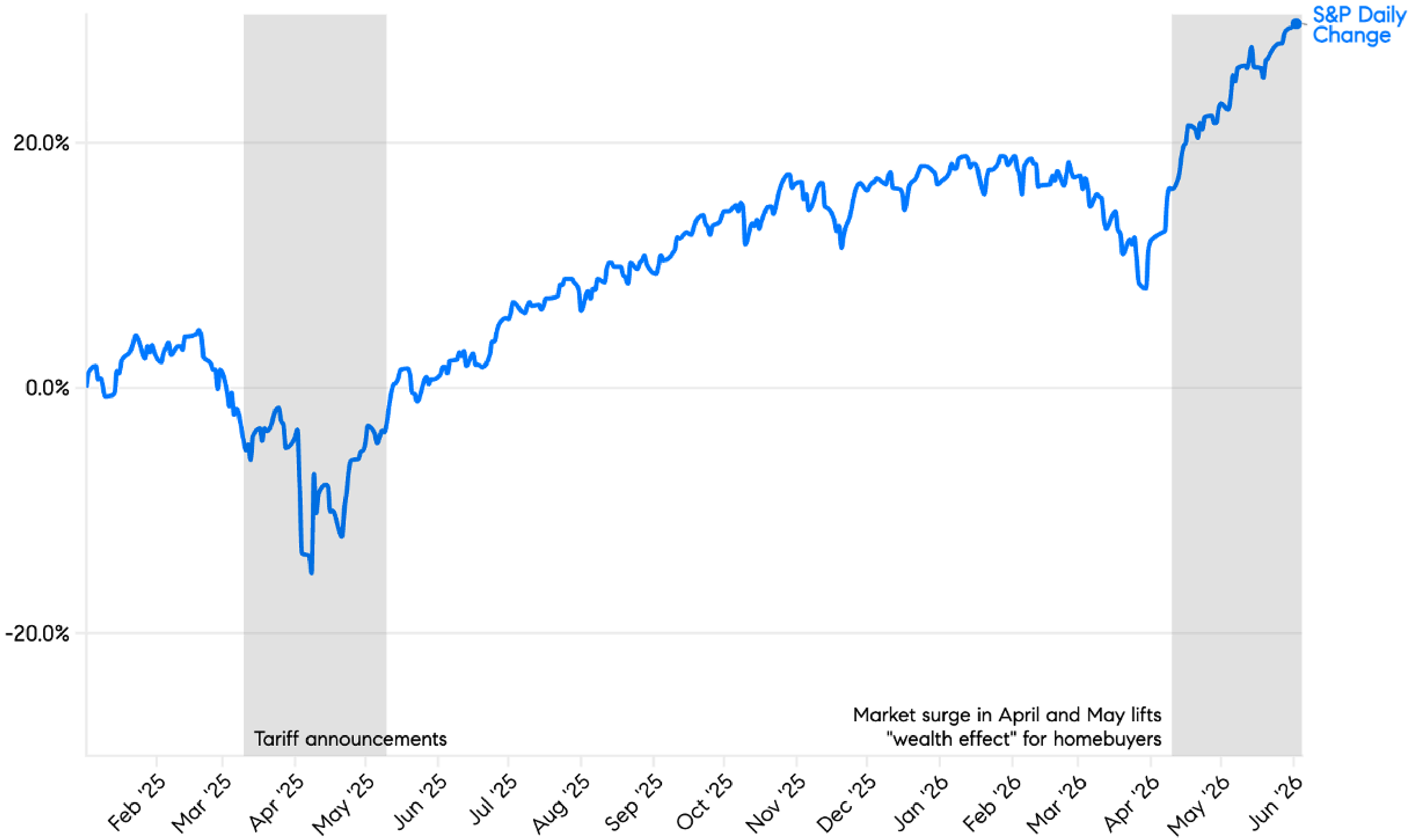
Stocks Surge to New Highs In May

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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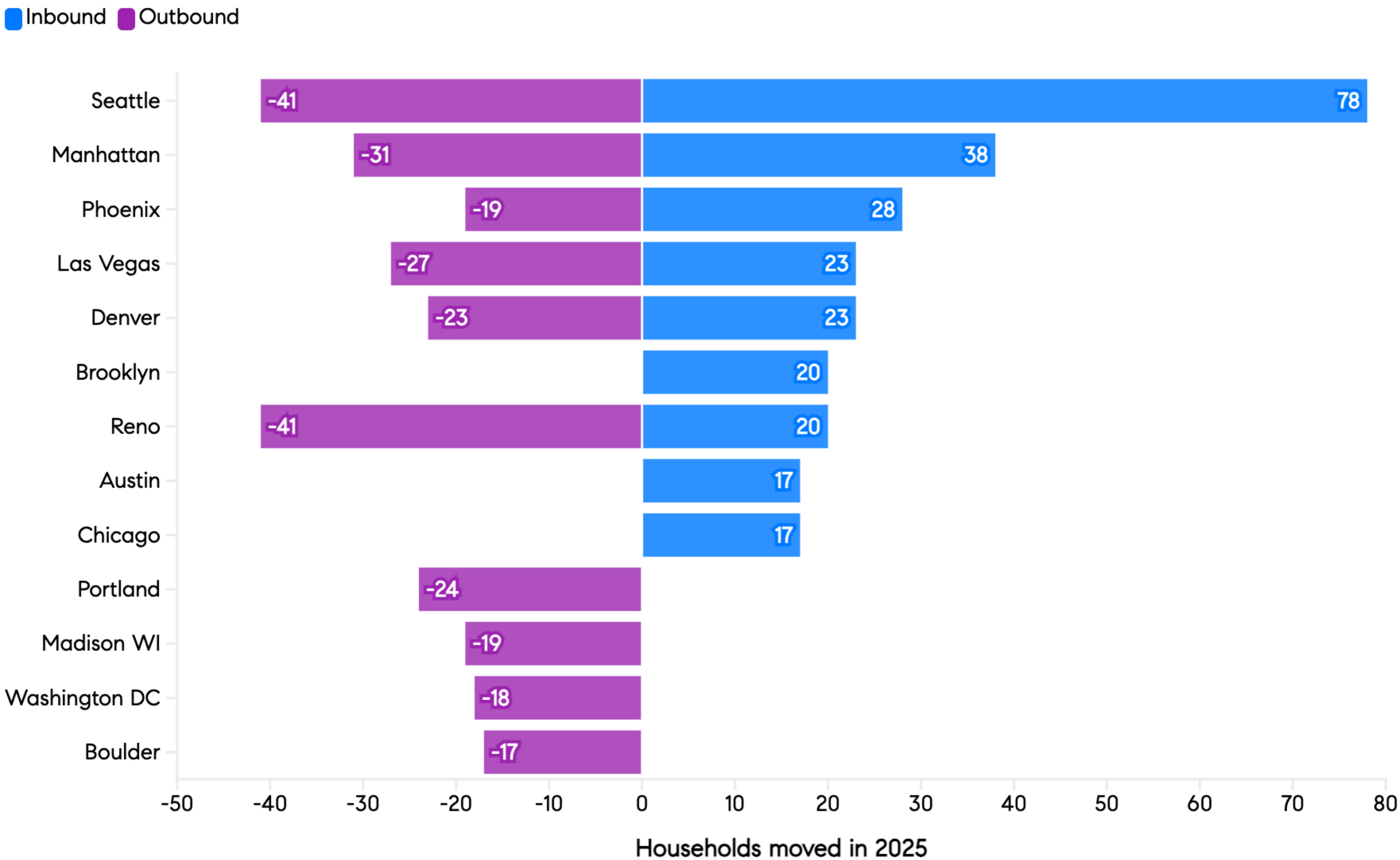
Bay Area Migration Sources & Destinations

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.



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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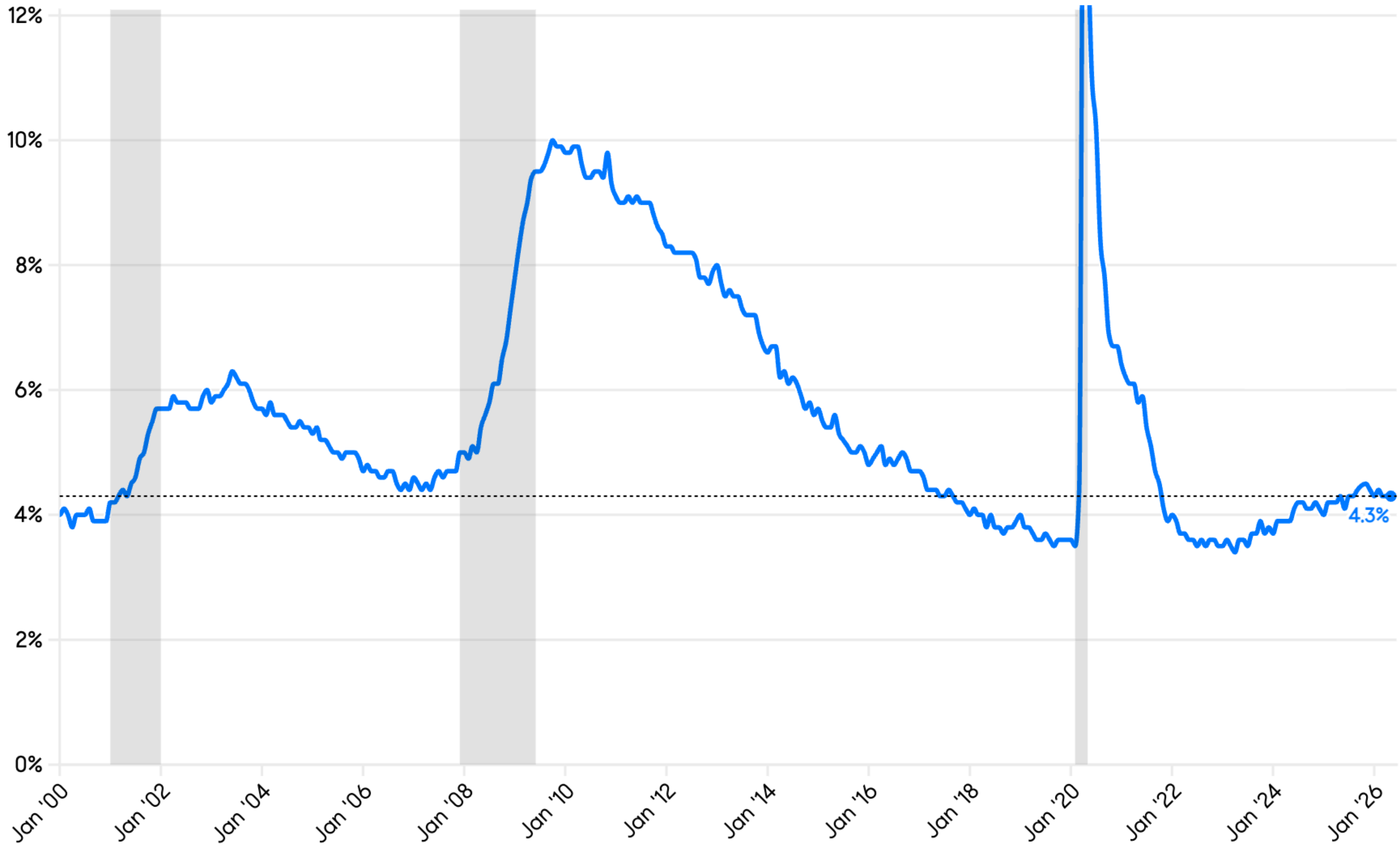
Low Unemployment Keeps People in Homes

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.



