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July 2026 Stanford Circle Market Outlook

Data through June 2026

Market Research
COMPASS INTERNATIONAL HOLDINGS

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.

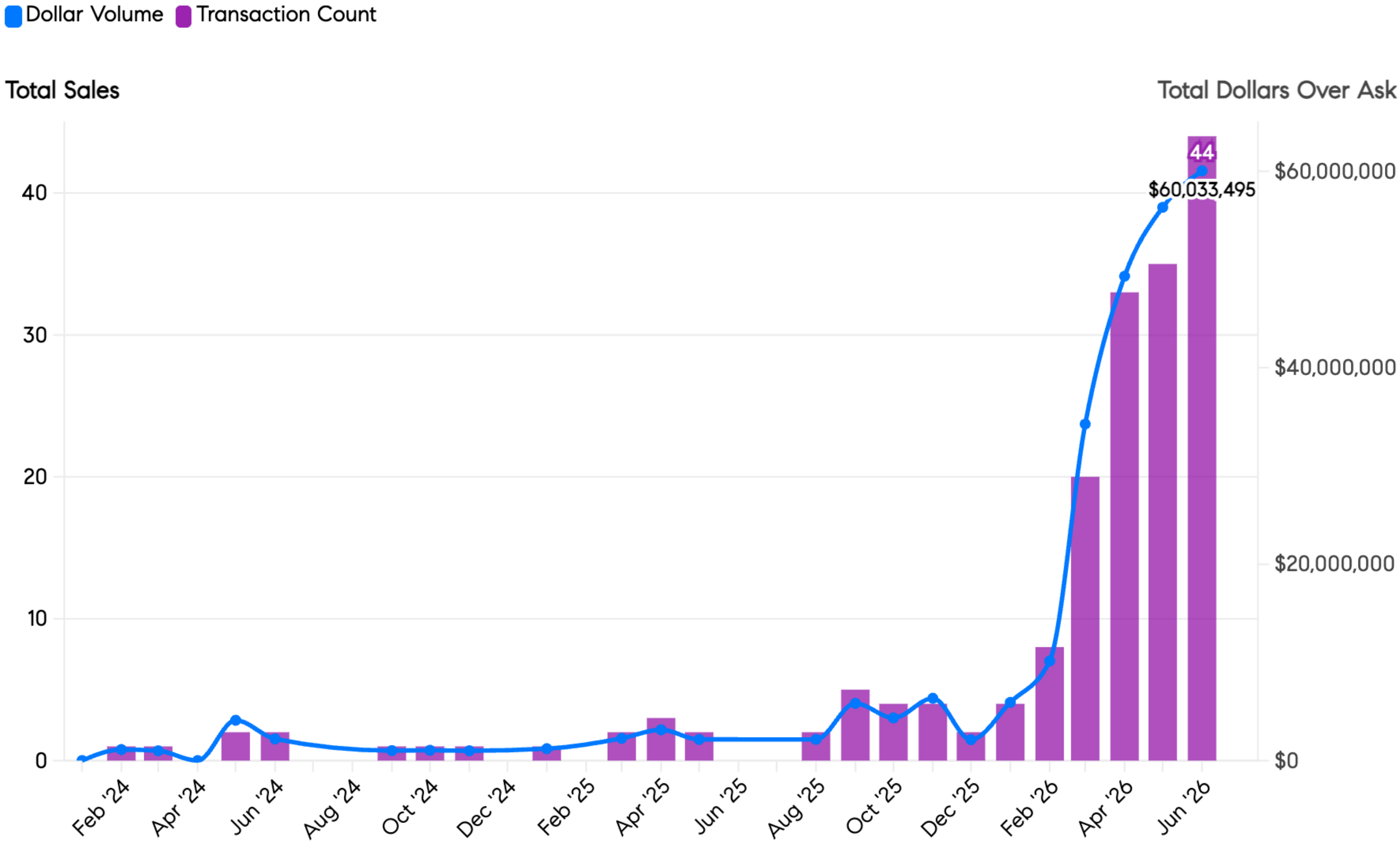
In many ways, the Bay Area is leading the nation's housing story in both directions — new wealth pulling the top of the market to record heights, while job insecurity and high rates weigh on buyers further down. It's always worth watching the Bay Area markets closely as we often signal where the rest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

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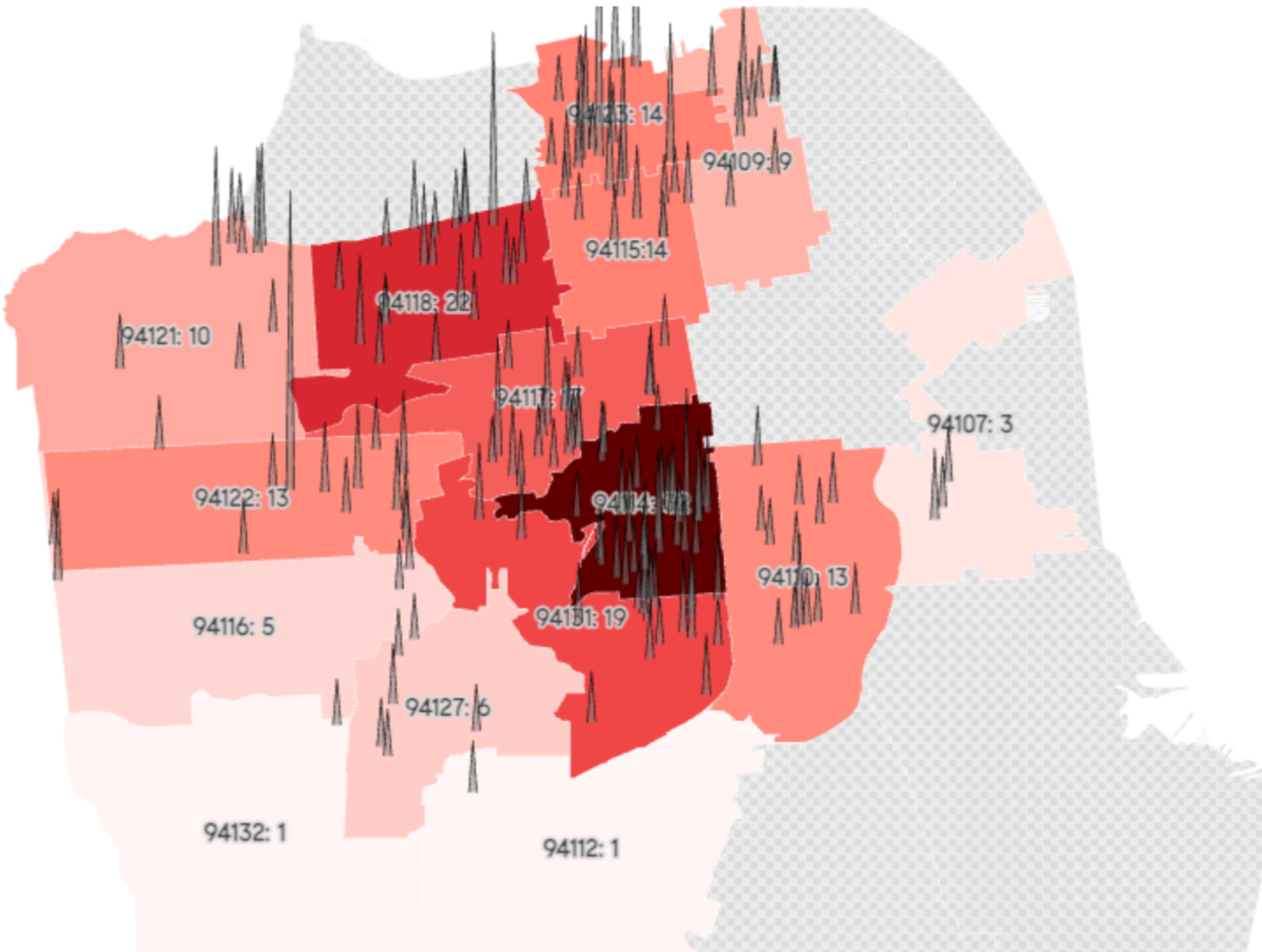
Where The Money is Concentrating

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.

