COMPASS

San Francisco Real Estate
April 2022 Report

COMPASS

Soaring Interest Rates & Housing Costs; Continuing Strong Demand, Low Inventory of House Listings, High Market Velocity

Sales were robust in Q1 for all property types, but the supply of house listings in particular was *very* low. However, as of March 31st, mortgage interest rates have skyrocketed 50% in 2022, with a particularly large jump in March. Because of the time involved in the home-buying process – the search, loan qualification, going into contract, escrow, closing sale – any significant effects of the recent spike won't show up until Q2. Rates may stabilize, rise further, or drop back down – they can change *very* quickly – and the exact, follow-on effects are unknown. Interest rates are only 1 factor: Local economic conditions, financial markets, wealth creation, housing affordability, consumer confidence, inflation, migration, the pandemic, rents, debt and government policies can all have big market impacts, and they are flashing both positive and negative signals.

For buyers financing their purchase, interest rates play an enormous role in monthly housing costs. Depending on the speed and scale of changes, declining interest rates can help supercharge demand, as they did in 2021, while rapidly increasing rates typically cool the market, as occurred in the 2nd half of 2018. If both interest rates *and* home prices soar, there is a double whammy on housing affordability. It is very difficult to accurately predict interest rate changes: 3 months ago, Freddie Mac predicted an average, 30-year, fixed rate of 3.6% for 2022; at the end of March, it hit 4.67%.

When we speak of "low inventory," it does not necessarily mean fewer homes put up for sale. Sales volumes hit multi-year highs in 2021, fed by an *increase* in new listings. But "inventory" is measured by what is for sale *on a given day*, and even if the quantity of new listings is steady or climbing, the number of active listings can drop *if they are selling more quickly*. Within the city, supply and market dynamics vary significantly between houses and condos (including co-ops/TICs in this category).

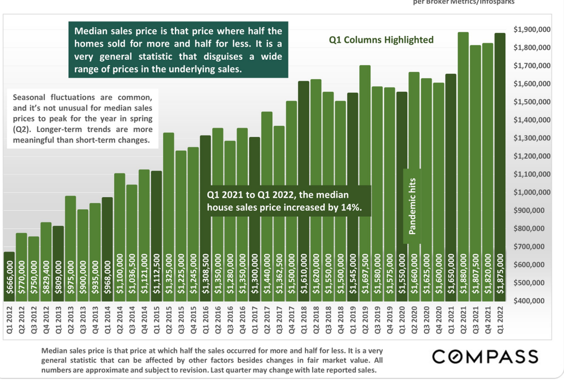
This report contains analyses reviewing many of these issues through Q1 2022. Q2 is typically the highest-demand, most active selling season of the year.

Sales in one month mostly reflect market dynamics in the previous month, and activity typically ebbs and flows by season. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

COMPASS

San Francisco House Price Trends
Median House Sales Prices, 2012 – Present, by Quarter

As reported to NORCAL MLS® ALLIANCE, per Broker Metrics/Infosparks

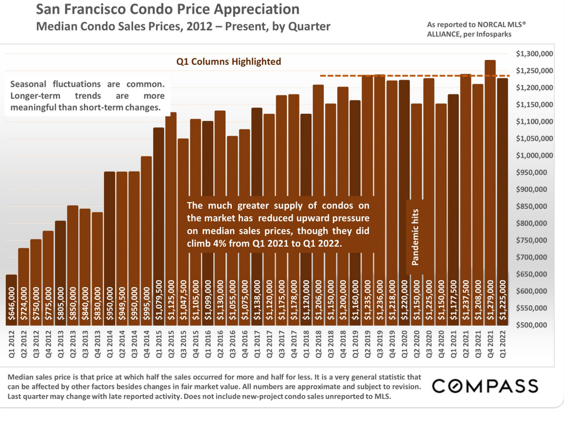


Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision. Last quarter may change with late reported sales.