Source: US BLS

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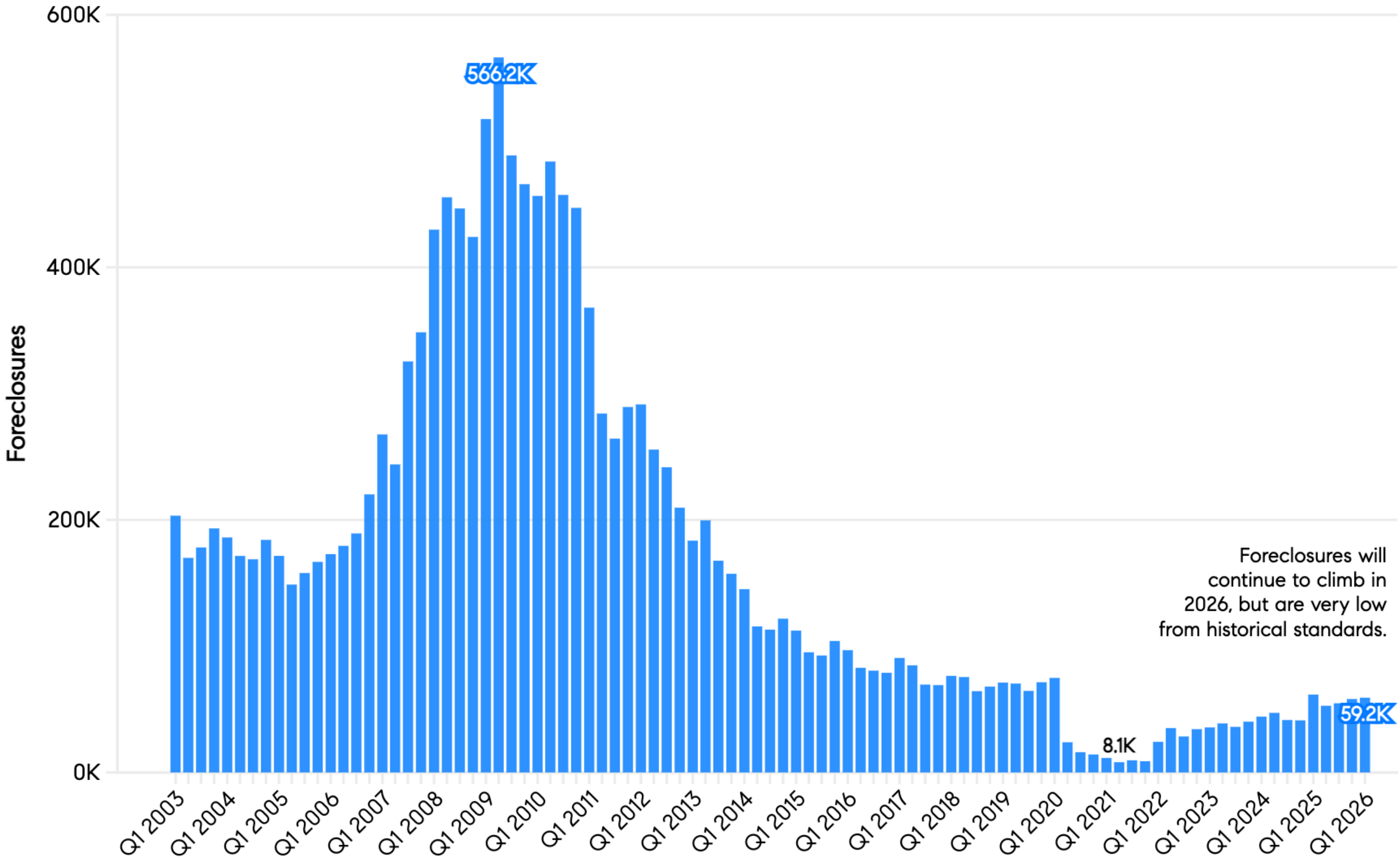
Very Few Foreclosures in 2026

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



Source: NY Fed · Homeowners newly in foreclosure, per quarter.

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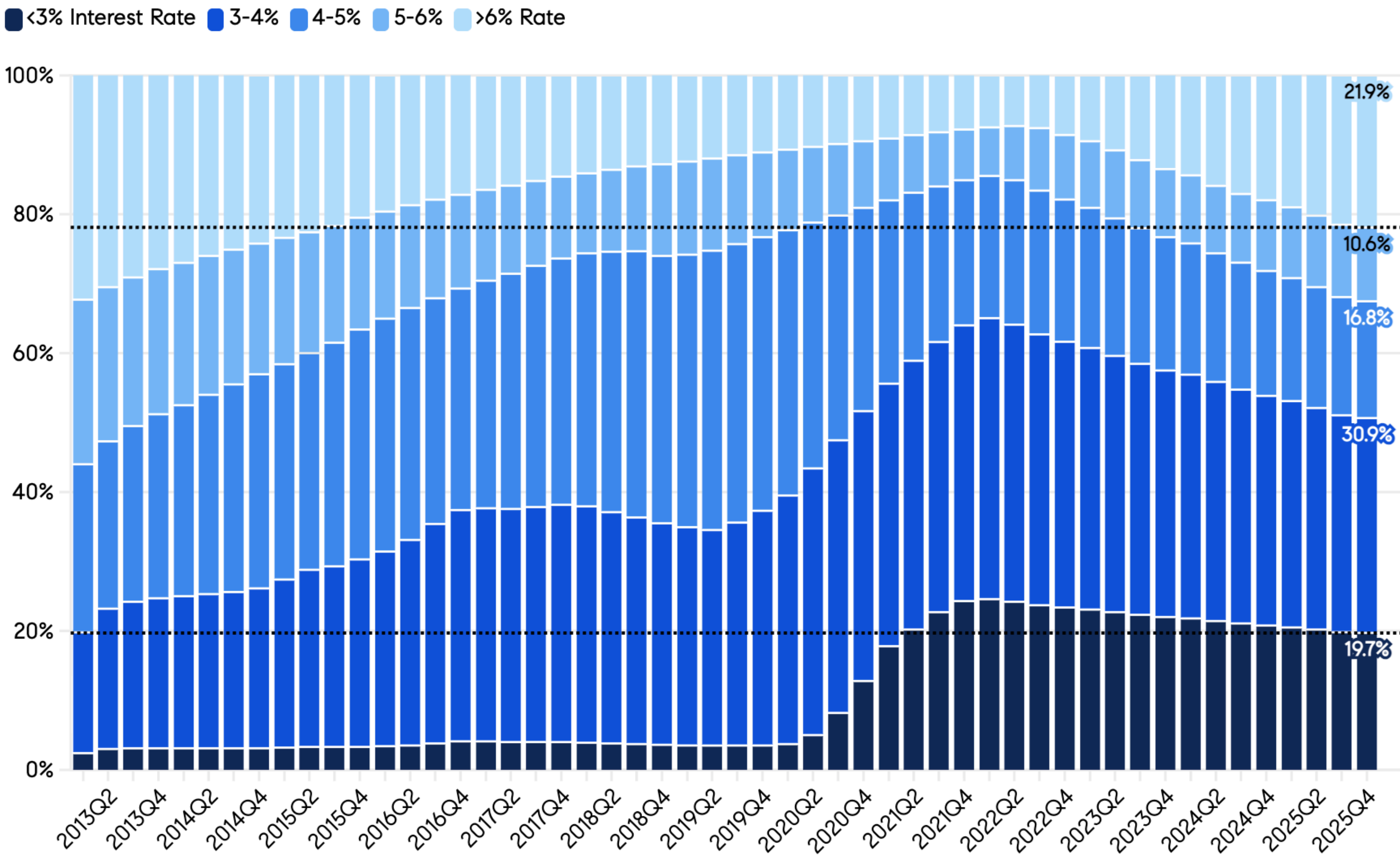
Expensive and Cheap Mortgages

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.



Source: FHFA · All outstanding mortgages, through December 2025

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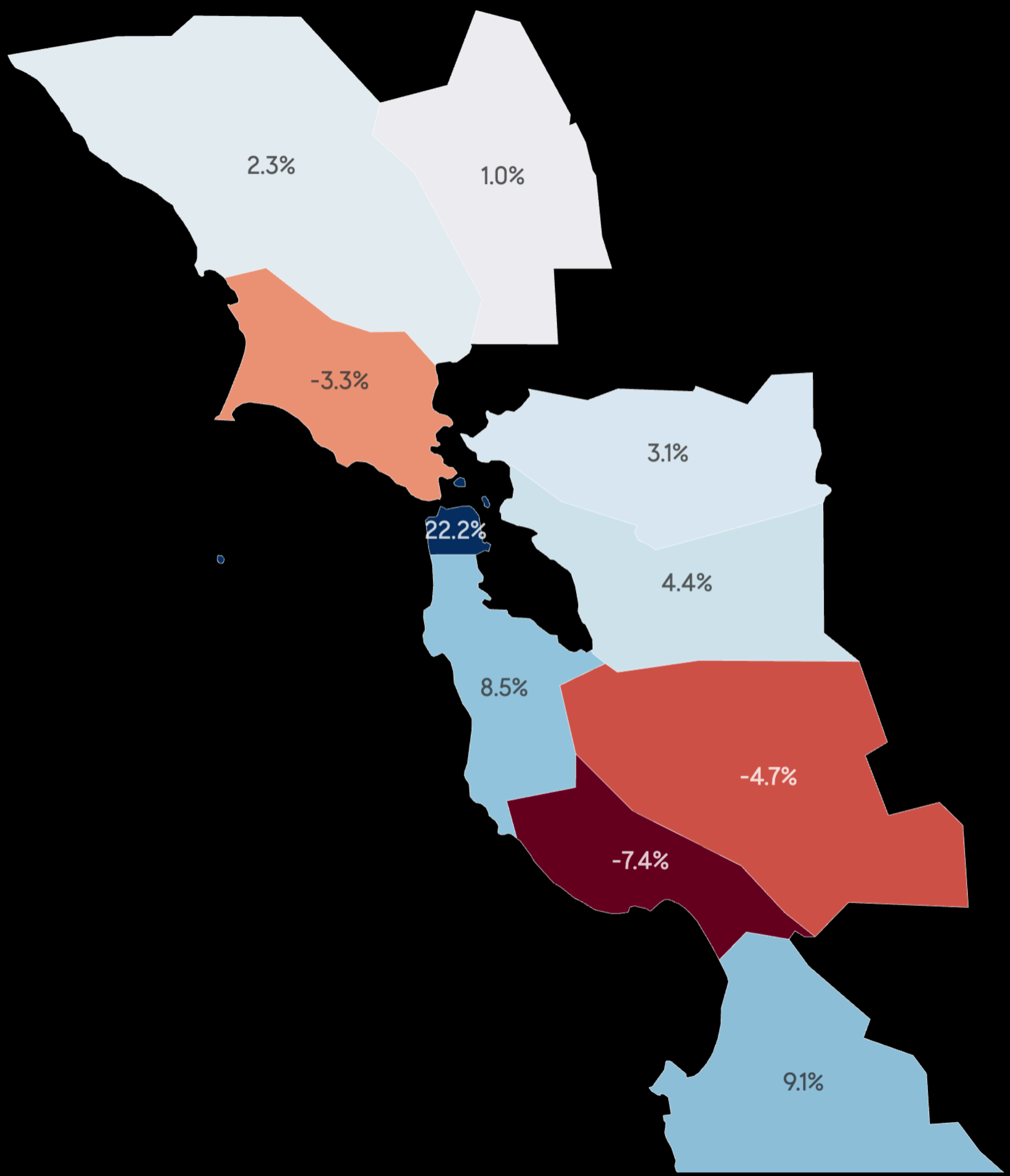
Home Price Change vs 2025