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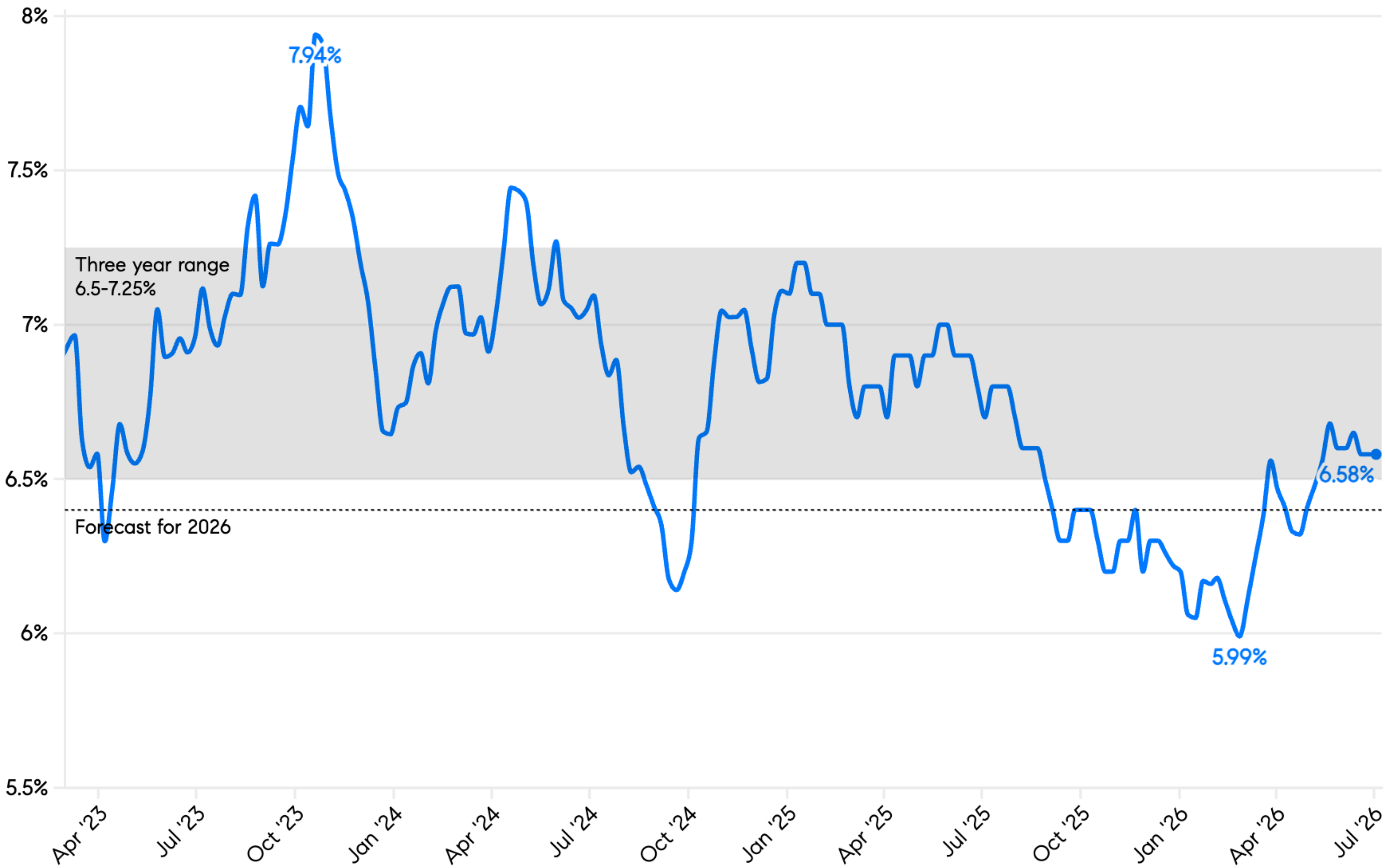
Mortgage Rates Stay In The Mid-6s

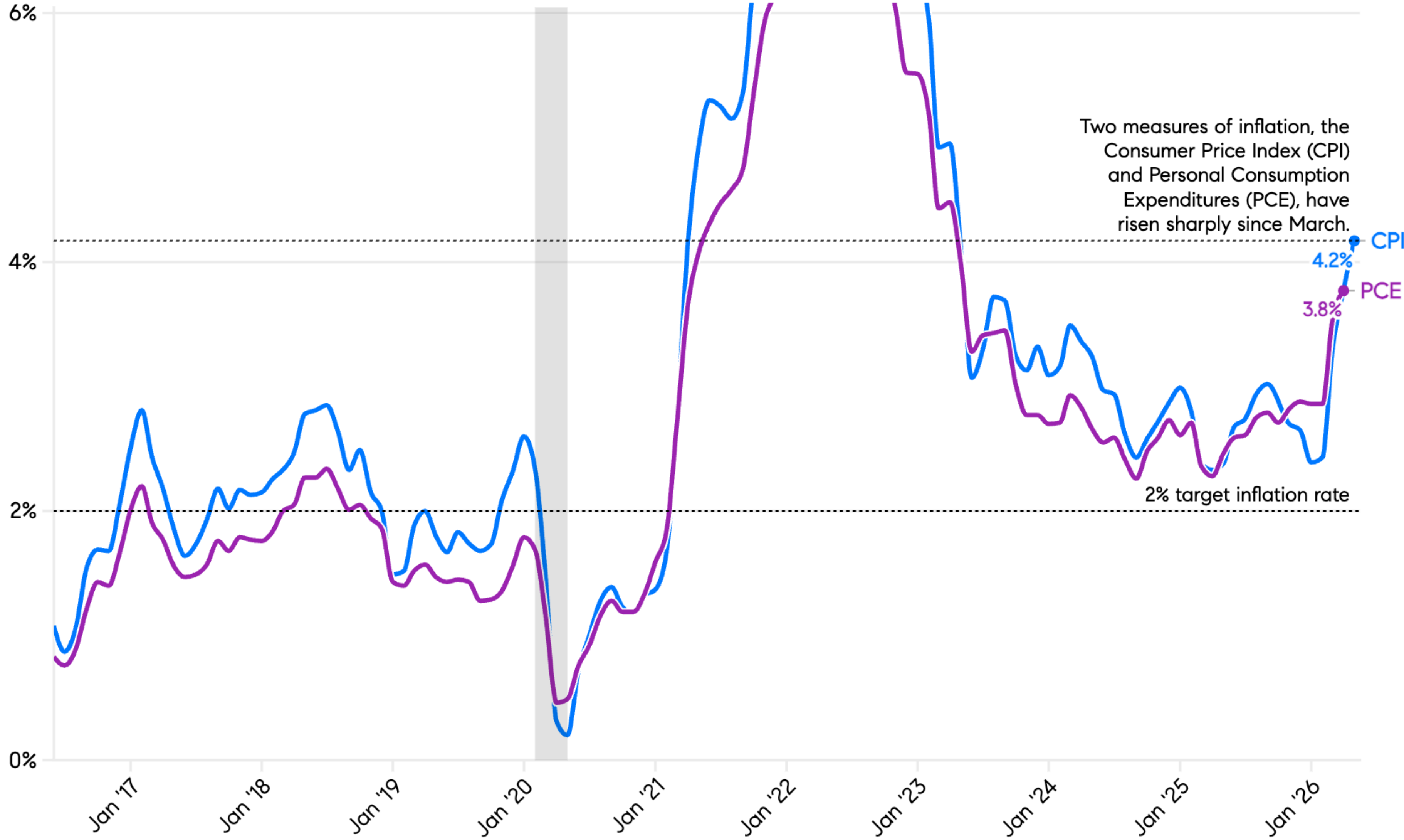
Interest have stayed elevated due persistent inflation news and recently improved jobs data. Still at the low-end of the range over the past three years, any push into the upper 6s is likely to slow home purchase demand again.



Source: Mortgage News Daily, Compass

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

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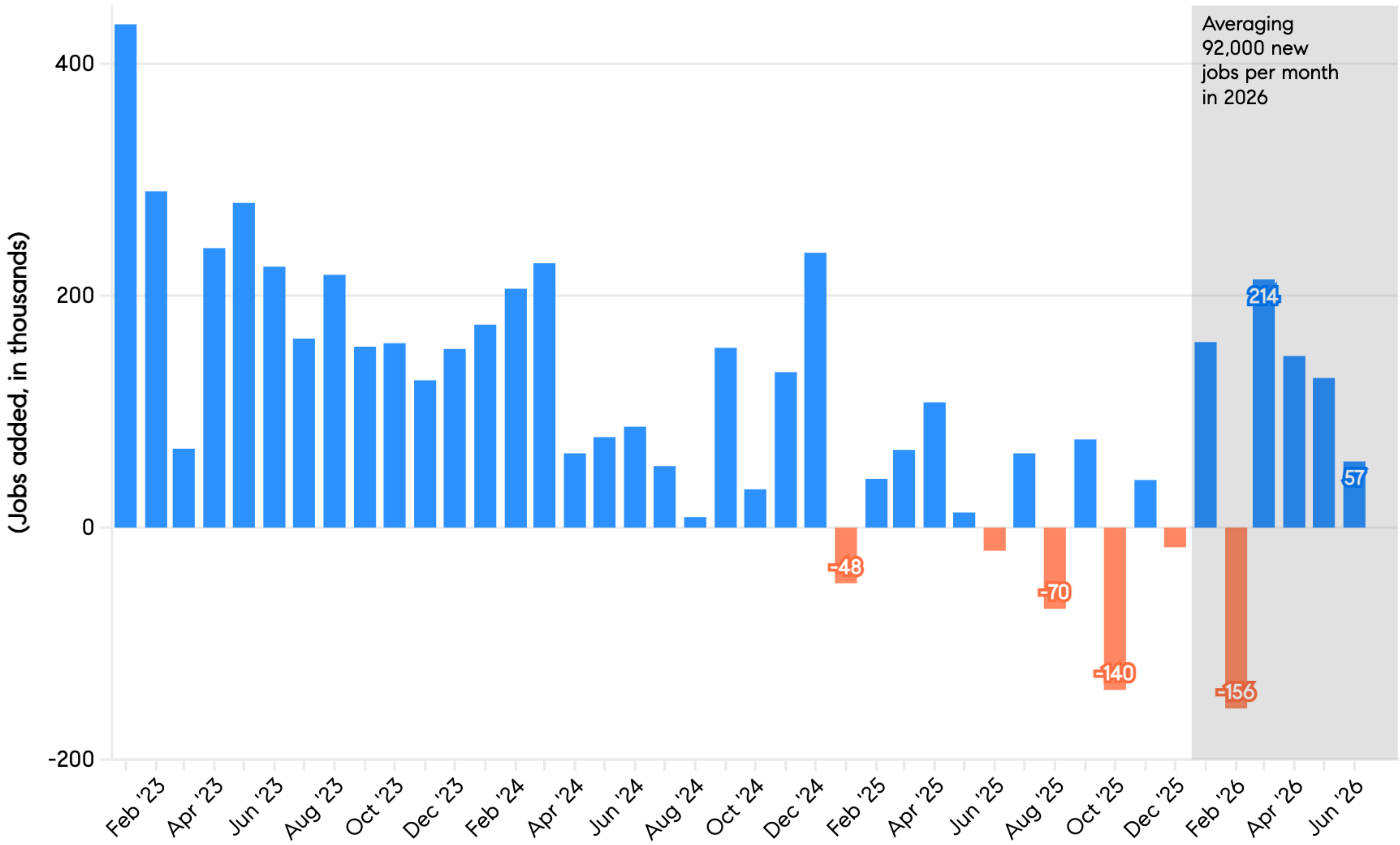
National Employment Grows Slowly