COMPASS

San Francisco Condo Price Appreciation
Median Condo Sales Prices, 2012 – Present, by Quarter

As reported to NORCAL MLS® ALLIANCE, per Infosparks



Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision. Last quarter may change with late reported activity. Does not include new-project condo sales unreported to MLS.

COMPASS

San Francisco House Sales Statistics
6 Months Sales*

Within compilations of sales, gradations in quality of location, construction, condition, amenities, home & lot size are almost infinite.

A Sampling of San Francisco's 70+ Neighborhoods

Selected San Francisco Neighborhoods	Median House Sales Price	Avg. $ per Square Foot	Avg. Size (Sq.Ft.)	Avg. Days on Market	Sales Price to Orig. LP %*	Highest Sale in Period
Pacific & Presidio Heights	$6,625,000	$1714/sq.ft.	4403 sq.ft.	31 days	102%	$14,500,000
Lake Street & Jordan Park	$4,520,000	$1327	3638 sq.ft.	24 days	109%	$8,950,000
St. Francis Wood	$3,995,000	$1326	3009 sq.ft.	25 days	116%	$6,650,000
Marina	$3,777,500	$1528	3260 sq.ft.	25 days	106%	$19,750,000
Russian, Nob & Tel Hills	$3,695,000	$1427	3012 sq.ft.	26 days	105%	$9,999,000
Cole Valley & Ashbury Heights	$3,442,500	$1381	3111 sq.ft.	18 days	110%	$8,000,000
Hayes Vly, Alamo Sq., NoPa	$3,155,000	$1135	2828 sq.ft.	29 days	107%	$5,300,000
Noe & Eureka Valleys	$2,775,000	$1377	2416 sq.ft.	17 days	113%	$8,100,000
Inner Richmond, Lone Mtn.	$2,535,000	$1081/sq.ft.	2407 sq.ft.	13 days	112%	$4,900,000
Glen Park	$2,300,000	$1233	2020 sq.ft.	19 days	119%	$5,499,000
Inner Sunset, GG Heights	$2,000,000	$1102	2072 sq.ft.	17 days	118%	$4,625,000
Bernal Heights	$1,800,000	$1171	1724 sq.ft.	20 days	120%	$4,275,000
Miraloma Park	$1,777,000	$1136	1736 sq.ft.	19 days	124%	$3,400,000
Central Sunset & Parkside	$1,700,000	$1064	1732 sq.ft.	17 days	128%	$2,680,000
Outer Sunset & Parkside	$1,600,000	$1150	1518 sq.ft.	19 days	129%	$2,675,000
Excelsior	$1,250,000	$854	1531 sq.ft.	20 days	119%	$2,190,000
Ingleside & Oceanview	$1,215,000	$876	1553 sq.ft.	25 days	119%	$2,040,000
Bayview & Silver Terrace	$1,080,000	$696	1633 sq.ft.	23 days	118%	$2,160,000

*Sales reported to NORCAL MLS® ALLIANCE, 9/15/21-3/15/22. Sales price to LP % for sales which accepted offers within 30 days. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and can change on a daily basis. Not all listings provide square footage. Days on market adjusted for outliers.

COMPASS

San Francisco Condo Sales Statistics
6 Months Sales: 2-Bedroom, 2-Bath Condos*

Within compilations of sales, gradations in quality of location, construction, condition, amenities, home & lot size are almost infinite.

