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# San Francisco Real Estate

## November 2021 Report

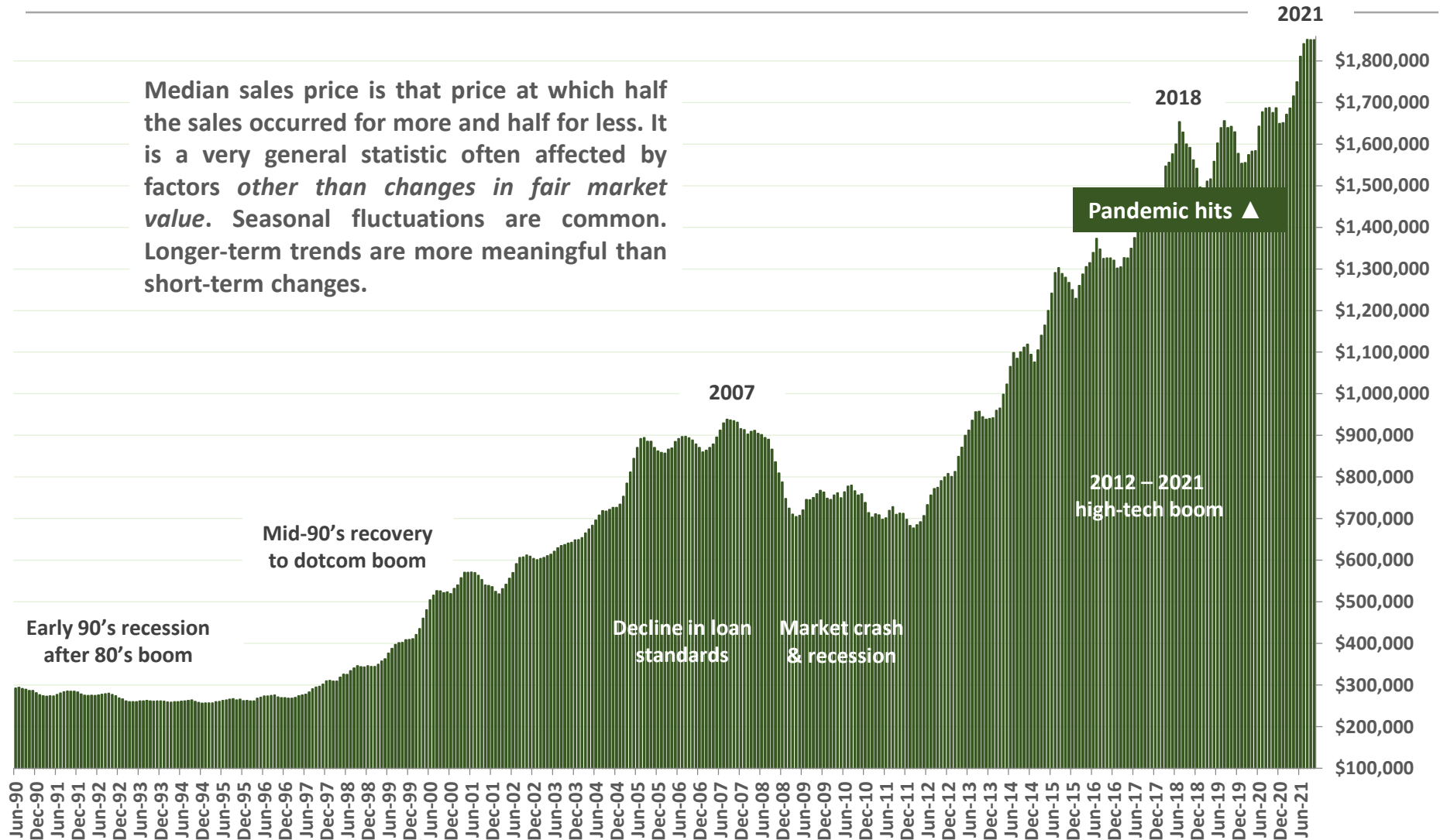
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# San Francisco Home Price Appreciation

## Monthly Median House Sales Prices, 6-Month Rolling Average, since 1990

Sales reported to MLS through 10/31/21

Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic often affected by factors *other than changes in fair market value*. Seasonal fluctuations are common. Longer-term trends are more meaningful than short-term changes.



6-month rolling average of the monthly median sales prices for “existing” houses since 1990, per CA Association of Realtors or NorCal Regional MLS data. Analysis may contain errors and subject to revision. All numbers are approximate. Last month figure estimated from data available early in following month.





**As the year begins to wind down and move into the mid-winter holidays, the market typically slows down as well:**

The number of new listings declines, to finally plunge in December, with sales volume following one step behind. Price reductions often jump, and some listings, especially of more expensive homes, are pulled off the market until the market wakes up in the new year – usually in late January or February depending on the weather and other factors. Of course, buying and selling occur at all times of the year, including in mid-winter, but commonly at a much reduced rate. Note that typical market seasonality was often upended in 2020 due to the pandemic; more normal seasonal trends seem to have returned in 2021.

**For buyers, the coming months can offer substantial opportunities** in the form of reduced competition, fewer multiple offers, less overbidding, more room to negotiate, and often significantly better deals. This is an excellent time for buyers to *take a second look* at listings that haven't sold, and to make aggressive offers.

This report will review home price appreciation by property type in selected city neighborhoods, supply and demand dynamics as illustrated by a variety of statistical measures, luxury home sales, and a survey of selected macroeconomic indicators.

**The following chart reviews approximate median house sales price changes since 1990**, breaking down percentage ups and downs during periods such as the dotcom era, the subprime bubble, the recent high-tech boom, and the pandemic. Readings on the chart refer not to specific prices, but to the Q1 2000 median sales price, assigned a value of 100: A reading of 180 signifies the median house price has increased by 80% since Q1 2000.

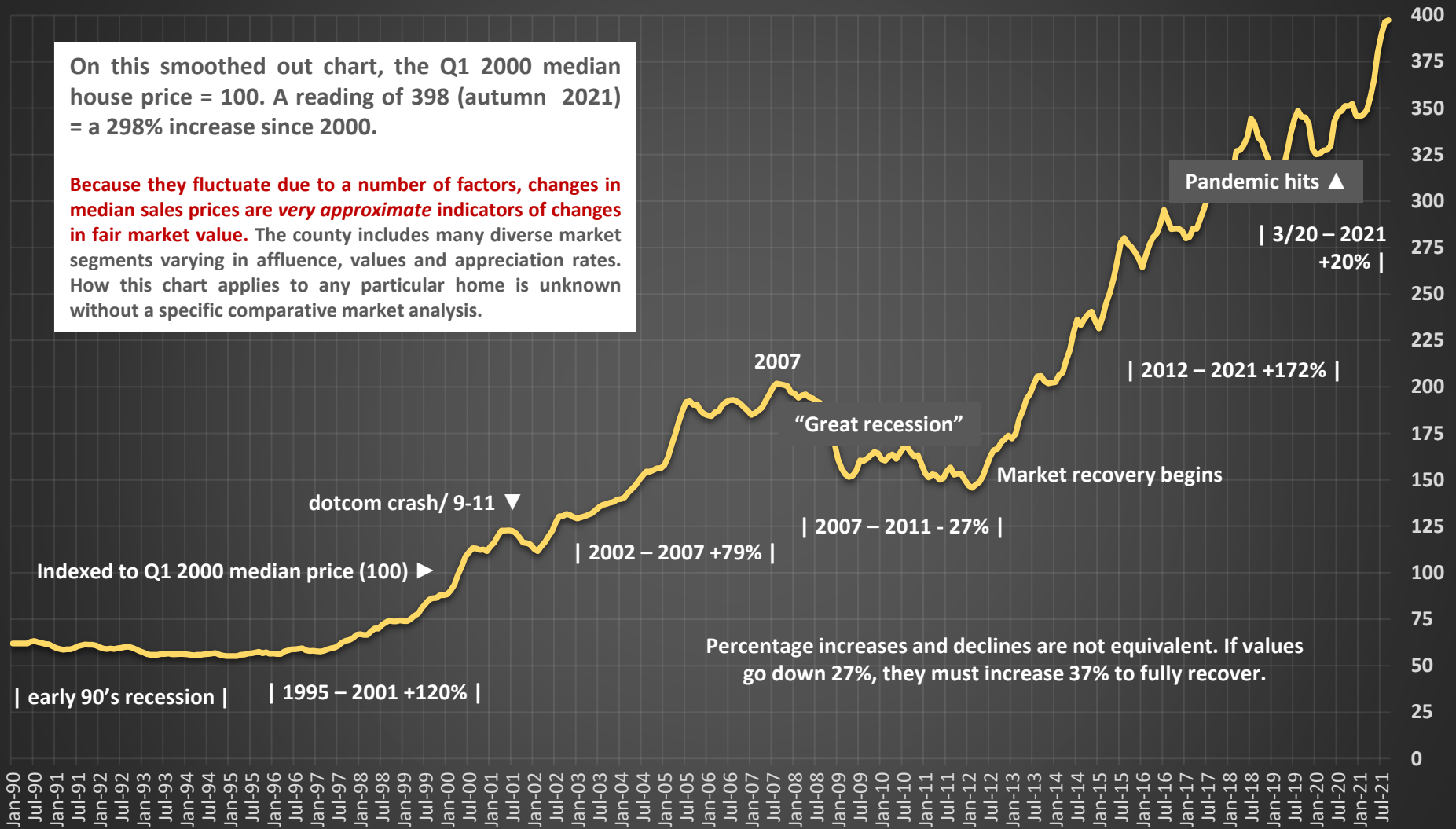
# San Francisco Median Home Price Appreciation since 1990

## Median HOUSE Sales Price Change, Indexed to Q1 2000

Sales reported through 9/30/21.  
All numbers are approximate.

On this smoothed out chart, the Q1 2000 median house price = 100. A reading of 398 (autumn 2021) = a 298% increase since 2000.

Because they fluctuate due to a number of factors, changes in median sales prices are *very approximate* indicators of changes in fair market value. The county includes many diverse market segments varying in affluence, values and appreciation rates. How this chart applies to any particular home is unknown without a specific comparative market analysis.



Change in monthly median house sales price, using CA Association of Realtors or NorCal Regional MLS data, indexed to the median sales price in the first quarter of 2000, **adjusted to a 6-month rolling average to smooth trend line**. May contain errors and subject to revision. All numbers and calculations to be considered very approximate, good-faith estimates.



# What You Get for about \$1,500,000 in San Francisco

A Sampling of August – October, 2021 Sales\*

Gradations in quality of location, condition & amenities are almost infinite: Sales may not represent current market values.