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

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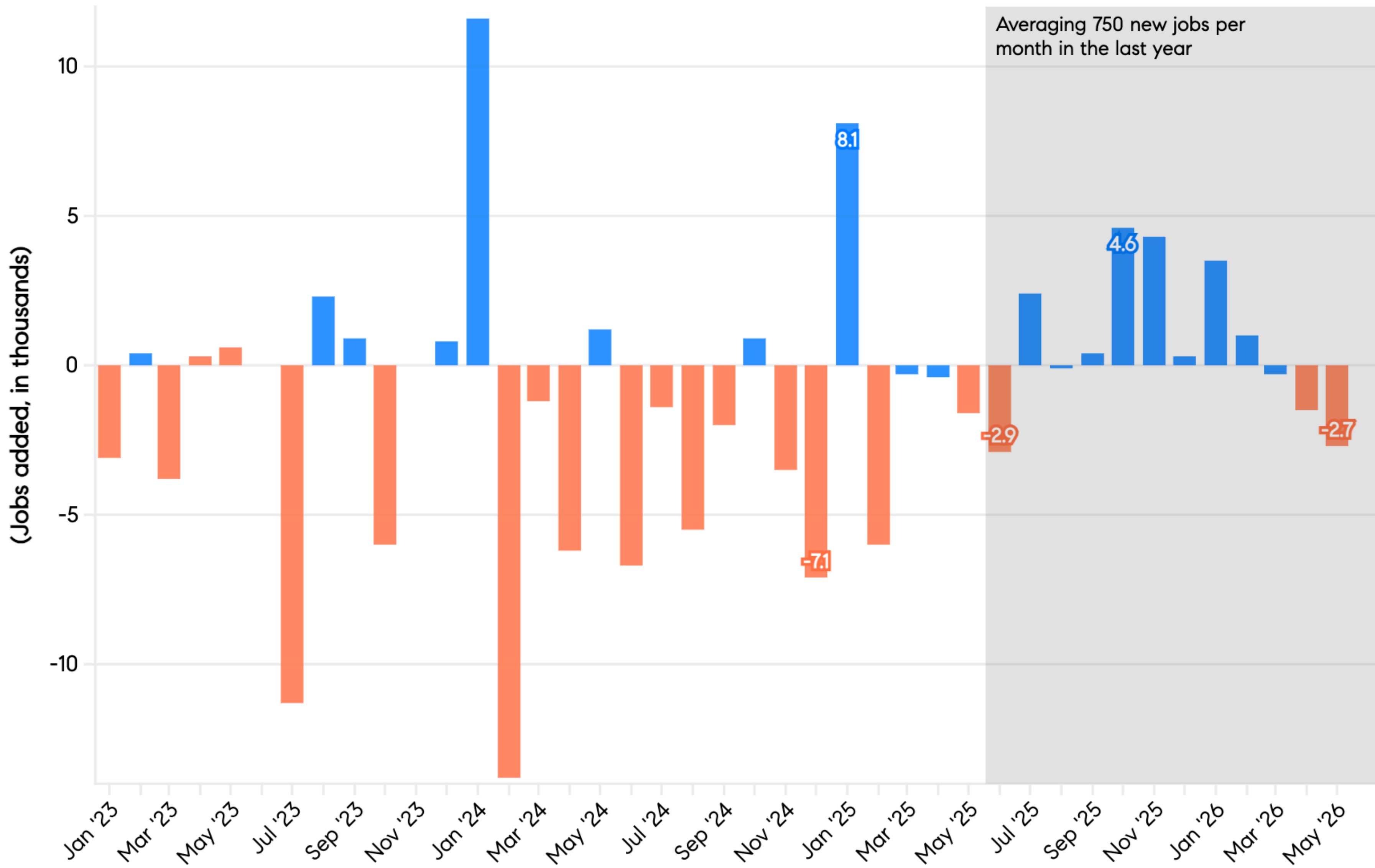
Bay Area Job Growth Slows Again

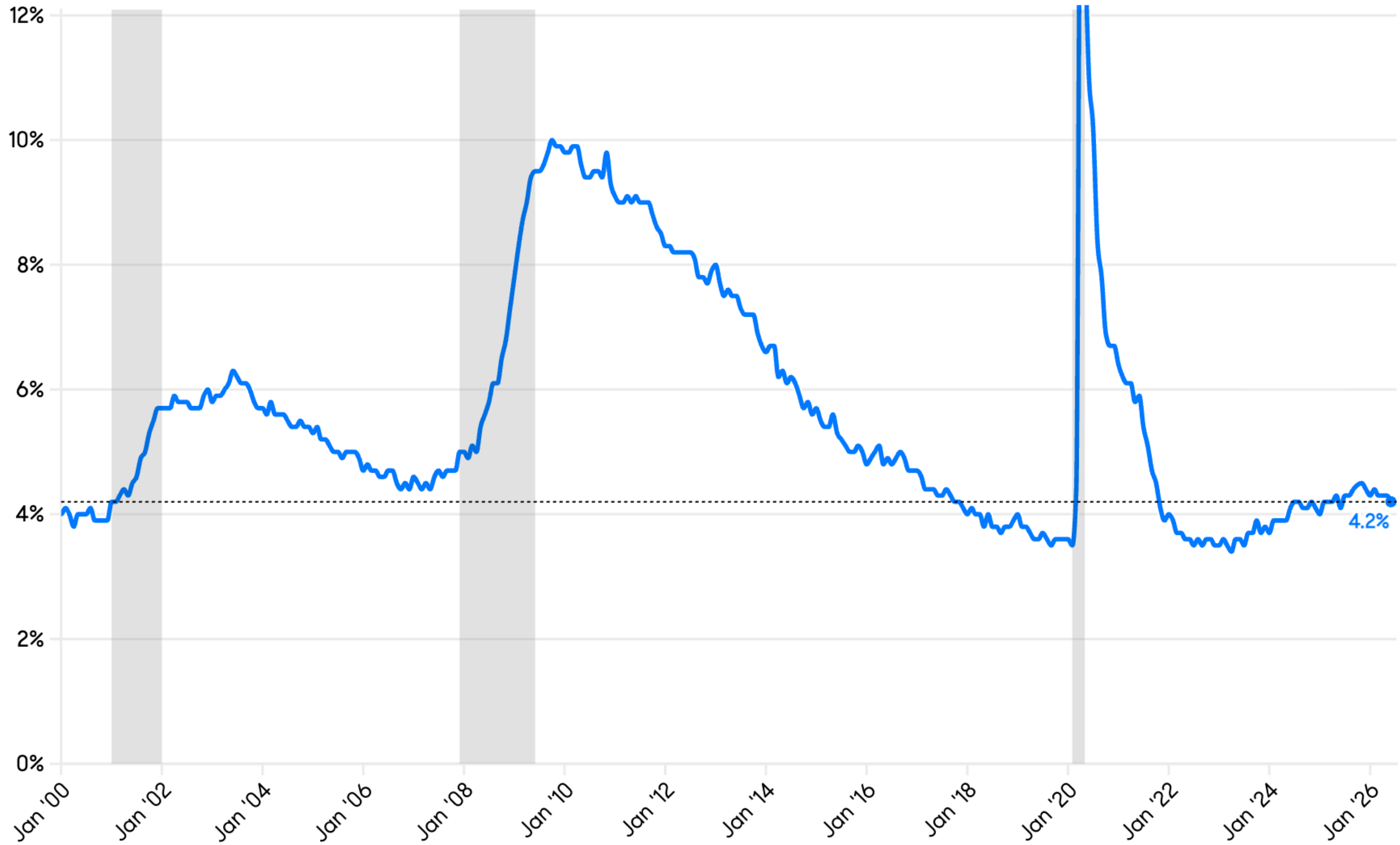
While the most recent 12 months have been mildly positive for job growth in the Bay Area, the most recent two months report a weakening job market again.