A Sampling of San Francisco 70+ Neighborhoods

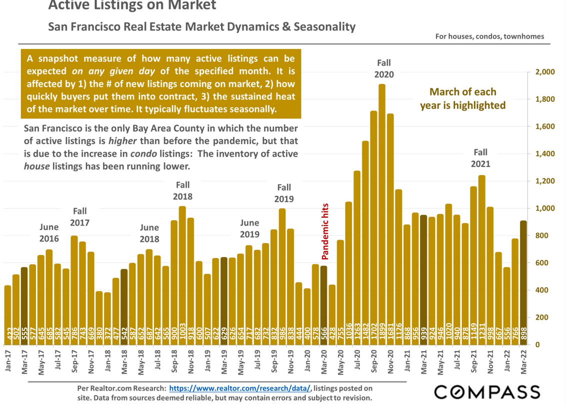
Selected San Francisco Neighborhoods	Median Condo Sales Price	Avg. $ per Sq.Ft.	Avg. Size (Sq.Ft.)	Avg. Days on Market	Sales Price to Orig. LP %*	Highest 2/2 Condo Sale in Period
South Beach	$1,737,500	$1361/sq.ft.	1342 sq.ft.	44 days	101%	$3,800,000
Noe & Eureka Valleys	$1,695,000	$1247	1403 sq.ft.	18 days	117%	$2,350,000
Russian Hill	$1,655,000	$1271	1360 sq.ft.	16 days	108%	$3,800,000
Cow Hollow & Marina	$1,577,500	$1320	1244 sq.ft.	31 days	105%	$2,450,000
Pacific & Presidio Heights	$1,512,500	$1326	1365 sq.ft.	40 days	106%	$3,800,000
Mission Bay	$1,500,000	$1198	1274 sq.ft.	34 days	102%	$2,950,000
Hayes Vly, NoPa, Alamo Sq.	$1,490,000	$1266/sq.ft.	1217 sq.ft.	25 days	115%	$2,725,000
Nob Hill	$1,300,000	$1069	1365 sq.ft.	24 days	107%	$2,450,000
Inner Mission	$1,300,000	$1087	1197 sq.ft.	27 days	111%	$1,635,000
Central-Inner Richmond	$1,280,000	$1137	1170 sq.ft.	19 days	119%	$1,925,000
Potrero Hill	$1,260,000	$1141	1101 sq.ft.	33 days	114%	$2,350,000
Van Ness/Civic Center	$1,223,500	$1063	1140 sq.ft.	56 days	100%	$1,740,000
Dogpatch	$1,202,000	$1007	1262 sq.ft.	33 days	104%	$1,620,000
South of Market (SoMa)	$1,200,000	$1016	1216 sq.ft.	28 days	103%	$1,750,000
Hunter's & Candlestick Points	$783,000	$745	1068 sq.ft.	43 days	101%	$910,000

*Sales of 2BR/2BA units reported to NORCAL MLS® ALLIANCE, 9/15/21 – 3/15/22. Sales price to LP % for sales accepting offers within 30 days. Data from sources deemed reliable but may contain errors and subject to revision. Numbers are approximate and can change on a daily basis. Days on market adjusted for outliers.

COMPASS

Active Listings on Market
San Francisco Real Estate Market Dynamics & Seasonality

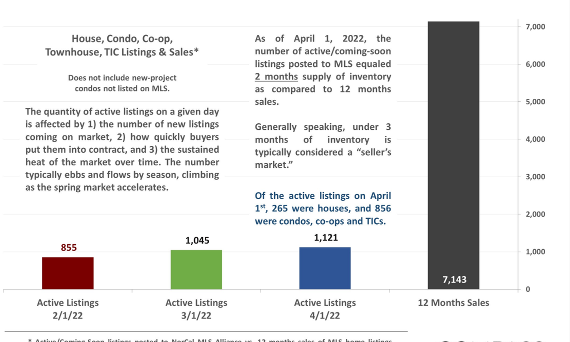
For houses, condos, townhomes



Per Realtor.com Research: https://www.realtor.com/research/data/, listings posted on site. Data from sources deemed reliable but may contain errors and subject to revision. May not include "coming soon" listings. All numbers should be considered approximate.

