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The Bay Area from Space, photo by the European Space Agency, Creative Commons License

San Francisco Real Estate
December 2022 Report

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The changes in market dynamics that began in late spring/early summer 2022 generally continued in autumn due to the ongoing economic headwinds, including high inflation and interest rates, reduced consumer confidence, and volatile stock markets, though all have fluctuated significantly over the period, and some readings have recently improved. The great majority of indicators – home prices and appreciation rates, sales volumes, overbidding, days-on-market, months supply of inventory, and so on – continue to describe a market that has substantially cooled and “corrected” since spring 2022, when it appears that a long, dramatic, 10-year market upcycle peaked. The correction in San Francisco has been somewhat larger than in other Bay Area counties. (Note that a “correction” is not remotely similar to a crash, such as was seen during the subprime loan/foreclosure crisis.) In recent months, luxury home sales have seen larger year-over-year percentage declines than the general market. But thousands of Bay Area homes continue to sell, some very quickly at over asking price: With the shifts in market conditions, pricing correctly has become an imperative for sellers.

December typically sees the low point of new-listing and sales activity – with an increasing number of homes taken off the market to await the new year – but listing, buying and selling continues. This can be an excellent time for buyers to aggressively negotiate prices, though the supply of listings to choose from declines. The market usually begins to wake up in mid-January and then quickly accelerates in early spring: In the Bay Area, depending on the weather and economic conditions, the “early spring” market can begin as soon as February.

The single, most closely watched factor will be interest rates, since they have such an outsized impact on monthly housing costs and affordability, as well as on stock markets and consumer confidence. At the end of this report is a link to our extended review of macroeconomic issues.

Our reports are not intended to convince you regarding a course of action or to predict the future, but to provide, to the best of our ability, straightforward information and good-faith analysis to assist you in making your own informed decisions. Statistics should be considered very general indicators, and all numbers should be considered approximate. How they apply to any particular property is unknown without a specific comparative market analysis.

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San Francisco House Price Trends since 1990 Monthly Median House Sales Prices, 3-Month Rolling Average

Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic, disguising an enormous range of sales prices in the underlying sales. It is often affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, which explain many of the regular ups and downs in this chart. Longer-term trends are much more meaningful than short-term changes.

Year over year, the 3-month rolling, median house sales price in November 2022, \$1,600,000, was down about 12%.



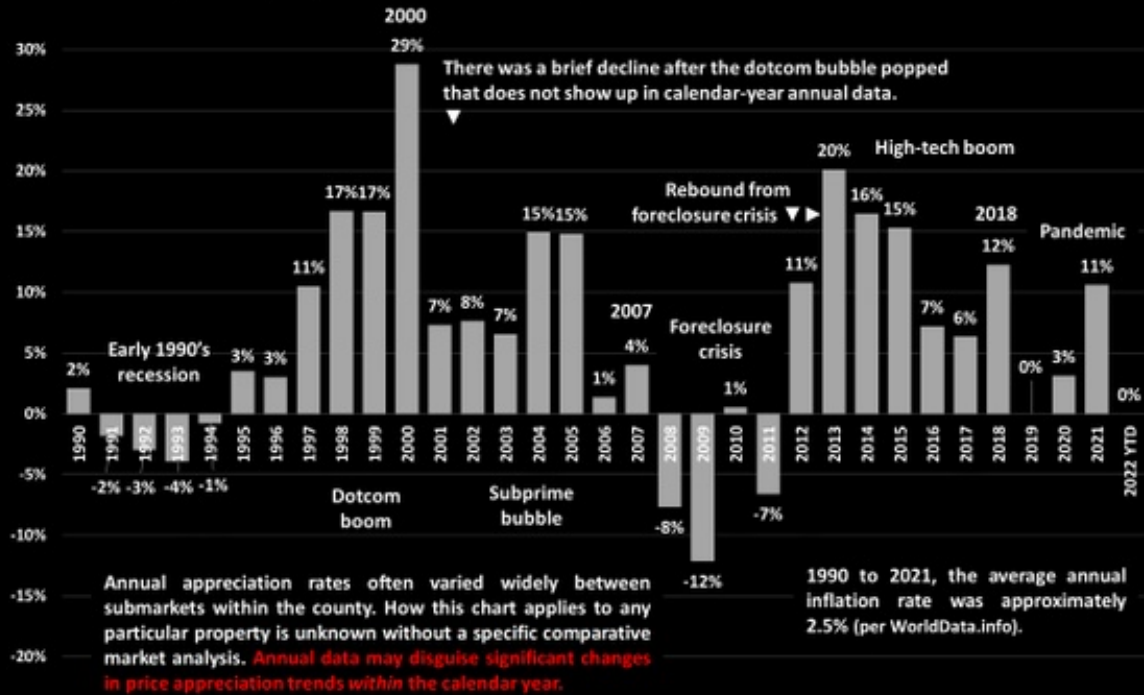
3-month rolling average of monthly median sales prices for “existing” houses, per CA Association of Realtors or NorCal MLS Alliance. 2-period moving trend line. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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San Francisco Year-over-Year Appreciation Rates since 1990

Y-o-Y Percentage Change in Annual Median HOUSE Sales Price*

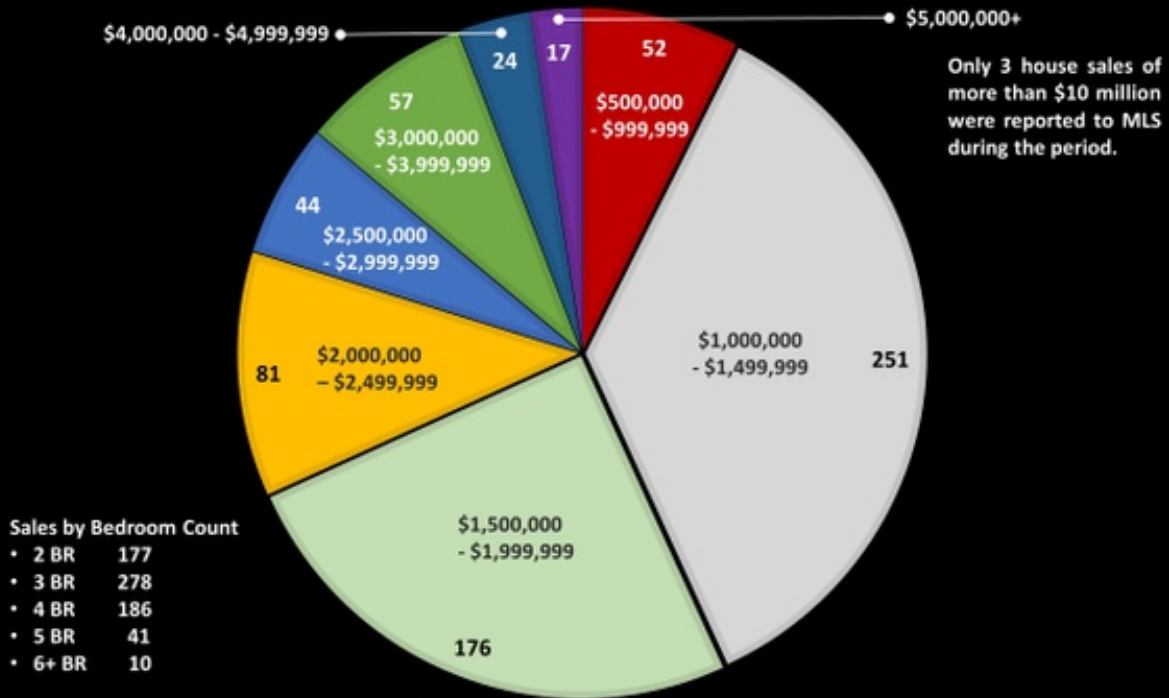
2022 through late November 2022



*Sales reported to MLS: year-over-year median house sales price appreciation rates, per CA Association of Realtors historical survey. 2022 YTD data per NorCal MLS Alliance, per Infosparks. All numbers approximate, may contain errors and subject to revision. Past performance is not a guarantee of future results.