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

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

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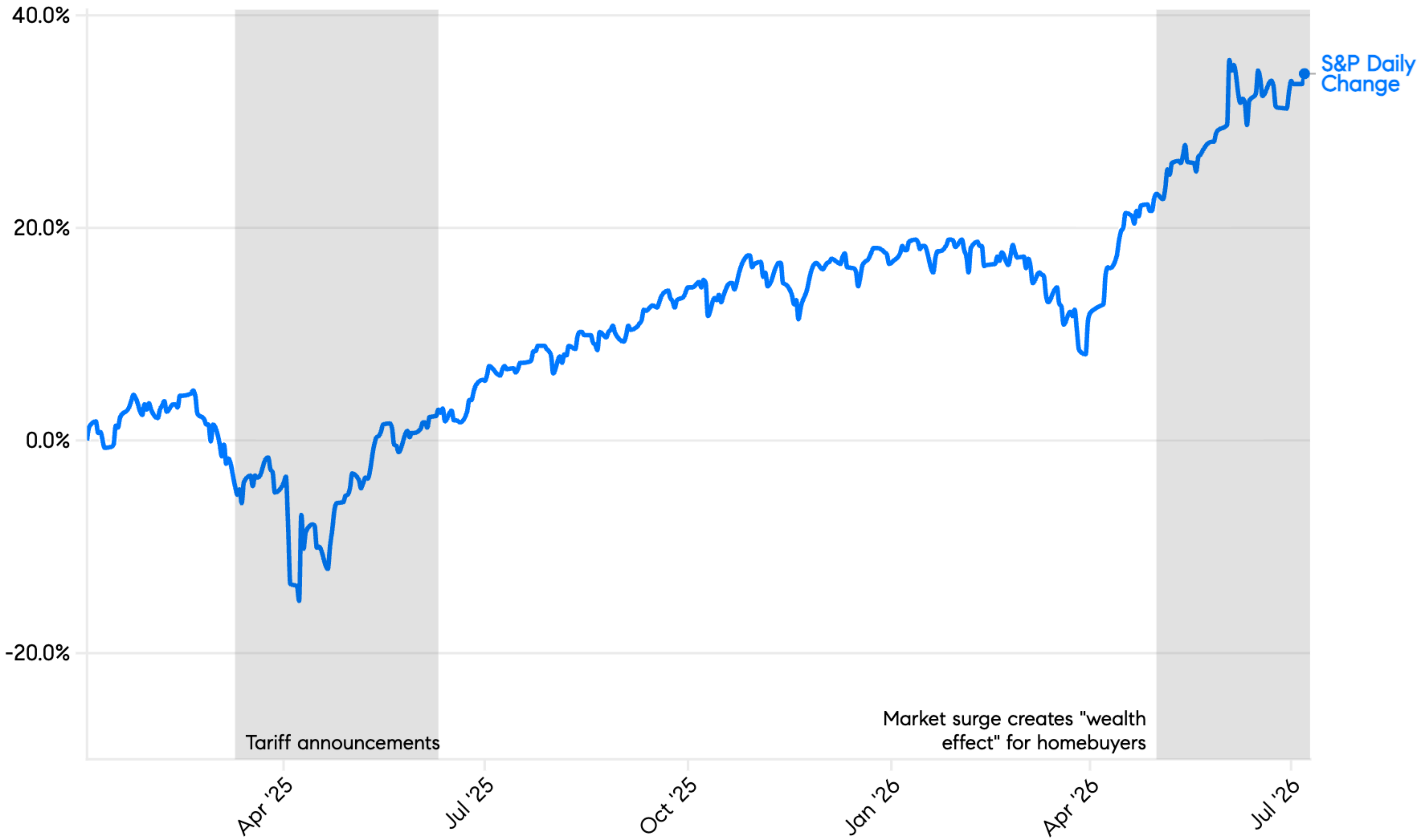
Wealth Effect Drives Home Purchase Demand

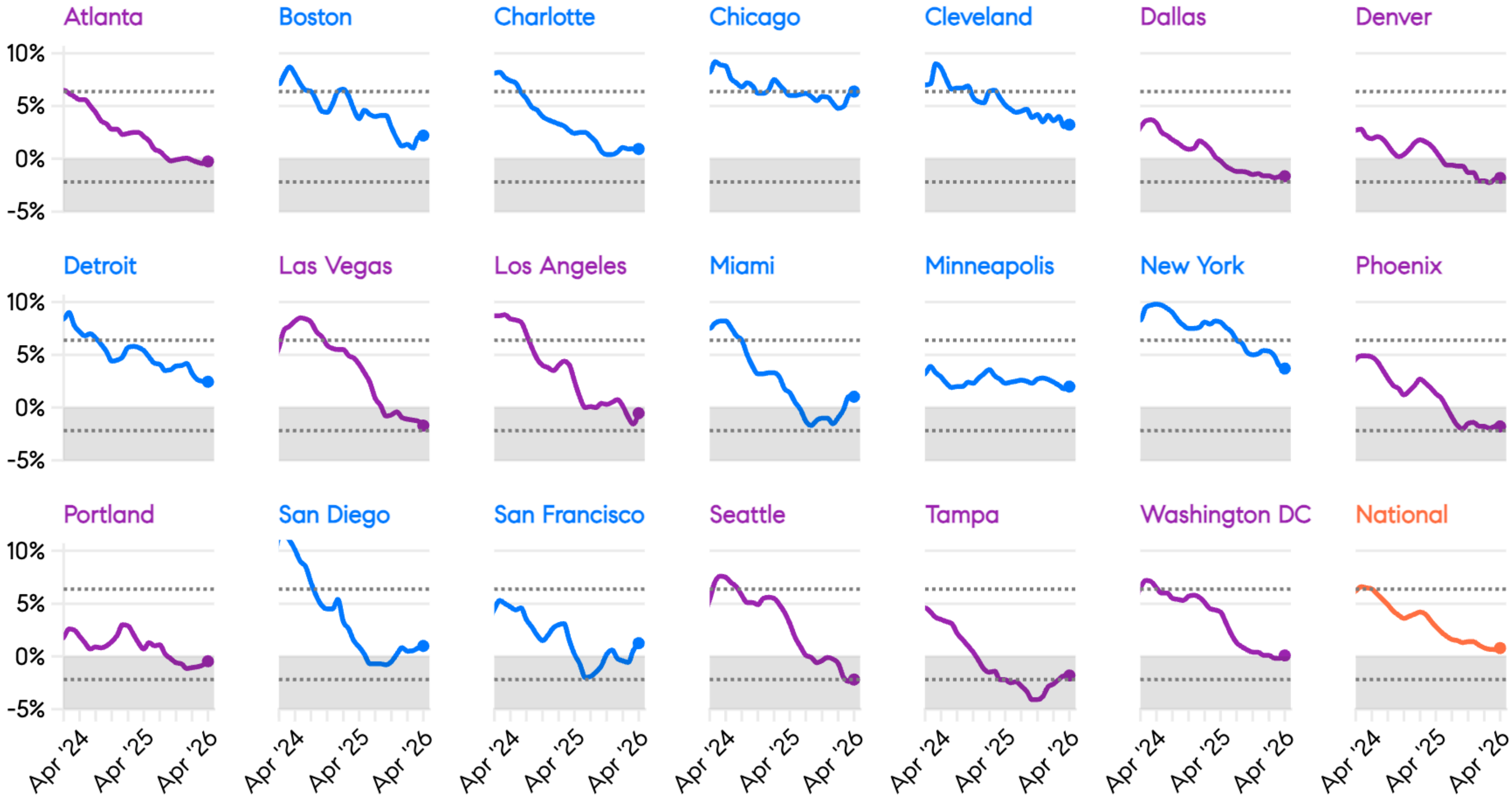
With stock markets near all time highs, a powerful "wealth effect" is created for potential homebuyers. The opposite effect was felt in 2025 after tariffs slowed the economy and ate up business profits. This wealth effect has had dramatic results in the Bay Area with AI related market boom and IPOs in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



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

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%

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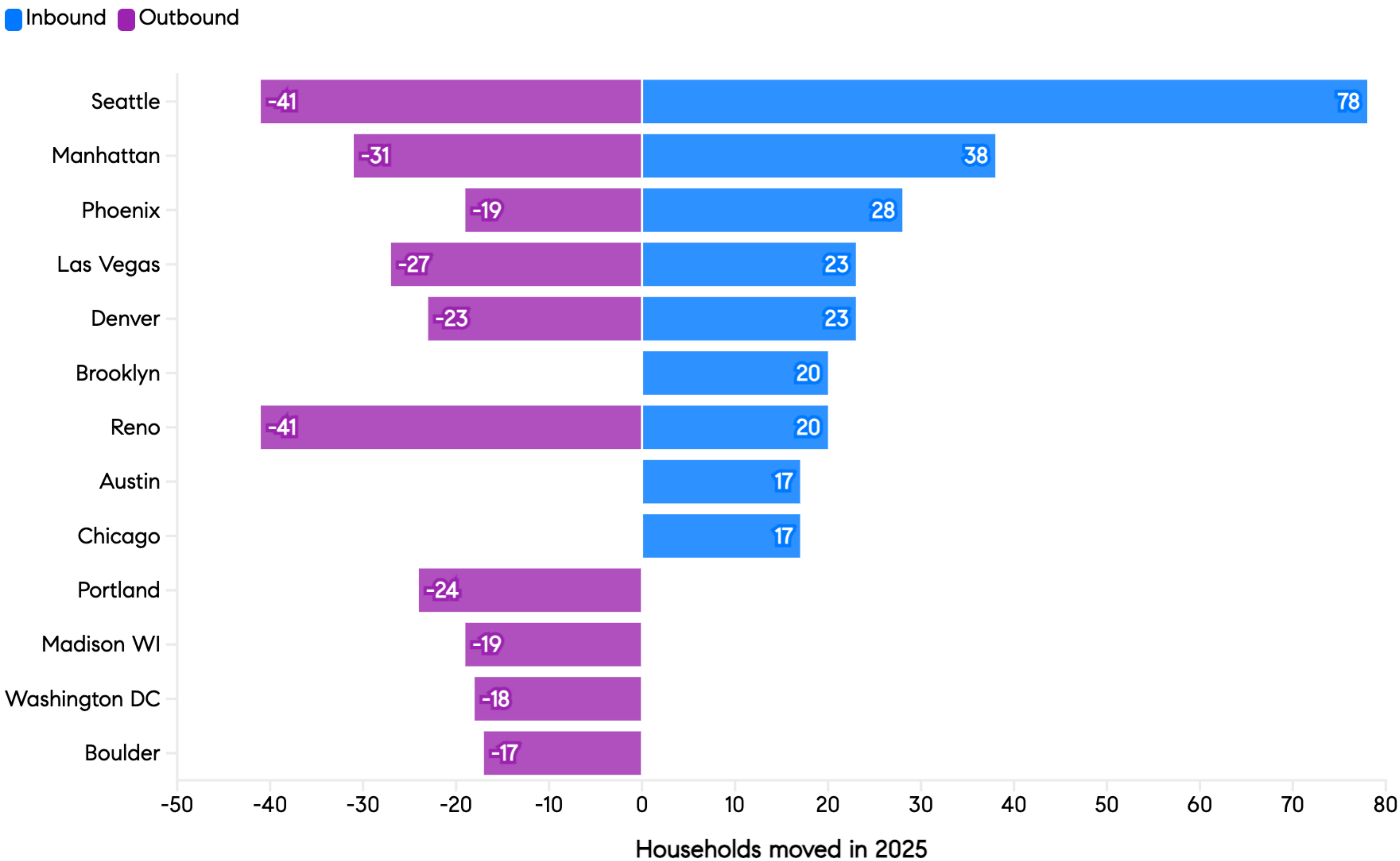
Bay Area Migration Sources & Destinations