While demand is more dramatic in the city, high-end home sales in San Mateo County are driving the median price higher.



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

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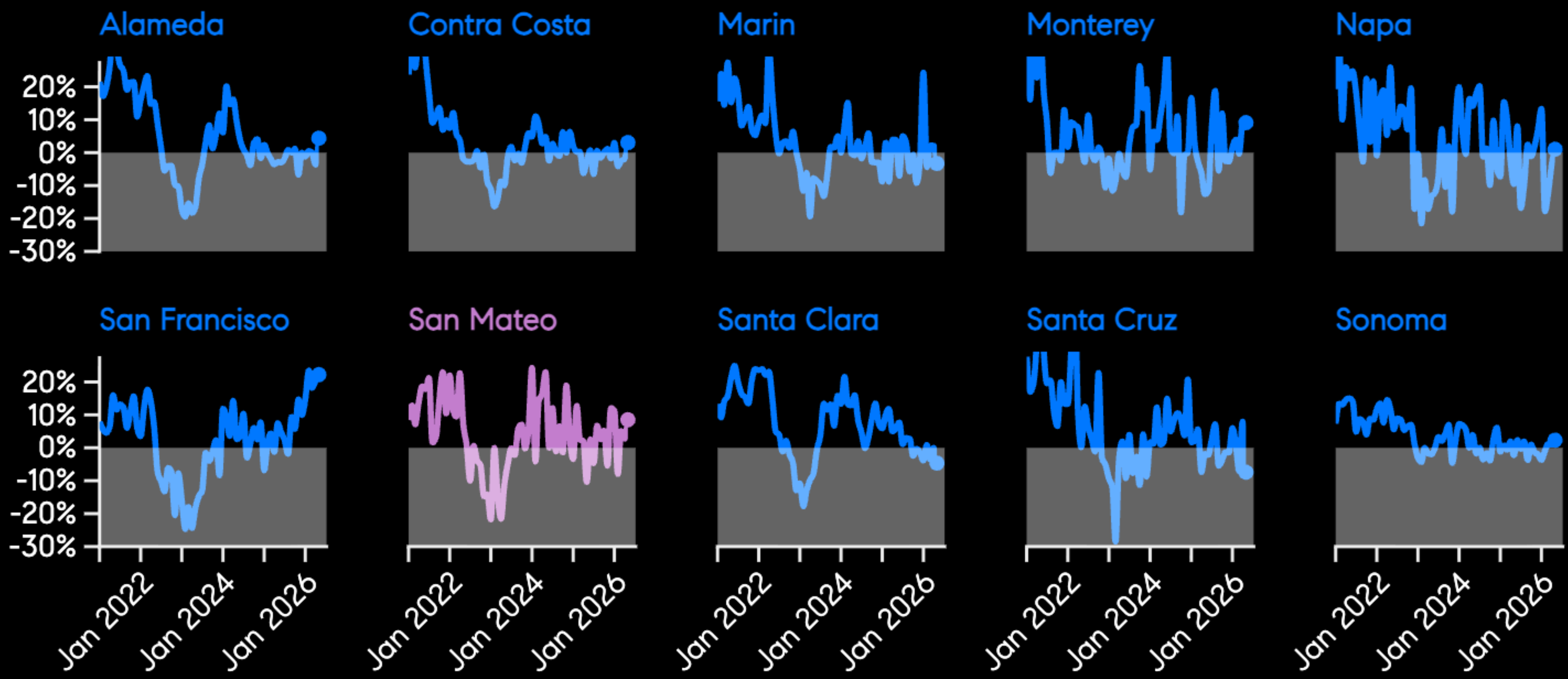
Home Price Changes Over Time

Median sales prices in San Mateo county are 8.5% above last year, demonstrating demand at the high-end of the market



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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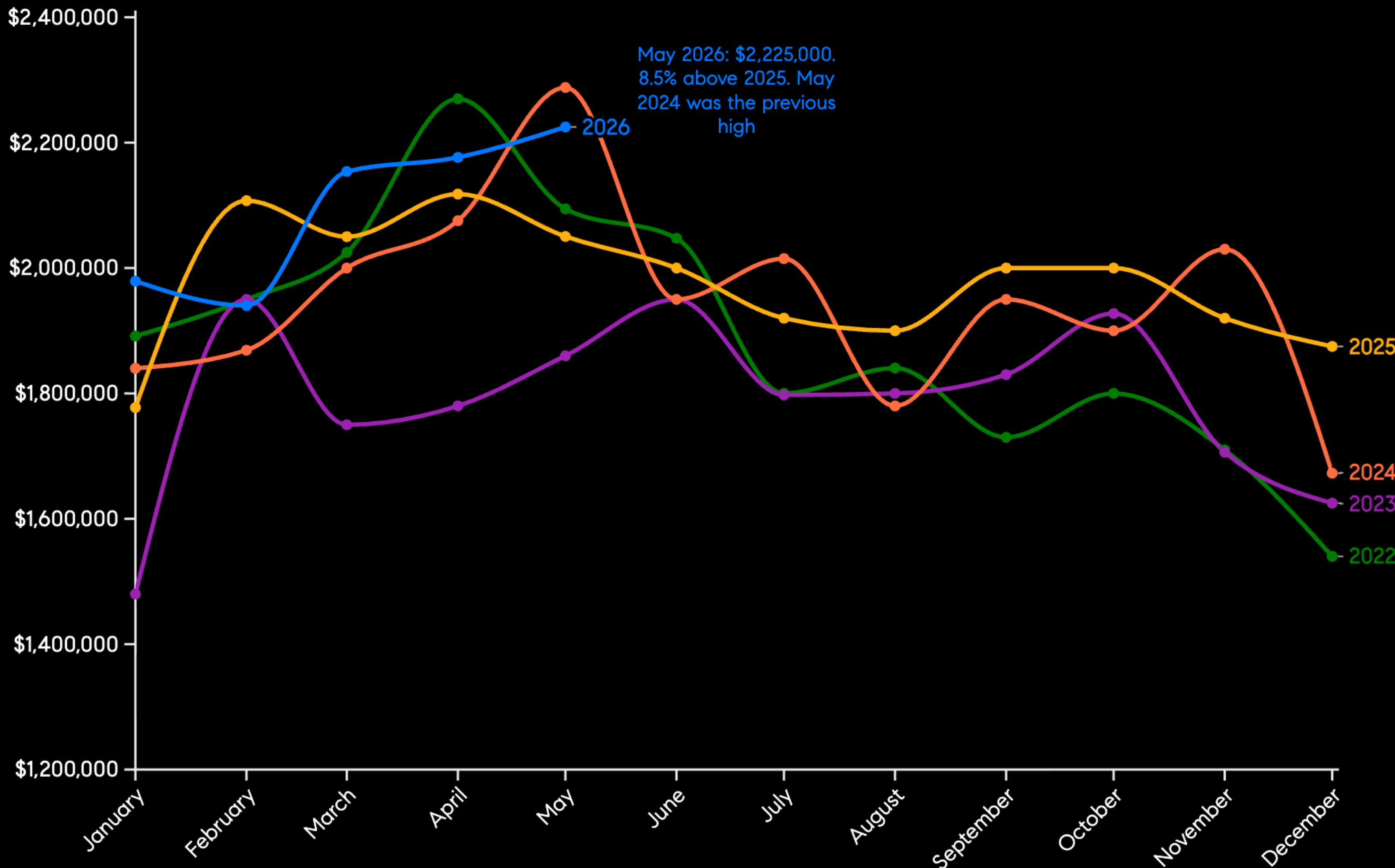
San Mateo County Median Home Price

The median price for San Mateo County single-family homes climbed to $2.225 million in May 2026, demonstrating demand for higher-end luxury homes on the Peninsula.