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San Francisco House Market August – November 2022 House Sales by Price Segment*



Sales by Bedroom Count

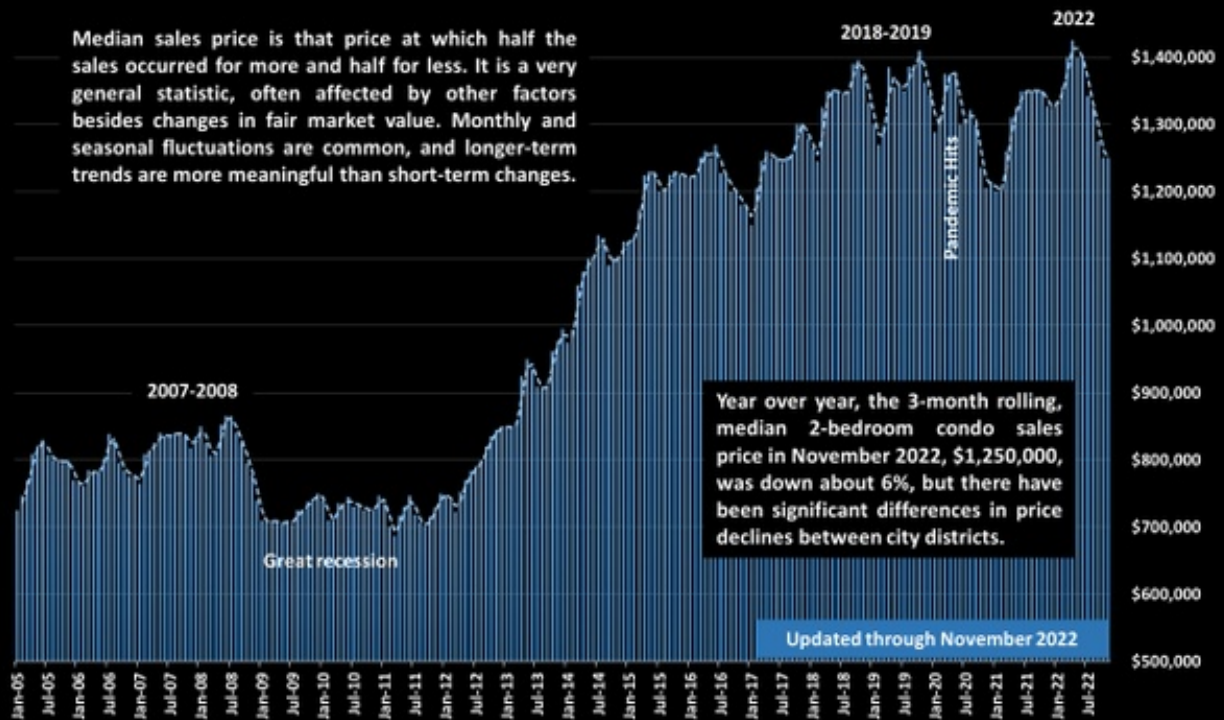
- 2 BR 177
- 3 BR 278
- 4 BR 186
- 5 BR 41
- 6+ BR 10

*House sales reported to NorCal MLS Alliance by 11/25/22. Not all sales are reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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San Francisco Condo Price Trends since 2005 3-Month Rolling, Median 2-BR Condo Sales Prices

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 other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, and longer-term trends are more meaningful than short-term changes.



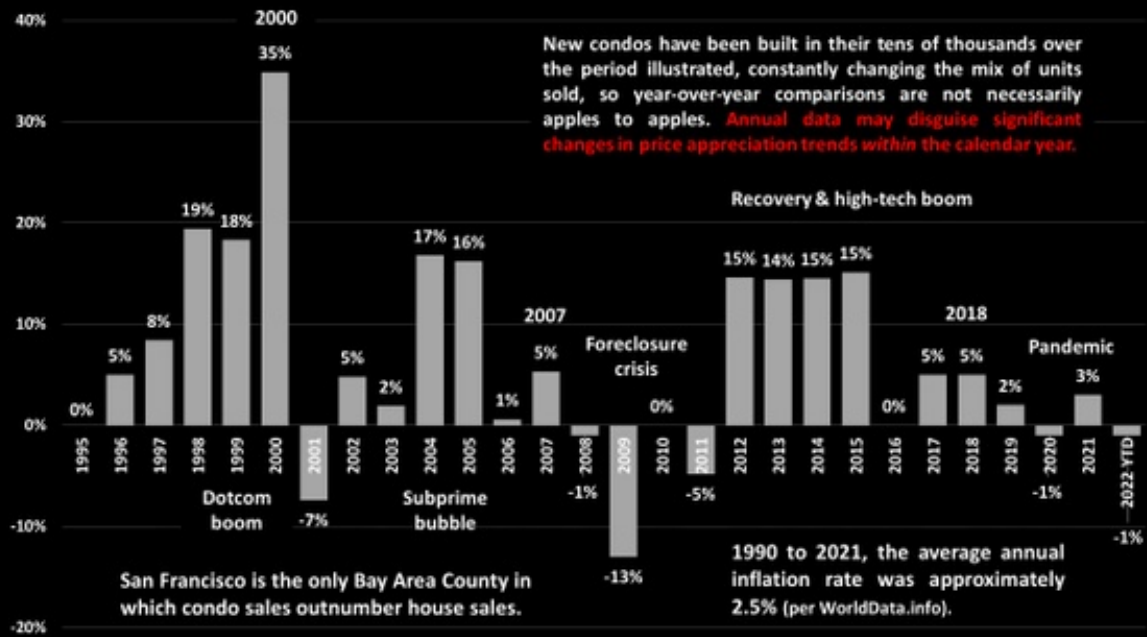
3-month rolling median 2-bedroom condo sales prices reported to NorCal MLS Alliance, per InfoSparks. 2-period moving trend line. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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San Francisco Year-over-Year Appreciation Rates since 1990

Y-o-Y Percentage Change in Annual Median CONDO Sales Price*

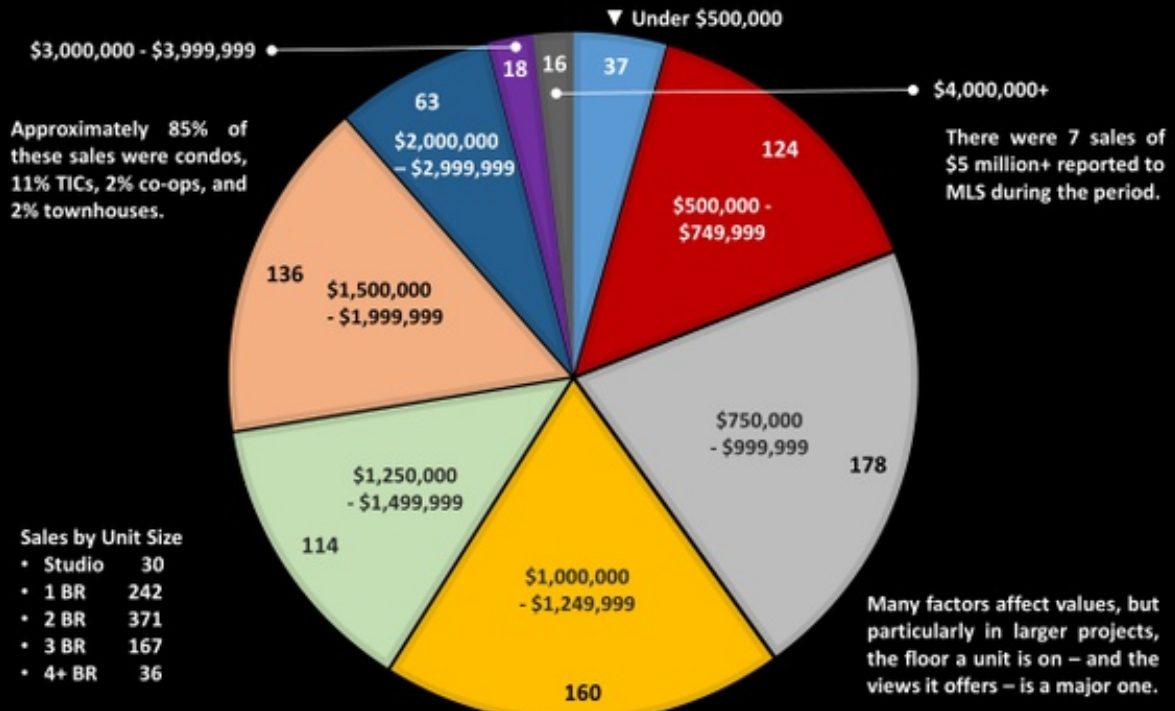
2022 through late November 2022



*Sales reported to NorCal MLS Alliance, per SFARMLS statistics or Infosparks. All numbers approximate, may contain errors and subject to revision. Does not include new-project condo sales unreported to MLS. Past performance is not a guarantee of future results. How this chart applies to any particular property is unknown without a specific comparative market analysis.