Neighborhood	Property Type	Year Built	Bedrooms & Baths	Square Footage	\$/Sq.Ft.	Excerpts from MLS Comments (sometimes edited)
Ashbury Heights	Condo	Circa 1900	2/1.25	1144	\$1333	“On charming 1-way street, lovely Victorian flat with period details throughout, 2 car parking”
Central Sunset	House	1927	2/1.5	1510	\$980	“Wonderful home in excellent location in the Sunset, for investors or 1 <sup>st</sup> time homebuyers”
Excelsior	House	1908	3/3	1800	\$827	“Gorgeous , spacious, 2-level, 3-bedroom, 3-bathroom detached Excelsior home”
Inner Mission	Condo	1907	3/2	1260	\$1206	“Urban chic, 3-bedroom, 2-bath classic Edwardian condo in heart of the Mission”
Miraloma Park	House	1948	2/1	1087	\$1394	“2bd/1bath, split-level w/ outstanding panoramic deck views of SF, Bay, East Bay”
Outer Parkside	House	1947	3/2	1342	\$1099	“Sweetest home in Sunset/Parkside; blocks from the ocean, immaculate turn-key beauty”
Potrero Hill	Condo	1992	2/2	1248	\$1210	“Charming 2 bedroom, 2 bath condo on North slope of Potrero: in boutique 3 unit building”
South Beach	Condo	2014	1/1	830	\$1831	“Beautifully appointed 1-bedroom atop Rincon Hill with unparalleled bay and city views”
Sunnyside	House	Circa 1900	4/3	1969	\$762	“2 homes on 1 lot: 3-BR, 2-bath w/views; separate, 1-BR + den, 1-bath cottage”
Twin Peaks	Condo	1962	2/2	1280	\$1172	“Top floor unit, extensively renovated, unobstructed views, downtown to Mt. Diablo”

\*Sales reported to NorCal Regional MLS, August through mid-October 2021, sales prices from \$1,475,000 to \$1,525,000. MLS listing comments sometimes edited. **The devil is in the details:** a brief description cannot do justice to any home. Data derived from sources deemed reliable, but may contain errors.

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# Median House Sales Price Trends

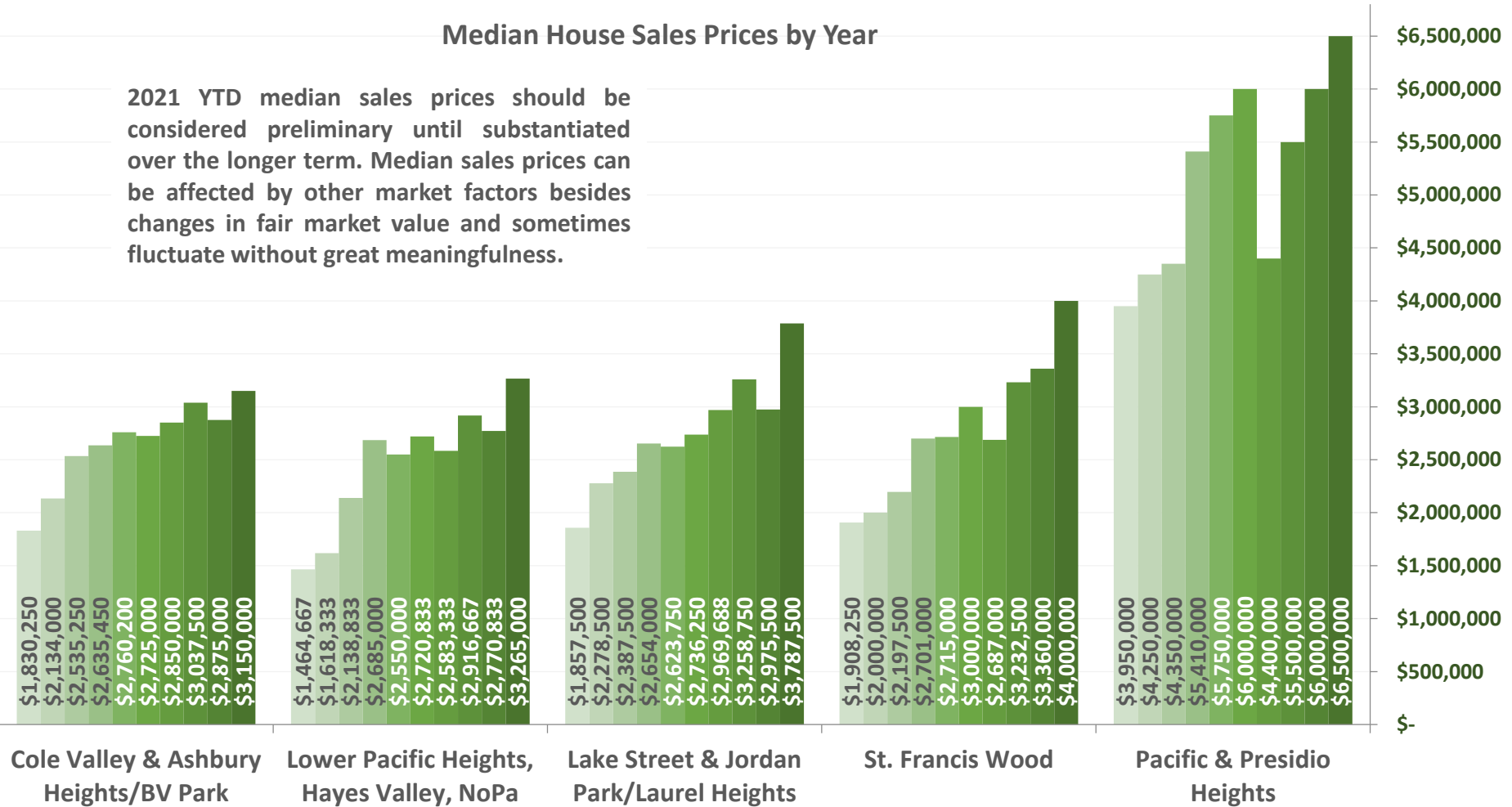
## Selected San Francisco Neighborhoods, since 2012

House sales reported to NorCal Regional MLS by 10/18/21

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 YTD

Median House Sales Prices by Year

2021 YTD median sales prices should be considered preliminary until substantiated over the longer term. Median sales prices can be affected by other market factors besides changes in fair market value and sometimes fluctuate without great meaningfulness.



Median Sales Price is that price at which half the sales occurred for more and half for less. Multiple neighborhood values through 2020 are averages of median sales prices. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate and may change with late-reported sales.



# Median House Sales Price Trends

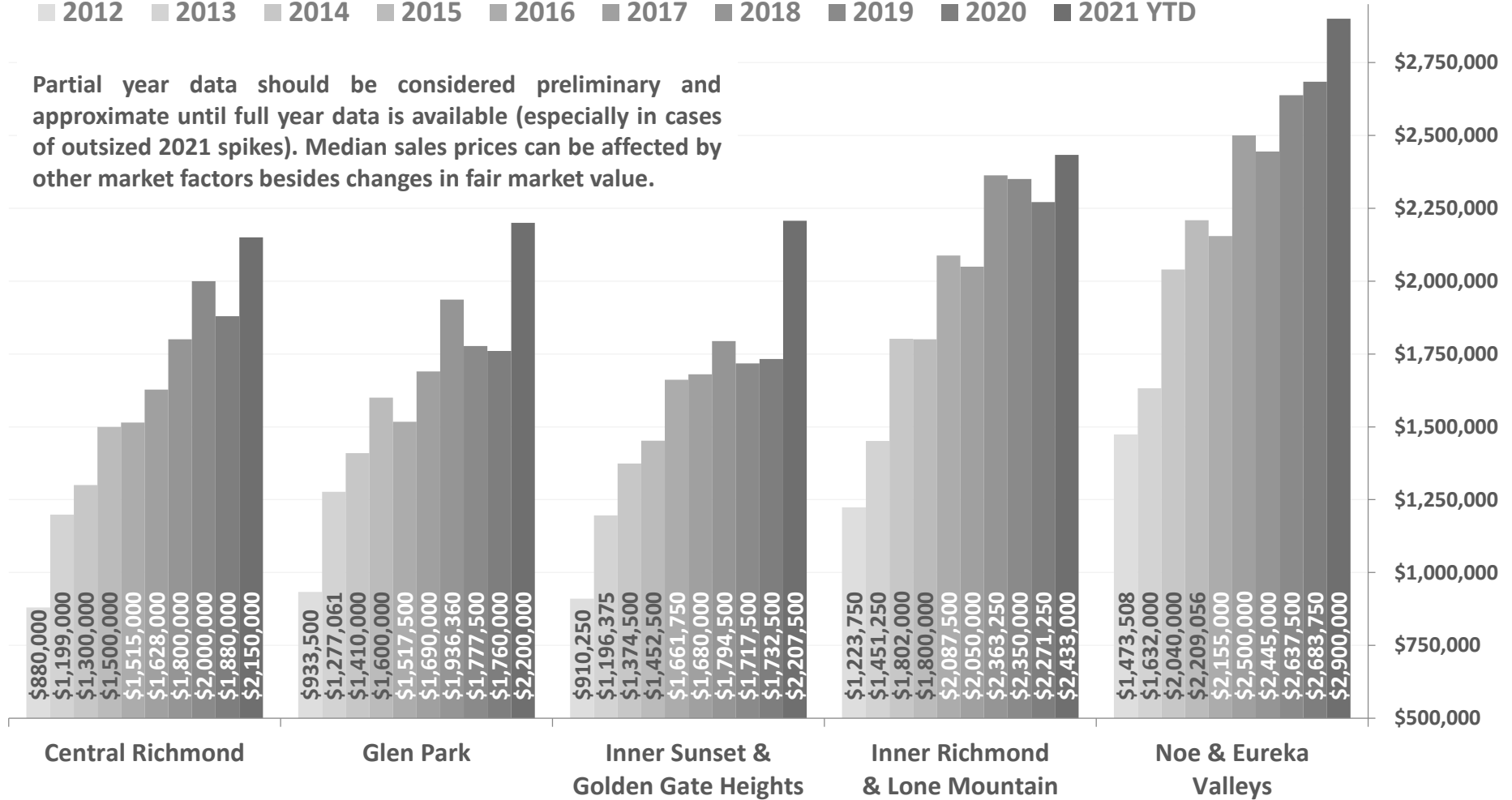
## Selected San Francisco Neighborhoods, since 2012

House sales reported to NorCal Regional MLS by 10/18/21

### Median House Sales Prices by Year

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 YTD

Partial year data should be considered preliminary and approximate until full year data is available (especially in cases of outsized 2021 spikes). Median sales prices can be affected by other market factors besides changes in fair market value.