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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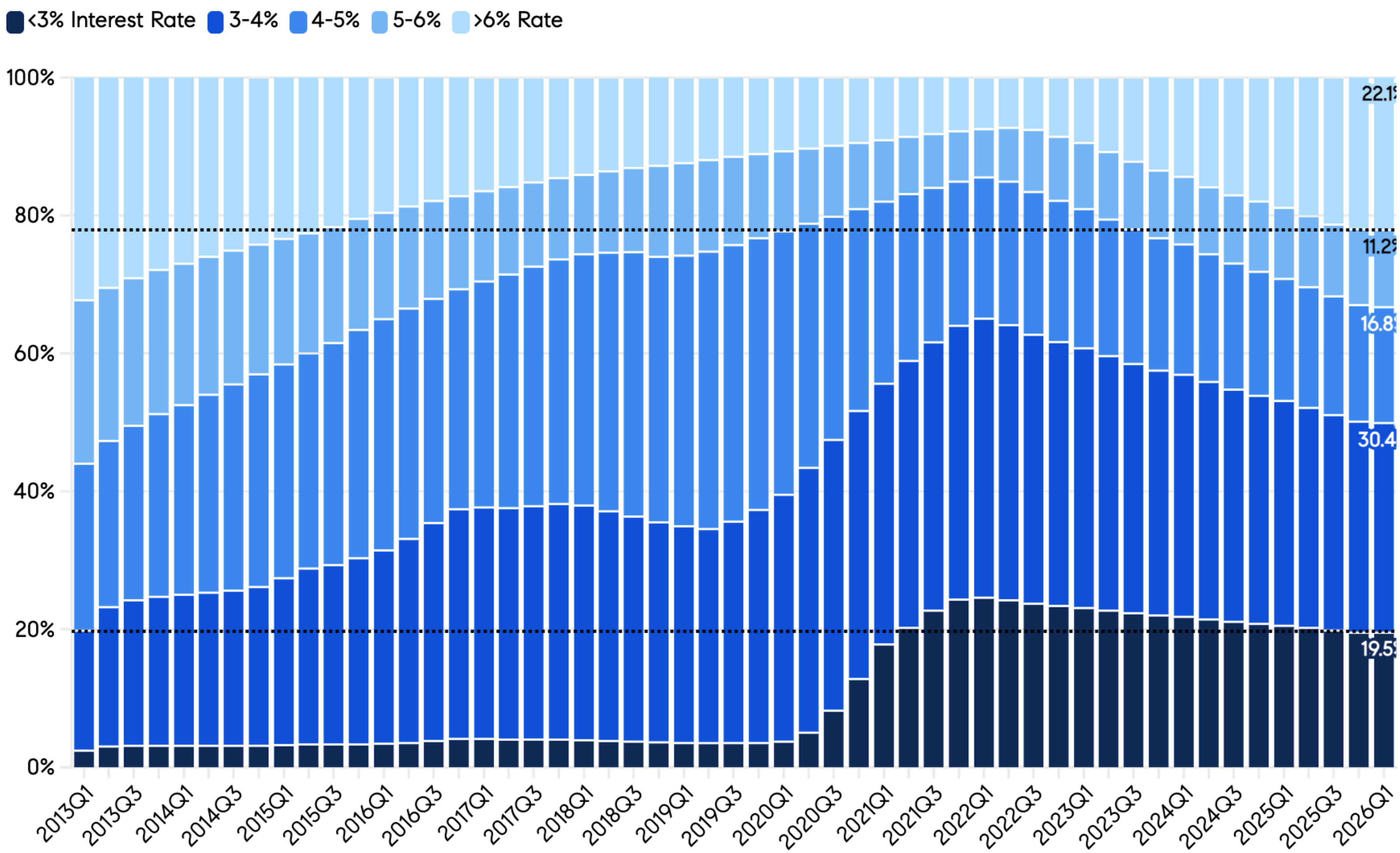
Expensive and Cheap Mortgages

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

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Stanford Circle Market

Stanford Circle Market Recap

Stanford Circle recorded 134 closed single-family home sales in June, which is in line with previous years and just slightly below June 2025.

The median sale price for a single-family home was $4,145,000, a 1.9% decline from $4,225,500 in June 2025. Price appreciation began slowing considerably in 2022 as interest rates rose. It then turned positive in 2024, and was relatively flat throughout 2025.

Despite the slight decline in median price last month, demand remained exceptionally strong. The absorption rate was 66%, indicating a very strong seller's market. On the last day of June, there 133 homes under contract and 201 active listings.

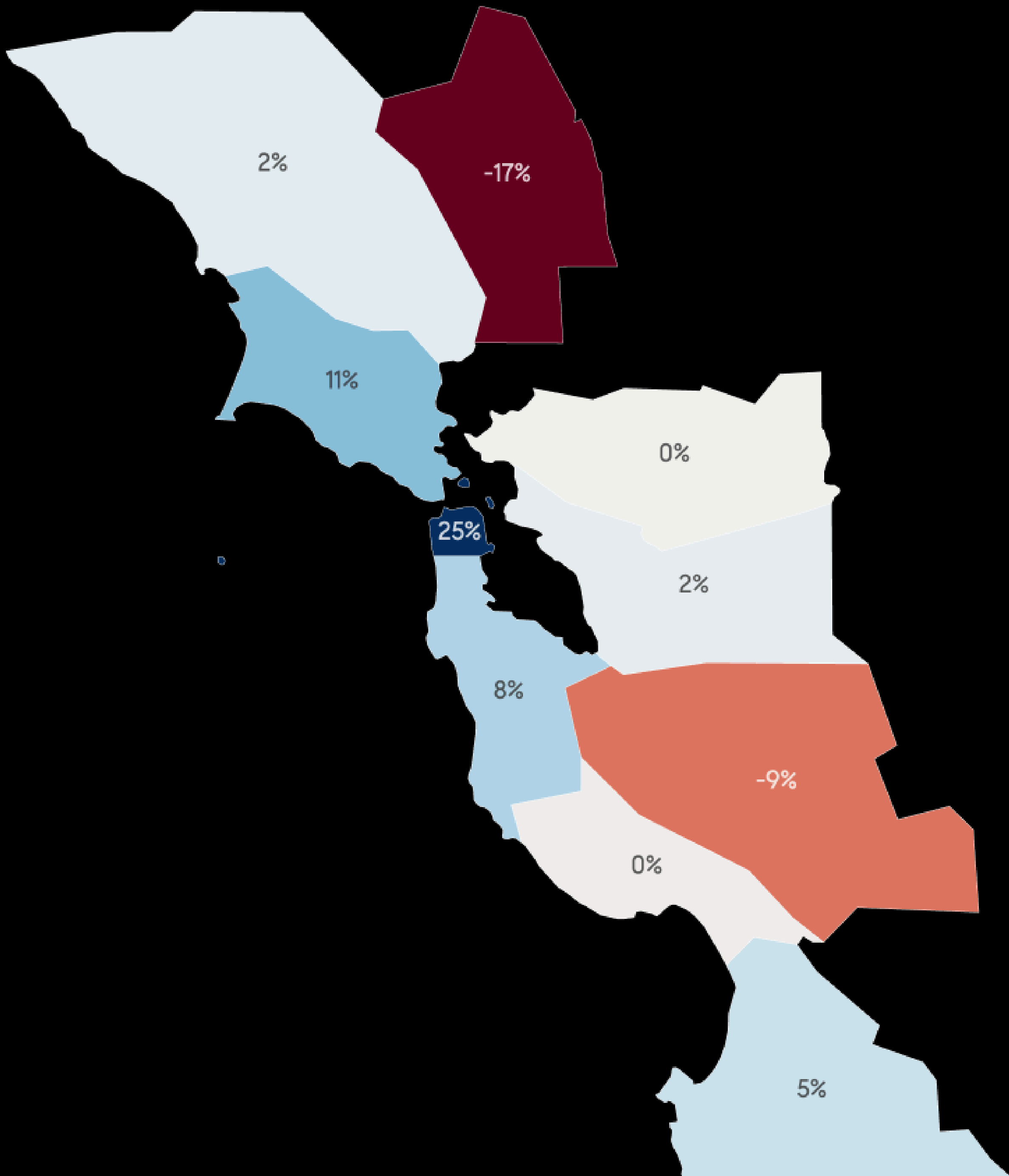
The median size of homes sold in Stanford Circle was 2,115 square feet, while the median price per square foot was $1,875. Price per square foot has declined from its February 2026 level, but so has the median size of homes sold. This suggests that the mix of homes selling has shifted toward smaller and possibly lower quality homes than earlier in the year. This change in composition helps explain some of the decline in the median sale price, particularly since the number of homes sold has remained relatively stable.

The sale-to-list price ratio declined from 104% last month to 101.2% in June, meaning the typical home still sold for about 1% above its asking price. Sellers also reduced prices less frequently. There were 24 price reductions among active single-family listings in June, down from approximately 70 in May. We observed a similar seasonal pattern during June 2025.