San Francisco Condo, Co-op, Townhouse & TIC Market August – November 2022 Sales by Price Segment*



*Sales reported to NorCal MLS Alliance by 11/25/22. Many new-project condo sales are not reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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Bay Area Median Large House Values by County August – November 2022 Sales, 5+ Bedroom/4+ Bath Count*

Generally speaking, the largest homes are more likely to be found in more expensive neighborhoods.

5+ Bedroom, 4+ Bath Houses, 2400+ sq.ft.						
County	Median Sales Price	Median Square Footage	Median Dollar per Square Foot	Median Lot Size (Acres)	Median Year Built	Highest Sale in Period*
San Mateo County	\$4,950,000	3965 sq.ft.	\$1200/sq.ft.	.44 acre	1981	\$30,250,000
Monterey County	\$4,300,000	4509 sq.ft.	\$893/sq.ft.	1 acre	1990	\$28,000,000
San Francisco	\$4,275,000	4022 sq.ft.	\$1001/sq.ft.	.09 acre	1912	\$17,000,000
Marin County	\$3,395,000	3800 sq.ft.	\$909/sq.ft.	.43 acre	1964	\$15,900,000
Santa Clara County	\$3,287,500	3607 sq.ft.	\$934/sq.ft.	.24 acre	2001	\$10,750,000
Santa Cruz County	\$2,625,000	4190 sq.ft.	\$571/sq.ft.	1.47 acres	1989	\$3,675,000
Alameda County	\$2,308,000	3661 sq.ft.	\$624/sq.ft.	.23 acre	1998	\$9,250,000
Napa County	\$2,240,000	3484 sq.ft.	\$677/sq.ft.	.30 acre	1998	\$34,000,000
Contra Costa	\$1,933,500	3620 sq.ft.	\$561/sq.ft.	.25 acre	2003	\$9,000,000
Sonoma County	\$1,660,000	3519 sq.ft.	\$421/sq.ft.	.45 acre	2000	\$7,250,000
Solano County	\$869,000	3415 sq.ft.	\$260/sq.ft.	.19 acre	2006	\$1,795,000

*Sales reported to NorCal MLS Alliance by 11/21/22. Excluding "fixer uppers." Counties contain submarkets of widely varying values. Median values fluctuate for reasons besides changes in fair market value. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers approximate, and may change with late reported sales. Not all sales are reported to MLS. Santa Cruz only had 7 sales meeting the criteria in the period.

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Bay Area Median House Values by County

August – November 2022 Sales, by Bedroom/Bath Count*

County	3 Bedroom, 2 Bath Houses			4 Bedroom, 3 Bath Houses		
	Median Sales Price	Median Square Footage	Median Dollar per Square Foot	Median Sales Price	Median Square Footage	Median Dollar per Square Foot
San Mateo County	\$1,600,000	1490 sq.ft.	\$1092/sq.ft.	\$2,350,000	2350 sq.ft.	\$986/sq.ft.
San Francisco	\$1,592,500	1595 sq.ft.	\$1002/sq.ft.	\$1,960,000	2144 sq.ft.	\$933/sq.ft.
Santa Clara County	\$1,460,000	1394 sq.ft.	\$1058/sq.ft.	\$1,875,000	2176 sq.ft.	\$856/sq.ft.
Marin County	\$1,350,000	1578 sq.ft.	\$860/sq.ft.	\$1,875,000	2438 sq.ft.	\$789/sq.ft.
Santa Cruz County	\$1,200,000	1556 sq.ft.	\$725/sq.ft.	\$1,528,500	2341 sq.ft.	\$651/sq.ft.
Alameda County	\$1,005,000	1388 sq.ft.	\$743/sq.ft.	\$1,505,000	2227 sq.ft.	\$674/sq.ft.
Napa County	\$830,000	1434 sq.ft.	\$604/sq.ft.	\$1,102,500	2416 sq.ft.	\$503/sq.ft.
Sonoma County	\$770,000	1461 sq.ft.	\$539/sq.ft.	\$937,500	2234 sq.ft.	\$422/sq.ft.
Monterey County	\$769,000	1459 sq.ft.	\$527/sq.ft.	\$857,500	2340 sq.ft.	\$418/sq.ft.
Contra Costa	\$745,000	1430 sq.ft.	\$541/sq.ft.	\$1,000,000	2340 sq.ft.	\$448/sq.ft.
Solano County	\$550,000	1383 sq.ft.	\$395/sq.ft.	\$689,000	2188 sq.ft.	\$314/sq.ft.

*Sales reported to NorCal MLS Alliance by 11/21/22. Excluding "fixer uppers." Counties contain submarkets of widely varying values. Median values fluctuate for reasons besides changes in fair market value. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers approximate, and may change with late reported sales.

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Bay Area Median Home Values by County August – November 2022 Sales, by Bedroom/Bath Count*

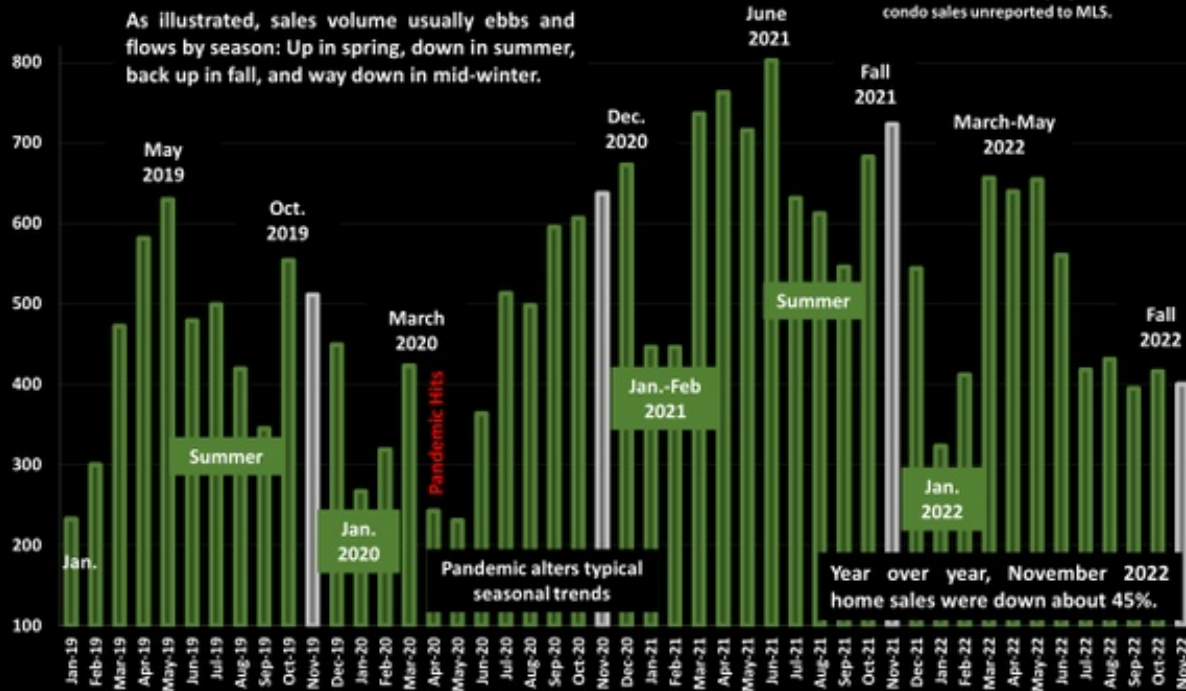
San Francisco has by far the largest luxury condo market in the Bay Area, one factor behind its much higher median condo values.