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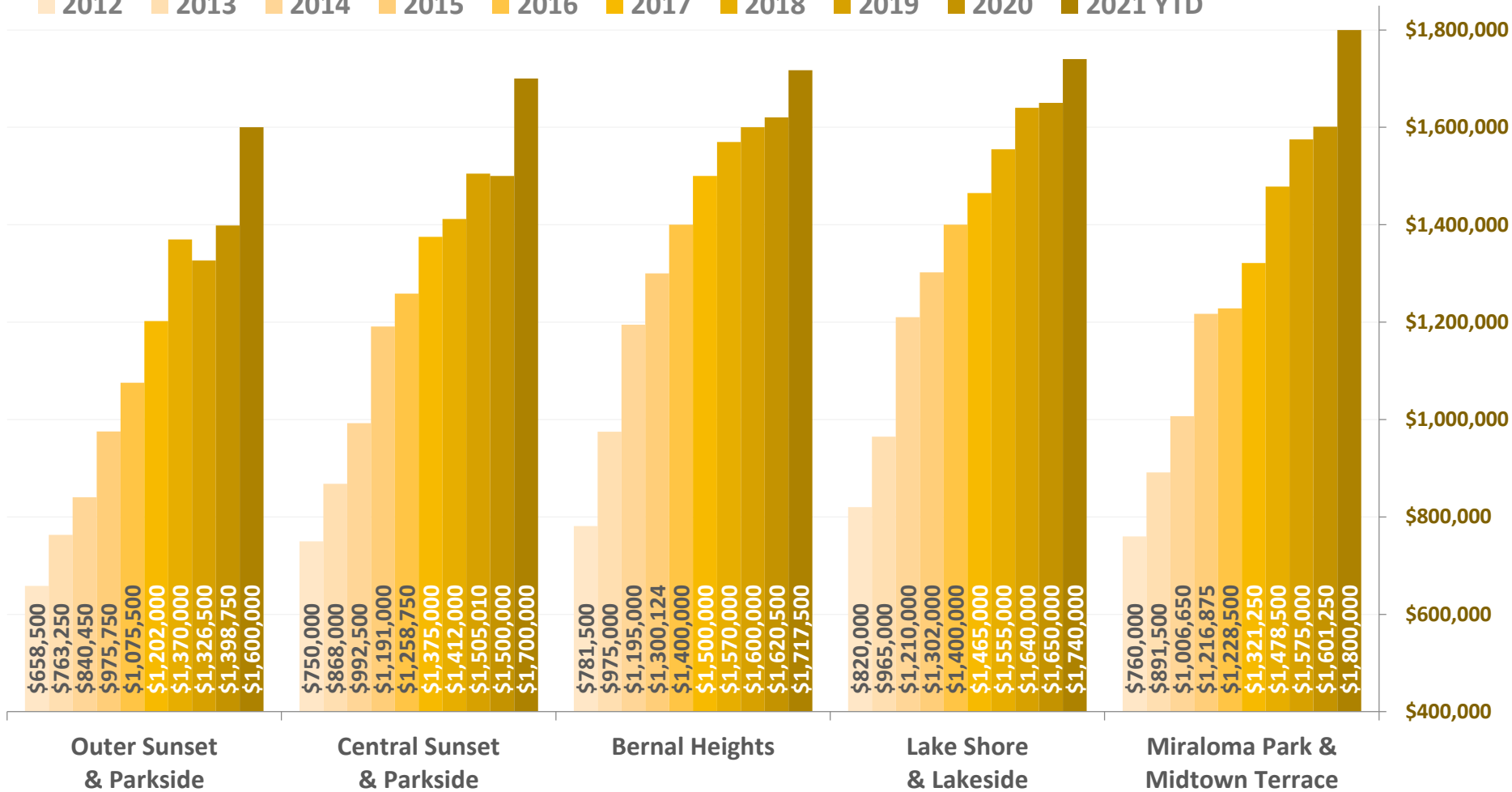
# Median House Sales Price Trends

## Selected San Francisco Neighborhoods, since 2012

House sales reported to NorCal Regional MLS by 10/18/21

### Median House Sales Prices by Year

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 YTD



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# Median House Sales Price Trends

## Selected San Francisco Neighborhoods, since 2012

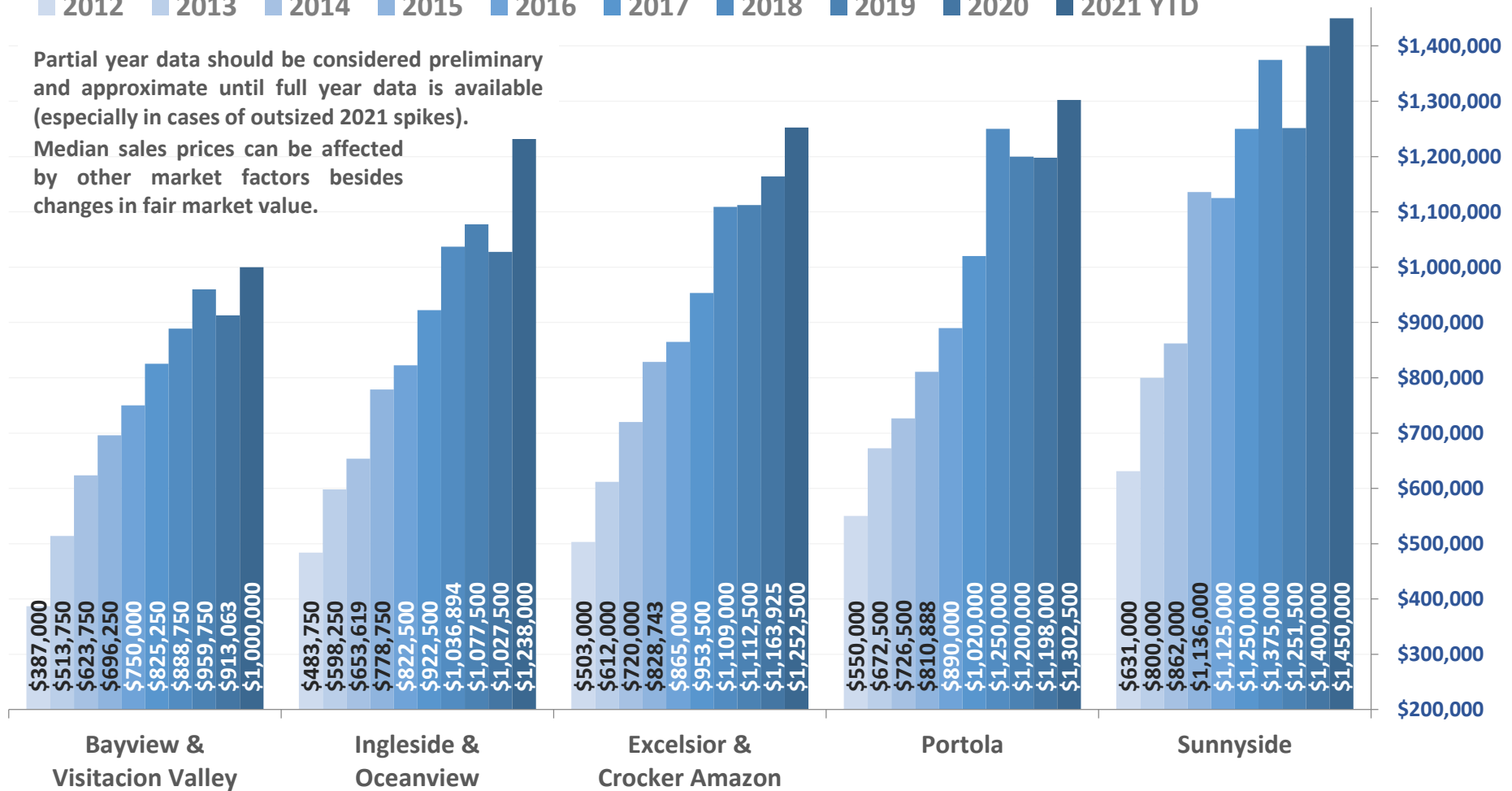
House sales reported to NorCal Regional MLS by 10/18/21

### Median House Sales Prices by Year

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 YTD

Partial year data should be considered preliminary and approximate until full year data is available (especially in cases of outsized 2021 spikes).

Median sales prices can be affected by other market factors besides changes in fair market value.



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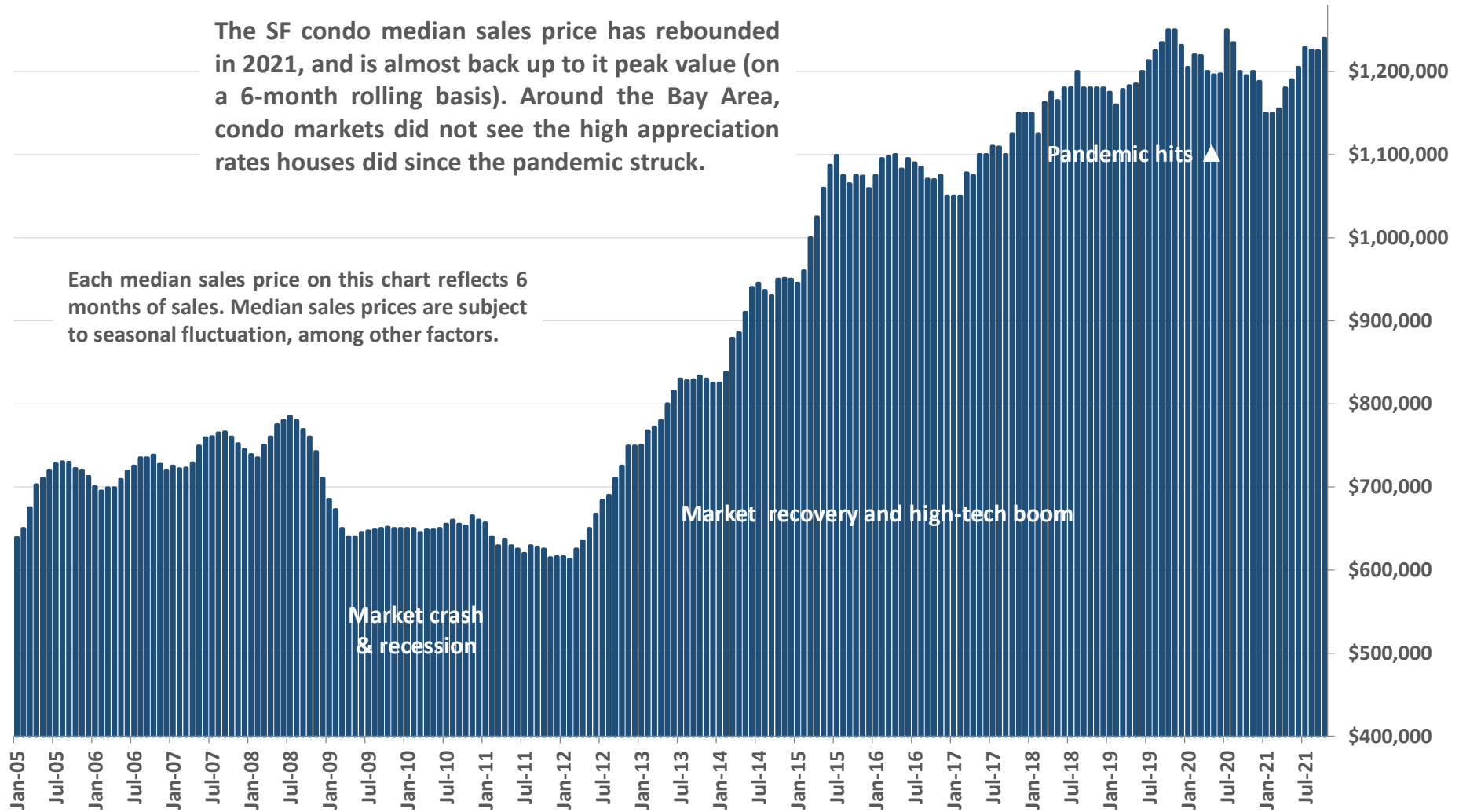
# San Francisco Median Condo Sales Price Trends

## Monthly Median Sales Prices since 2005 - 6-Month Rolling Figures

Sales reported to NorCal Regional MLS, per Infosparks through October 2021

The SF condo median sales price has rebounded in 2021, and is almost back up to its peak value (on a 6-month rolling basis). Around the Bay Area, condo markets did not see the high appreciation rates houses did since the pandemic struck.