The average days on market for single-family homes in Stanford Circle was 29 days, slightly below 31 days in June 2025 and slightly above 24 days in June 2024. Overall, homes continue to sell relatively quickly.

Rolling 12 months among the individual communities within Stanford Circle, Atherton experienced the strongest appreciation over the past 12 months, with the median sale price increasing 21%. There were 82 closed sales since June 2025, about 4% more than the previous 12-month period. The largest decline occurred in Los Altos Hills, where the median sale price fell 11% over the past 12 months, also with 82 closed sales. Meanwhile, Woodside saw the largest increase in sales activity, with 17% more homes sold than during the previous 12 months.

Home Price Change vs 2025



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

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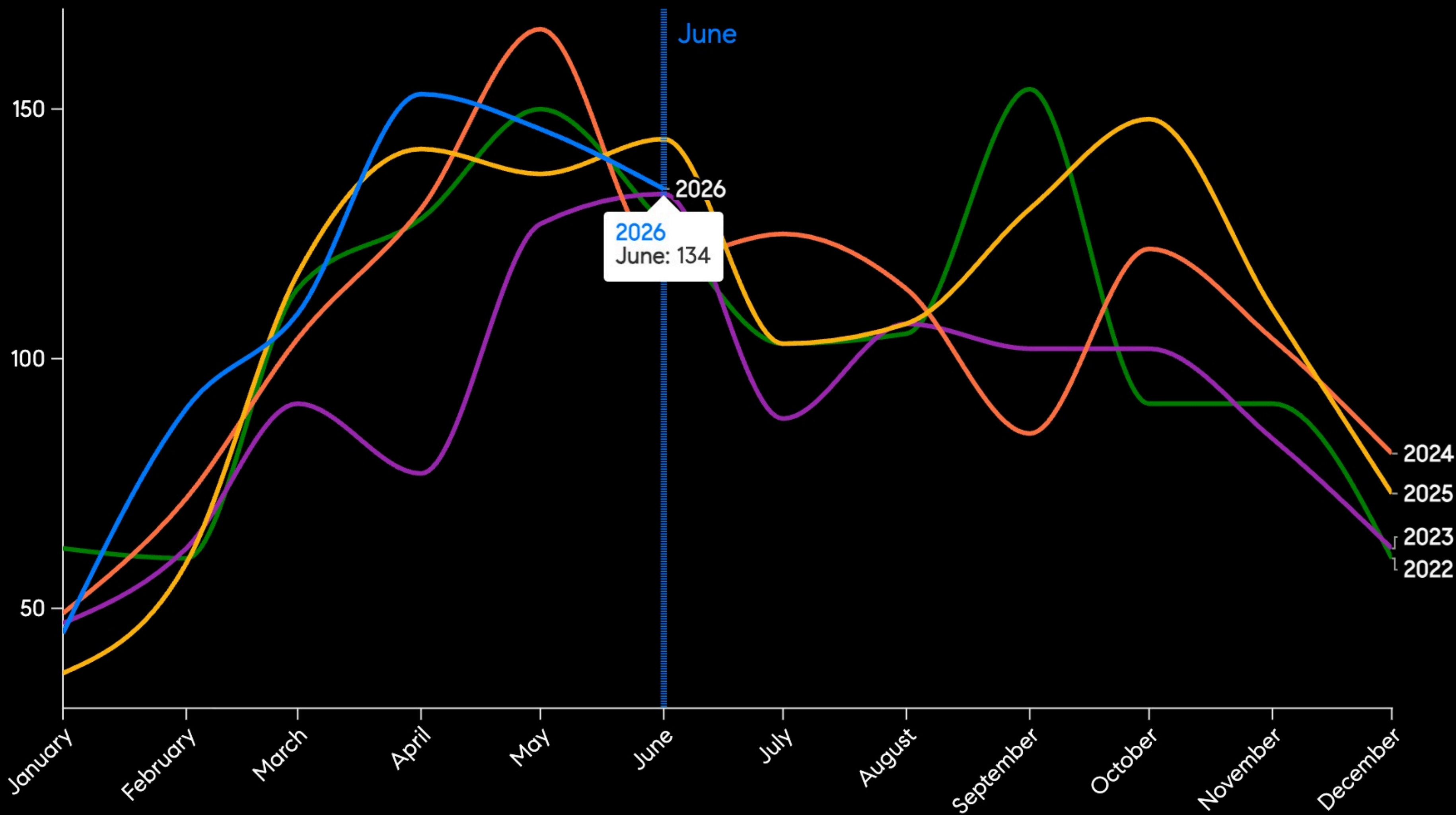
Closed Sales

Single Family Homes

Stanford Circle



Source: Compass via MLS · Single Family

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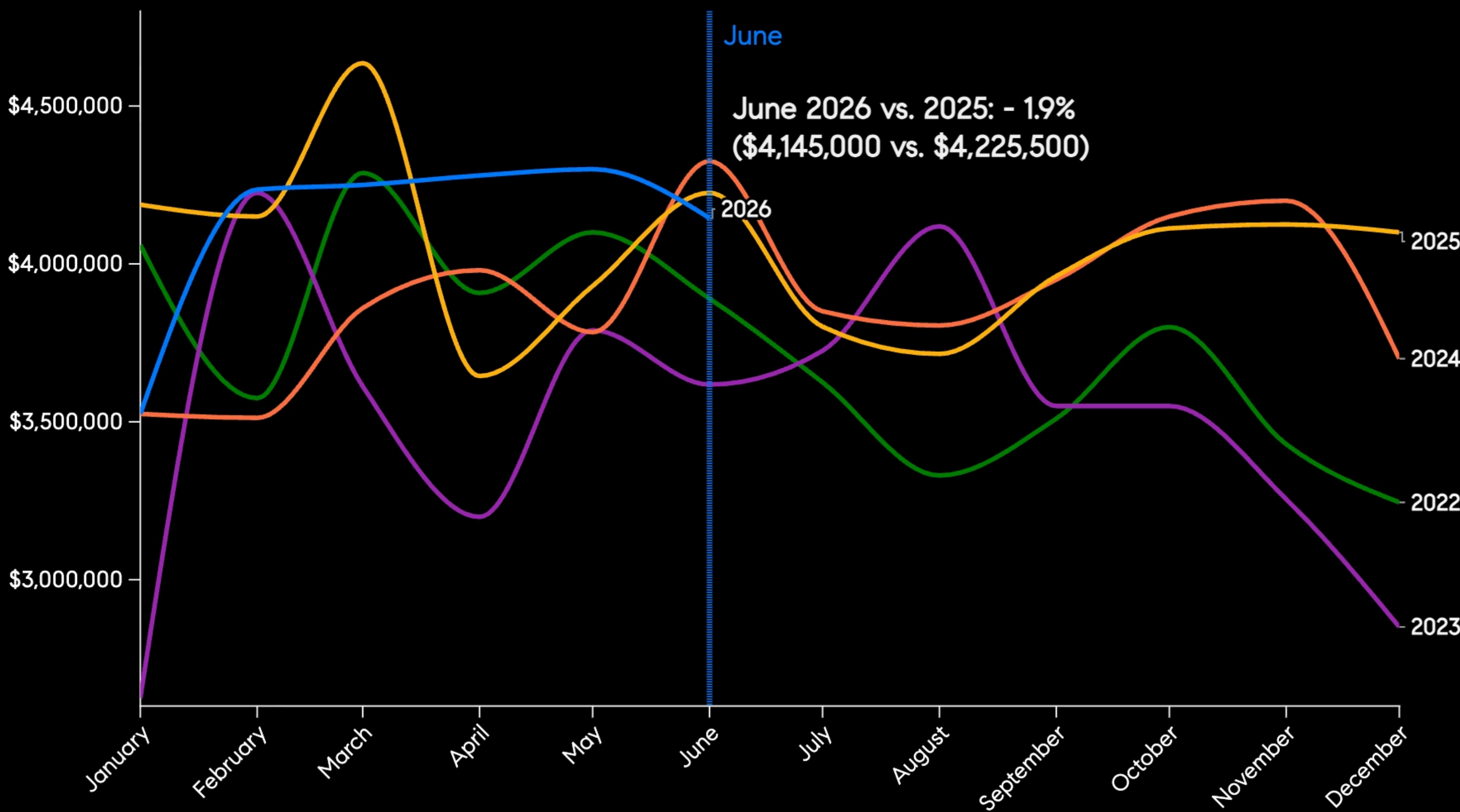
Median Sale Price