County	2 Bedroom, 2 Bath Condos			3 Bedroom, 2-3 Bath Townhouses		
	Median Sales Price	Median Square Footage	Median Dollar per Square Foot	Median Sales Price	Median Square Footage	Median Dollar per Square Foot
San Francisco	\$1,250,000	1223 sq.ft.	\$1088/sq.ft.	Too few sales		
San Mateo County	\$896,500	1181 sq.ft.	\$764/sq.ft.	\$1,415,000	1605 sq.ft.	\$875/sq.ft.
Marin County	\$852,500	1178 sq.ft.	\$689/sq.ft.	Too few sales		
Santa Clara County	\$760,000	1104 sq.ft.	\$681/sq.ft.	\$1,250,000	1572 sq.ft.	\$771/sq.ft.
Santa Cruz County	Too few sales			\$929,000	1534 sq.ft.	\$623/sq.ft.
Monterey County	\$749,000	1088 sq.ft.	\$612/sq.ft.	Too few sales		
Alameda County	\$650,000	1097 sq.ft.	\$591/sq.ft.	\$918,000	1543 sq.ft.	\$613/sq.ft.
Contra Costa	\$617,500	1081 sq.ft.	\$545/sq.ft.	\$797,500	1564 sq.ft.	\$517/sq.ft.
Sonoma County	\$422,000	1010 sq.ft.	\$415/sq.ft.	Too few sales		
Solano County	\$401,000	1014 sq.ft.	\$374/sq.ft.	Too few sales		

*Sales reported to NorCal MLS Alliance by 11/21/22. Excluding "fixer uppers." Counties contain submarkets of widely varying values. Median values fluctuate for reasons besides changes in fair market value. Data from sources deemed reliable, but may contain errors and subject to revision. Numbers approximate, and may change with late reported sales.

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Monthly Sales Volume – Longer-Term Trends San Francisco Market Dynamics & Seasonality



House, condo, TIC, co-op sales reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last month estimated based on data available early the next month, and may change with late reported sales.

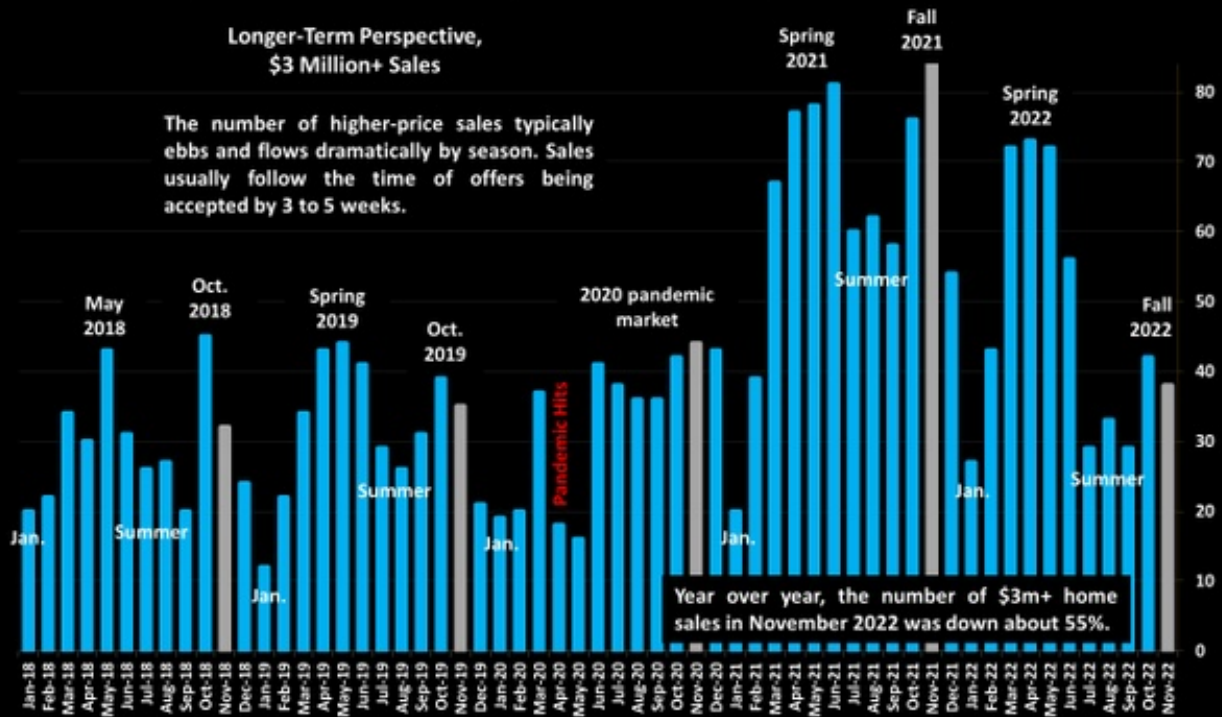
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San Francisco Higher-Price Home Sales

Homes Selling for \$3 Million+: Market Dynamics & Seasonality

Longer-Term Perspective,
\$3 Million+ Sales

The number of higher-price sales typically ebbs and flows dramatically by season. Sales usually follow the time of offers being accepted by 3 to 5 weeks.



Year over year, the number of \$3m+ home sales in November 2022 was down about 55%.

Sales reported to NorCal MLS Alliance, per Infosparks. Does not include sales unreported to MLS. Not all sales are reported. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.



Luxury Home Sales, \$5 Million+*

Bay Area Luxury Home Market, Year-over-Year Comparison

Comparing monthly market activity 2021 and 2022

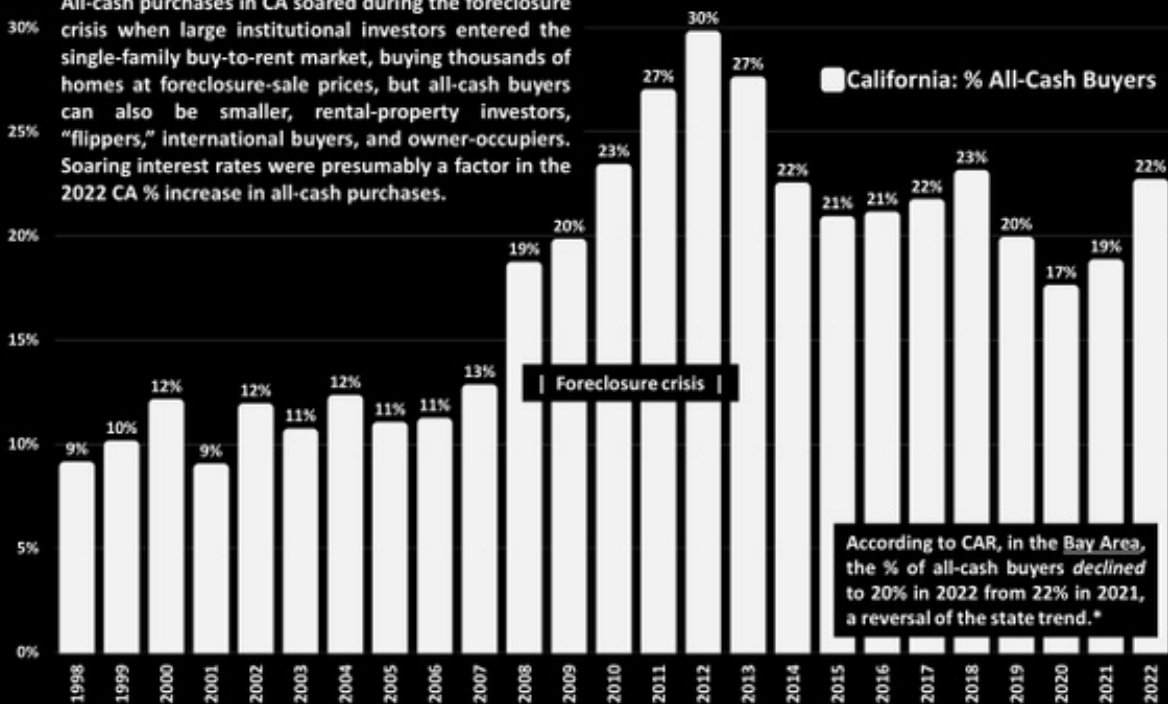


*Per residential sales reported to NorCal MLS Alliance for 10 Bay Area Counties, Napa to Monterey (excluding Solano), per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales. Not all luxury sales are reported to MLS.