COMPASS

San Francisco Homes Market: Supply & Demand*
Active & Coming-Soon Listings vs. 12 Months Sales

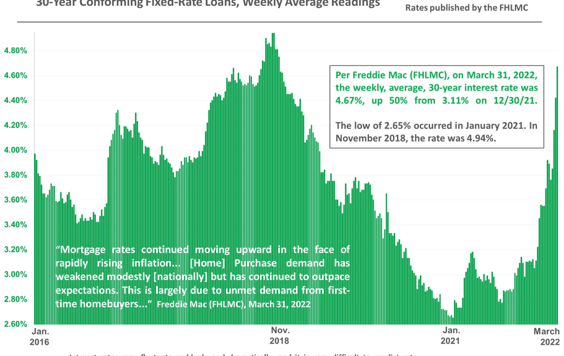


* Active/Coming-Soon listings posted to NorCal MLS Alliance vs. 12 months sales of MLS home listings through 2/28/22. Data from sources deemed reliable, but may contain errors and subject to revision. Not all listings are posted to MLS. All numbers approximate. The number of active listings constantly changes.

COMPASS

Mortgage Interest Rate Trends, 2016 – Present
30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

Rates published by the FHLMC

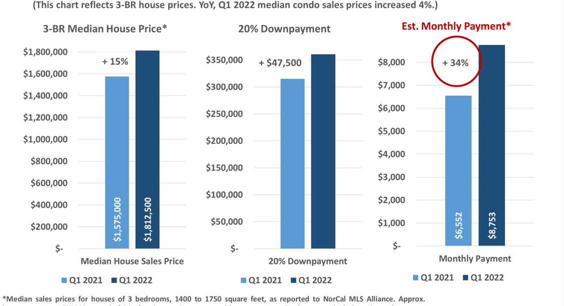


Interest rates may fluctuate suddenly and dramatically, and it is very difficult to predict rate changes. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.

COMPASS

San Francisco Housing Affordability
Q1 2021 to Q1 2022: Increases in Price, Downpayment, Monthly Payment*

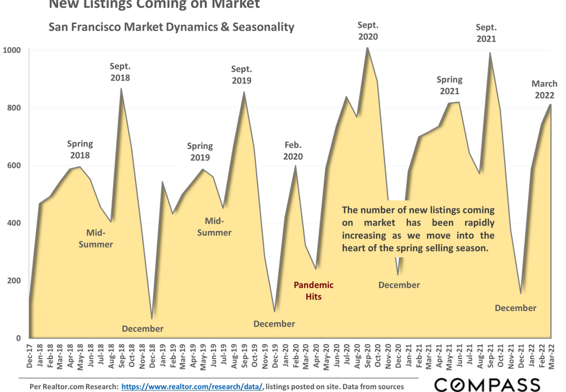
An approximate, sample illustration: Calculations pertain to median HOUSE sales prices, with 20% downpayment, adjusting estimated monthly home payment for the 46% increase in the fixed 30-year, conforming loan rate over the 1 year. Change in interest rate caused the % increase in *monthly payment* to outpace jump in house price.* (This chart reflects 3-BR house prices. YoY, Q1 2022 median condo sales prices increased 4%.)



*Median sales prices for houses of 3 bedrooms, 1400 to 1750 square feet, as reported to NorCal MLS Alliance. Approx. interest rates per FHLMC, at end of Q1 of each year. Approx. monthly payments per Bankrate.com include estimated property taxes and minimal insurance costs. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Interest rates often change quickly, dramatically. Consult your accountant and loan agent.

COMPASS

New Listings Coming on Market
San Francisco Market Dynamics & Seasonality

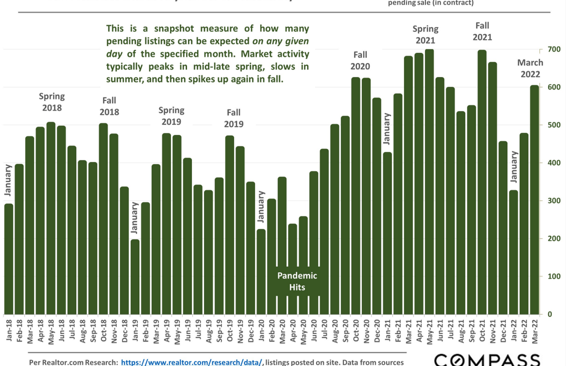


Per Realtor.com Research: https://www.realtor.com/research/data/, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

