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August 2026 Inner East Bay Market Outlook

Data through July 2026

Market Research
COMPASS INTERNATIONAL HOLDINGS

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.

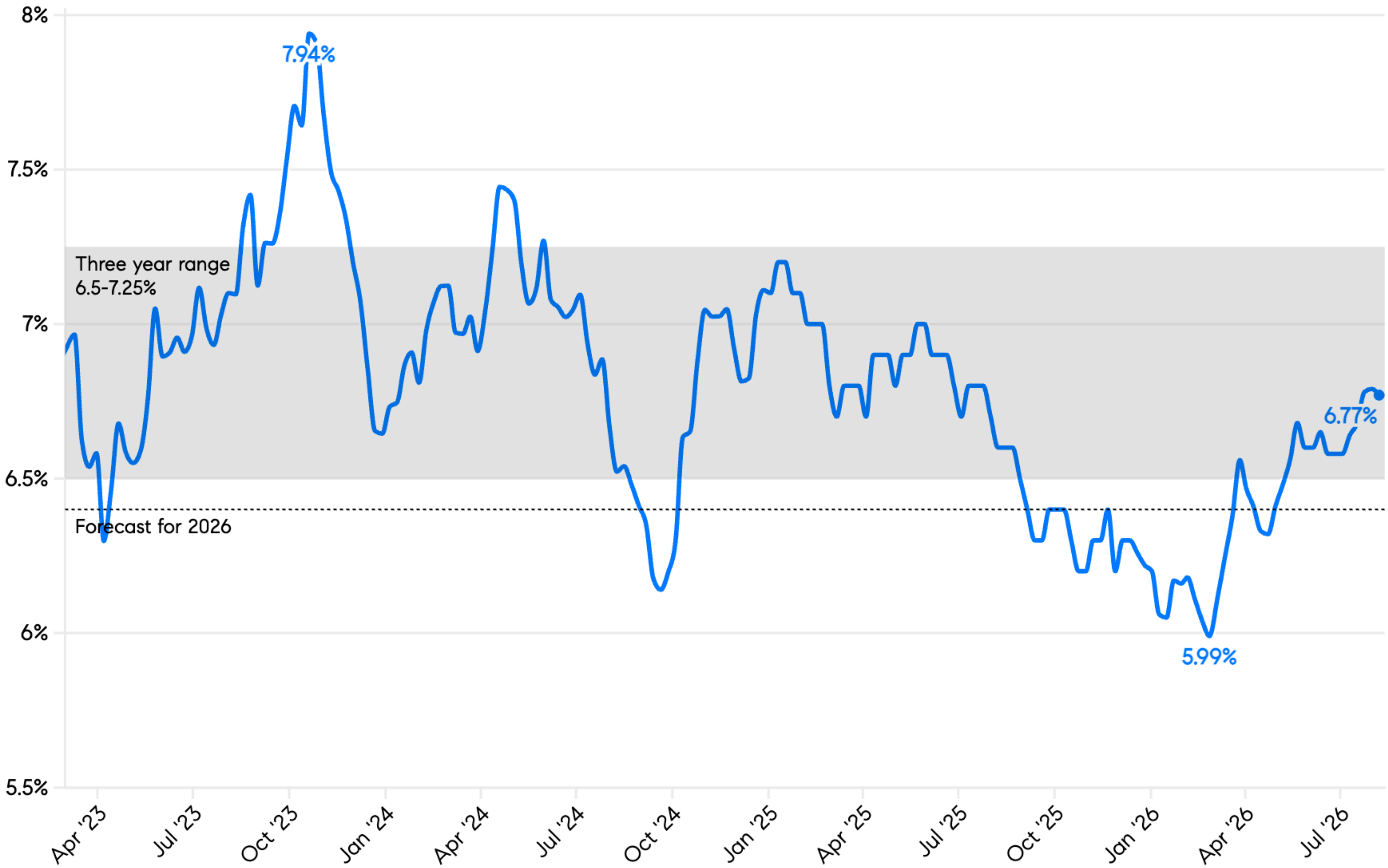
The August 2026 overview: local markets are diverging from both the regional and national picture. Real estate is local, but the bigger picture still matters.

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

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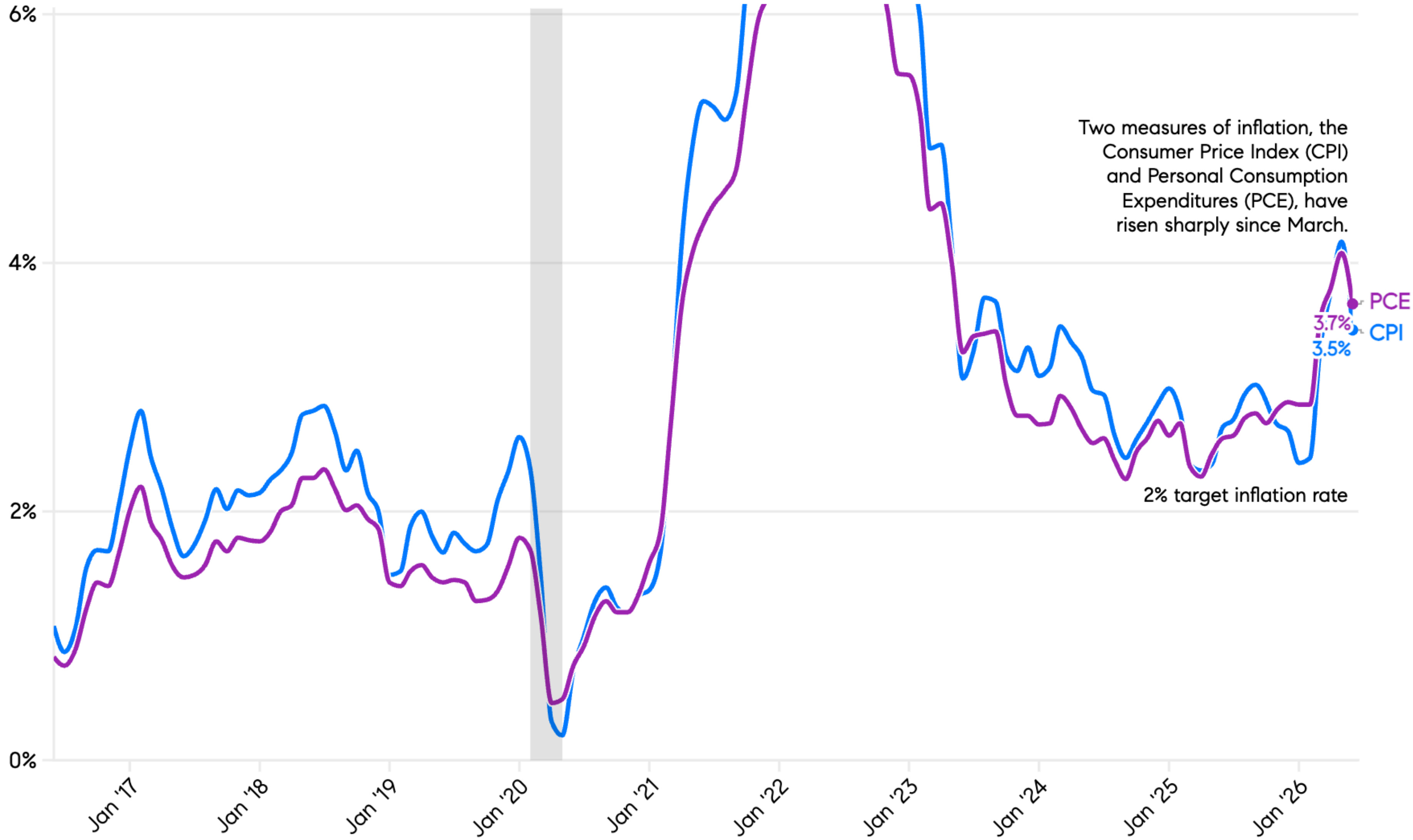
Persistent Inflation