Each median sales price on this chart reflects 6 months of sales. Median sales prices are subject to seasonal fluctuation, among other factors.



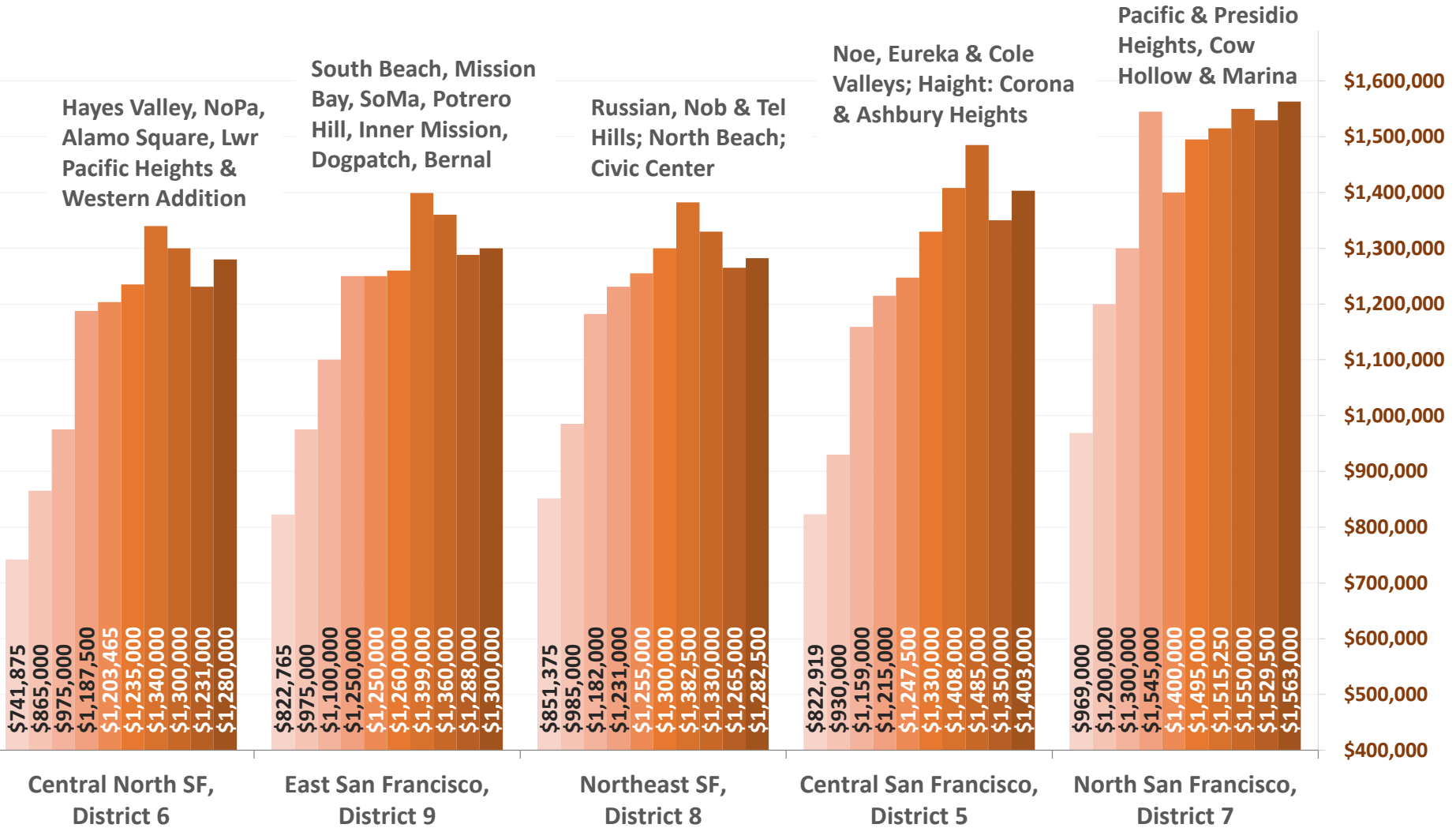
Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic often affected by factors *other than changes in fair market value*. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

# Median 2-BR Condo Sales Price Trends

## Selected San Francisco Districts, since 2012

In some districts, new condo construction makes year-over-year, apples-to-apples price comparisons difficult. Upper floor units typically sell for a large premium over lower units. Partial year data to be considered preliminary until full year data is available.

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 YTD



2-bedroom condo sales reported to NorCal MLS through 10/18/21. Not all sales are reported. Median Sales Price is that price at which half the sales occurred for more and half for less, and may be affected by other factors besides changes in fair market value. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

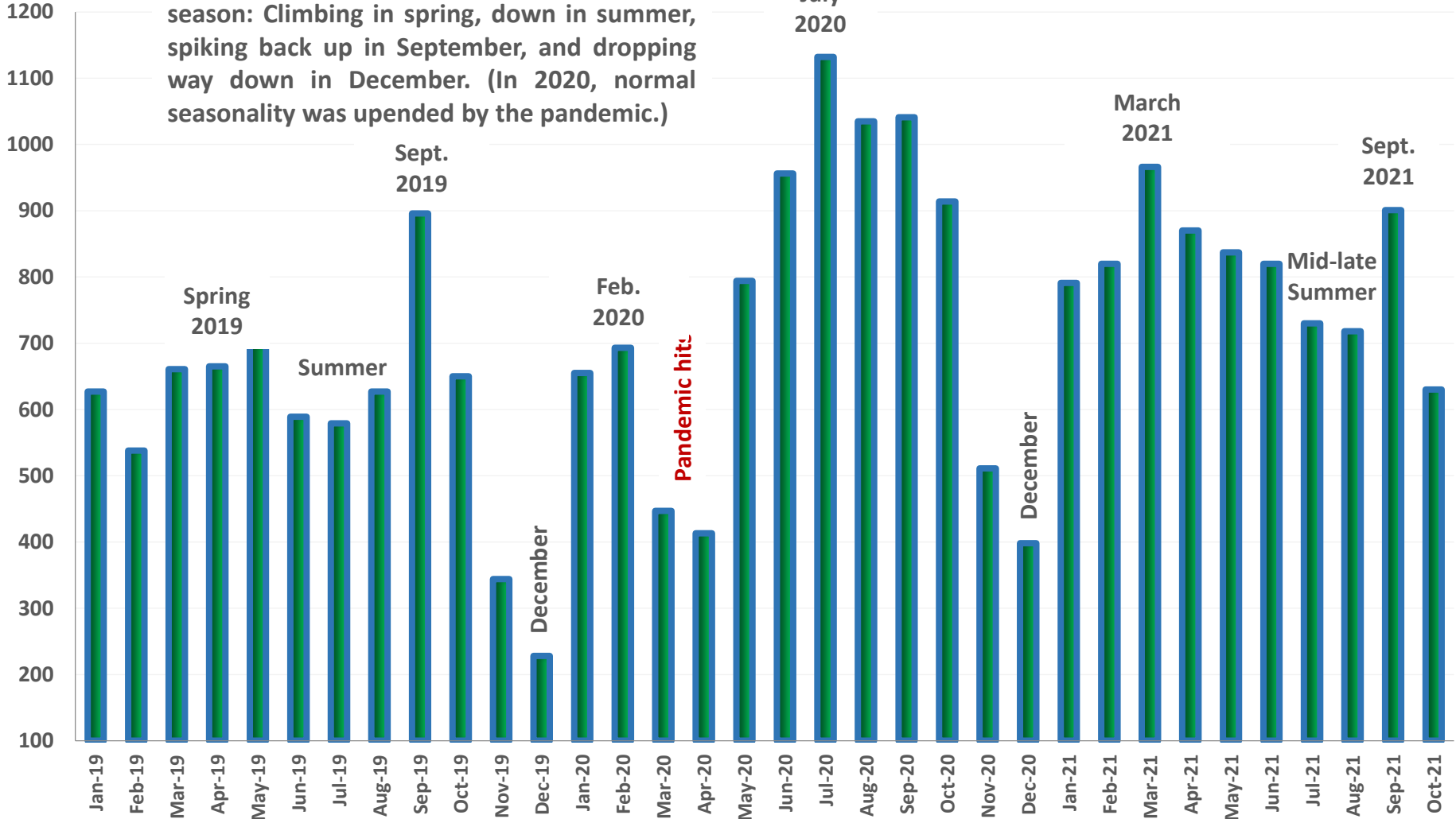


# New Listings Coming on Market by Month

## San Francisco Market Dynamics & Seasonality

House, condo, TIC, co-op listings reported to NorCal Regional MLS, per Infosparks

New listing activity usually ebbs and flows by season: Climbing in spring, down in summer, spiking back up in September, and dropping way down in December. (In 2020, normal seasonality was upended by the pandemic.)



Activity reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last month numbers estimated based on available data.