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Percentage of All-Cash Home Purchases California Sales, by Year, since 1998*

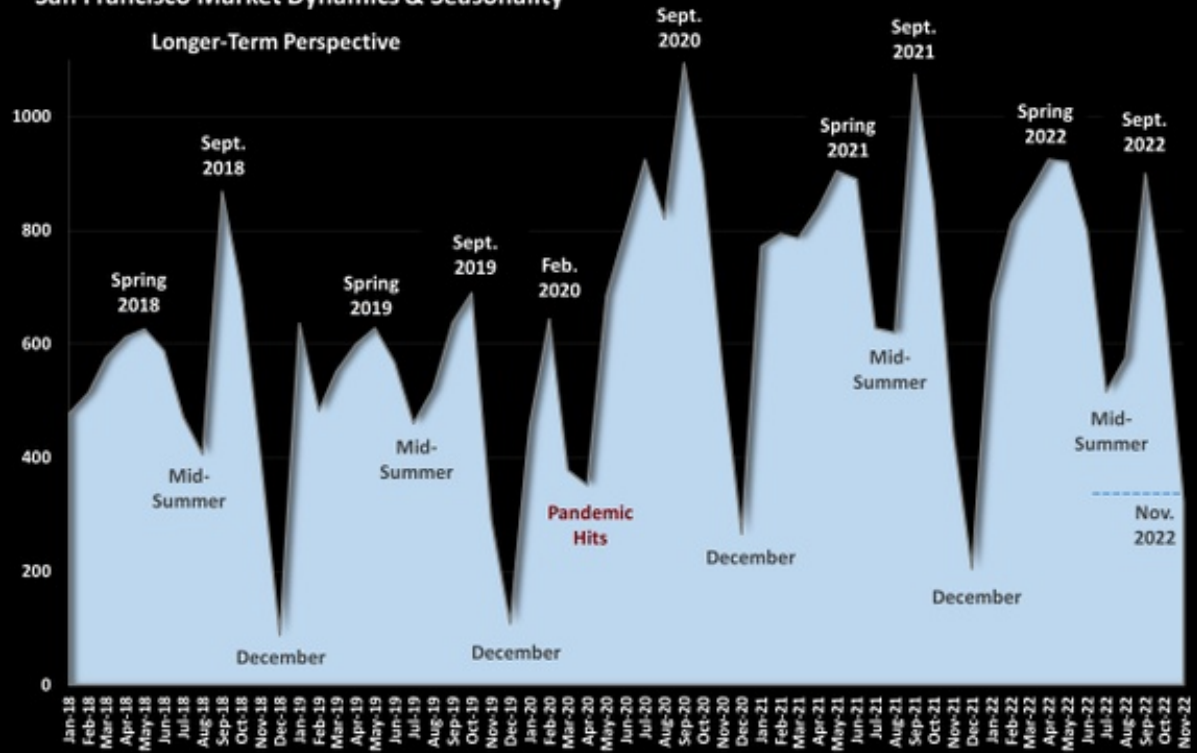
All-cash purchases in CA soared during the foreclosure crisis when large institutional investors entered the single-family buy-to-rent market, buying thousands of homes at foreclosure-sale prices, but all-cash buyers can also be smaller, rental-property investors, "flippers," international buyers, and owner-occupiers. Soaring interest rates were presumably a factor in the 2022 CA % increase in all-cash purchases.



* Data provided in November 2022 by the CA Association of Realtors (CAR), exact methodology not delineated. All numbers approximate, may contain errors and subject to revision. Percentages rounded to nearest full percentage point. The "Bay Area" includes 9 counties from Napa to Santa Clara.

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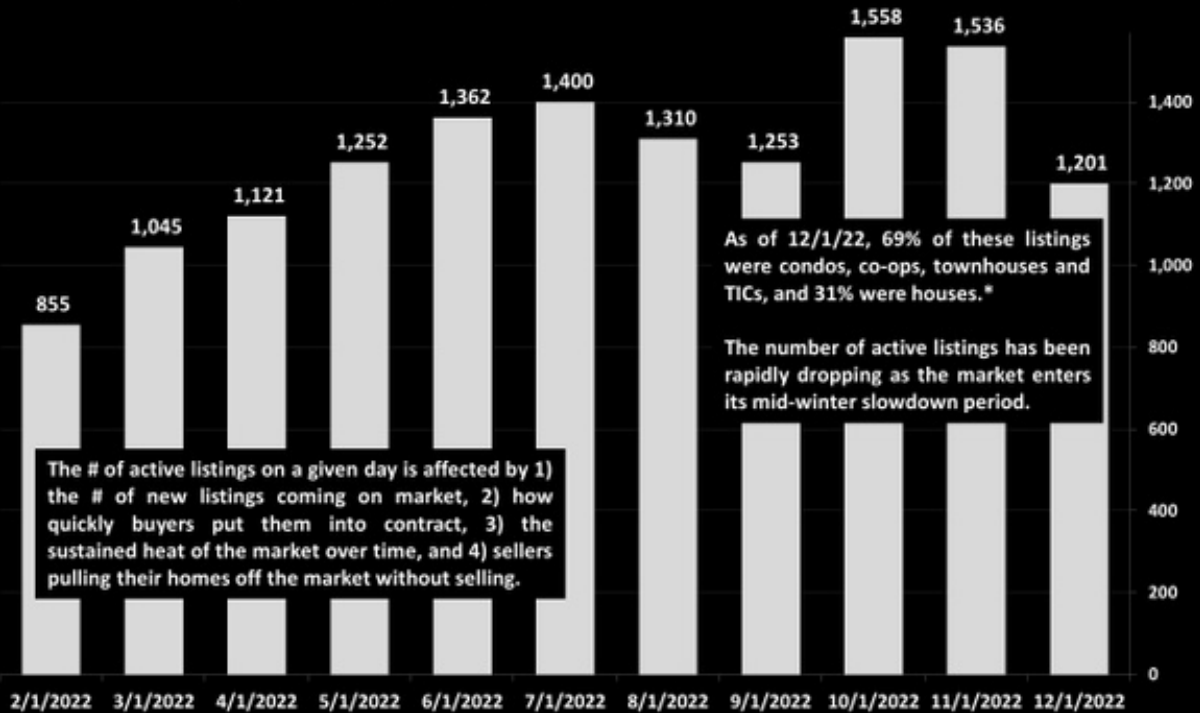
New Listings Coming on Market San Francisco Market Dynamics & Seasonality



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.

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San Francisco Homes Market Active & Coming-Soon Listings on 1st of Month*



* Houses, condos, co-ops, TICs, townhouses: Active/Coming-Soon listings posted to NorCal MLS Alliance. Does not include new project condos not listed on MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. The # of active listings changes constantly.