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

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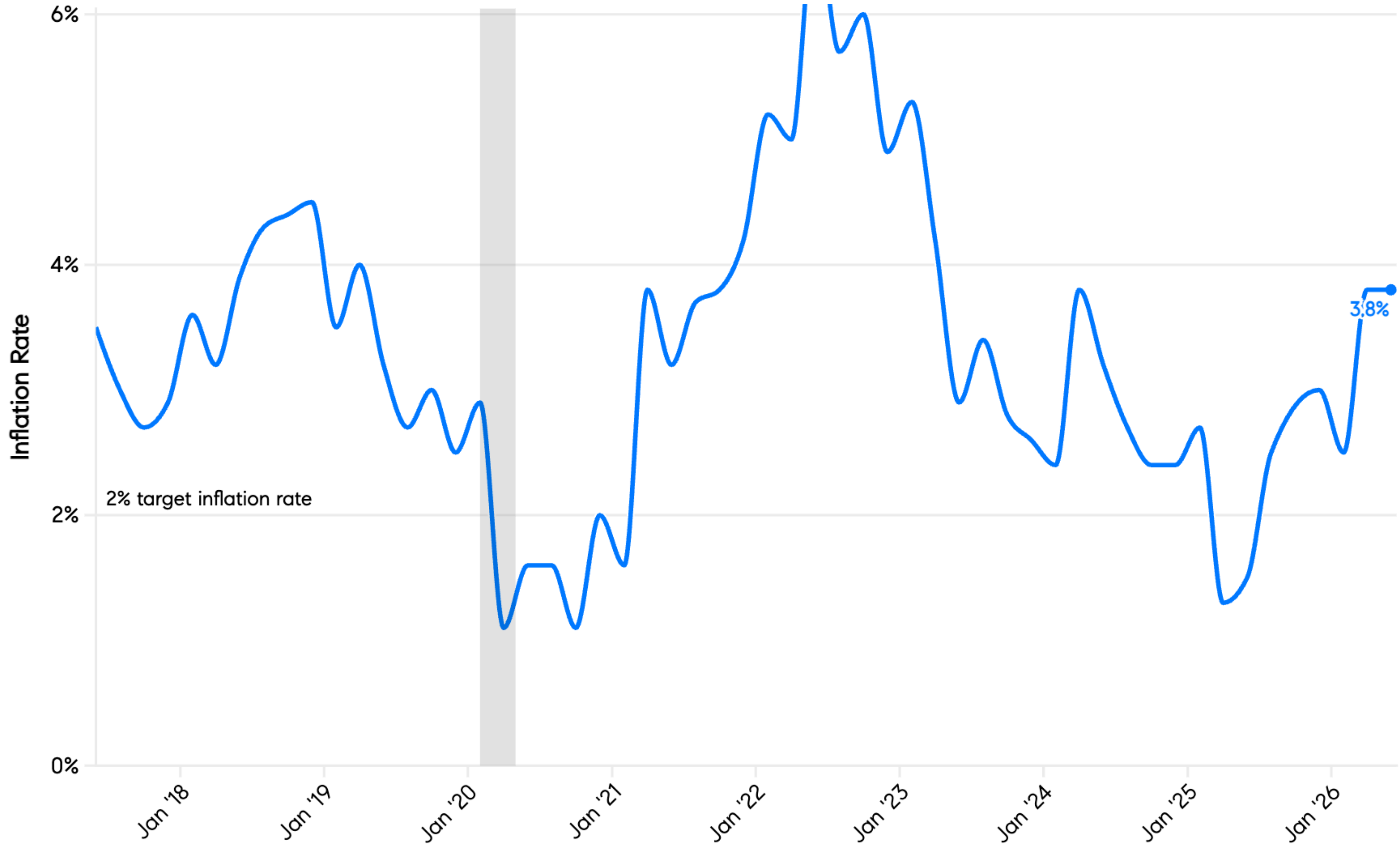
Bay Area Inflation Resumes

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

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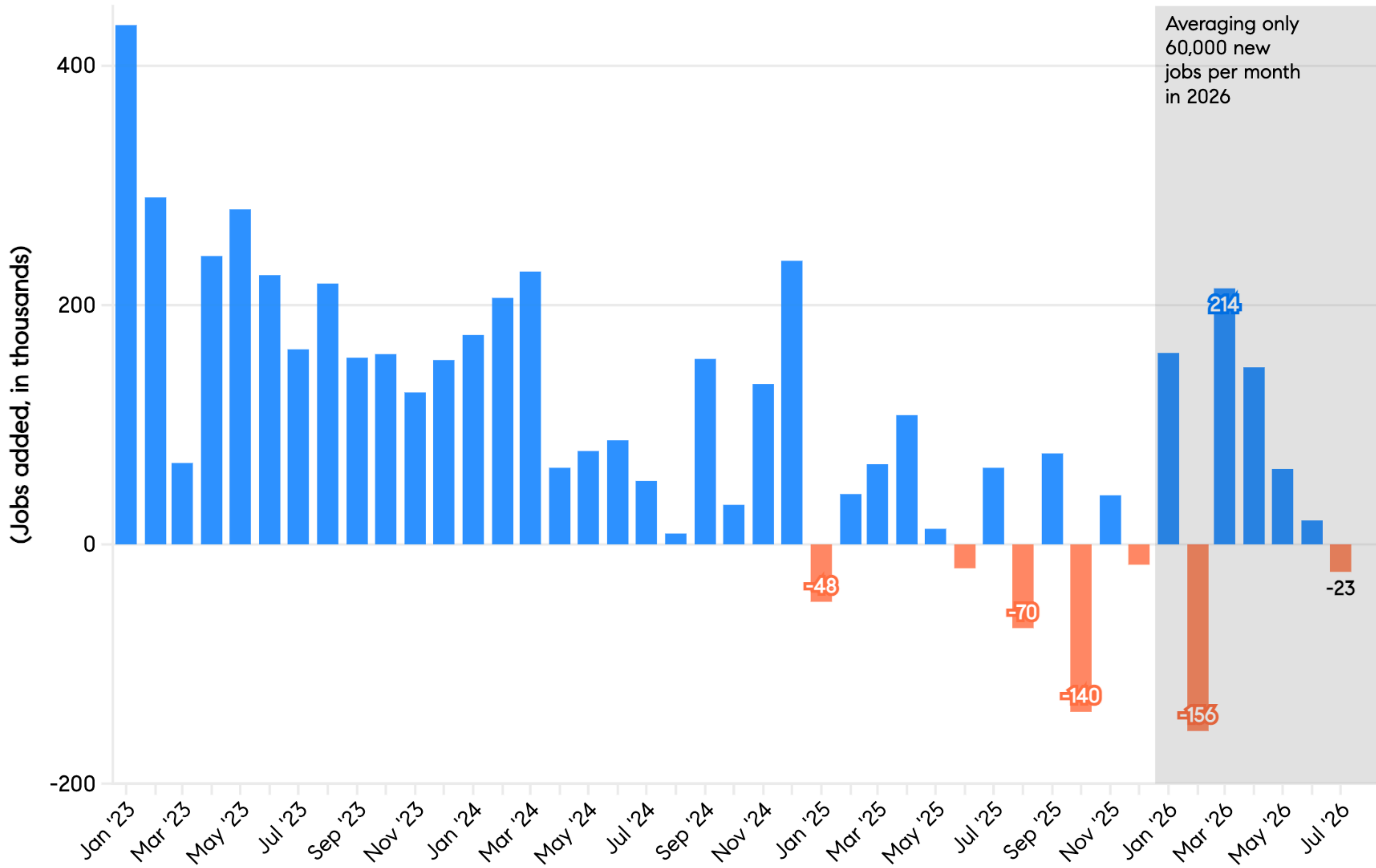
National Employment Slows in July

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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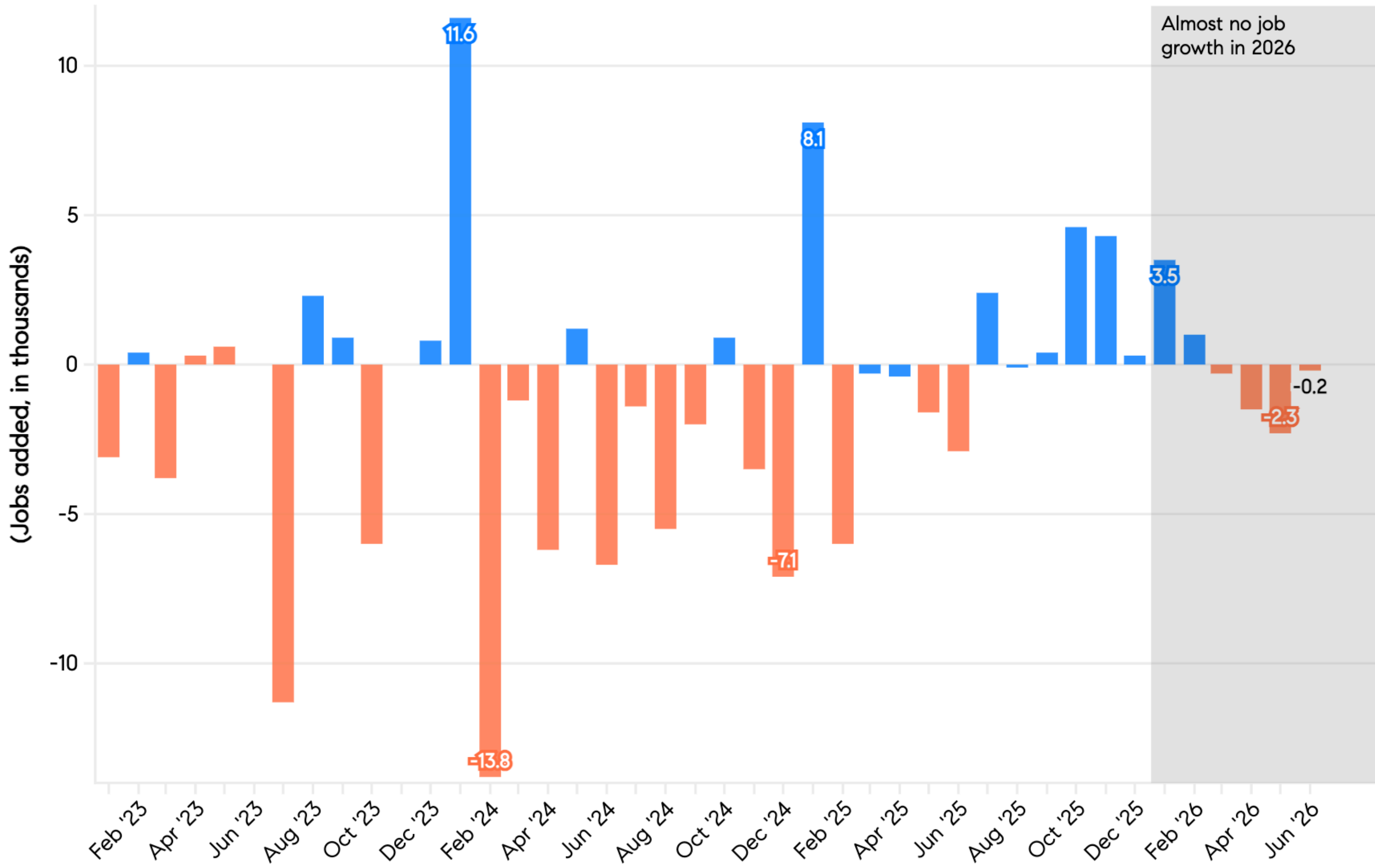
Bay Area Job Growth Slows