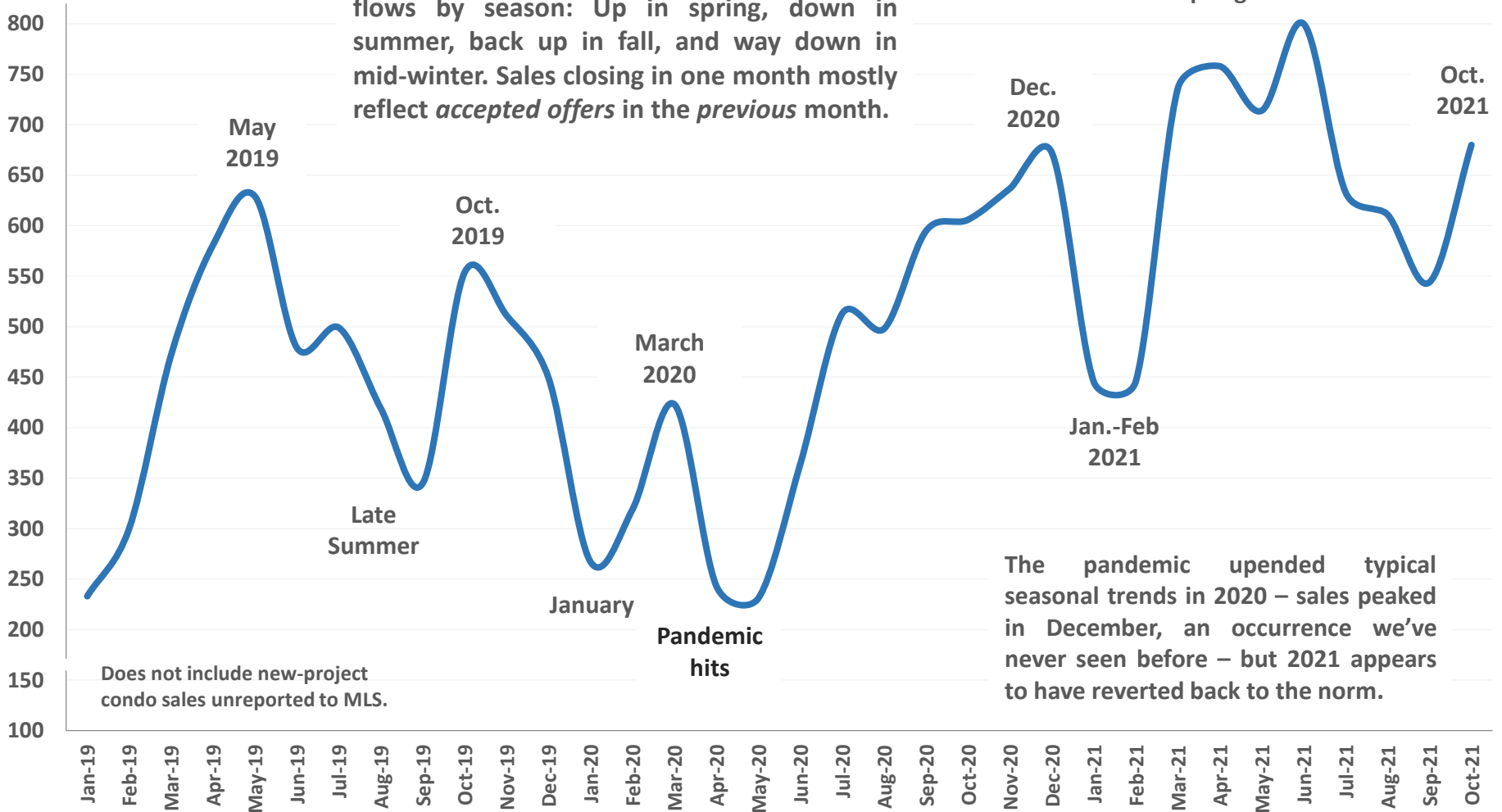


# Home Sales Volume by Month since 2018

## San Francisco Market Dynamics & Seasonality

House, condo, TIC, co-op sales reported to NorCal Regional MLS, per Infosparks

As illustrated, sales volume usually ebbs and flows by season: Up in spring, down in summer, back up in fall, and way down in mid-winter. Sales closing in one month mostly reflect *accepted offers* in the *previous* month.



Does not include new-project condo sales unreported to MLS.

The pandemic upended typical seasonal trends in 2020 – sales peaked in December, an occurrence we’ve never seen before – but 2021 appears to have reverted back to the norm.

Activity reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last month numbers estimated based on available data.



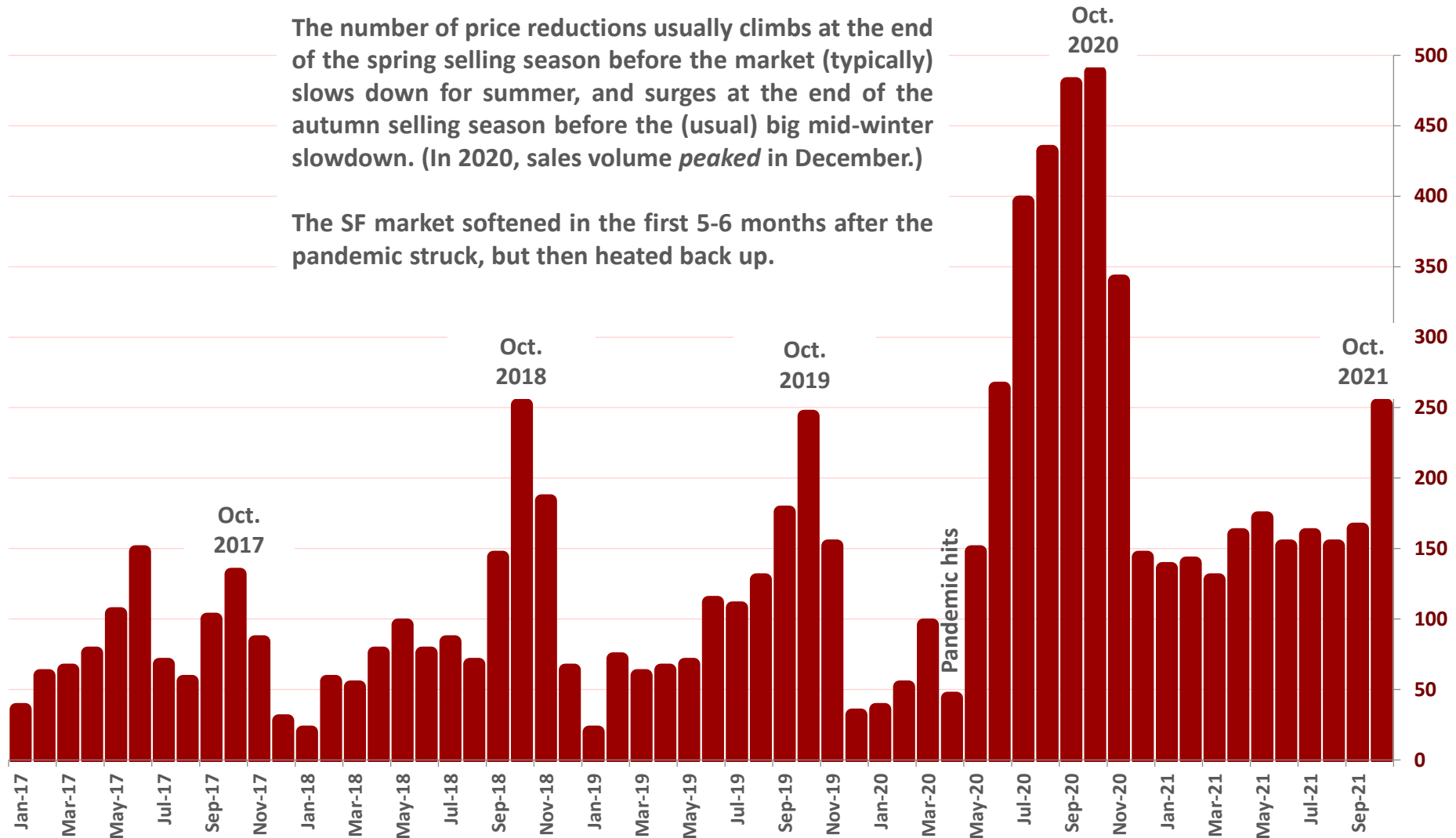
# Price Reductions on Active Listings

## San Francisco Real Estate Market Dynamics & Seasonality

For houses and condos

The number of price reductions usually climbs at the end of the spring selling season before the market (typically) slows down for summer, and surges at the end of the autumn selling season before the (usual) big mid-winter slowdown. (In 2020, sales volume *peaked* in December.)

The SF market softened in the first 5-6 months after the pandemic struck, but then heated back up.



Per Realtor.com Research: <https://www.realtor.com/research/data/>. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

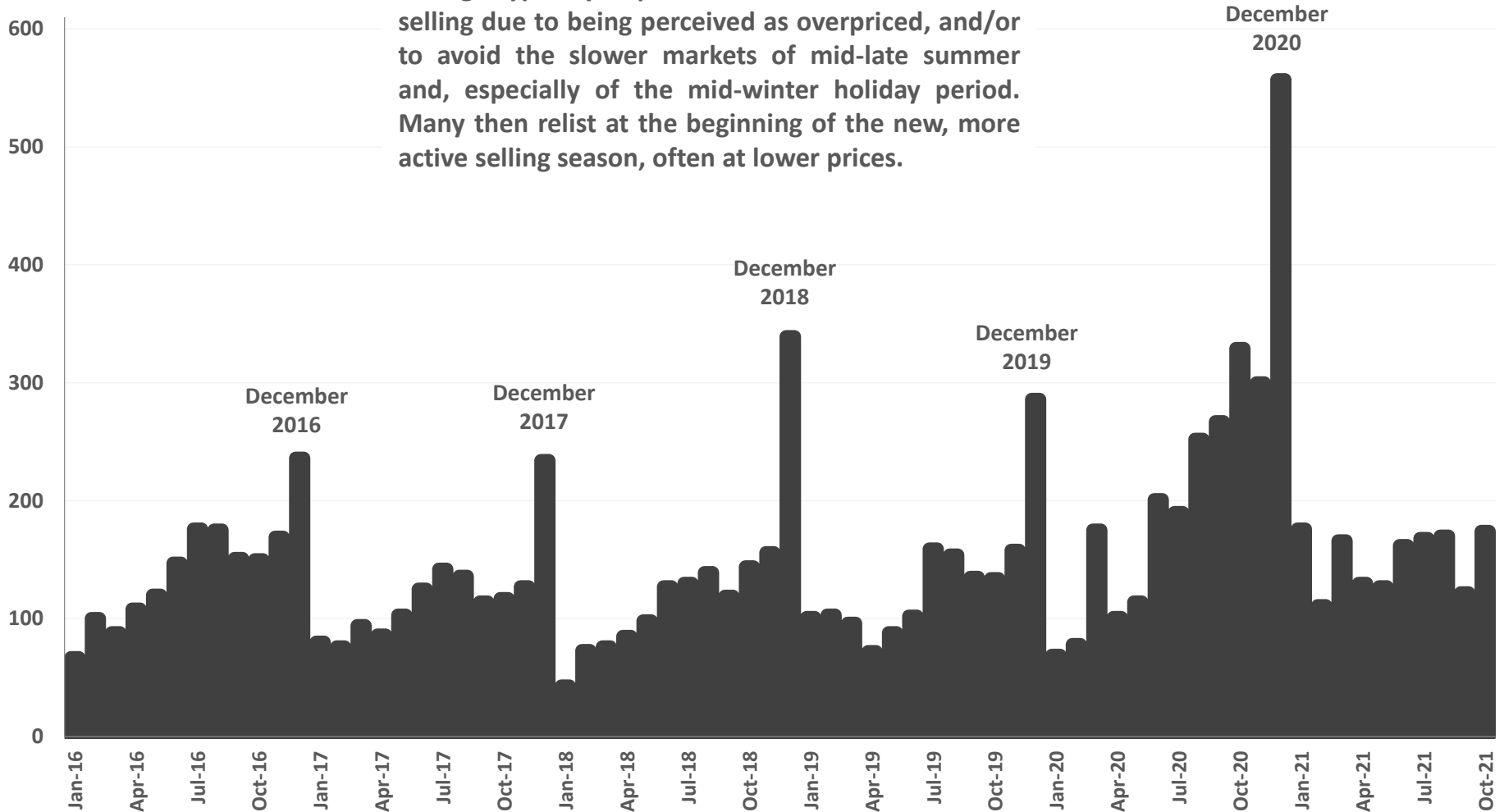


# Listings Expired or Withdrawn (No Sale)

## San Francisco Market Dynamics & Seasonality

Houses, condos, co-ops, TICs and 2-4 unit bldgs as listed in MLS per Broker Metrics

Listings typically expire or are withdrawn without selling due to being perceived as overpriced, and/or to avoid the slower markets of mid-late summer and, especially of the mid-winter holiday period. Many then relist at the beginning of the new, more active selling season, often at lower prices.



Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



# San Francisco Luxury Home Sales

## 3-Month Rolling Sales Figures, since 2018

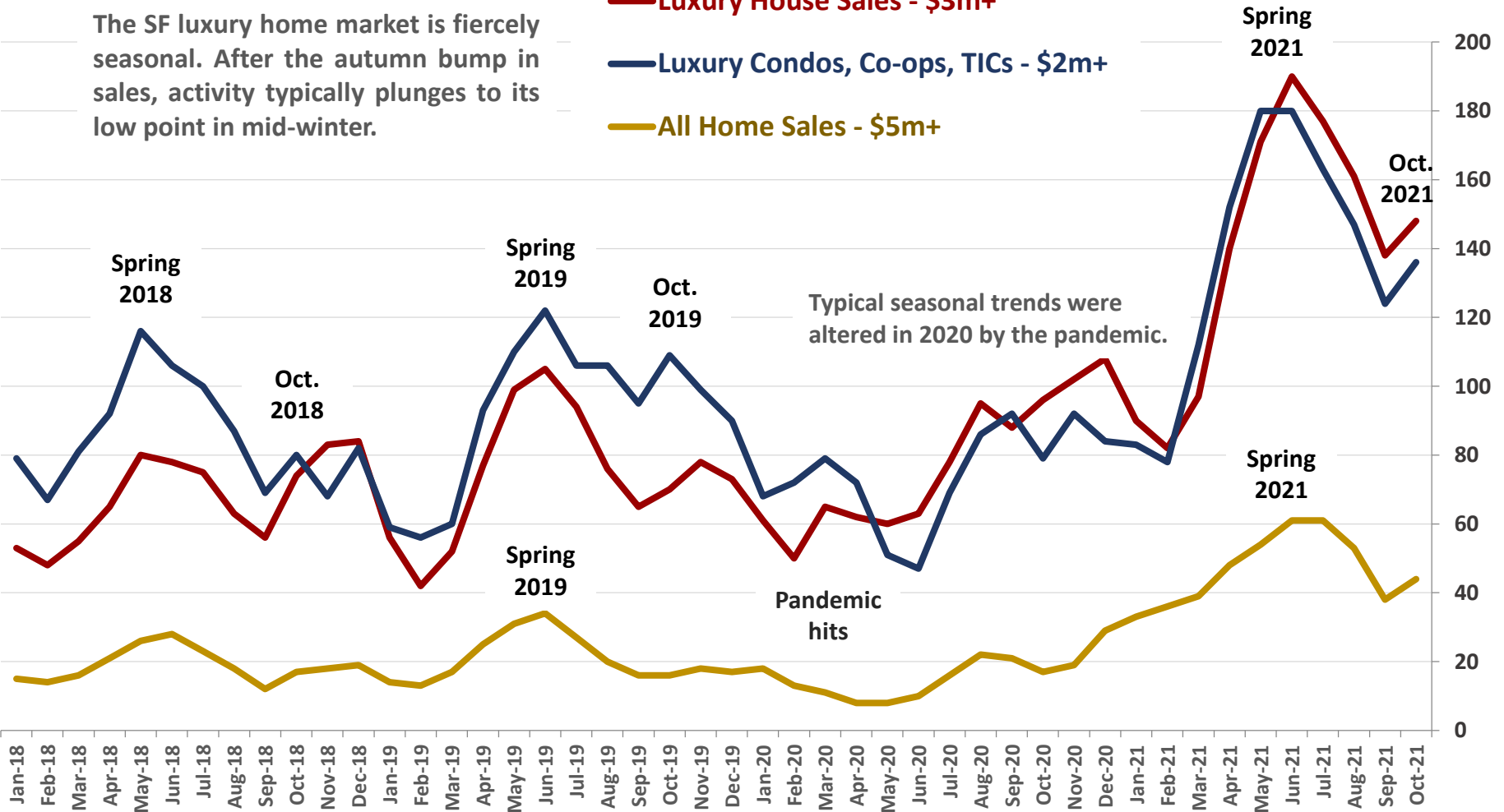
Sales reported to NorCal Regional MLS per Infosparks

The SF luxury home market is fiercely seasonal. After the autumn bump in sales, activity typically plunges to its low point in mid-winter.

— Luxury House Sales - \$3m+

— Luxury Condos, Co-ops, TICs - \$2m+

— All Home Sales - \$5m+



Each data point reflects 3 months of MLS sales. Does not include sales unreported to MLS, such as many new luxury condo project sales. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Late reported sales may alter last month's estimated reading.



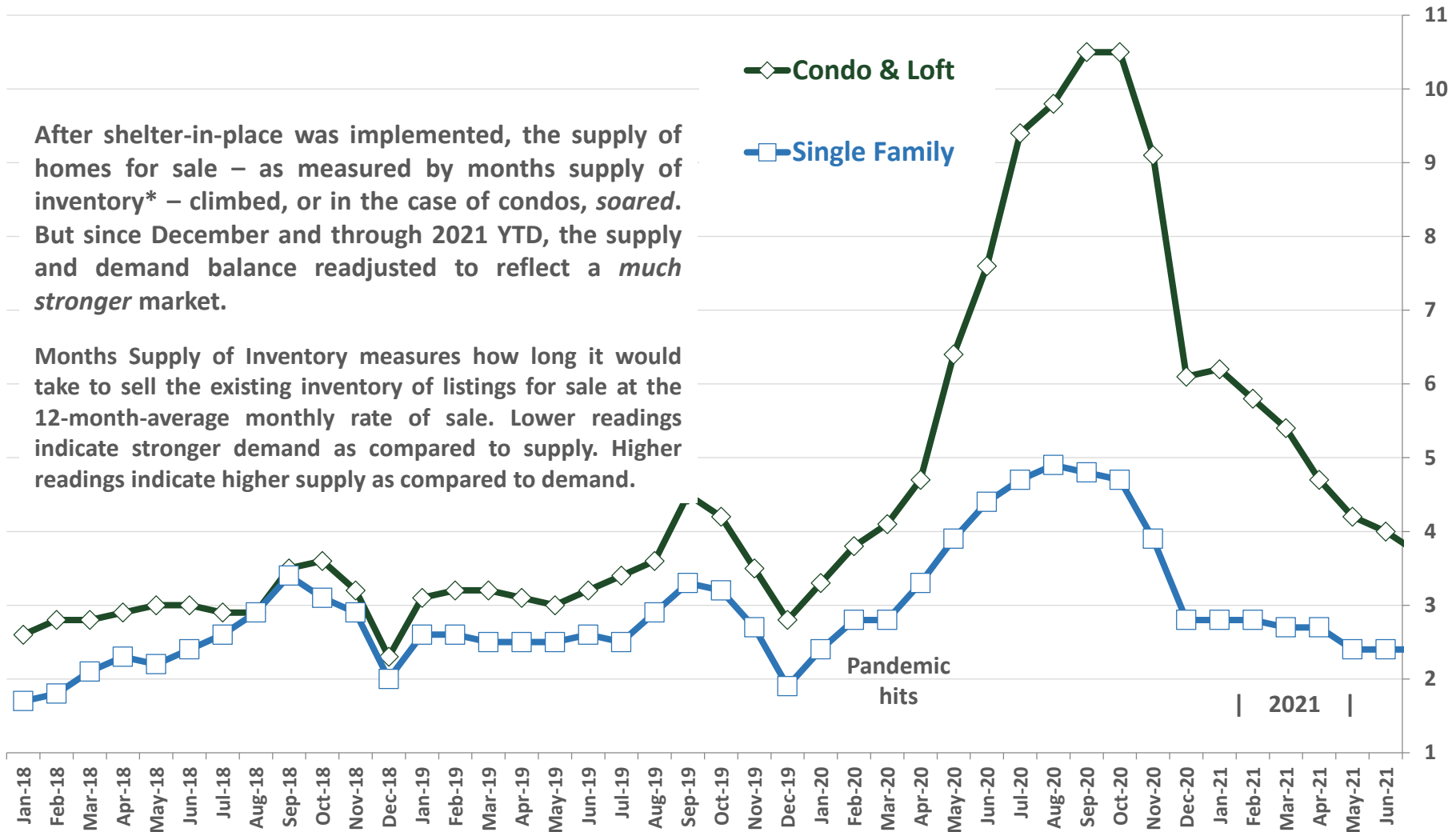


# San Francisco Market Supply vs. Demand

## Months Supply of Inventory, January 2018 – Present

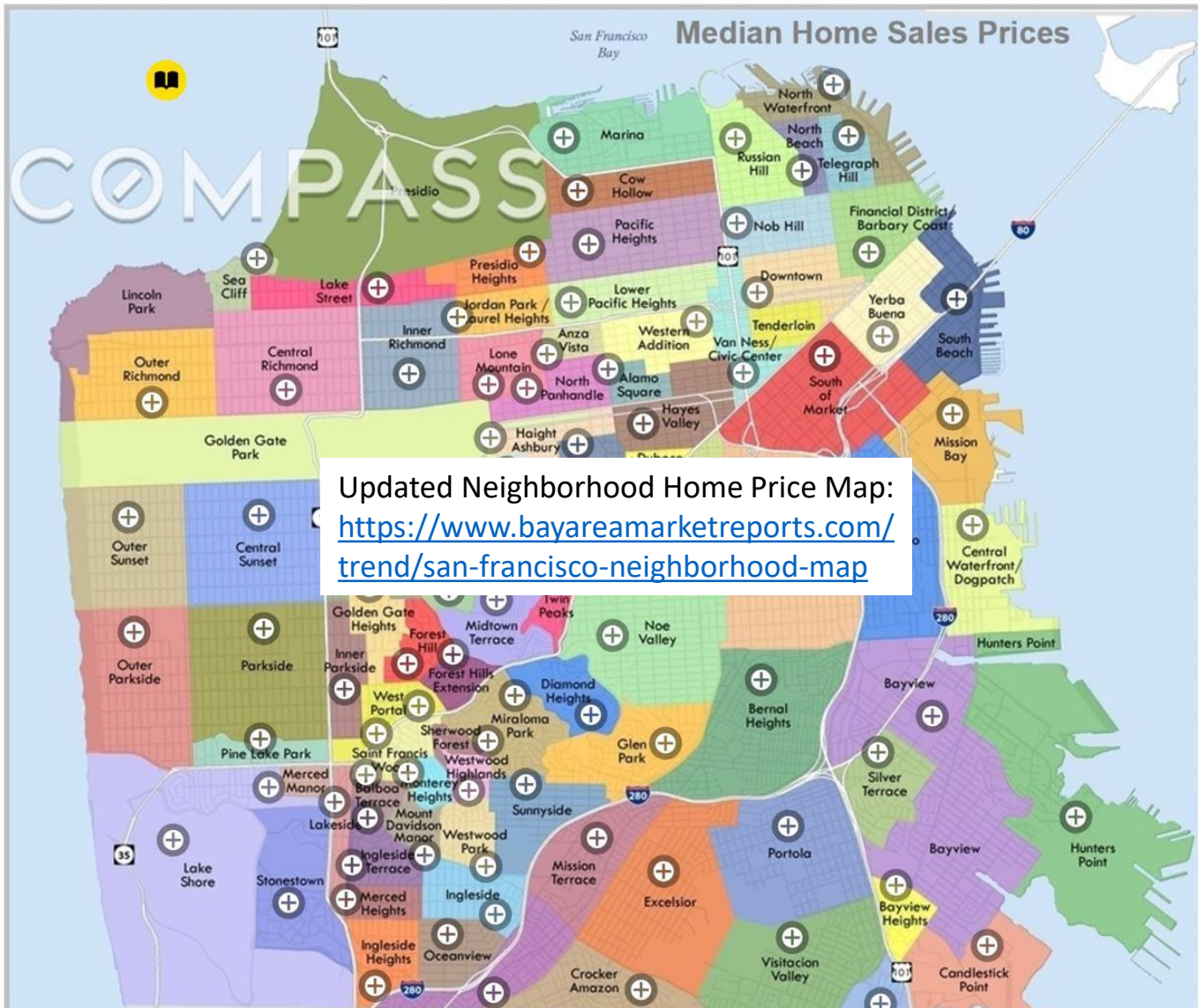
After shelter-in-place was implemented, the supply of homes for sale – as measured by months supply of inventory\* – climbed, or in the case of condos, *soared*. But since December and through 2021 YTD, the supply and demand balance readjusted to reflect a *much stronger* market.