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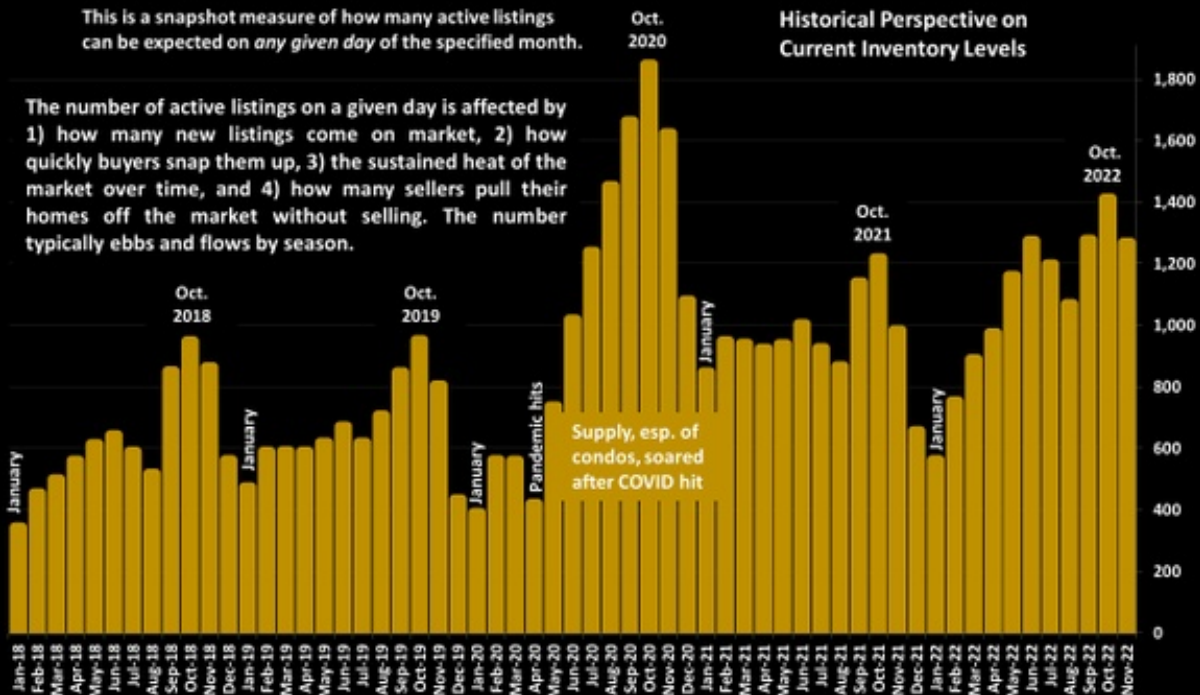
Active Listings on Market – Longer-Term Trends San Francisco Real Estate Market Dynamics & Seasonality

For houses and condos

This is a snapshot measure of how many active listings can be expected on any given day of the specified month.

The number of active listings on a given day is affected by 1) how many new listings come on market, 2) how quickly buyers snap them up, 3) the sustained heat of the market over time, and 4) how many sellers pull their homes off the market without selling. The number typically ebbs and flows by season.

Historical Perspective on Current Inventory Levels



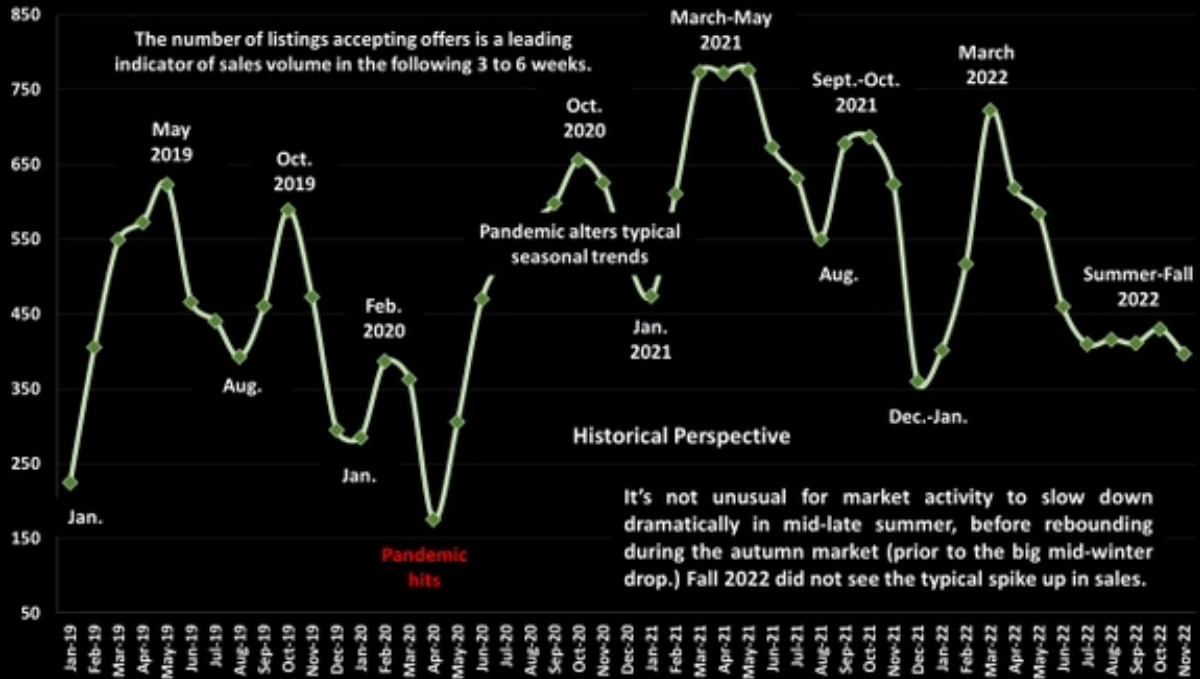
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. May not include coming-soon listings. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

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Listings Accepting Offers- Longer-Term Trends

San Francisco Market Dynamics & Seasonality

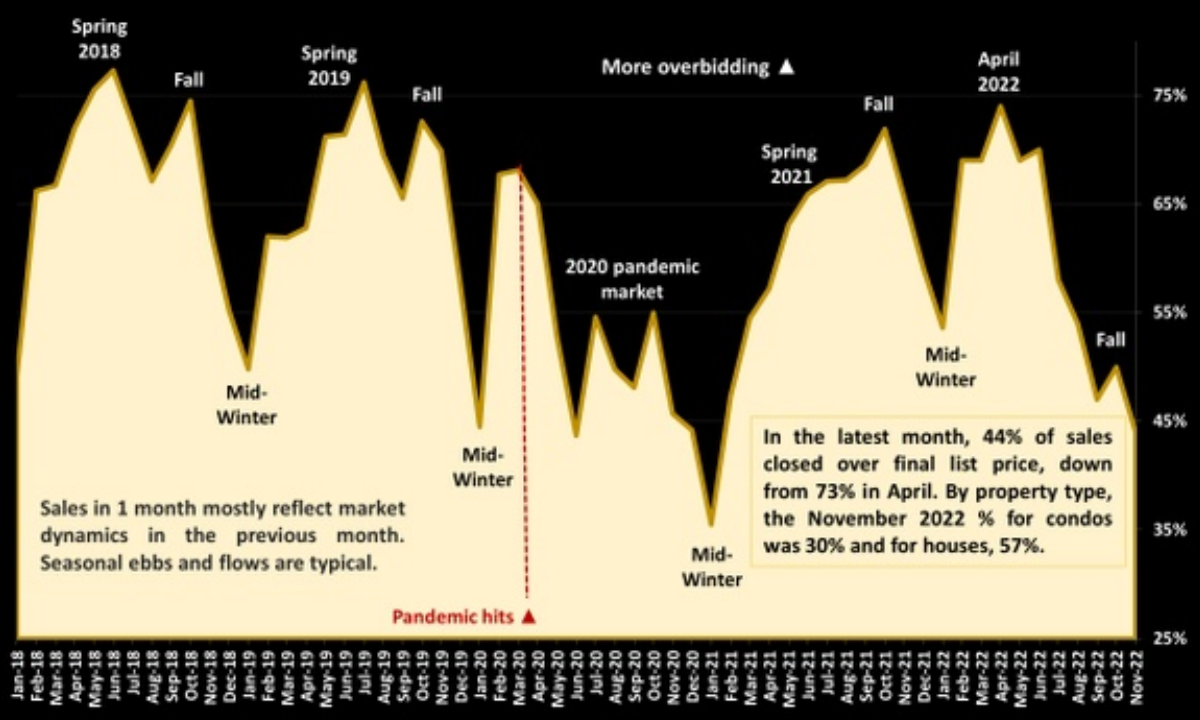
House, condo, co-op, TIC,
townhouse activity reported to
NorCal MLS Alliance, per Infosparks



Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.
Last month numbers estimated based on available data, and may change with late reported activity.