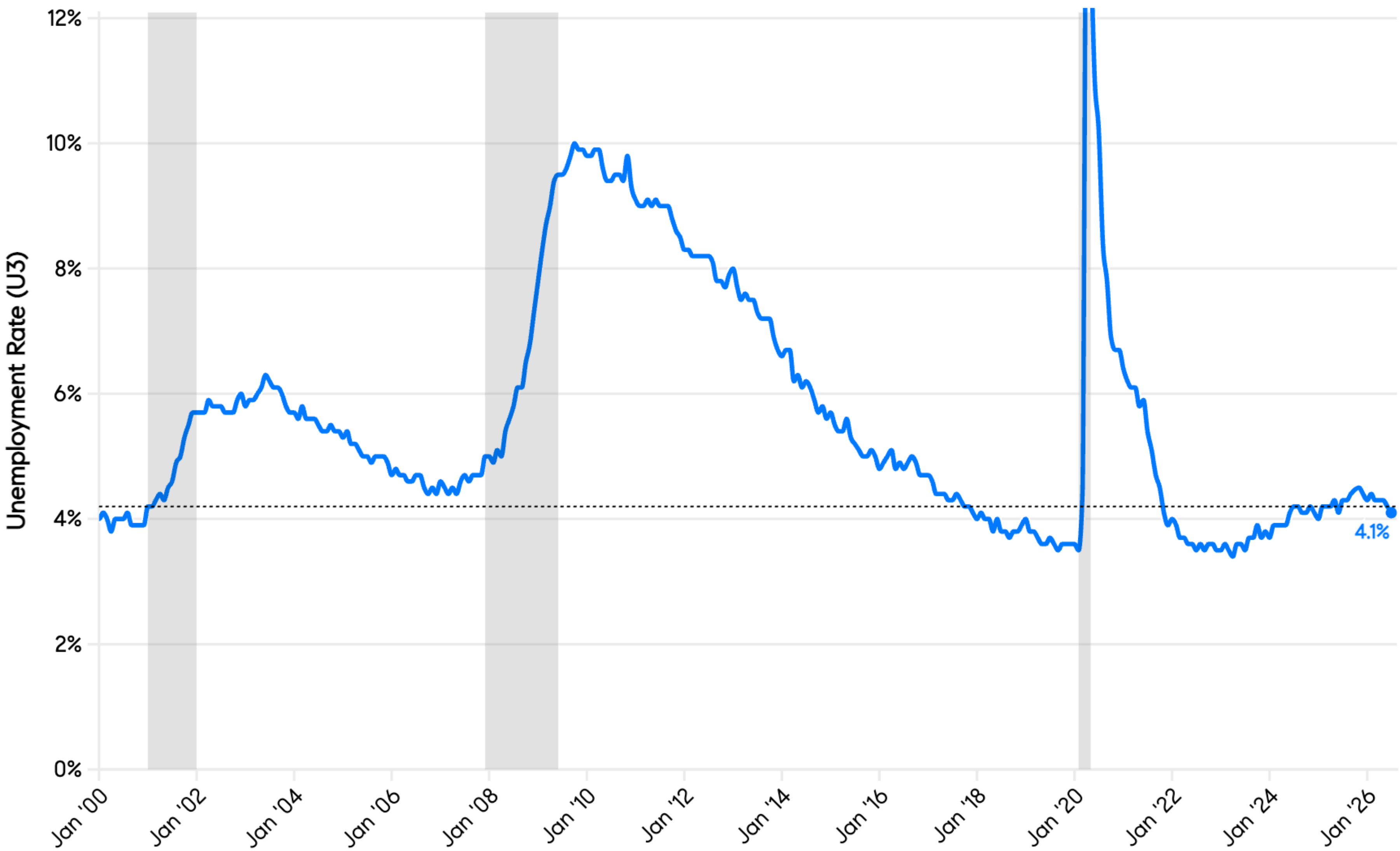
While the most recent 12 months have been mildly positive for job growth in the Bay Area, four months in a row have reported a shrinking labor market for the region.



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

A Low Hire, Low Fire Economy

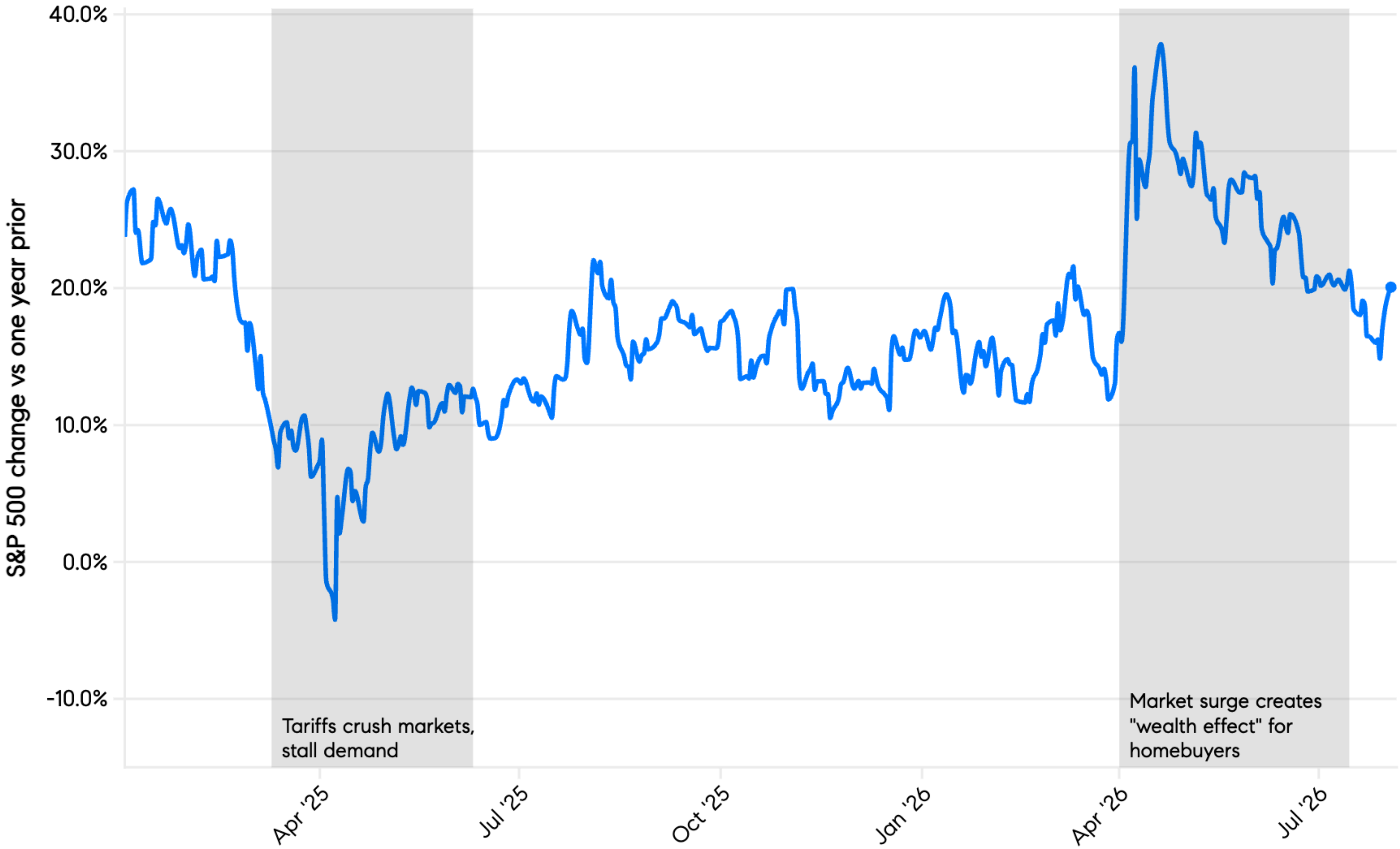
Even though job creation is slow nationally, unemployment remains at very low levels. Initial claims are at very low levels and long-term unemployment is improving. Americans are, by and large, employed. Continued low unemployment implies very few distressed home sales are in the pipeline.