Source: Compass via MLS data Single Family

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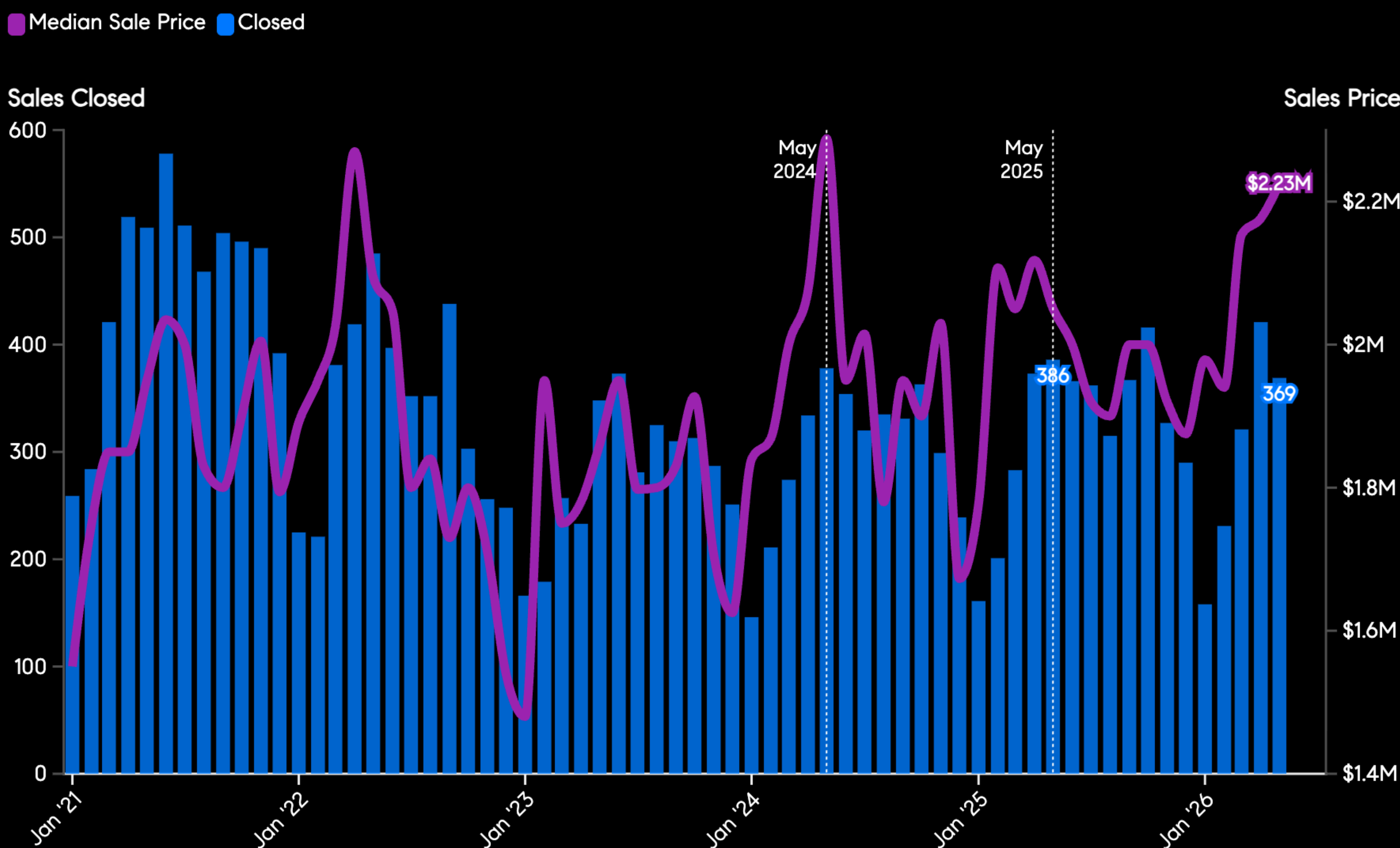
San Mateo County Home Price Trends

As of May 2026 single family home prices nearly reached all time highs. Total sales are 4% fewer than last year.



Source: Compass via MLS data · Single Family Homes

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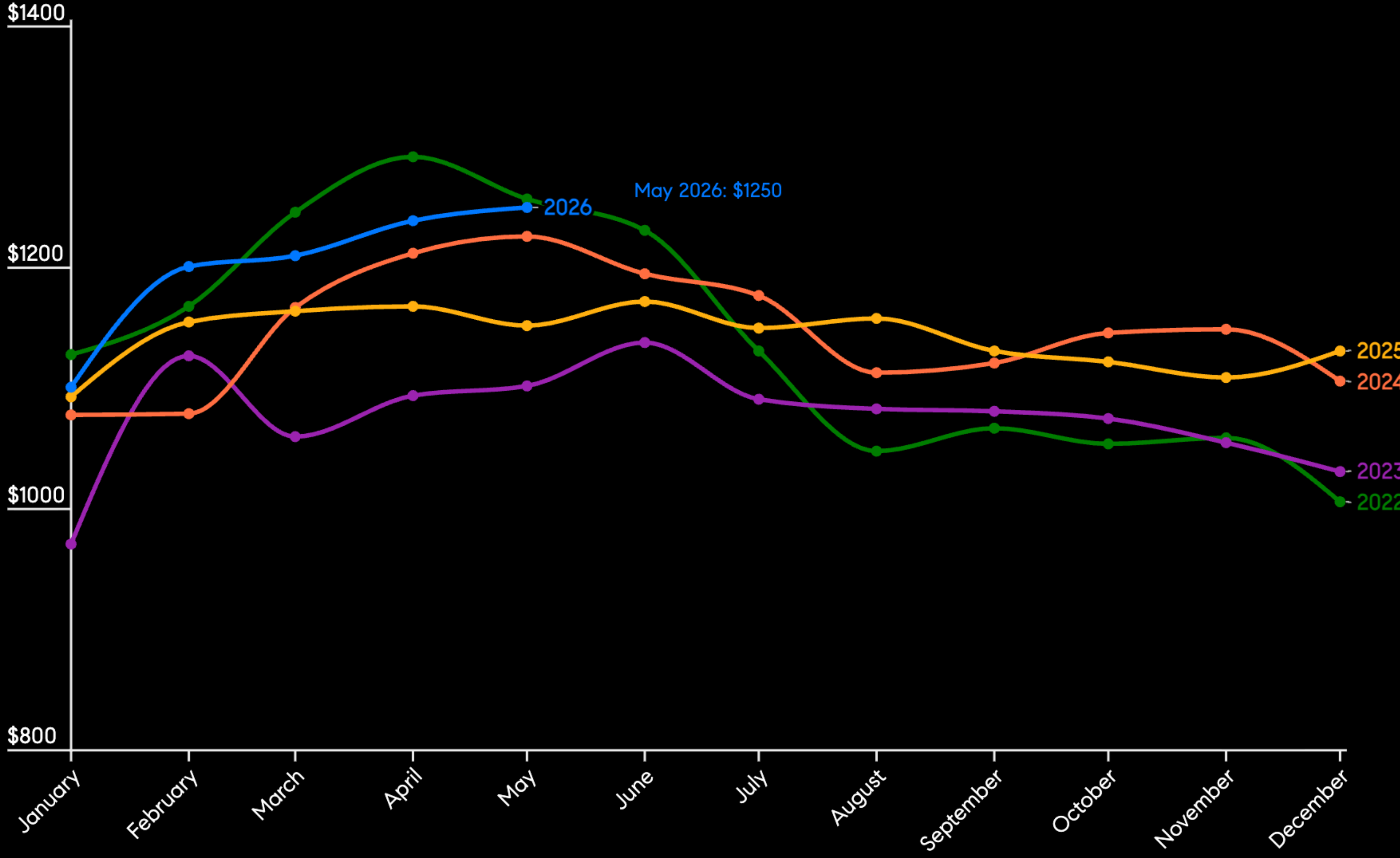
San Mateo County Median Price Per Square Foot

With renewed demand for higher-end homes in 2026, the sales price per square foot for home sales is approaching the highs set in 2022.



Source: Compass International Holdings, Single Family

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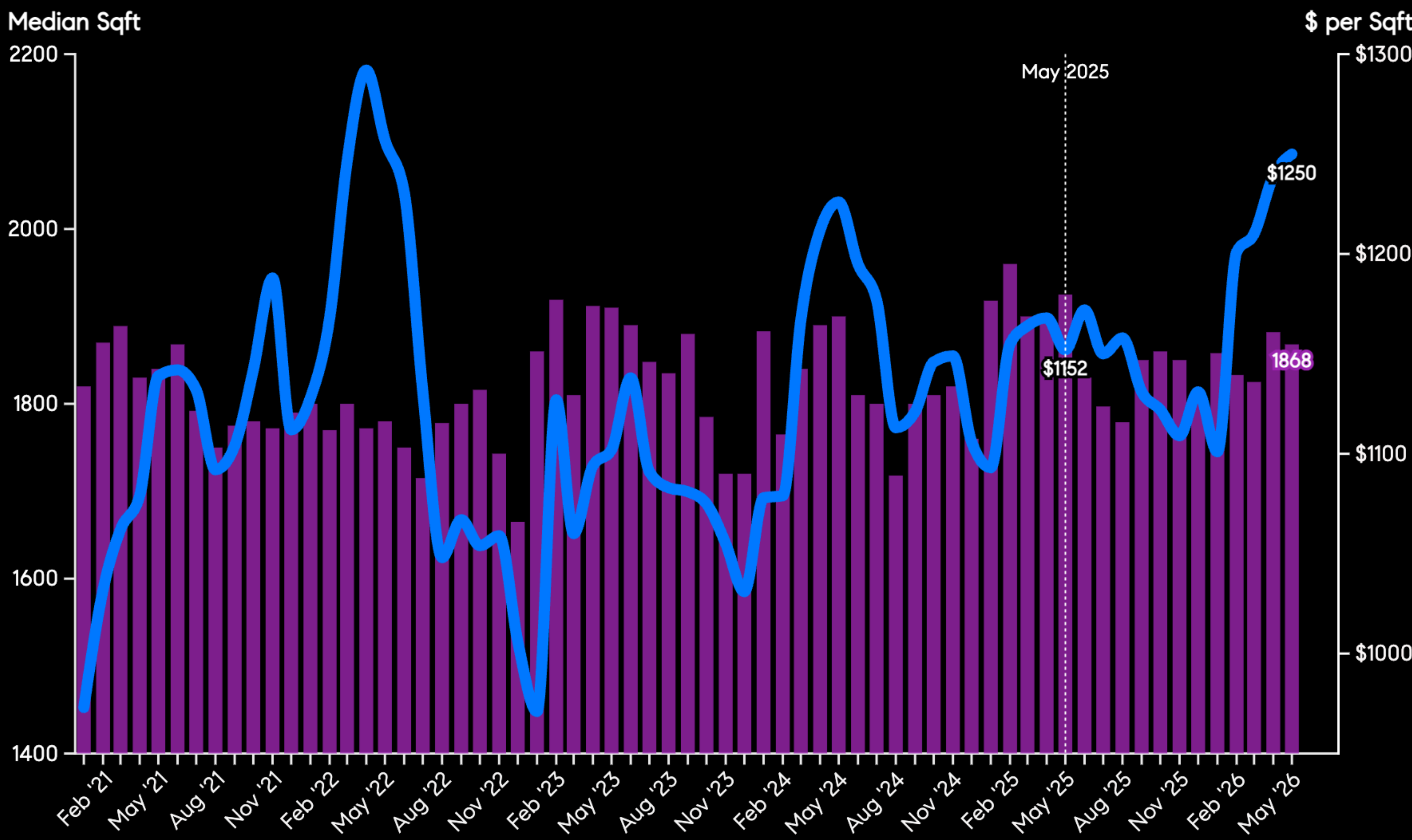
Price Per Square Foot in San Mateo

Single family home prices in San Mateo County have surged higher since the start of the year and are 8.5% above May 2025.