COMPASS

Listings Pending Sale (in Contract)
San Francisco Market Dynamics & Seasonality

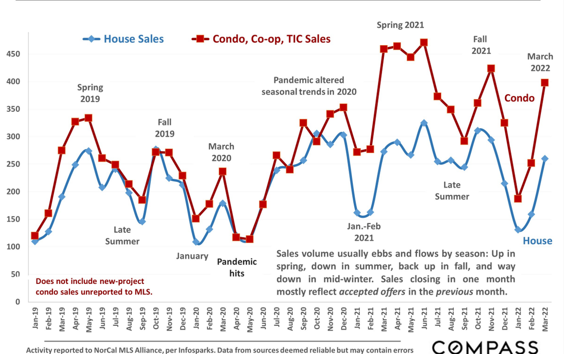
For house and condo listings pending sale (in contract)



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

COMPASS

Unit Home Sales by Month since 2019
San Francisco Market Dynamics & Seasonality

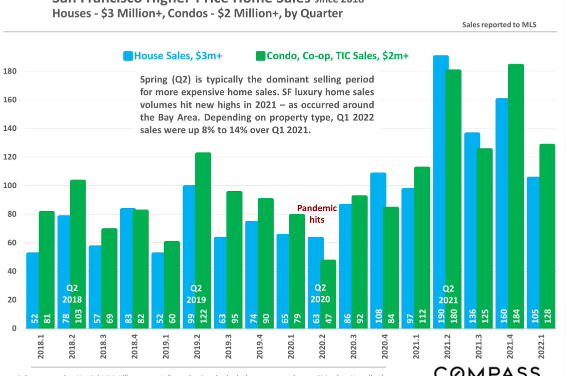


Activity reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last month numbers estimated based on available data.

COMPASS

San Francisco Higher-Price Home Sales since 2018
Houses - $3 Million+, Condos - $2 Million+, by Quarter

Sales reported to MLS

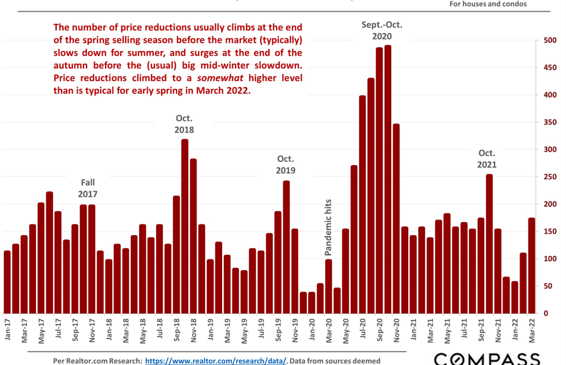


Sales reported to NorCal MLS Alliance, per Infosparks. Condos include co-op, townhouse, TIC sales. Not all sales are reported to MLS. Data from sources deemed reliable, but subject to error and revision. All numbers approximate.

COMPASS

Price Reductions on Active Listings
San Francisco Real Estate Market Dynamics & Seasonality

For houses and condos

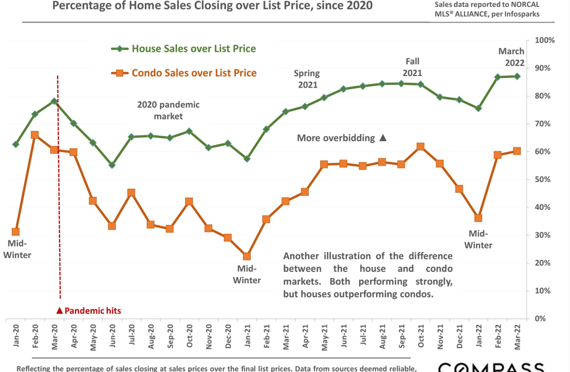


Per Realtor.com Research: https://www.realtor.com/research/data/. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