Source: US BLS

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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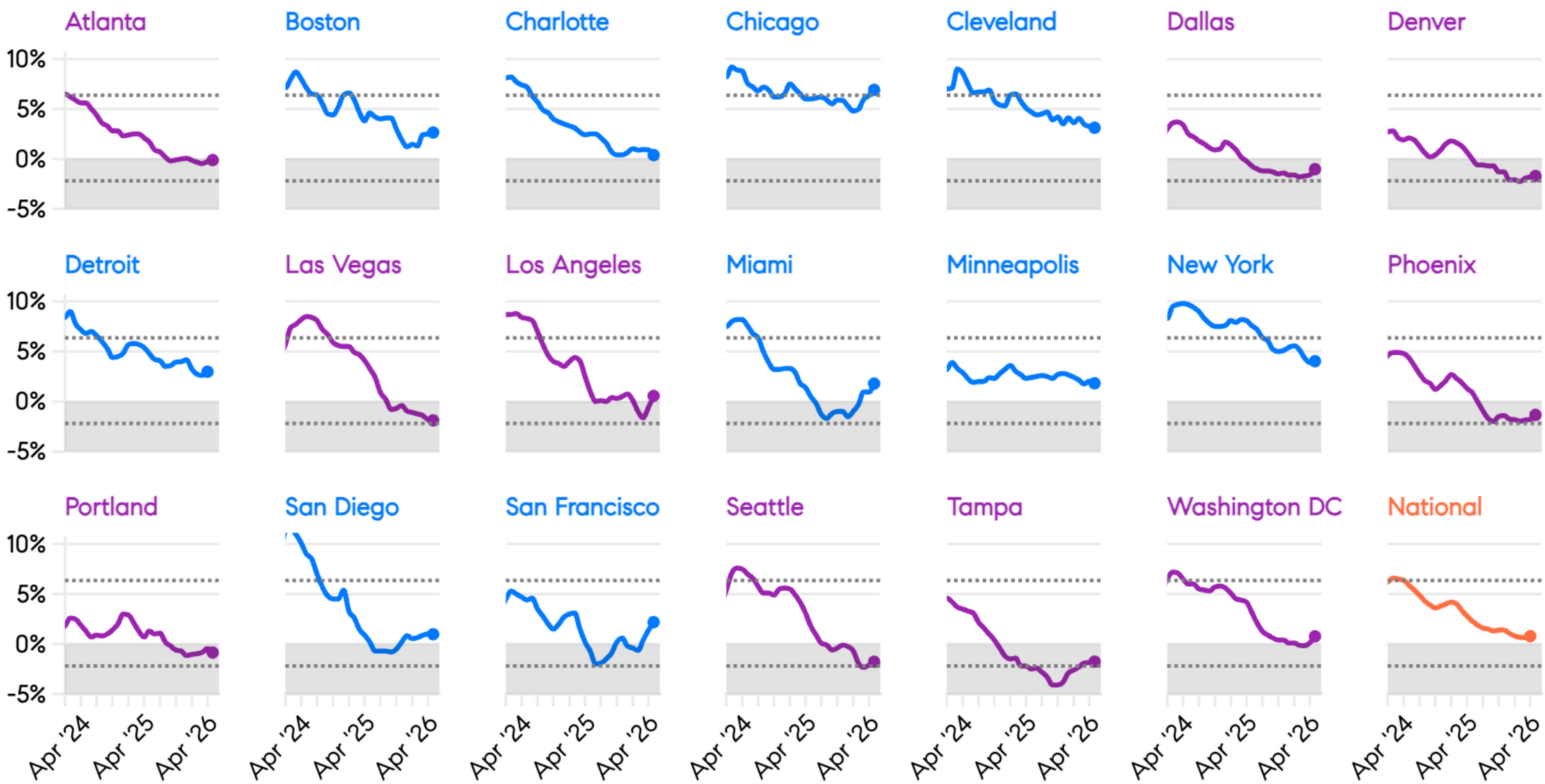
Bay Area Home Prices are Climbing

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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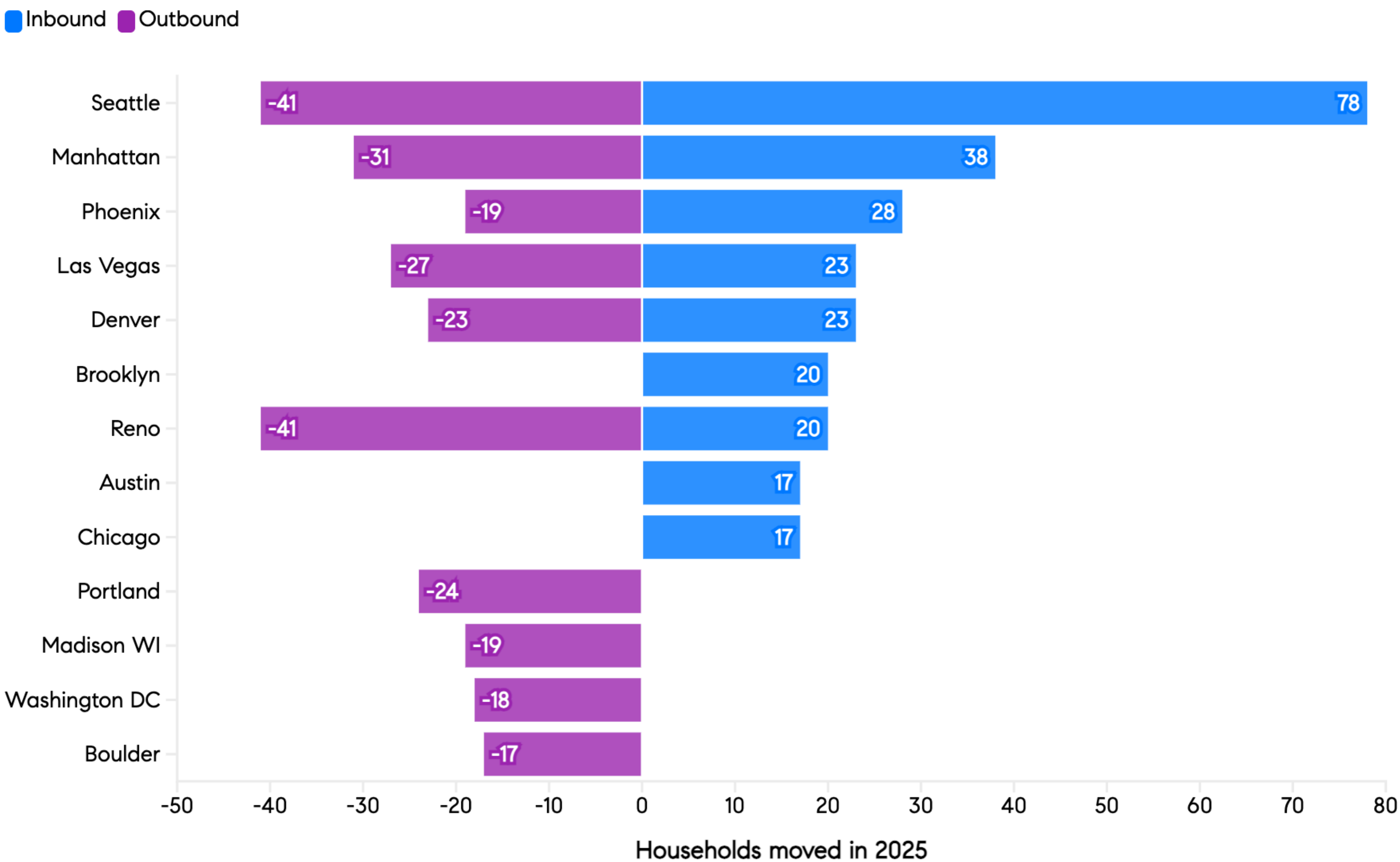
Bay Area Migration Sources & Destinations

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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Inner East Bay Market