Months Supply of Inventory measures how long it would take to sell the existing inventory of listings for sale at the 12-month-average monthly rate of sale. Lower readings indicate stronger demand as compared to supply. Higher readings indicate higher supply as compared to demand.



NorCal Regional MLS data per Infosparks. Last reading may change with late reported activity. Does not include new-project condo activity unreported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Late reported data may change latest months' numbers.





# New Report on Bay Area Home Markets since 1990:

<https://www.bayareamarketreports.com/trend/bay-area-home-price-appreciation-since-1990>



## San Francisco Bay Area Home Price Appreciation Trends since 1990

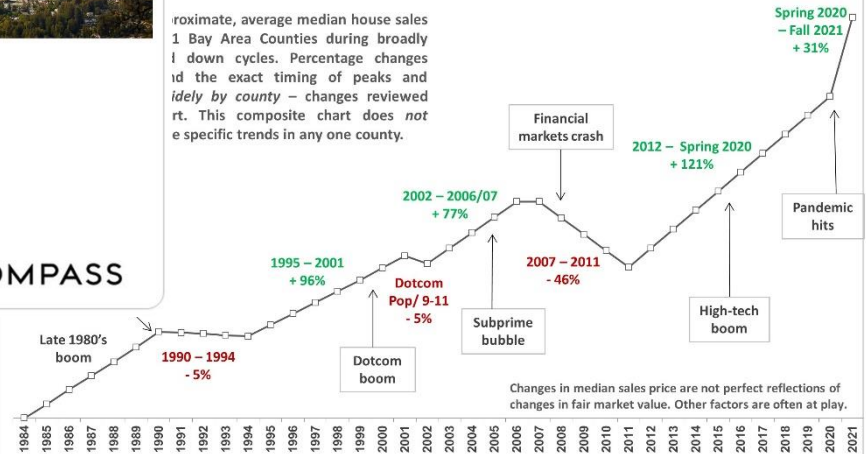
The early 1990's recession, the dotcom boom, subprime bubble and crash, market recovery and high-tech boom – and the pandemic

Important notes and caveats regarding the context and methodology of this report are detailed on the last page. All calculations to be considered approximate, good-faith estimates. How this report applies to any particular home is unknown without a specific comparative market analysis.

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## Approximate, Smoothed-Out Schematic of Bay Area Median House Sales Price Changes over 30+ Years

Approximate, average median house sales price changes over 30+ years for 11 Bay Area Counties during broadly defined down cycles. Percentage changes indicate the exact timing of peaks and troughs, but are *not* identical by county – changes reviewed and averaged. This composite chart does not reflect specific trends in any one county.



Changes in median sales price are not perfect reflections of changes in fair market value. Other factors are often at play.

For 11 Bay Area Counties. Sales data per CA Association of Realtors or NorCal Regional MLS. Years between market peaks and bottoms are not accurately represented, but entered as straight lines: Shorter-term fluctuations are not reflected. Adjusted for larger anomalies when identified. Percentages are very approximate, good-faith estimates.

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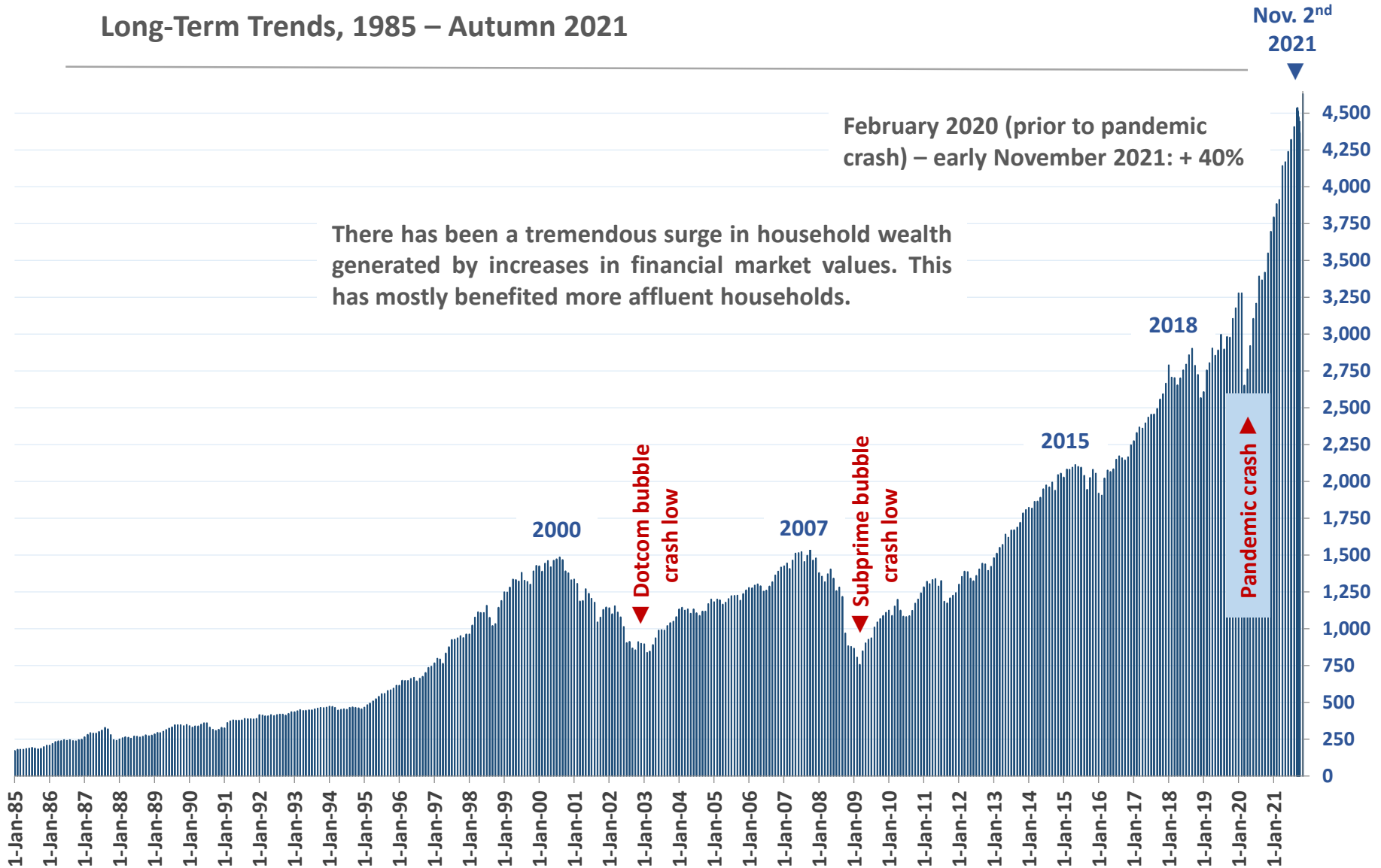
The ancient Romans believed the future could be divined from observing the flight of birds.

## Selected Macroeconomic Factors

The following slides look at trends in a number of important economic indicators – all of which can have significant impacts on financial and real estate markets. None of these charts imply predictions on future trends.

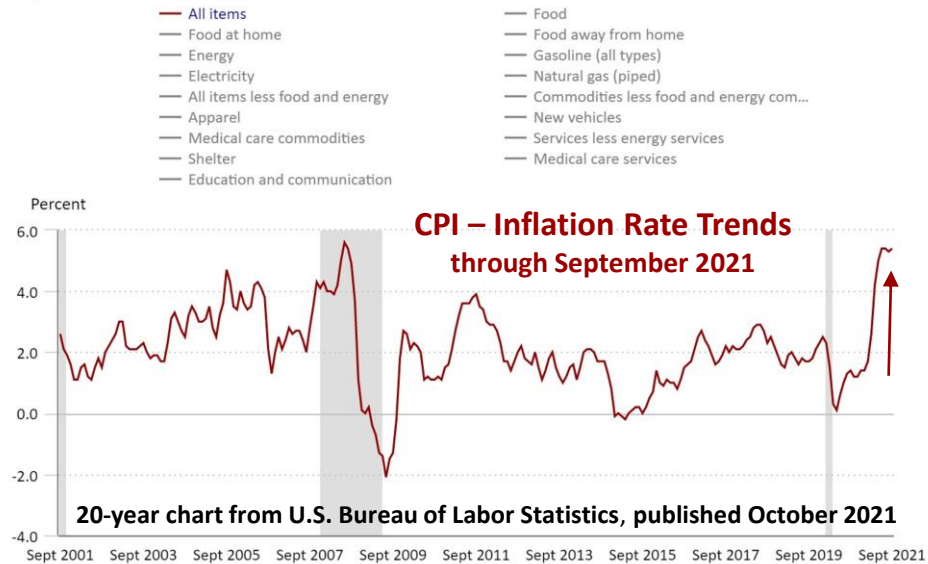
# S&P 500 Stock Index

## Long-Term Trends, 1985 – Autumn 2021



Data from multpl.com and Yahoo! Finance. An approximate illustration only. Data from sources deemed reliable but may contain errors and subject to revision. Financial markets can be prone to significant volatility even on a short-term basis. For general illustration purposes only. All figures are approximate.

**12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted**



# Inflation & Mortgage Interest Rates

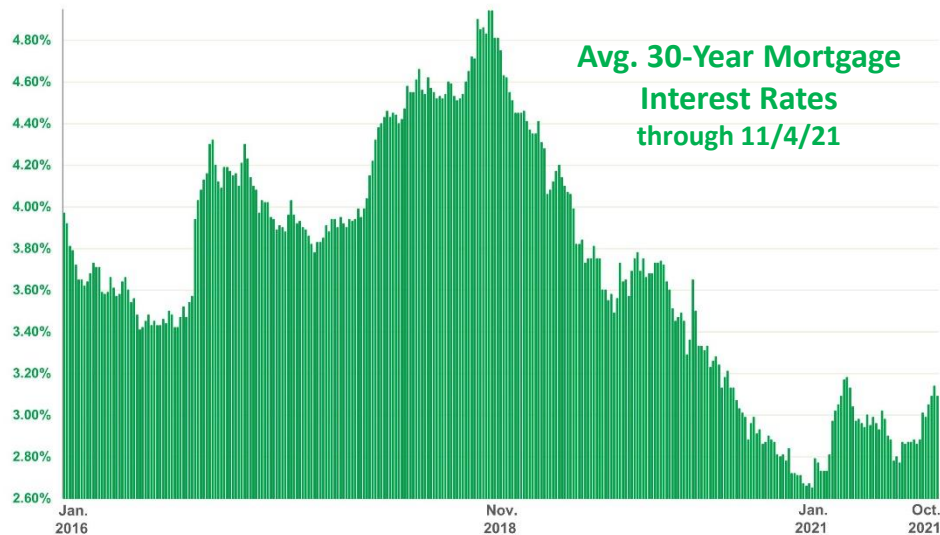
**Due to a variety of economic factors, the Consumer Price Index, a measurement of inflation, has jumped in 2021.**

Historically, the standard remedy for surging inflation is to raise interest rates, but there are varying opinions as to whether higher inflation rates will persist, and what the exact response from the Federal Reserve Bank will be. Even if the Fed raises rates, the exact effect on *mortgage* rates is unclear. Predicting interest rate changes is extremely difficult.