COMPASS

Overbidding List Prices in San Francisco
Percentage of Home Sales Closing over List Price, since 2020

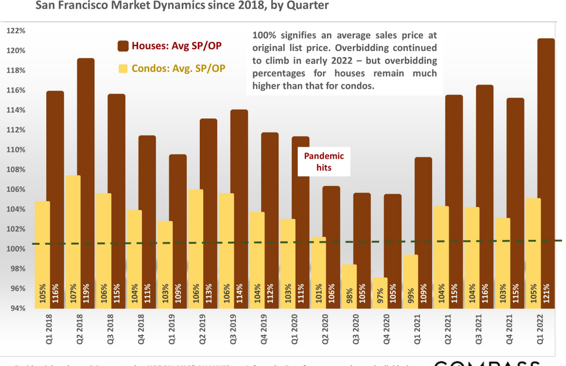
Sales data reported to NORCAL MLS® ALLIANCE, per Infosparks



Reflecting the percentage of sales closing at sales prices over the final list 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.

COMPASS

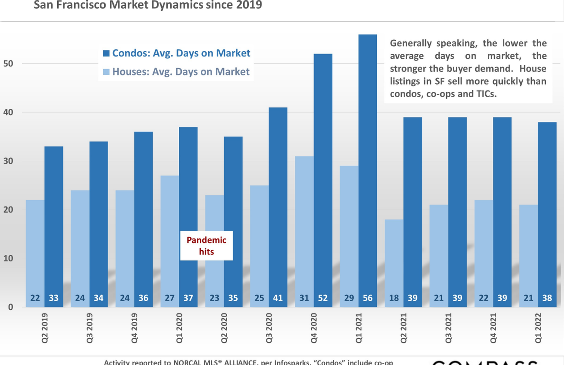
Avg. Sales Price to Original List Price Percentage (SP/LP %)
San Francisco Market Dynamics since 2018, by Quarter



Residential market activity reported to NORCAL MLS® ALLIANCE, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late-reported sales.

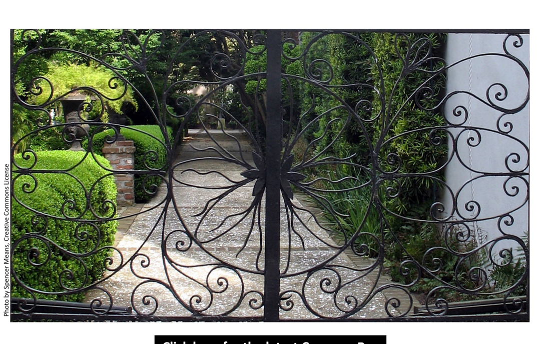
COMPASS

Average Days on Market by Quarter
San Francisco Market Dynamics since 2019



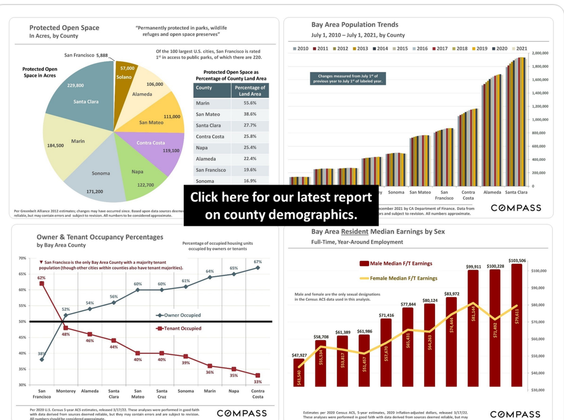
Activity reported to NORCAL MLS® ALLIANCE, per Infosparks. "Condos" include co-op and TIC sales. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late-reported sales.

COMPASS



Click here for the latest Compass Bay Area luxury home market report

COMPASS



Linda Lam

DRE #: 02018433
M: 415.209.5548
www.lindalamsf.com
linda.lam@compass.com

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.

COMPASS