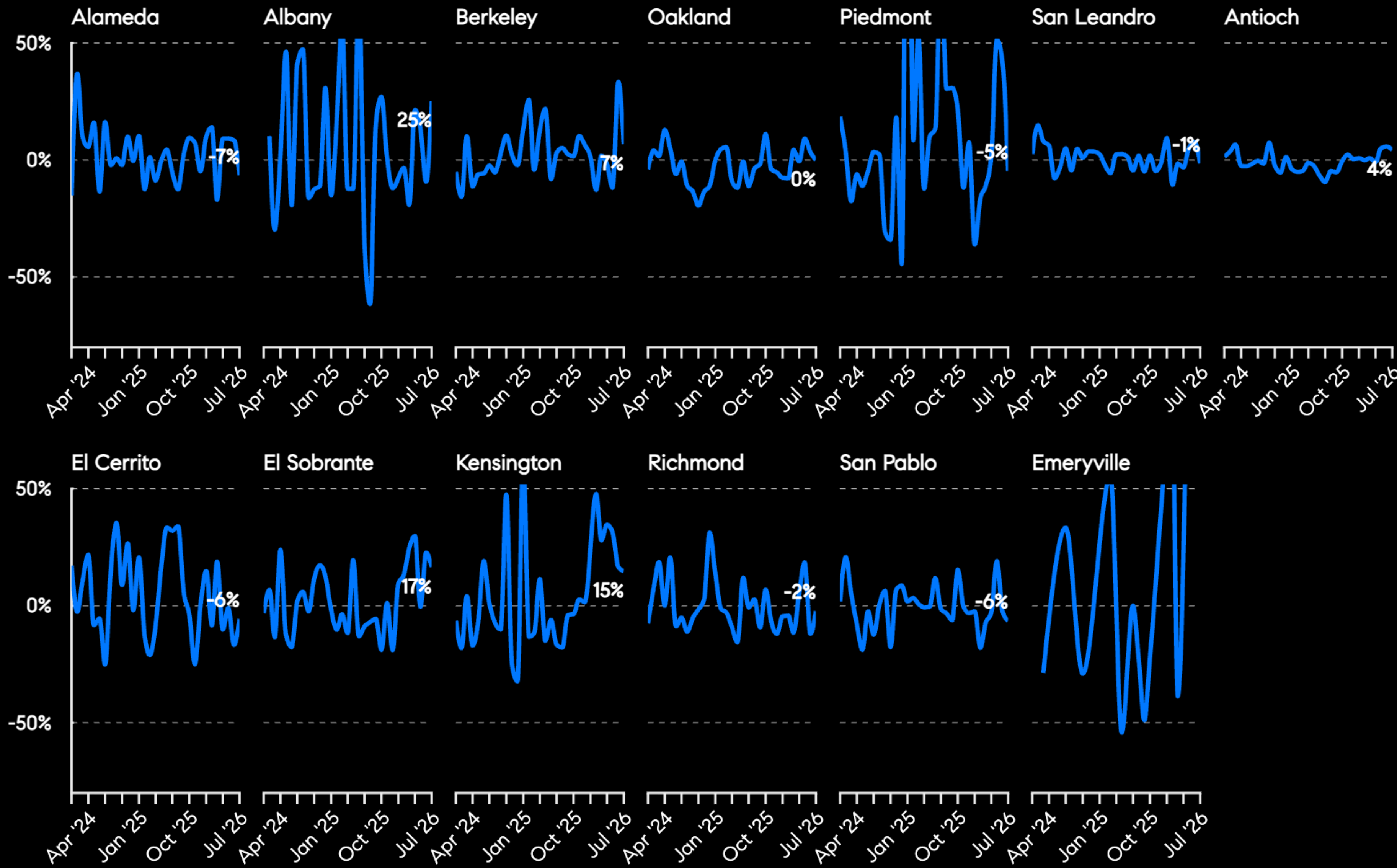
Report created in good faith using public and proprietary data from sources deemed reliable but may contain errors and is subject to revision. Data is pulled at the end of the month, and last-period figures may still be preliminary due to late-reported activity. All numbers are approximate and may change, including Private Exclusive sales and other transactions not publicly reported at the time of publication.

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

July - Year Over Year Median Sale Price Appreciation



Source: Compass via MLS · Single Family Homes
A low number of transactions can skew the median price and the appreciation

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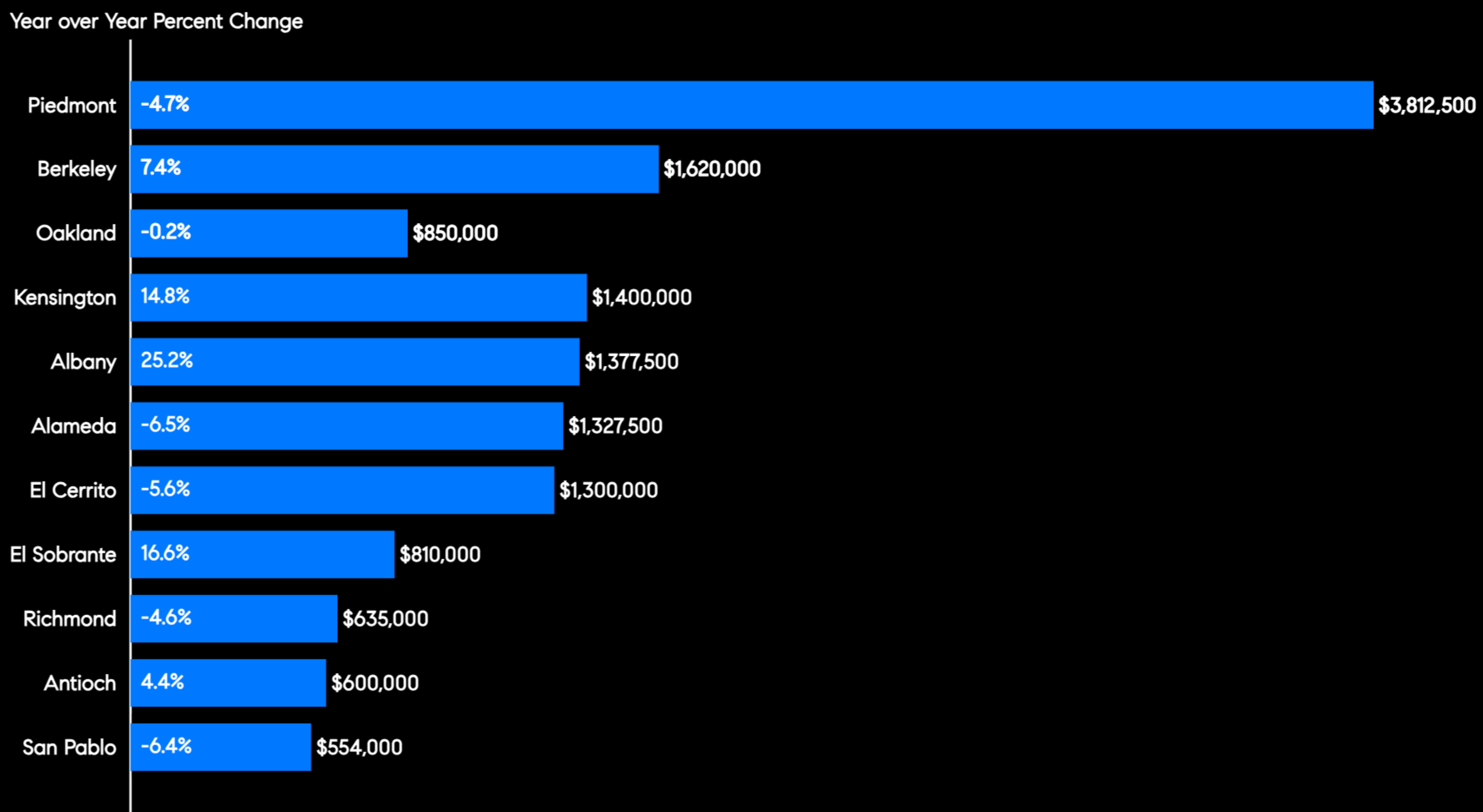
July Median Sale Price