Source: Compass via MLS data · Condos

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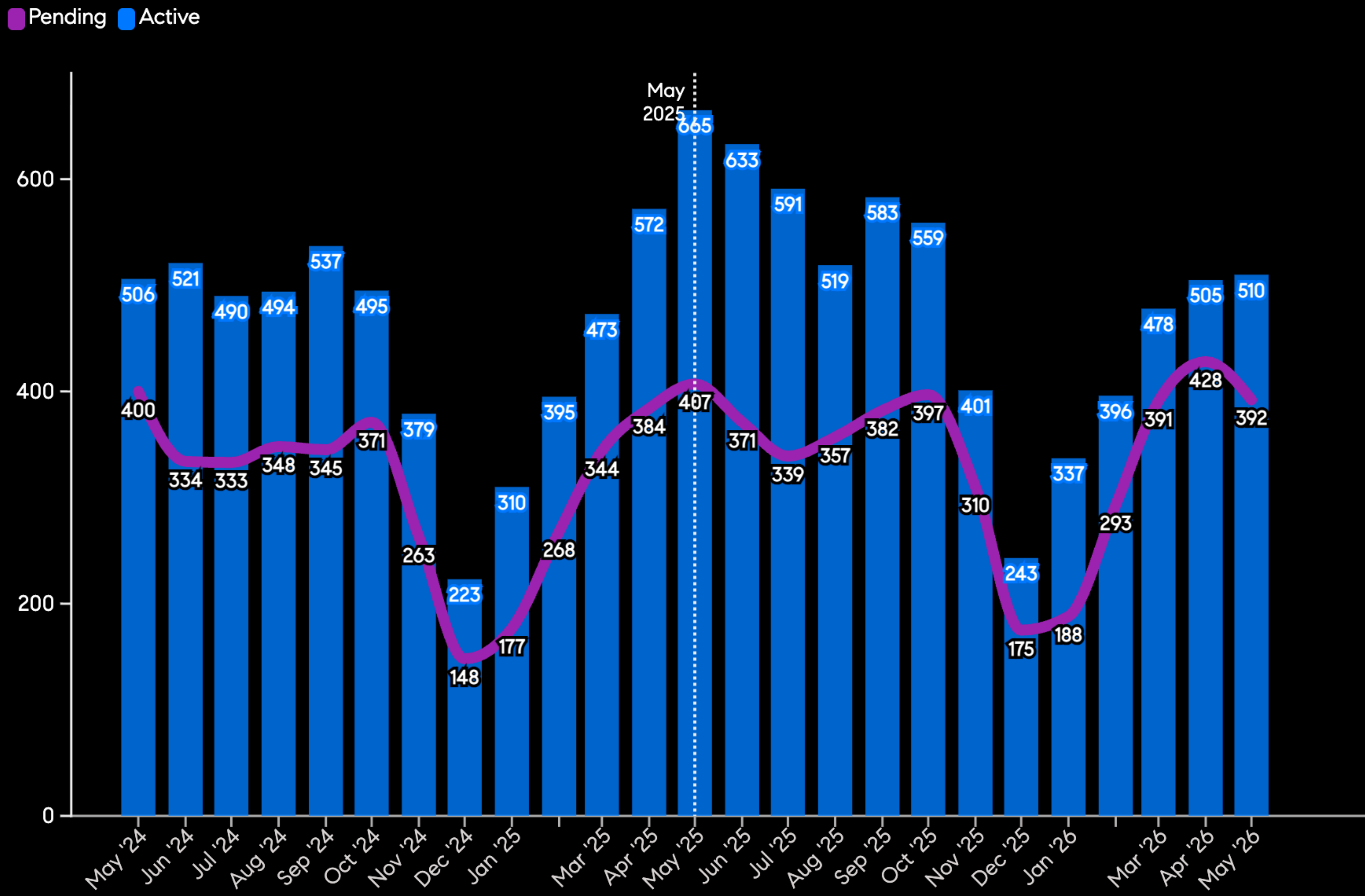
Inventory and Pending Sales

While pending sales in San Mateo County are slightly fewer than last year, active inventory is notably tighter.



Source: Compass via MLS · single family homes

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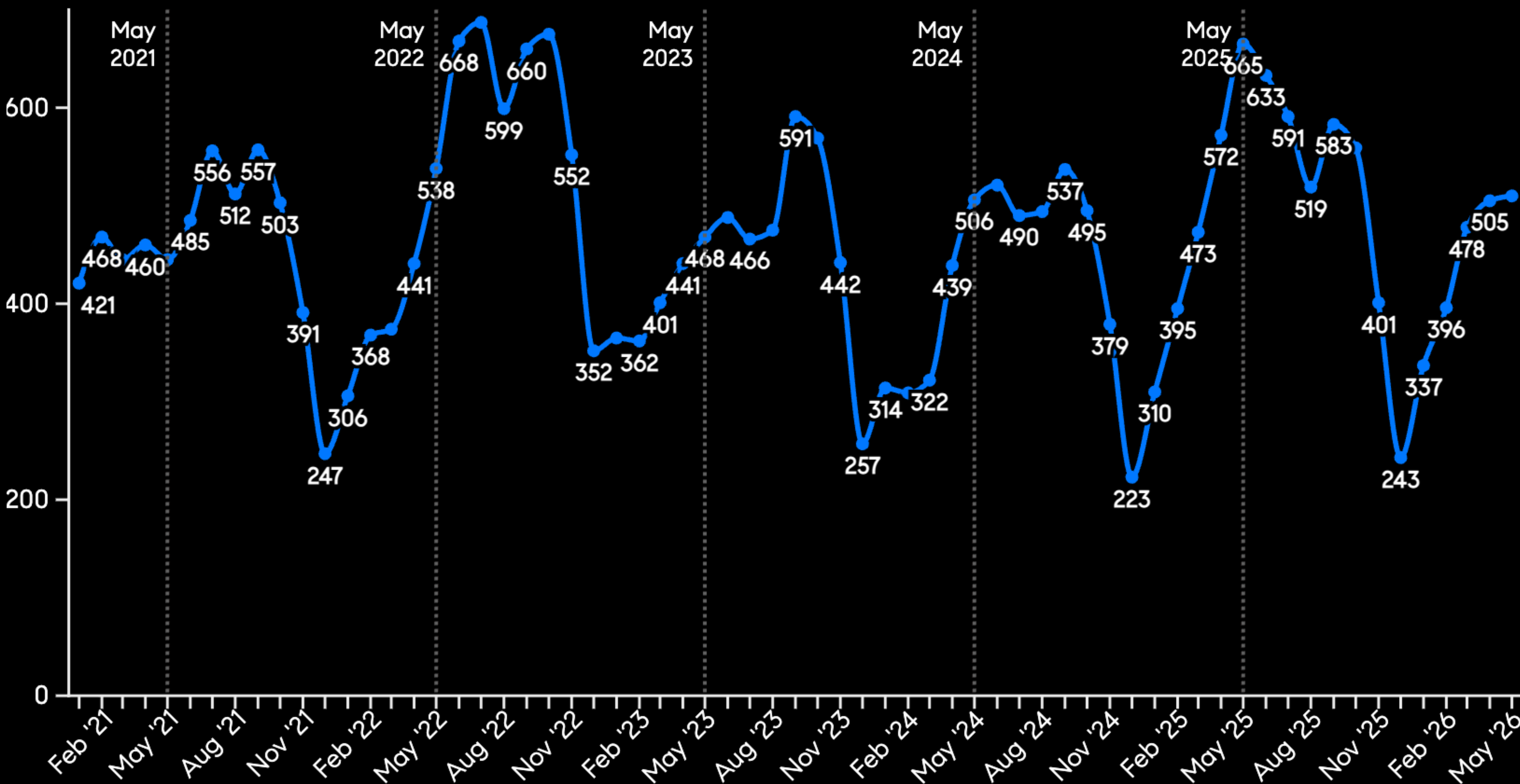
San Mateo County Active Inventory

Available inventory of single family homes is much tighter than last year



Source: Compass via MLS · Single family homes

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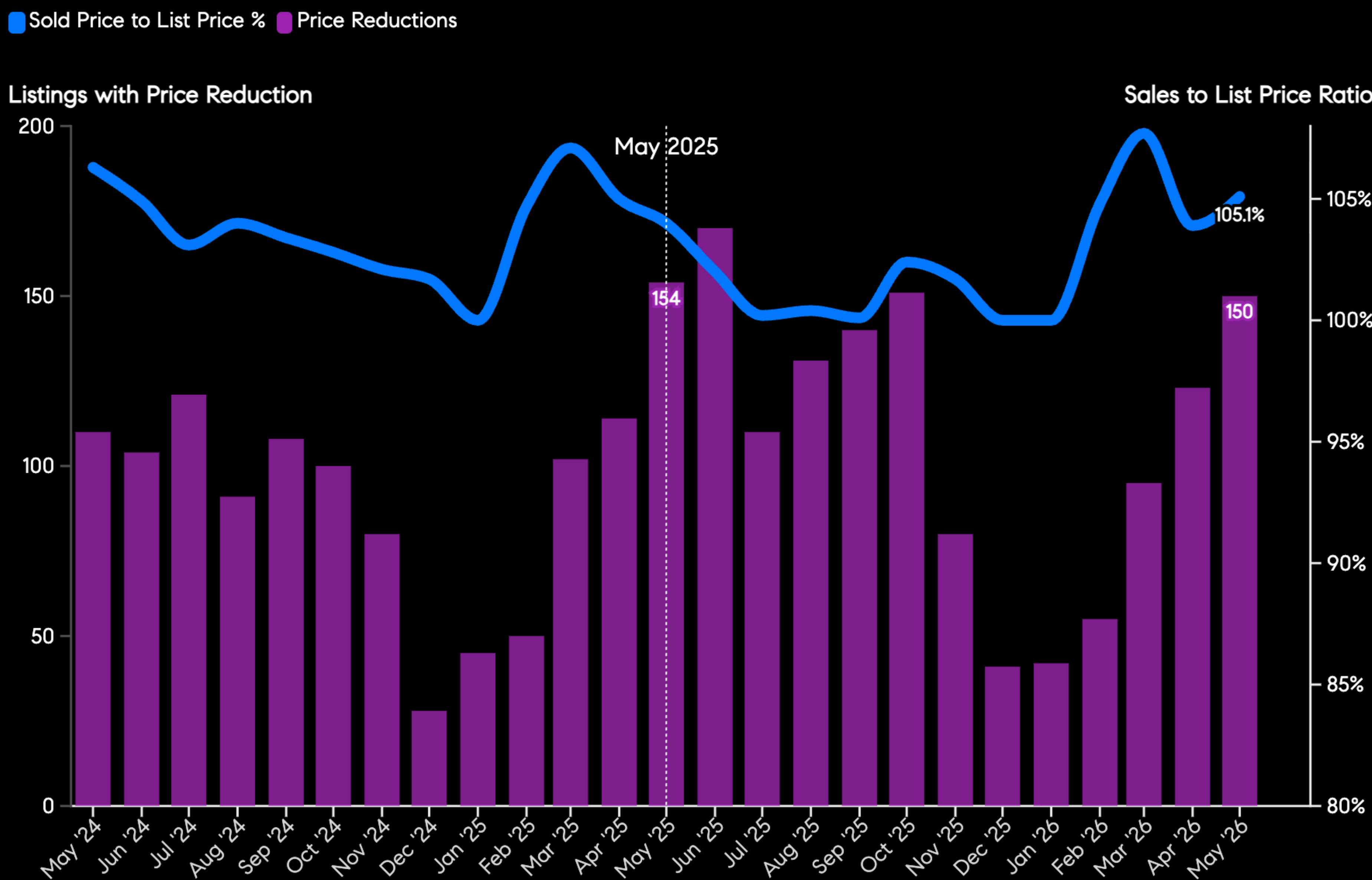
San Mateo Seller Pricing and Buyer Demand