Single Family Homes

Stanford Circle



Source: Compass via MLS · Single Family

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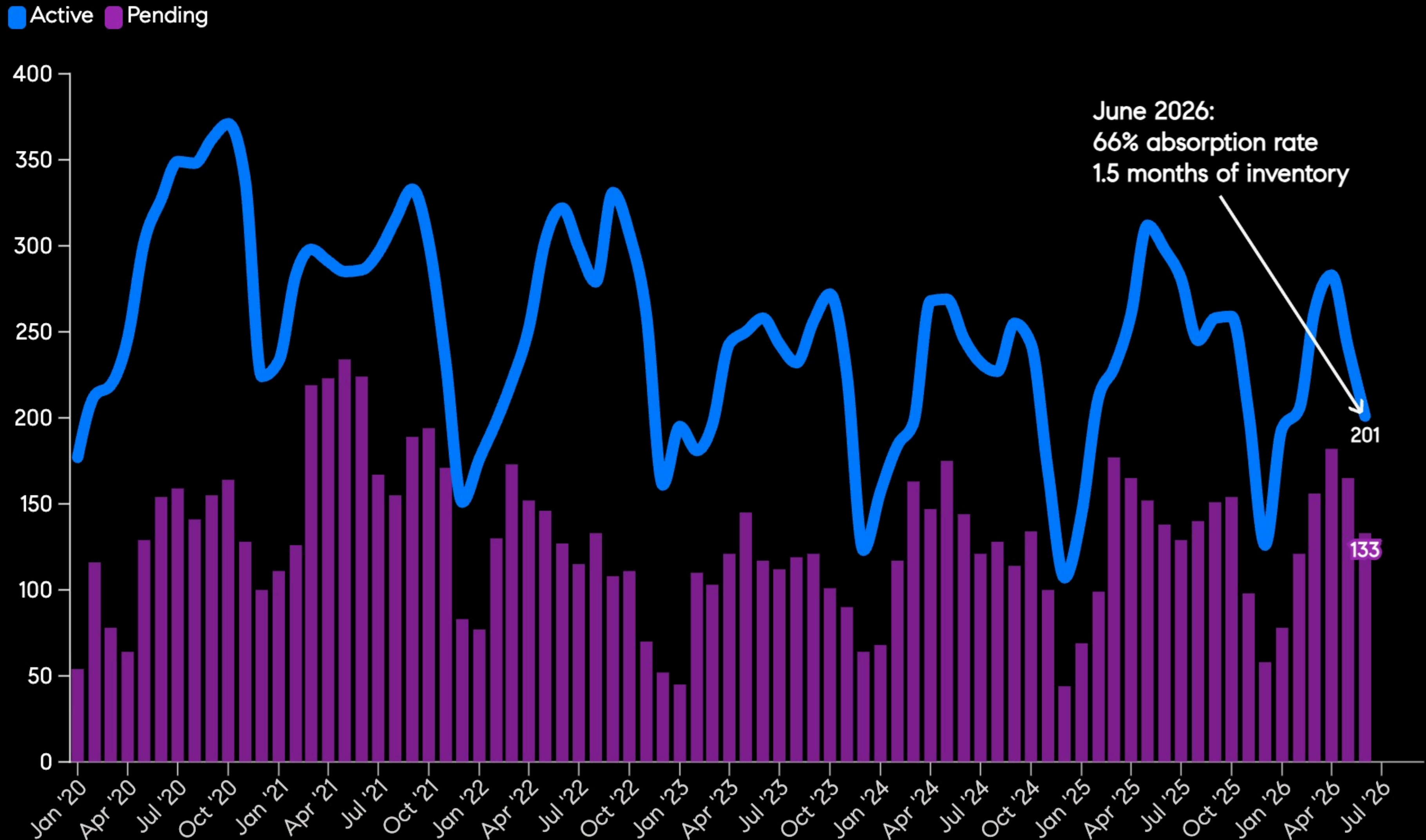
Active Listings and Pending Sales

Stanford Circle



Source: Compass via MLS · Single Family Homes and Condos

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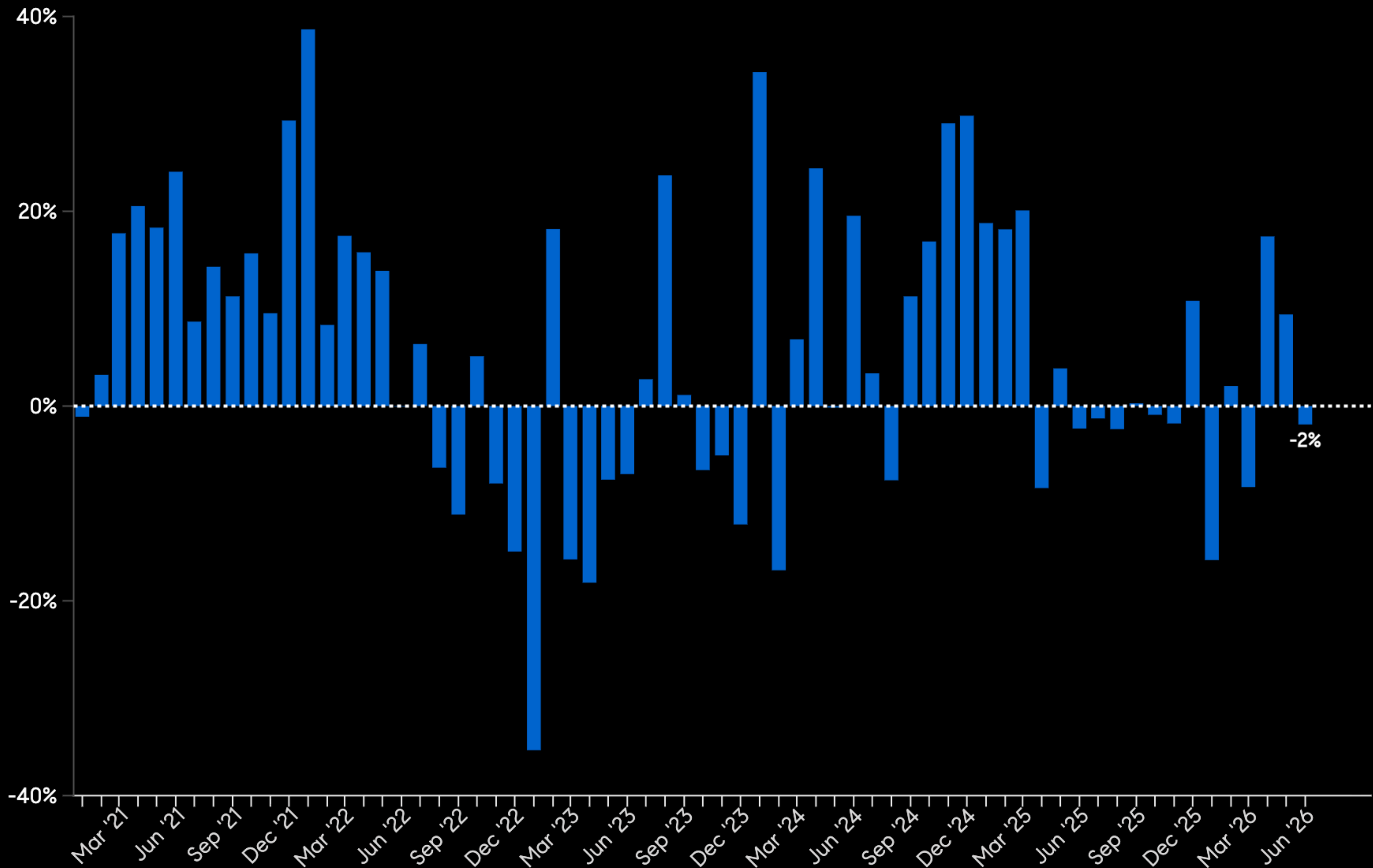
Median Price Year Over Year Change

Stanford Circle



Source: Compass via MLS

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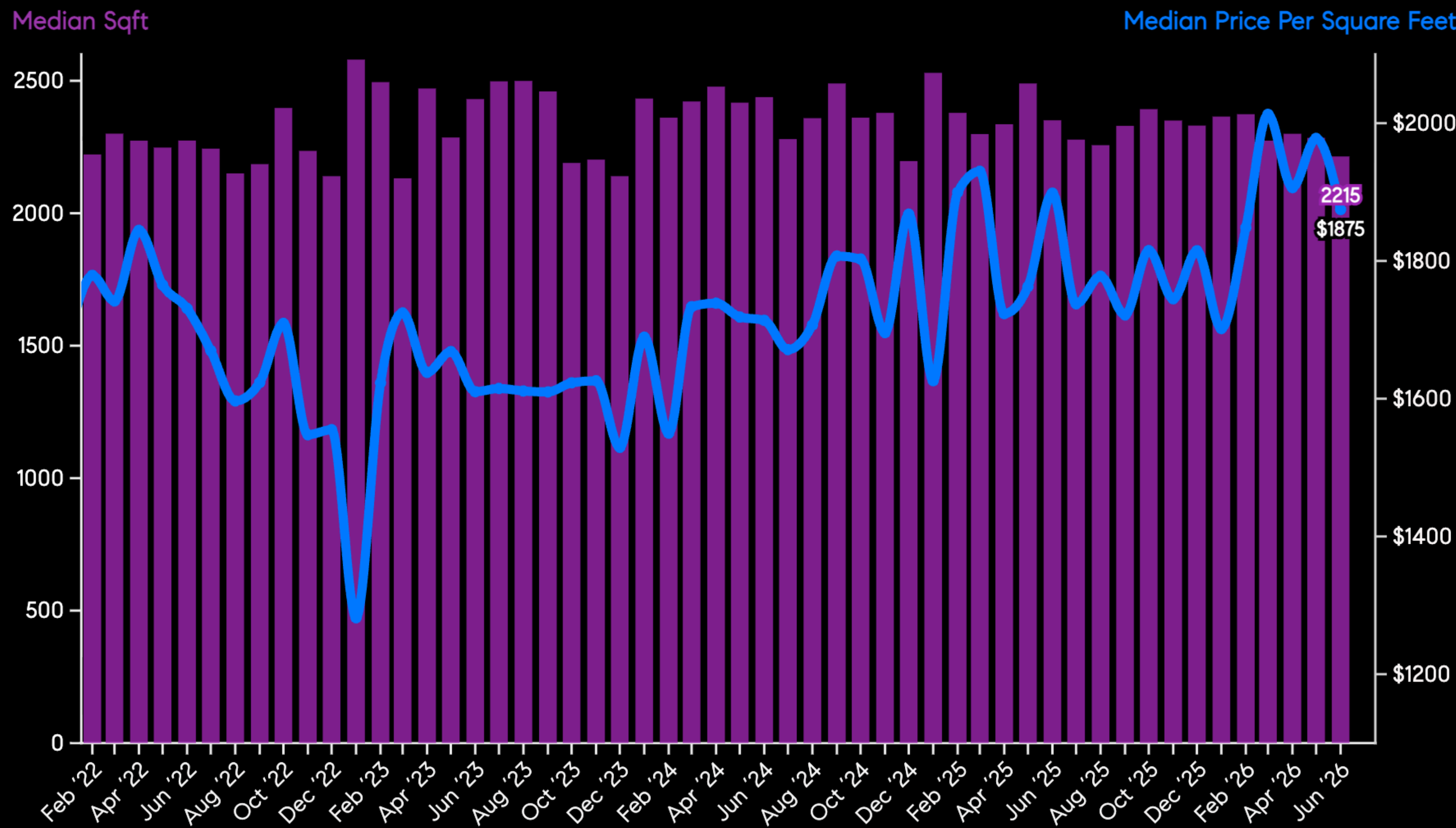
Price Per Square Foot and Median Square Feet