Single Family

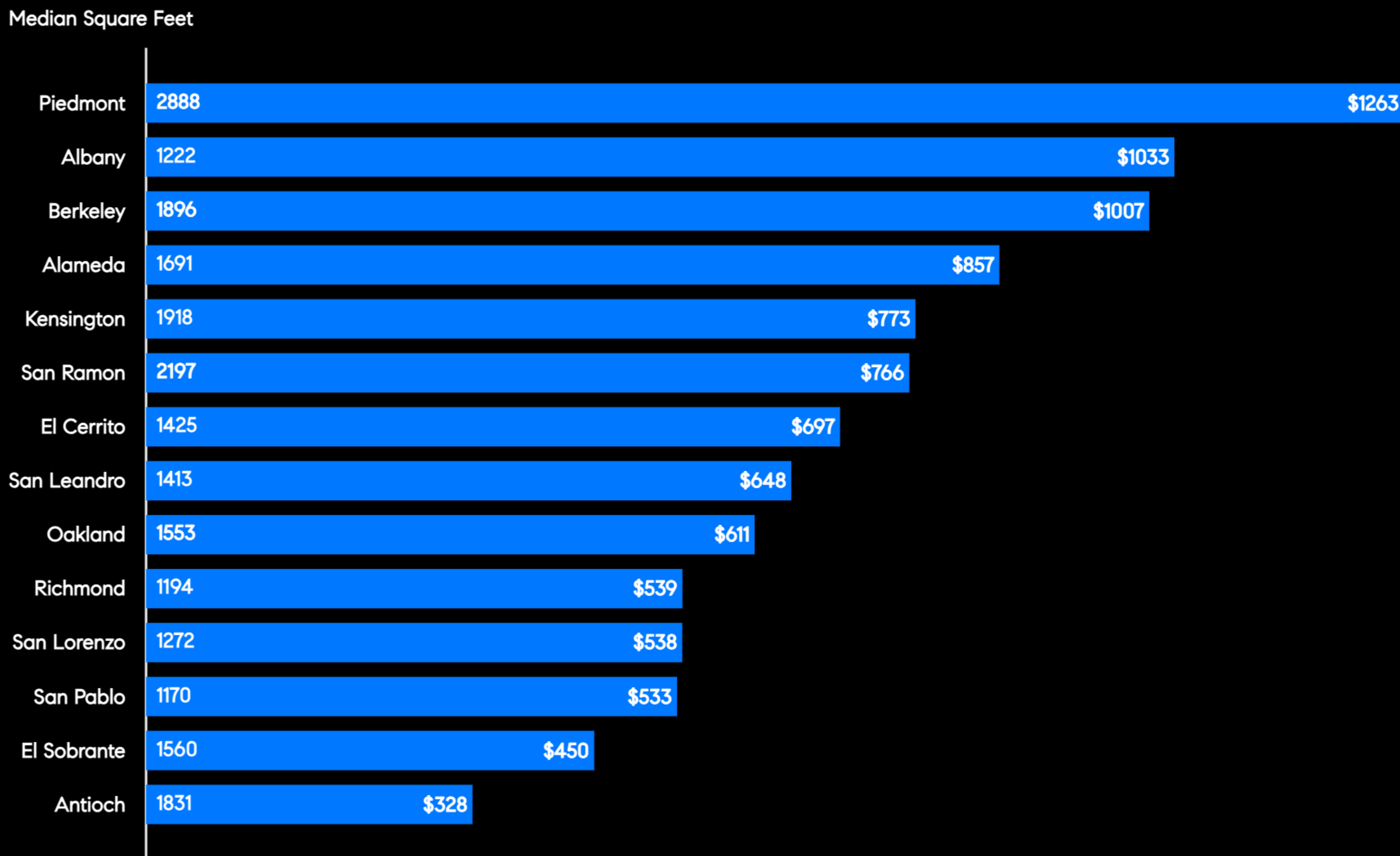
Inner East Bay



Source: Compass via MLS · Single Family Homes
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

July Median Price Per Square Foot

Inner East Bay



Source: Compass via MLS · Single Family Homes
Median Price per Square Foot: The 50th percentile of sale price per square foot across all closed transactions during the month

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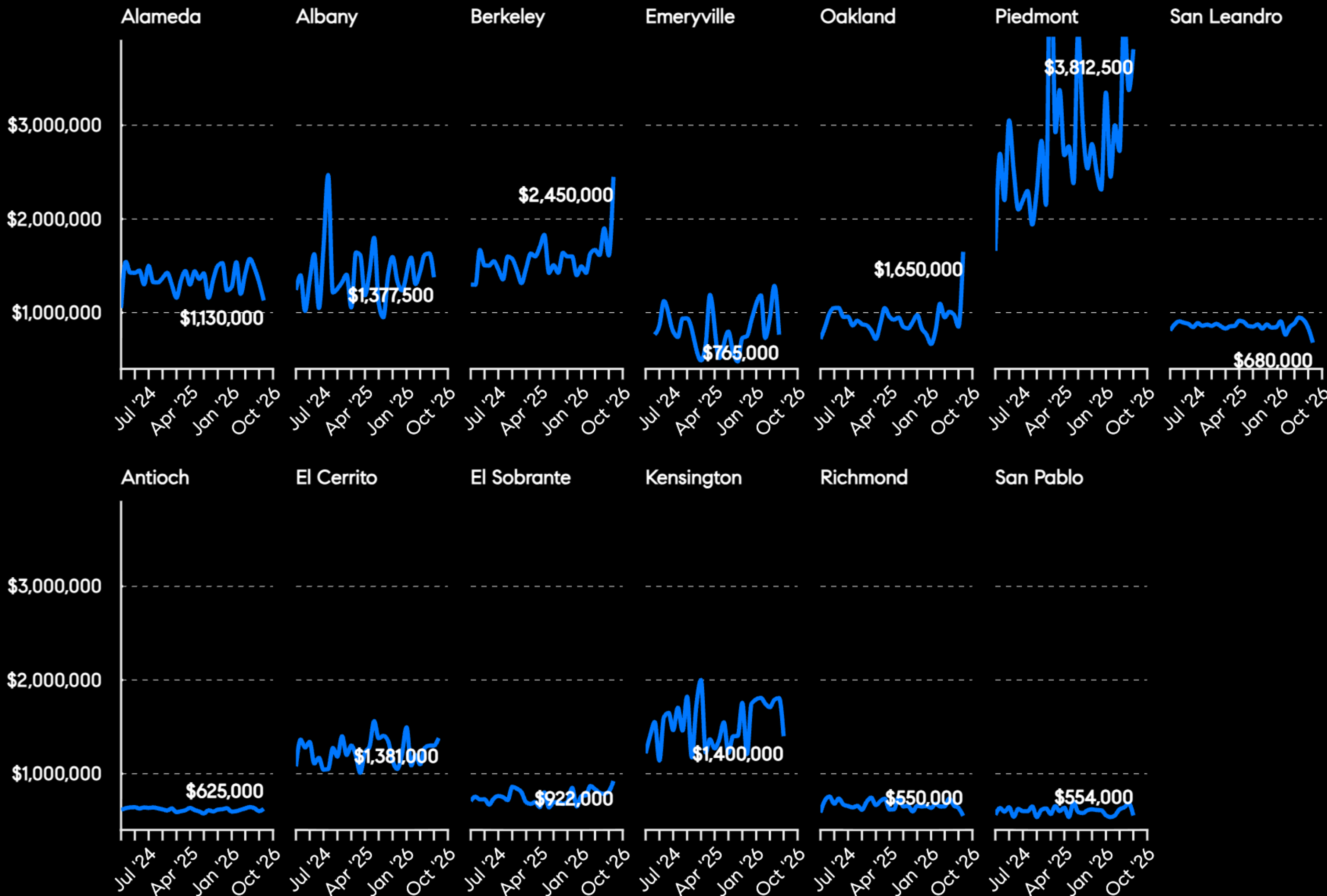
July Median Sale Price



Source: Compass via MLS · Single Family Homes
Median Price: The 50th percentile of sale price across all closed transactions during the month

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July Median Price Per Square Foot

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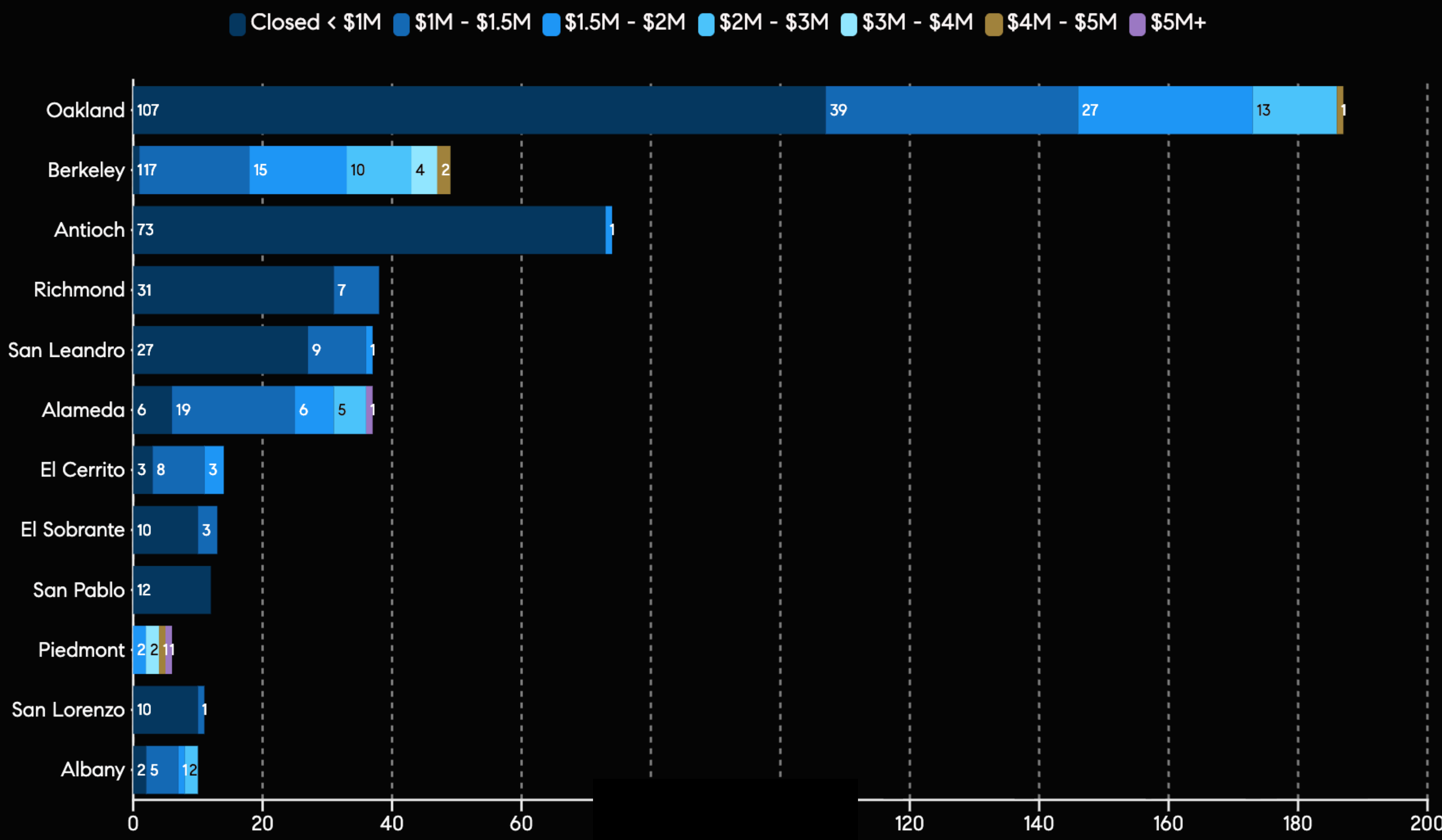
July Closed Sales by Price Segment