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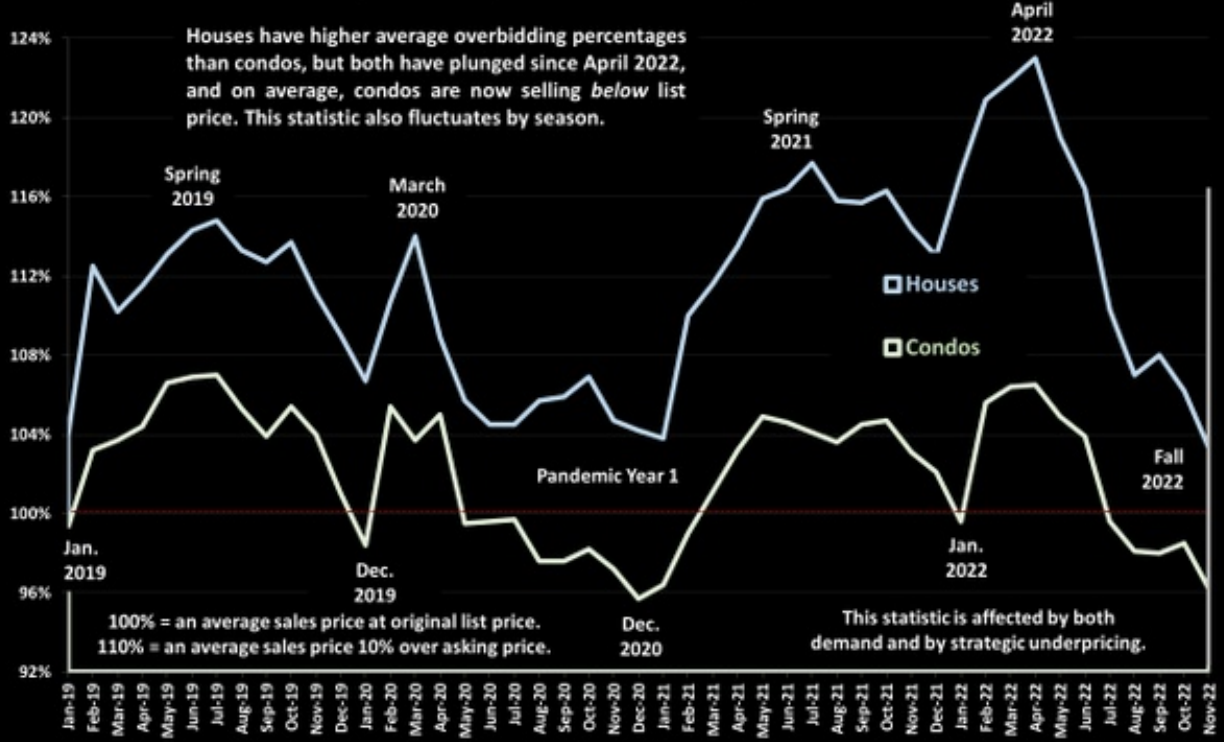
Overbidding List Prices in San Francisco Percentage of Home Sales Closing over List Price, since 2018



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.



Average Sales Price to Original List Price Percentage San Francisco Overbidding: Market Dynamics & Seasonality

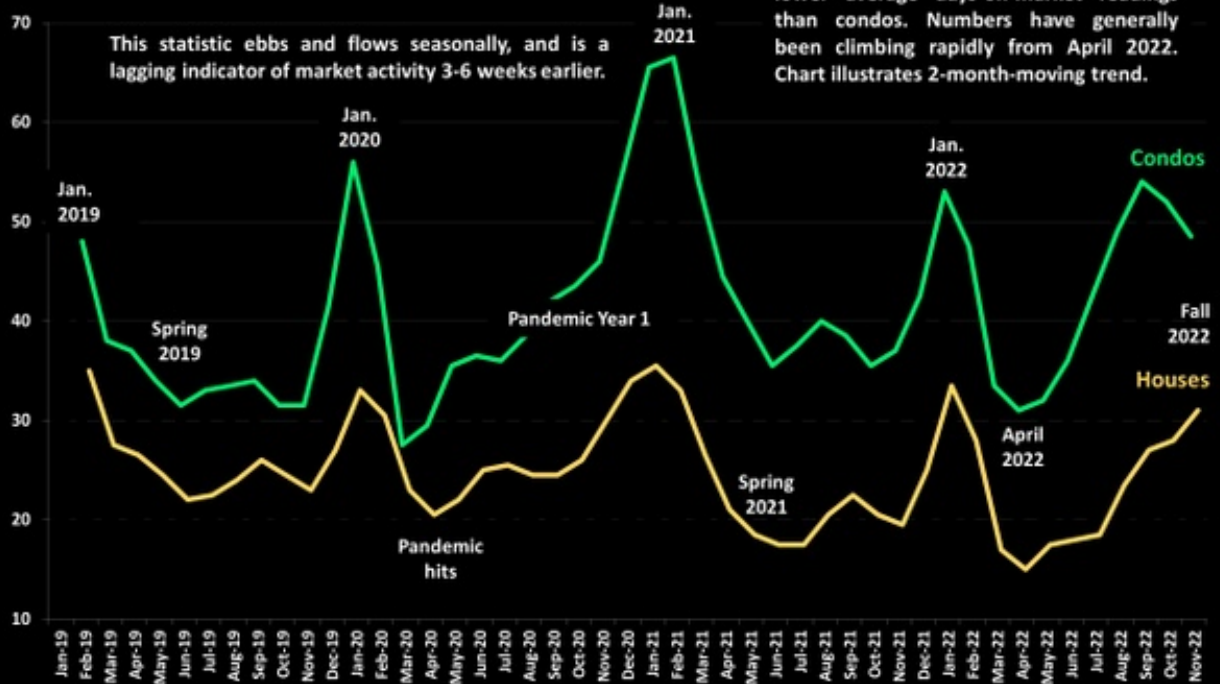


Sales reported to NorCal MLS Alliance, per Infosparks. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



Average Days on Market – Sold Listings San Francisco Market Dynamics & Seasonality

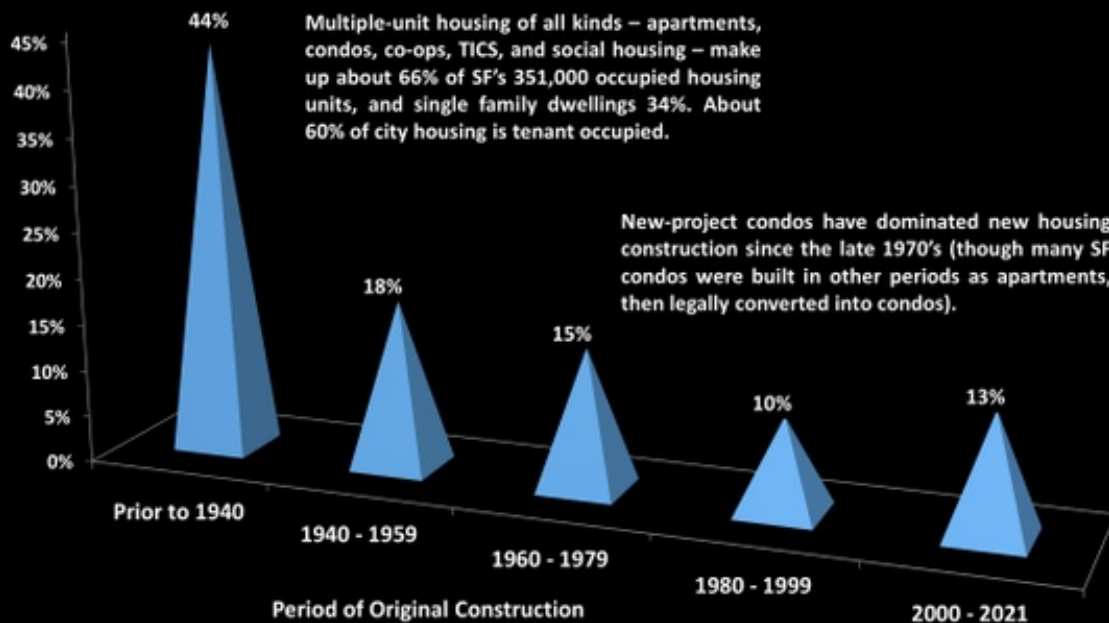
Measuring how long it takes for sold listings to accept offers. Houses have much lower average days-on-market readings than condos. Numbers have generally been climbing rapidly from April 2022. Chart illustrates 2-month-moving trend.