Stanford Circle



Source: Compass via MLS data · Single Family Homes

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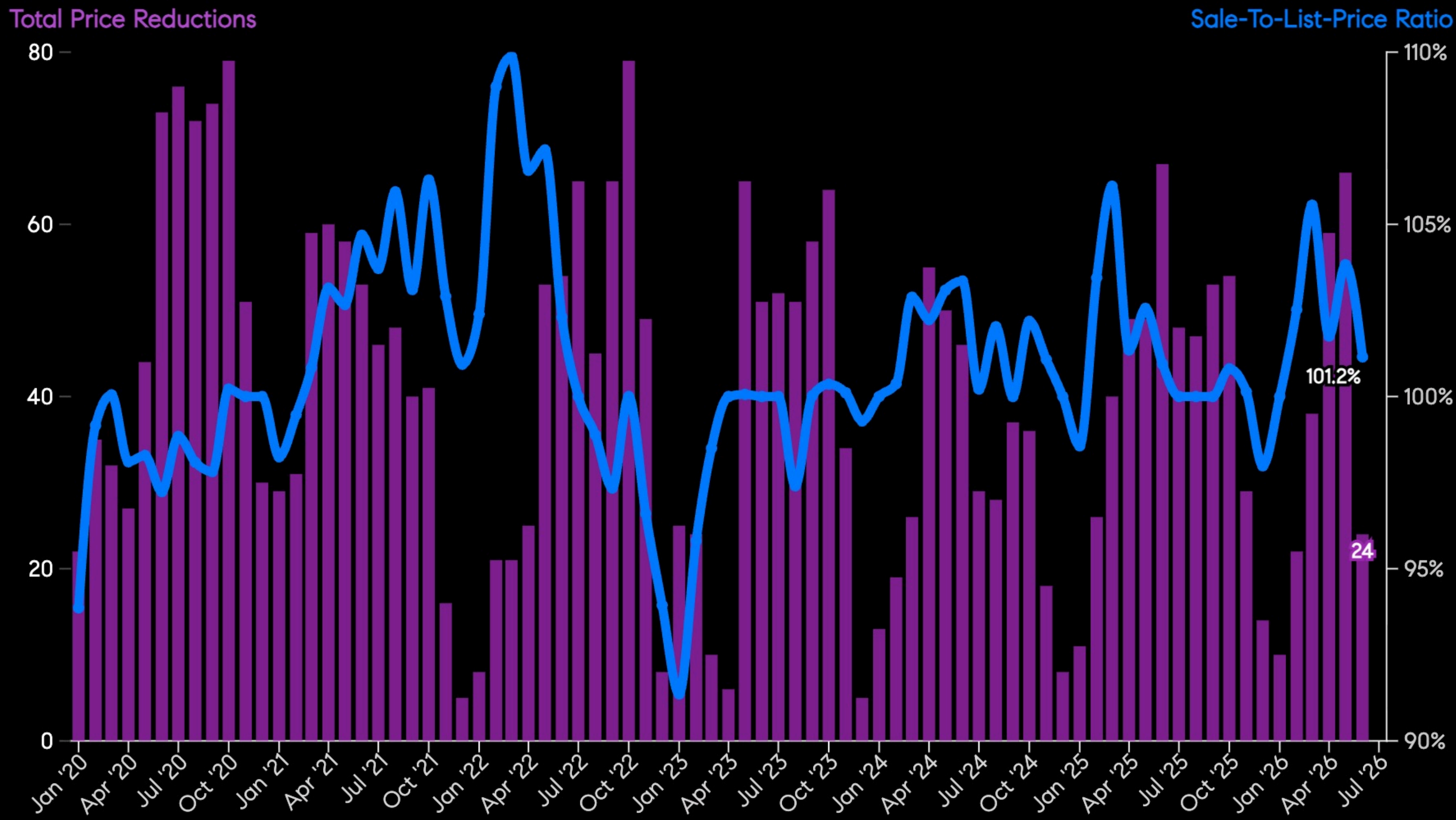
Sale-To-List-Price Ratio

Stanford Circle



Source: Compass via MLS · Single Family Homes

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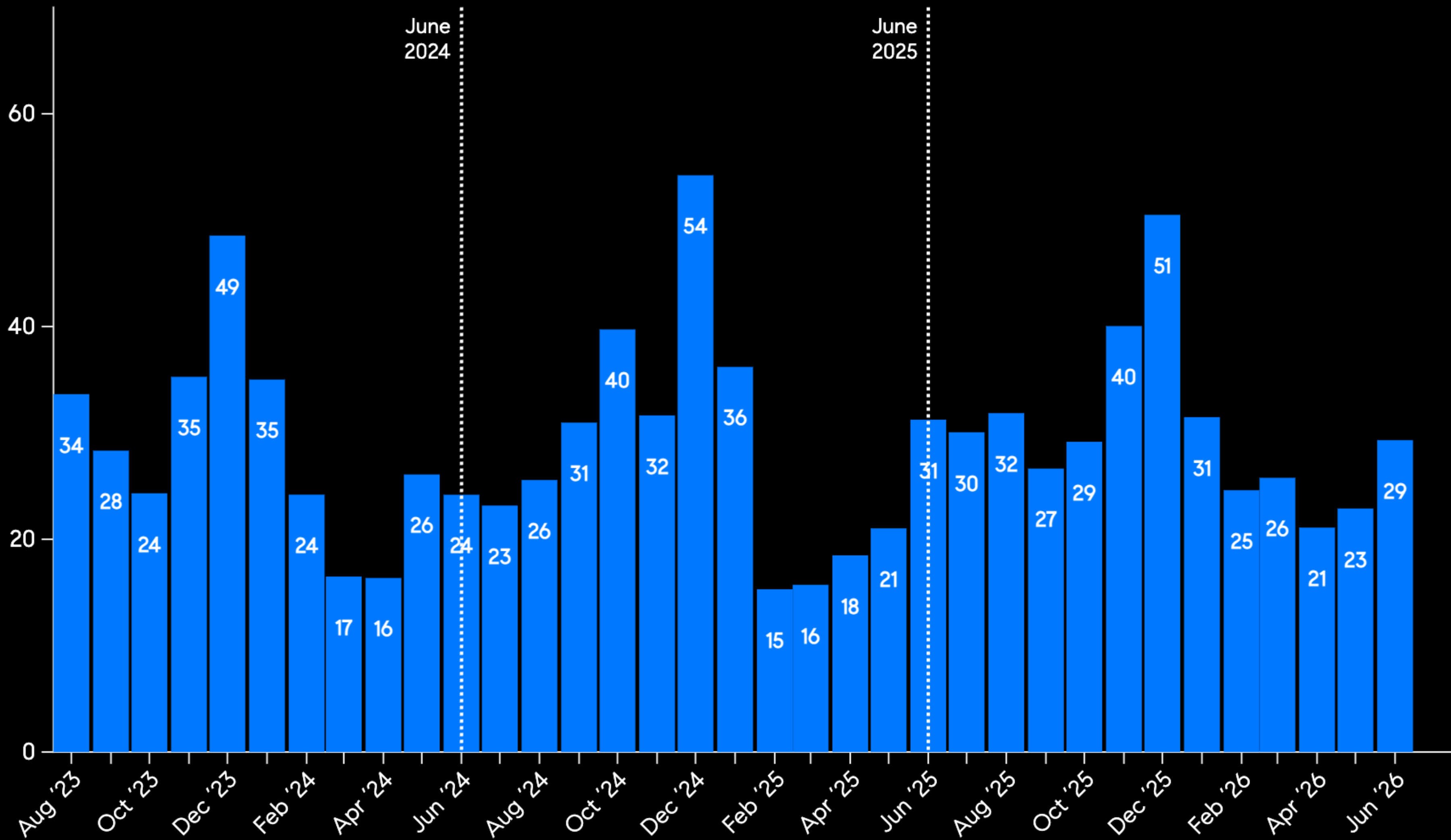
Average Days on Market

Stanford Circle



Source: Compass via MLS · Single Family

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Stanford Circle Neighborhoods

June 12 month rolling average for local single family homes

City	Median Sale Price	MDN % Change	PPSFT	Closed Sales	Closed % Change	Pendings
Atherton	$9,880,000	0.21	$2,147	82	0.04	86
Los Altos	$4,750,000	-0.02	$1,944	291	0.01	290
Menlo Park	$3,375,000	0.02	$1,700	322	0.18	325
Palo Alto	$4,000,000	0.07	$2,074	417	0.08	427
Portola Valley	$4,150,000	-0.05	$1,521	74	-0.05	79
Woodside	$4,024,500	-0.11	$1,332	82	0.17	82

Source: Compass via MLS · Single Family Homes