Single Family Homes

Inner East Bay



Source: Compass via MLS · Single Family Homes

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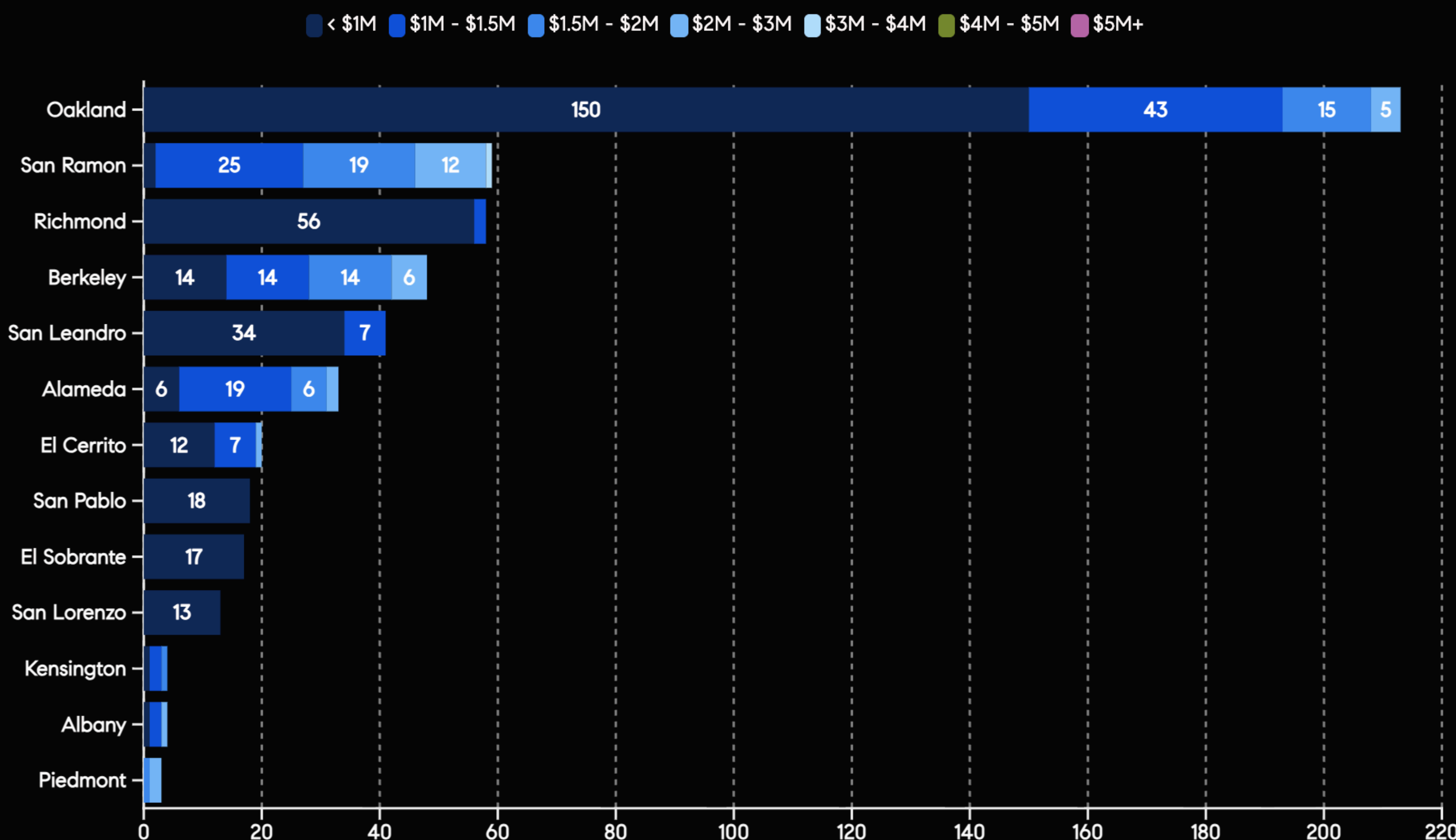
July New Listings by Price Segment

Single Family

Inner East Bay



Source: Compass via MLS · New Listings : Count of listings that came to market during the month

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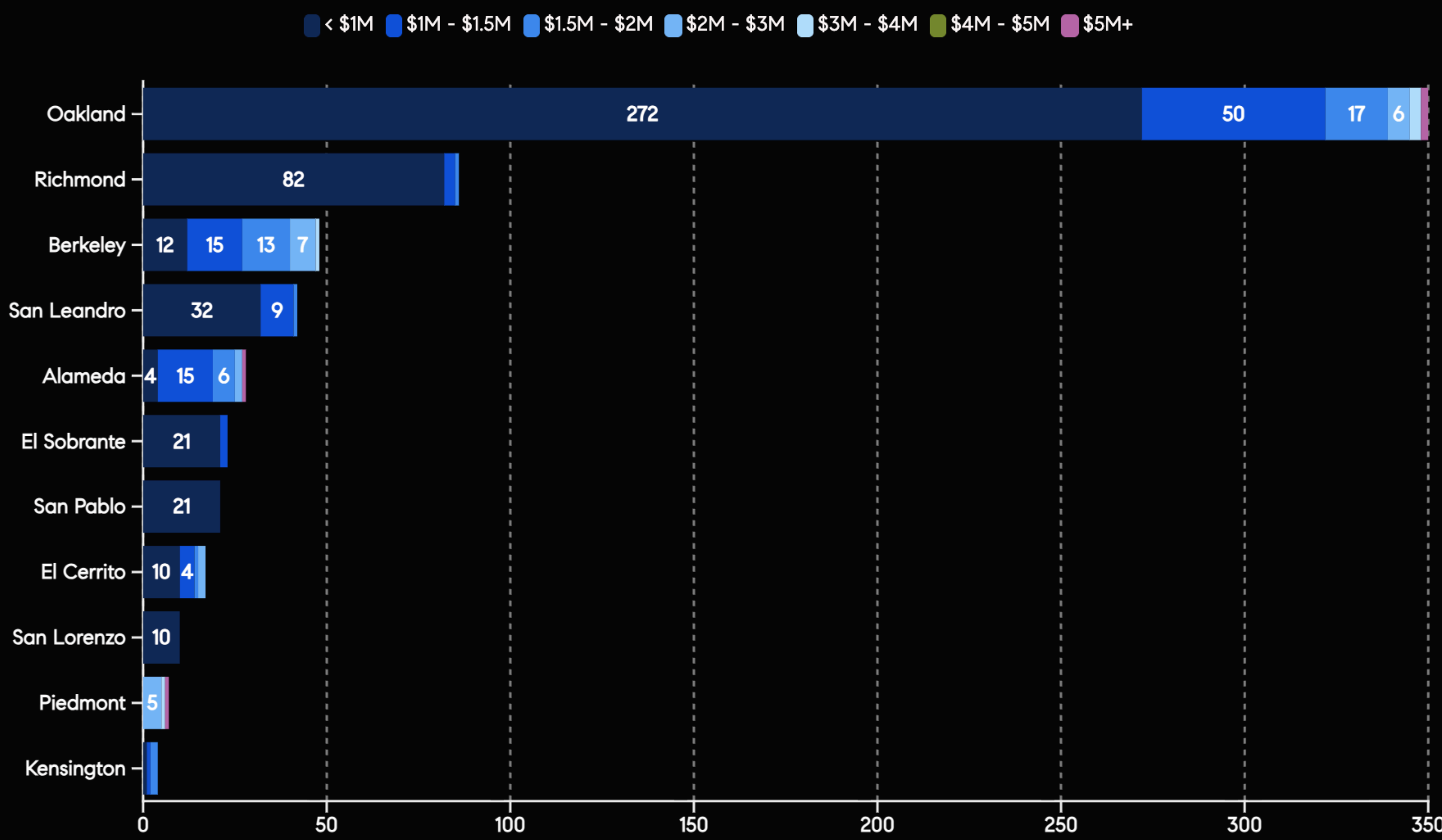
July Active Listings by Price Segment