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



Source: Compass via MLS · Single family homes

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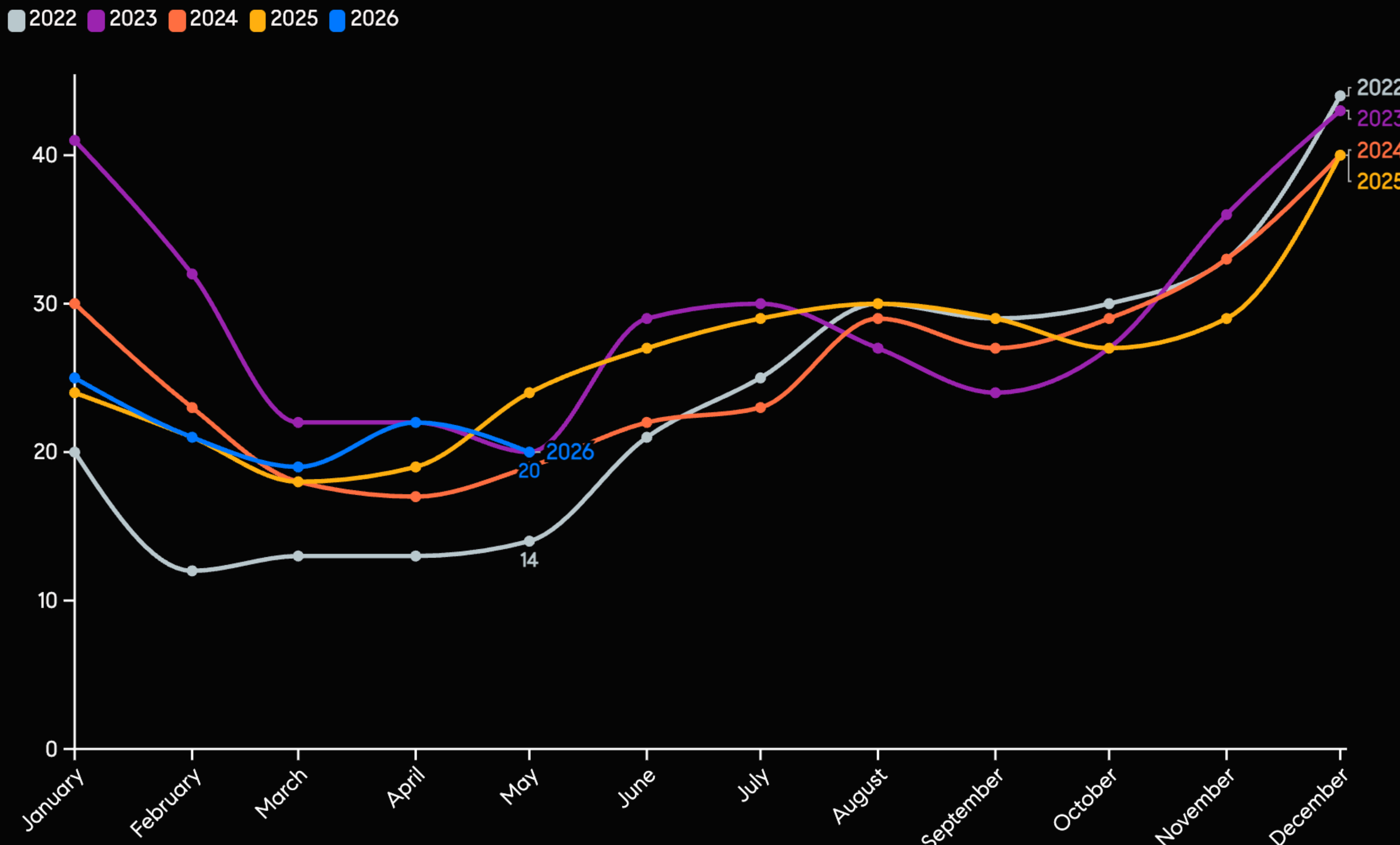
San Mateo County DOM

While market time has improved since last year, Days on Market for single family homes is still nearly 50% longer than in 2022.



Source: Compass via MLS · Single Family

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Local San Mateo County

May 12 month rolling sales data for single family homes

Neighborhood	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings
Atherton	$10,500,000	5	2,181	80	5.3	80
Belmont	$2,337,500	1.2	1,277	161	-3	164
Brisbane	$1,340,000	-9.2	812	24	9.1	22
Burlingame	$3,000,000	3.4	1,546	175	4.2	181
Daly City	$1,200,000	-0.7	817	364	1.4	370
East Palo Alto	$1,106,000	1.5	821	76	-11.6	84
El Granada	$1,490,000	-1.7	840	62	-3.1	59
Foster City	$2,200,000	0	1,100	92	-2.1	88
Half Moon Bay	$1,745,000	0	804	88	-6.4	87
Hillsborough	$5,923,125	0.2	1,514	138	3.8	140
Menlo Park	$3,267,500	3.3	1,660	338	0.3	349
Millbrae	$2,340,000	-0.4	1,279	163	-11.9	171

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Source: Compass via MLS · Single Family Homes

Local San Mateo County

May 12 month rolling sales data for single family homes

Neighborhood	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings
Pacifica	$1,325,000	0.8	879	240	-1.6	248
Pescadero	$945,000	-5.5	822	9	0	8
Portola Valley	$4,250,000	-3.5	1,506	71	1.4	73
Redwood City	$2,250,000	0	1,232	461	0.9	467
Redwood Shores	$2,615,000	1.3	1,300	40	0	40
San Bruno	$1,430,000	-1.4	988	197	-5.7	200
San Carlos	$2,750,000	1.9	1,385	268	1.9	274
San Mateo	$2,150,000	0	1,239	526	2.3	540
South San Francisco	$1,288,000	0.2	891	225	2.7	237
Woodside	$4,000,000	-0.6	1,385	77	-1.3	81

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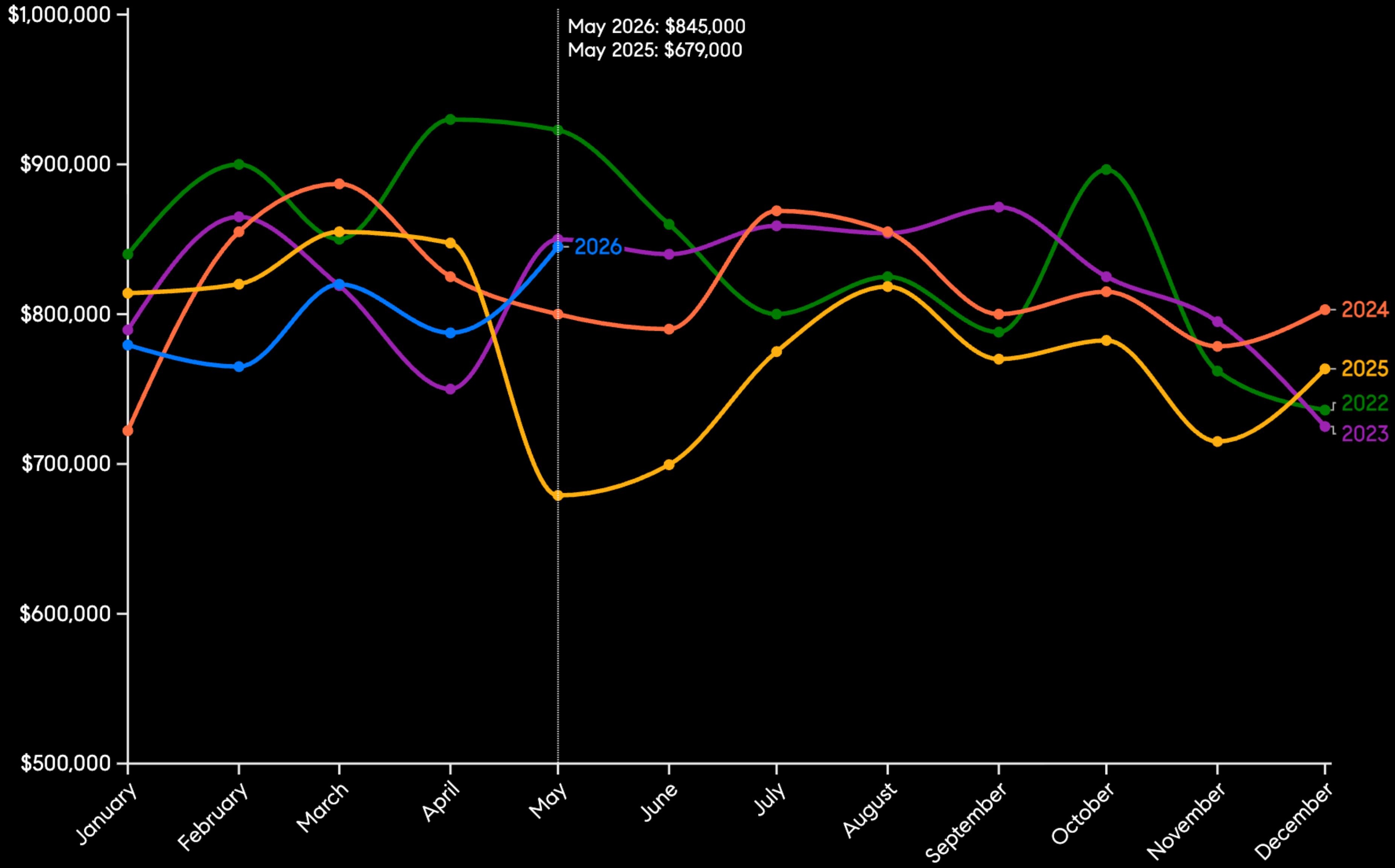
Source: Compass via MLS · Single Family Homes

San Mateo County Median Condo Price

The median price for San Mateo County condos climbed to $845K in May 2026. Prices are significantly above last year but have remained below 2022.