## Mortgage Interest Rate Trends, 2016 – Present

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

Rates published by the FHLMC,

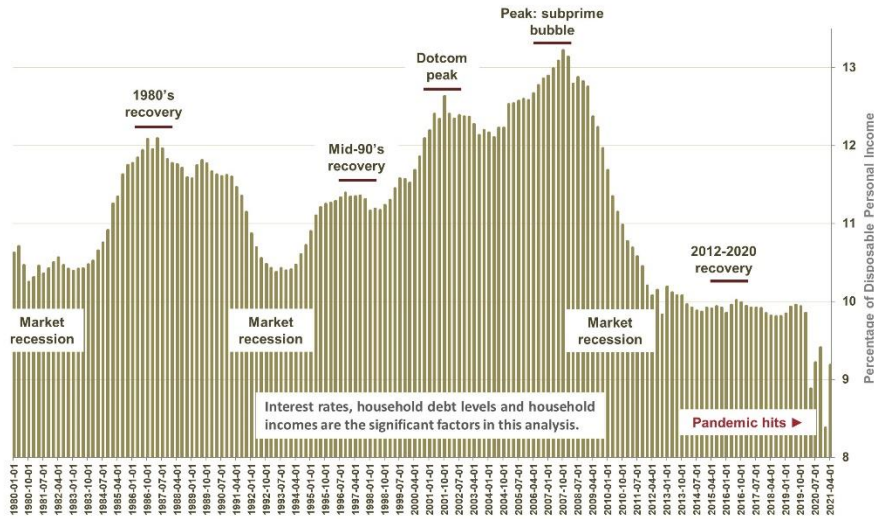


Per Freddie Mac (FHLMC), on November 4, 2021, the weekly average, 30-year mortgage interest rate was 3.09%. (The 15-year rate was 2.35%.) The all-time 30-year-rate low of 2.65% was reached in January 2021. In November 2018, the rate was 4.94%; in 2007, 6.3%; in year 2000, 8%; and in 1990, 10% (the last 3 not illustrated on this chart).

Interest rates may fluctuate suddenly and dramatically, and it is very difficult to accurately predict rate changes. Data from sources deemed reliable, but may contain errors and not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.

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### Household Debt Service Payments as a Percentage of Disposable Personal Income, 1980 – Q2 2021



Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

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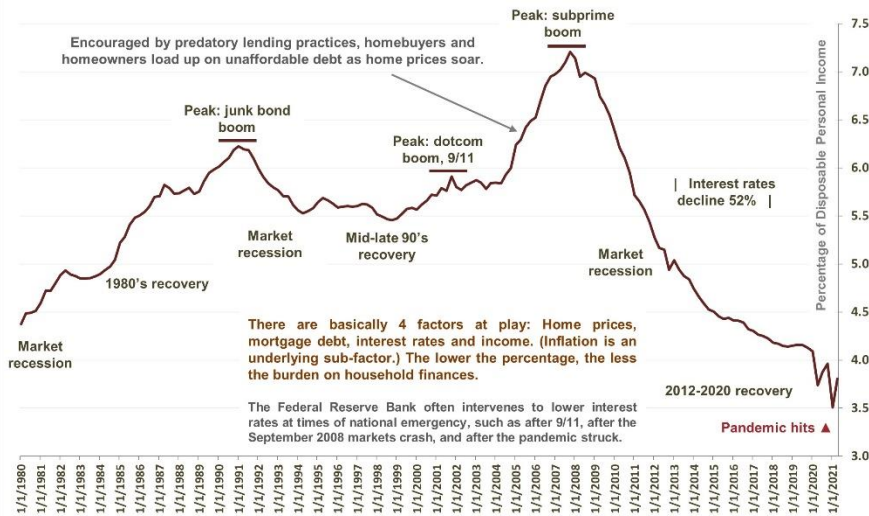
## Household & Mortgage Debt Service as a Percentage of Disposable Income

All-time lows in interest rates, increasing household incomes, and large pandemic-related government disbursements to households brought debt service payments as percentages of disposable personal income down to historic lows through Q1 2021.

The percentages started to climb back up in Q2 2021 (the latest data available), but still remained *extremely* low by any standards – a positive economic indicator.

When the debt service percentages hit high points, it is often a prelude to market corrections. Currently, the biggest wildcard is the possibility of significant changes to interest rates. (This analysis does not imply any market or interest-rate predictions on our part.)

### Mortgage Debt Service Payments as a Percentage of Disposable Personal Income, 1980 – Q2 2021



Data as published by the Federal Reserve Bank of St. Louis: <https://fred.stlouisfed.org/series/MDSPP>. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

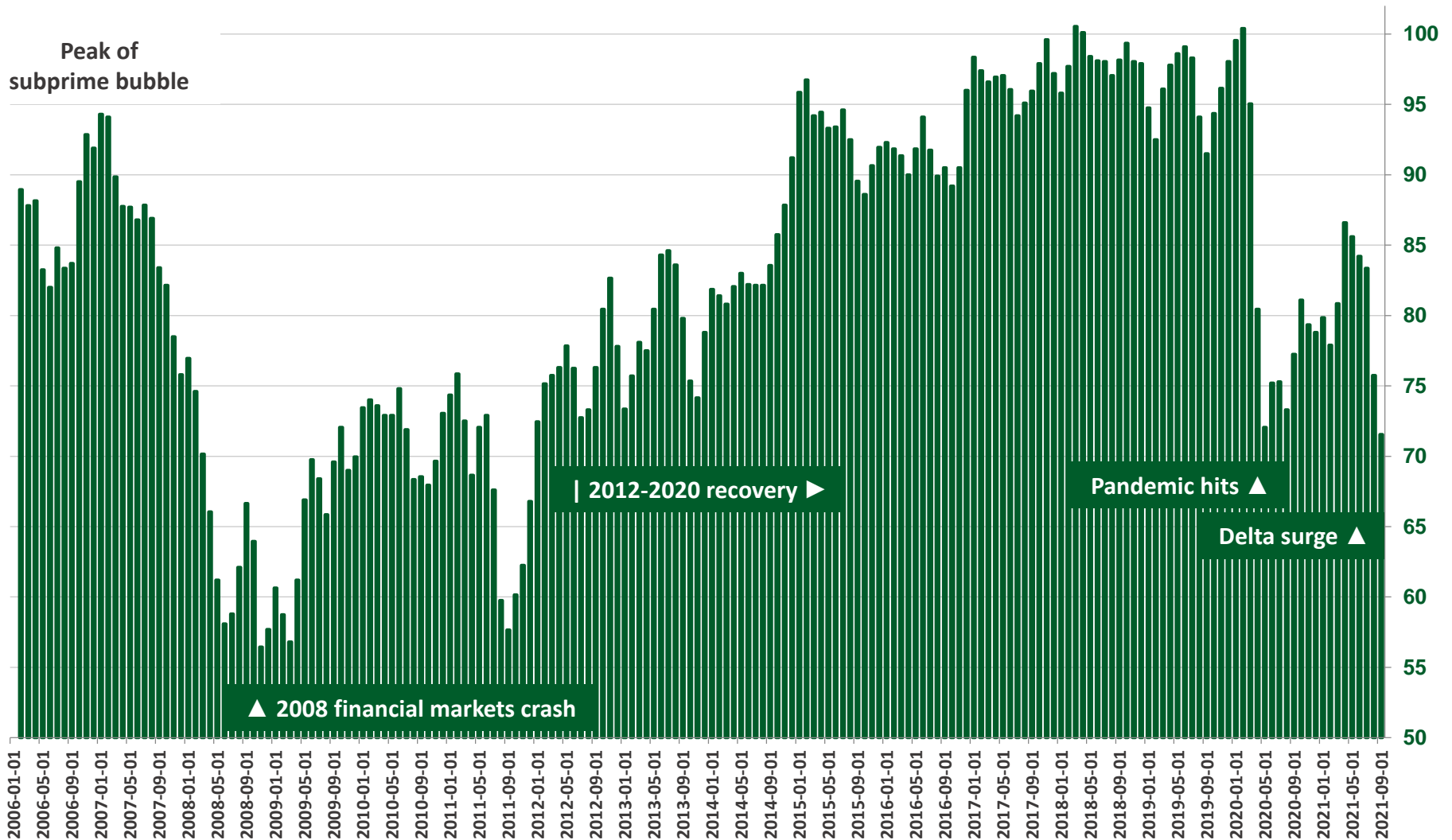
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# Consumer Sentiment (Confidence) Index

## University of Michigan, January 2006 – September 2021

As published by the Federal Reserve Bank of St. Louis; adjusted to 2-month-rolling average



2-month-rolling average of University of Michigan: Consumer Sentiment [UMSENT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMSENT>. Not seasonally adjusted. 1966, Q1 = 100.

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Statistics are generalities, essentially summaries of widely disparate data generated by dozens, hundreds or thousands of unique, individual sales occurring within different time periods. They are best seen not as precise measurements, but as broad, comparative indicators, with reasonable margins of error. Anomalous fluctuations in statistics are not uncommon, especially in smaller, expensive market segments. Last period data should be considered estimates that may change with late-reported data. Different analytics programs sometimes define statistics – such as “active listings,” “days on market,” and “months supply of inventory” – differently: what is most meaningful are not specific calculations but the *trends* they illustrate. Most listing and sales data derives from the local or regional multi-listing service (MLS) of the area specified in the analysis, but not all listings or sales are reported to MLS and these won’t be reflected in the data. “Homes” signifies real-property, single-household housing units: houses, condos, co-ops, townhouses, duets and TICs (but not mobile homes), as applicable to each market. City/town names refer specifically to the named cities and towns, unless otherwise delineated. Multi-county metro areas will be specified as such. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

Many aspects of value cannot be adequately reflected in median and average statistics: curb appeal, age, condition, amenities, views, lot size, quality of outdoor space, “bonus” rooms, additional parking, quality of location *within* the neighborhood, and so on. How any of these statistics apply to any particular home is unknown without a specific comparative market analysis.

Median Sales Price is that price at which half the properties sold for more and half for less. It may be affected by seasonality, “unusual” events, or changes in inventory and buying trends, as well as by changes in fair market value. The median sales price for an area will often conceal an enormous variety of sales prices in the underlying individual sales.

Dollar per Square Foot is based upon the home’s interior living space and does not include garages, unfinished attics and basements, rooms built without permit, patios, decks or yards (though all those can add value to a home). These figures are usually derived from appraisals or tax records, but are sometimes unreliable (especially for older homes) or unreported altogether. The calculation can only be made on those home sales that reported square footage.

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