Single Family

Inner East Bay



Source: Compass via MLS · Active on the last day of the month

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July Median Sale Price

Single Family

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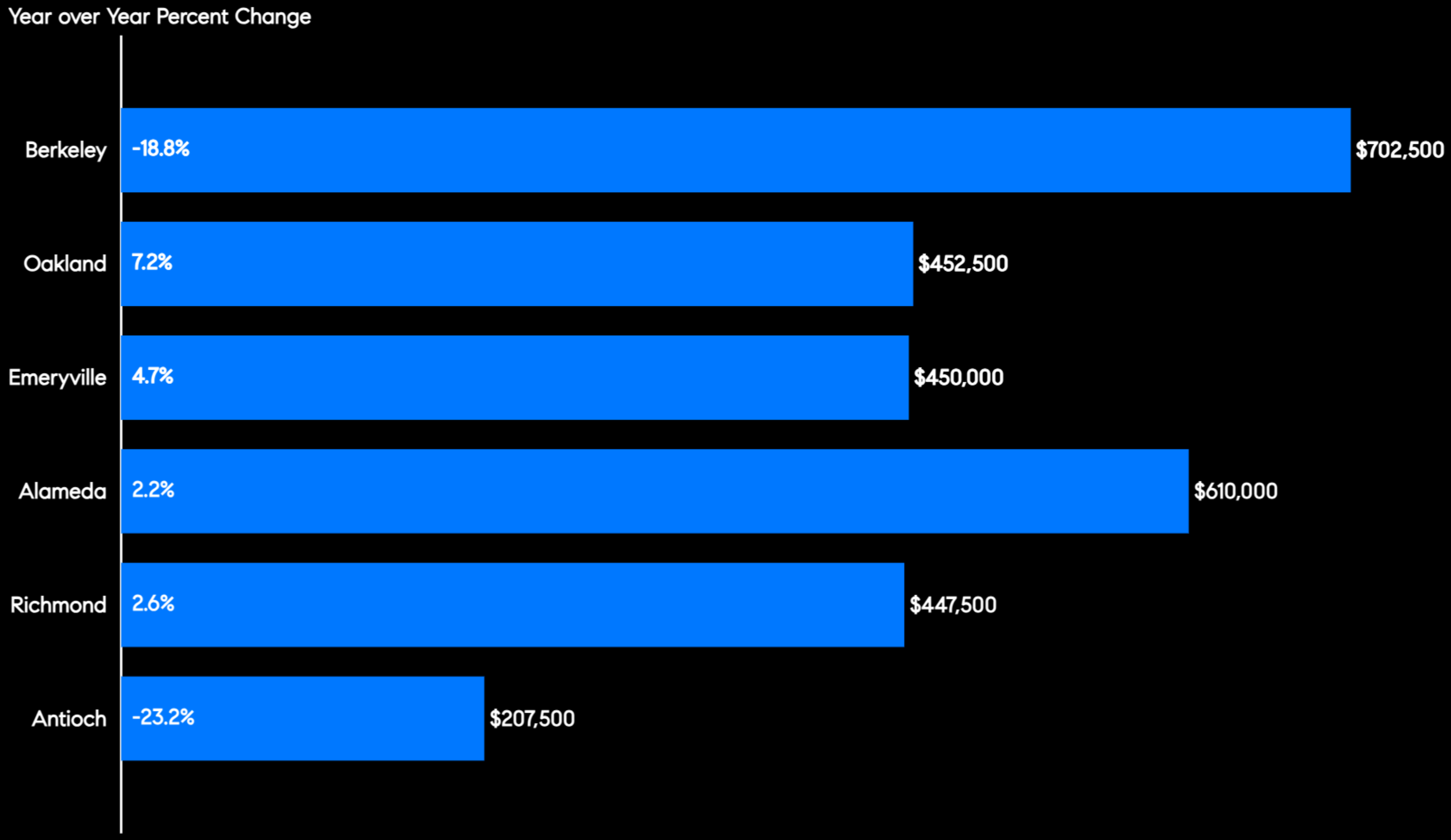

Source: Compass via MLS · Single Family Homes
Median Sale Price: The sale price at the 50th percentile of all closed transactions during the month, meaning half of homes sold for more and half sold for less. A low number of transactions can skew the median dramatically

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Inner East Bay Neighborhoods

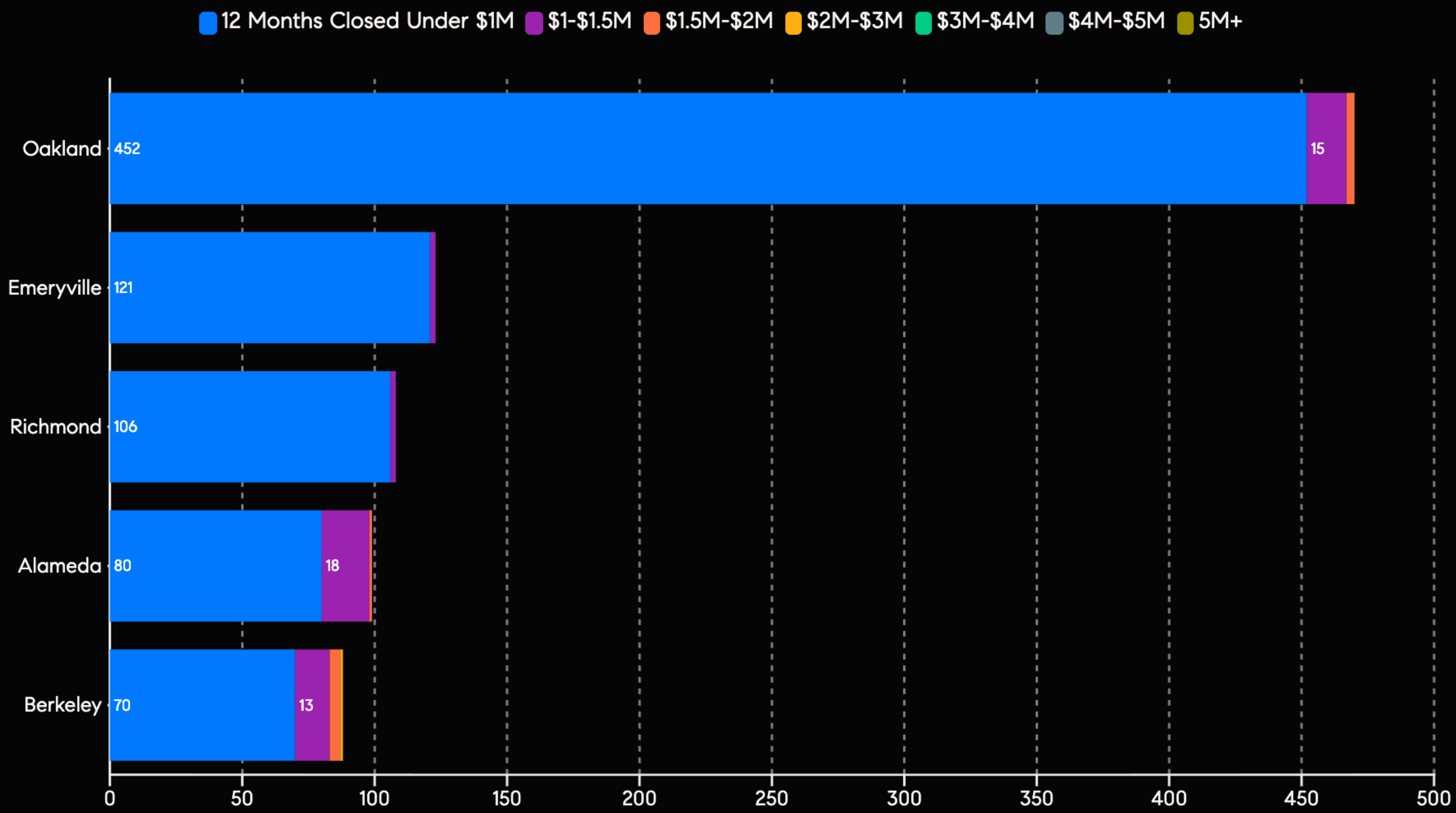
June 12 month rolling average for local single family homes

City	Sale to List %	Absorption Rate %	Overbid %	DOM	12M Appreciation vs. Prior 12M%
Alameda	113	93	73	19	0.7
Albany	133	300	90	35	3.4
Berkeley	133	77	92	24	3.2
Oakland	108	46	71	36	1.1
Piedmont	103	71	67	27	6.8
El Cerrito	114	82	79	21	-3.8
El Sobrante	103	61	62	28	3.8
Kensington	128	100	80	21	14.1
Richmond	107	44	71	34	-0.8
San Pablo	101	76	67	27	-2.3

Source: Compass via MLS · Single Family Homes

Last 12 Months Closed Condo Sales by Price Segment

Inner East Bay



Source: Compass via MLS

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