Source: Compass via MLS data · Condos

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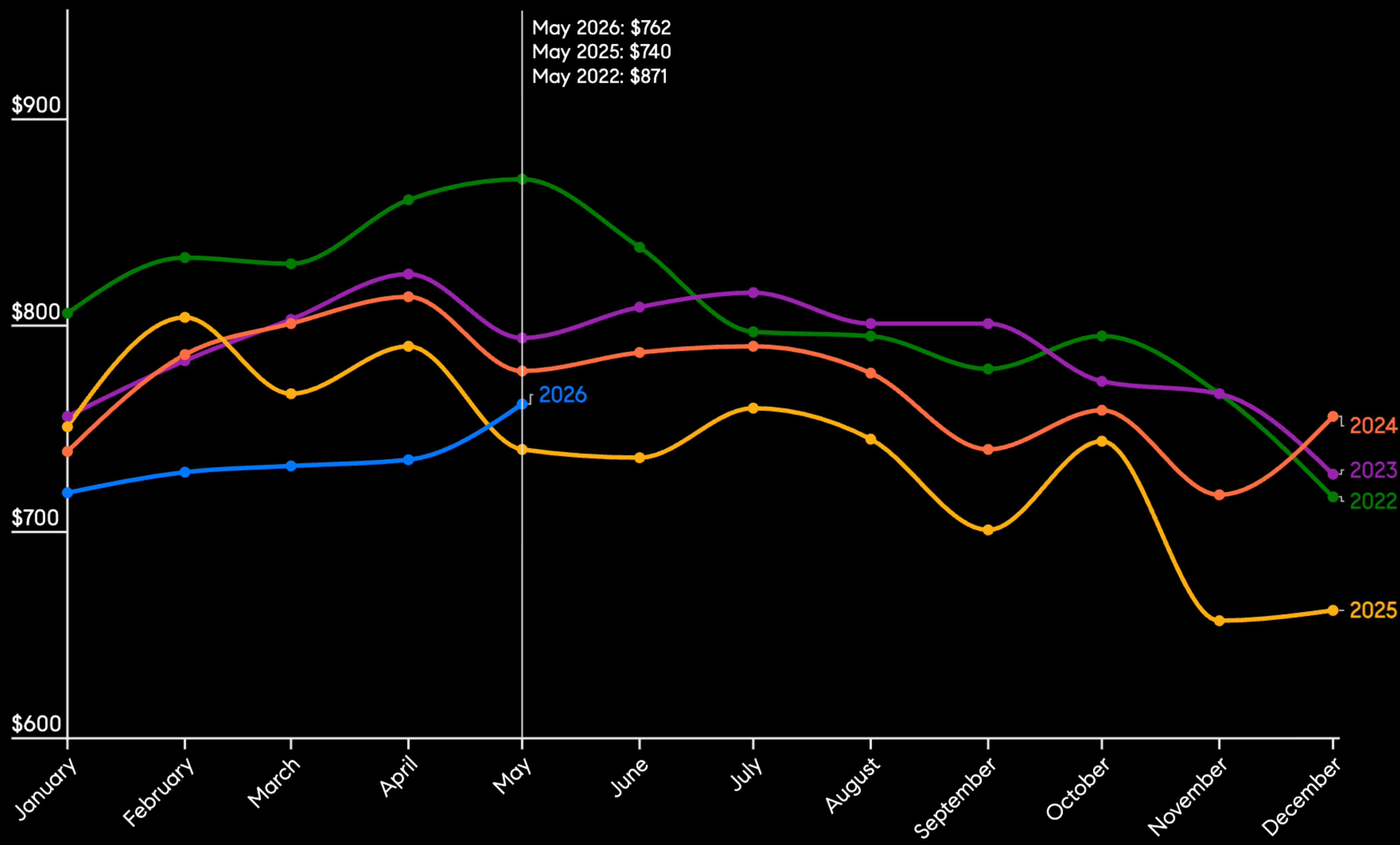
San Mateo County Median Price Per Square Foot

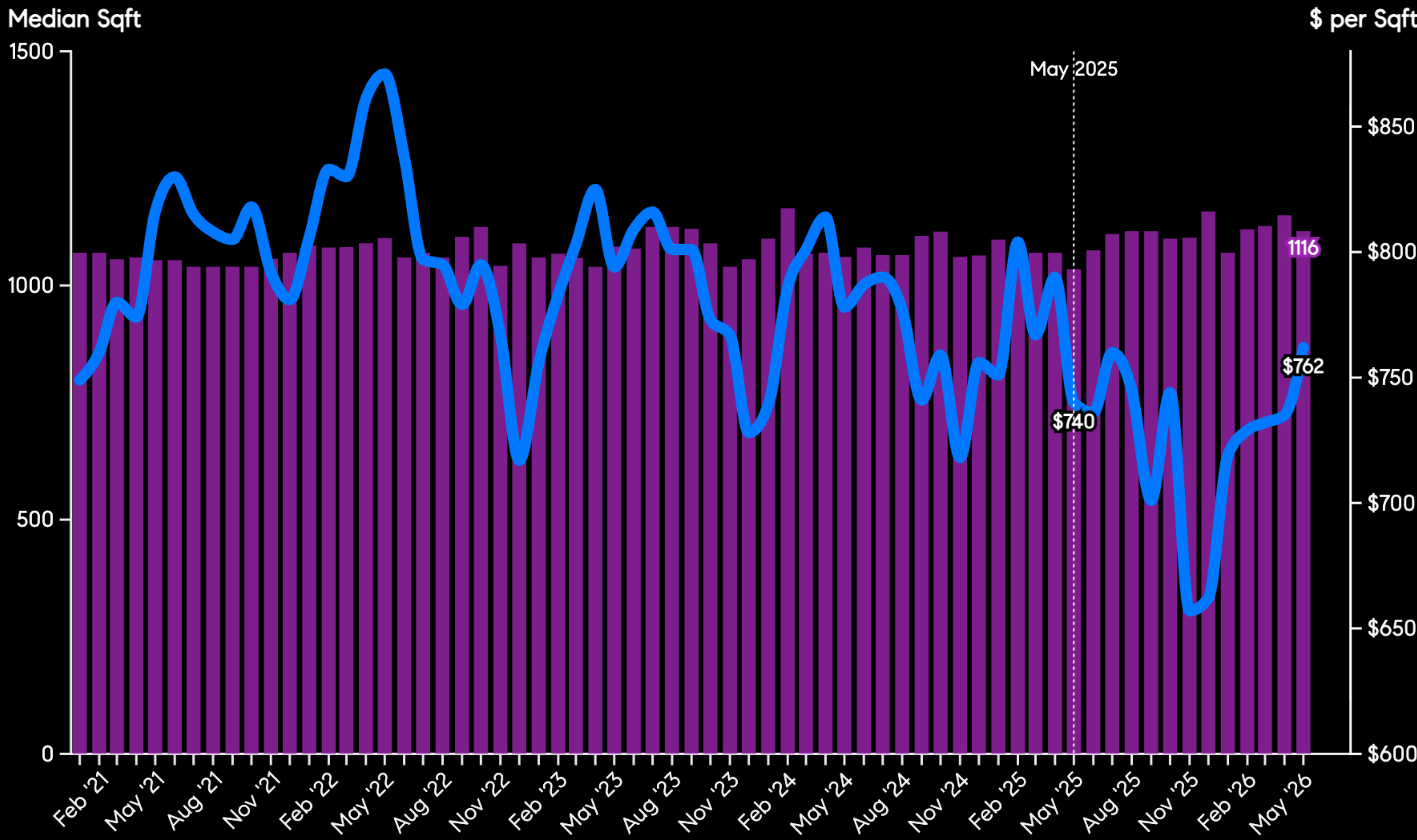
Condo price pressures remain notably lower than single family homes in San Mateo County



Source: Compass · Condos

Price Per Square Foot in San Mateo

Condo prices in San Mateo County have improved higher since the start of the year and are 3% above May 2025, but still remain below most recent periods.



Source: Compass via MLS data · Condos

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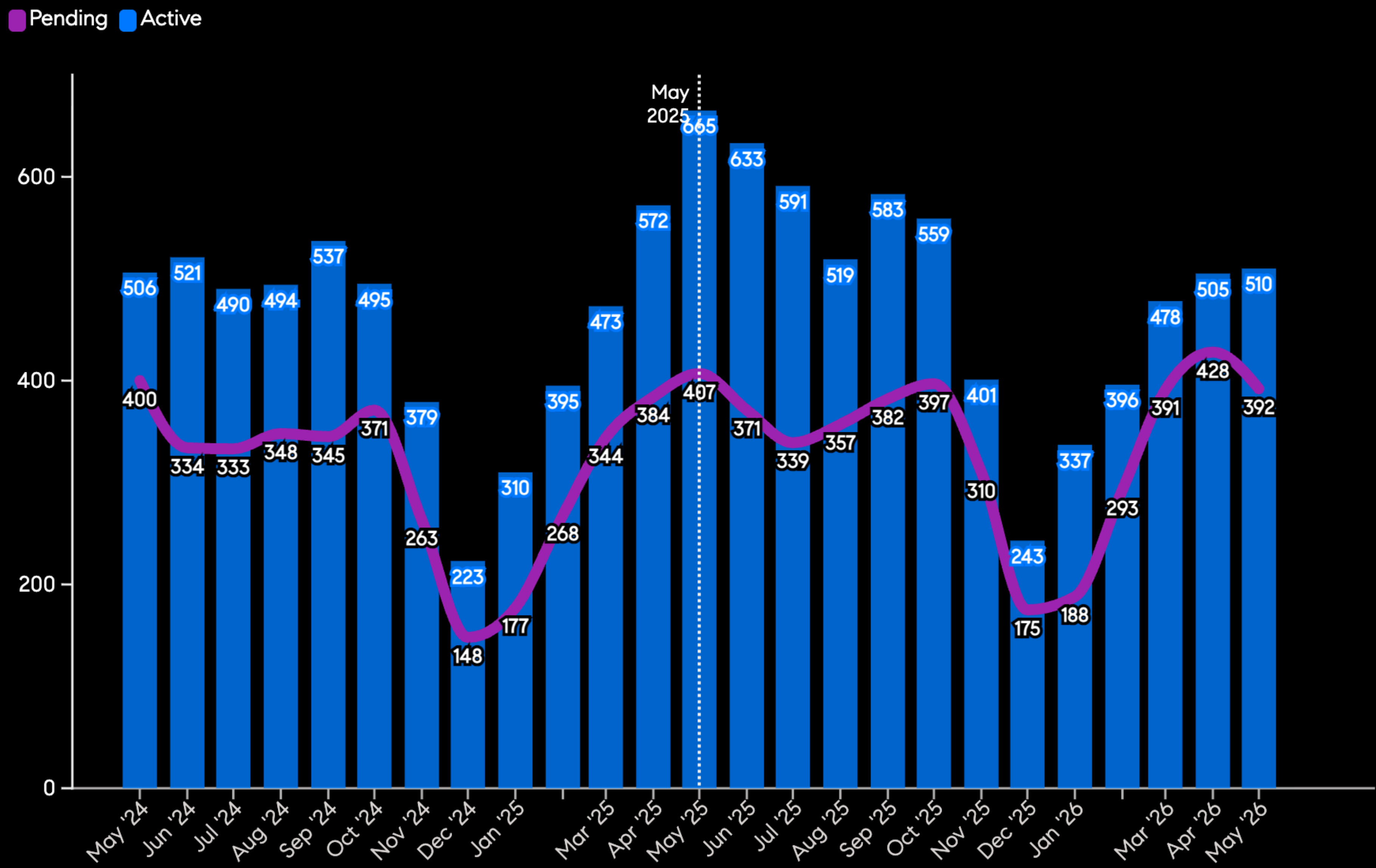
Inventory and Pending Sales

While pending sales of condos in San Mateo County are fewer than last year, active inventory is also slightly fewer indicating a balance of supply and demand.



Source: Compass via MLS · Condos

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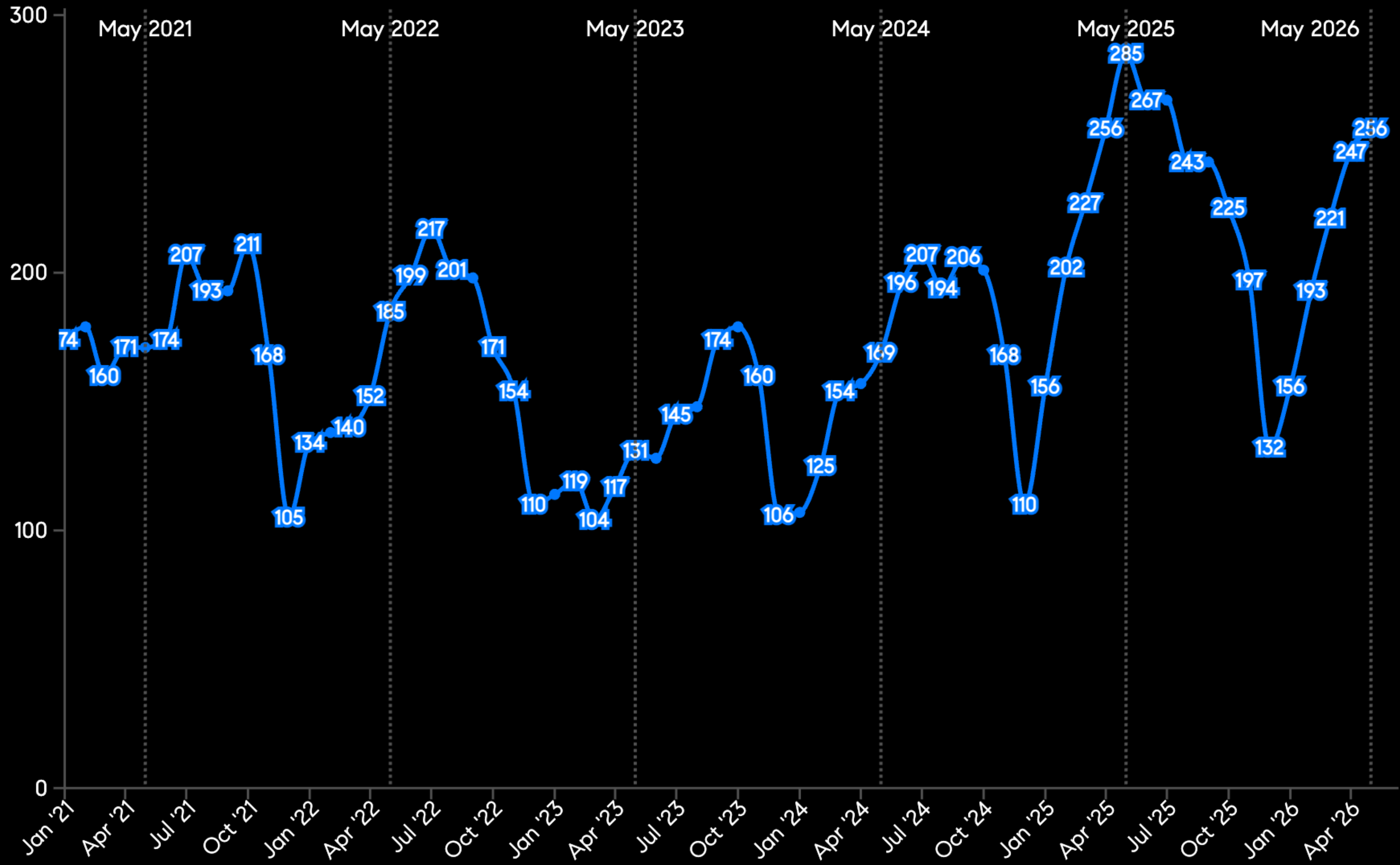
San Mateo Condo Active Inventory

San Mateo county inventory of condos on the market is 10% fewer than last year but more that most recent years.



Source: Compass via MLS · Condos

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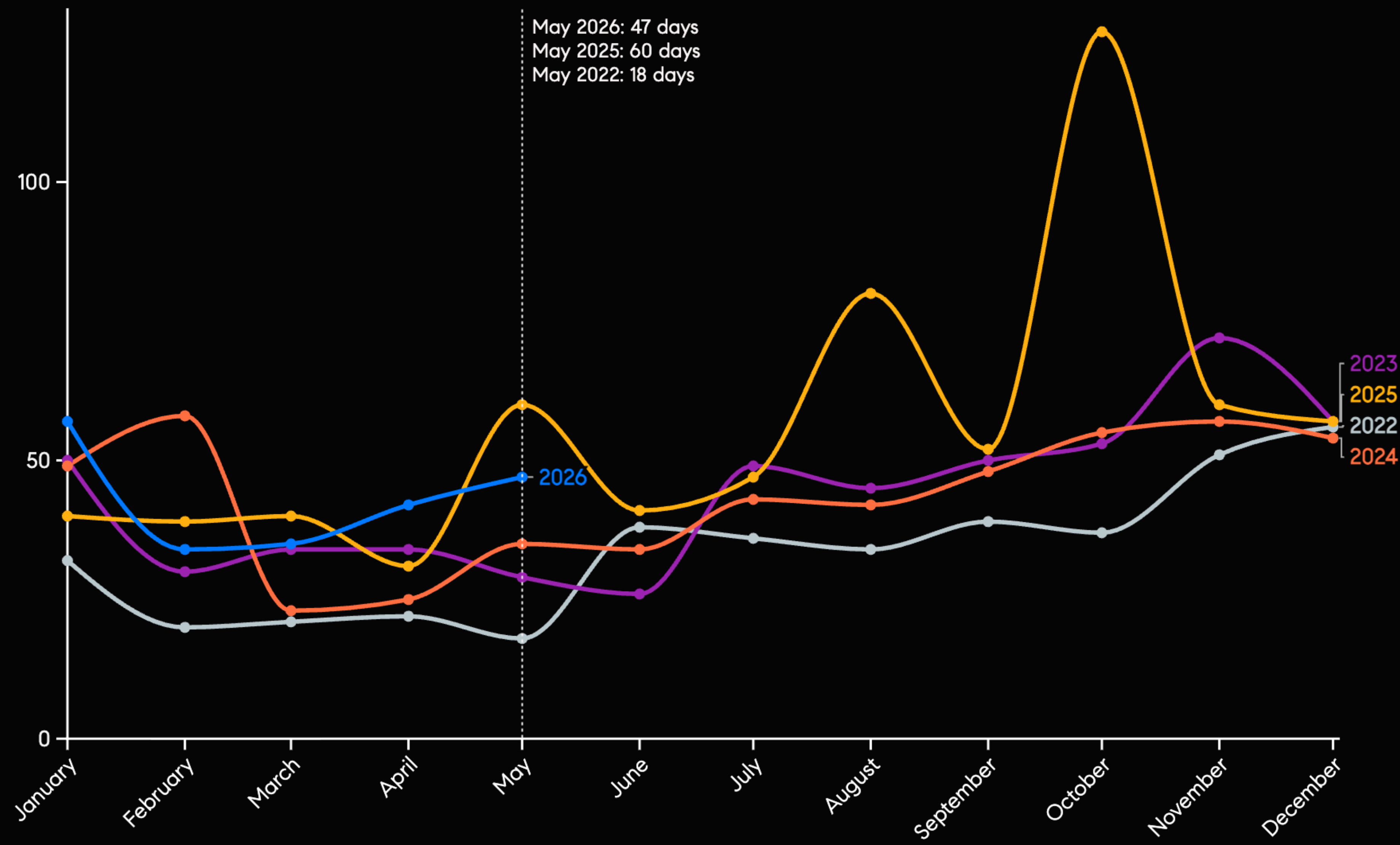
San Mateo County DOM

While market time has improved since last year, Days on Market for condos is still much longer than in 2022.



Source: Compass via MLS · Single Family

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Local San Mateo County Condos

May 12 month rolling average for condos

Neighborhood	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings
Menlo Park	$1,025,000	-0.7	931	38	-2.6	40
San Carlos	$1,009,000	6.3	813	50	0	54
Redwood Shores	$890,000	0	852	34	6.3	39
Redwood City	$860,000	3.6	676	38	-5	39
Foster City	$880,000	0	697	70	4.5	68
San Mateo	$740,000	5.7	749	223	-0.4	227
Pacifica	$879,250	0	678	16	0	16
Half Moon Bay	$792,500	-0.3	690	12	9.1	13

Source: Compass via MLS · Condos

Local San Mateo County Townhouses

May 12 month rolling average for townhouses

	Median Sale Price	% Change	PPSFT	Closed Sales	% Change	Pendings
Menlo Park	$2,250,000	-4.3	1,047	41	0	40
San Carlos	$1,650,000	3.1	853	27	8	23
San Bruno	$1,449,900	0	825	1	0	3
Foster City	$1,393,000	0.6	905	66	3.1	70
San Mateo	$1,374,000	0.1	910	78	-3.7	78
Redwood City	$1,318,750	0.1	809	27	-6.9	30
Redwood Shores	$1,315,000	0	911	23	4.5	24
Millbrae	$1,199,000		711	4		3
Burlingame	$1,112,500	6	848	6	20	7
Daly City	$882,444	-8.6	659	14	0	14
South San Francisco	$812,500	0	762	10	0	10

Source: Compass via MLS · Condos

Parker Hemingway

M: 509.220.4246
parker.hemingway@compass.com

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