2-month-period trend lines: Sales reported to NorCal MLS Alliance, per Infosparks. "Condos" include co-op and TIC sales. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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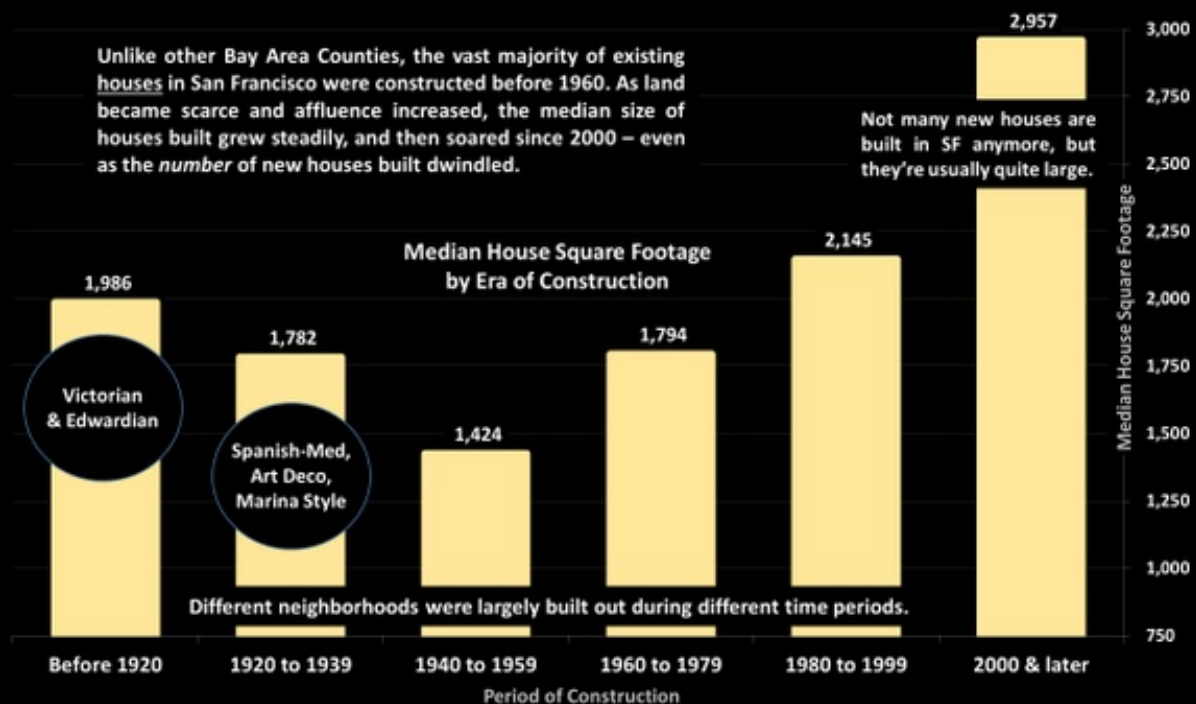
San Francisco County Housing Housing Supply by Era of Construction*



* Per U.S. Census, 2021 ACS 1-year estimates, "Physical Characteristics of Occupied Housing Units." Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

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San Francisco House Size by Era of Construction Median House Square Footage*



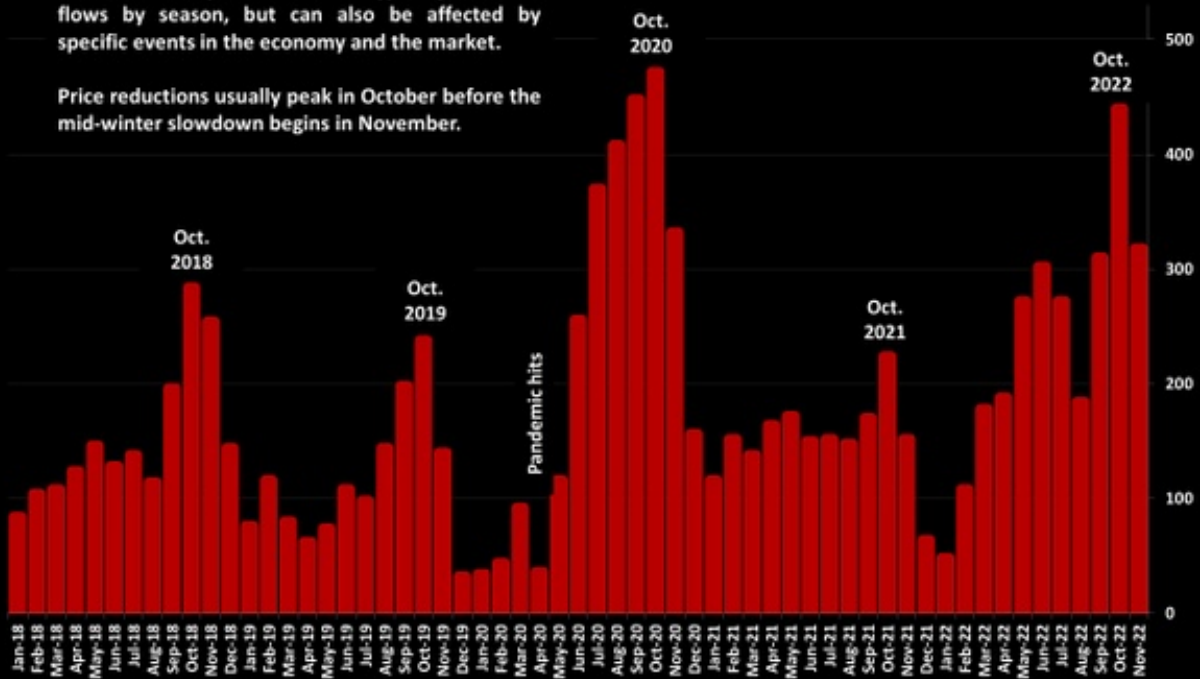
* Analysis of 2018-2022 house sales reported to NorCal MLS Alliance. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Median house sizes vary widely between different neighborhoods.

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Price Reductions on Active Listings San Francisco Market Dynamics & Seasonality

The number of price reductions typically ebbs and flows by season, but can also be affected by specific events in the economy and the market.

Price reductions usually peak in October before the mid-winter slowdown begins in November.



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

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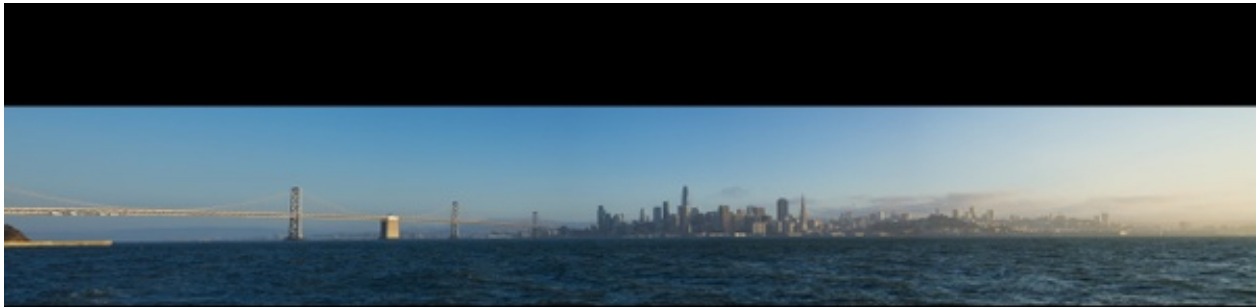
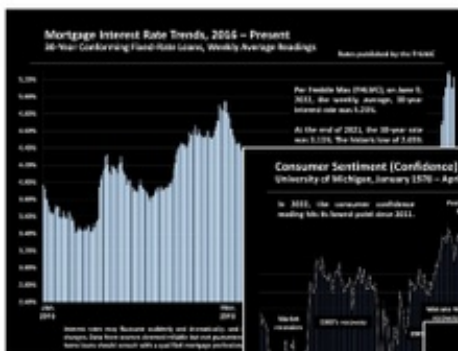


Photo by Corey Leopold, Creative Commons License

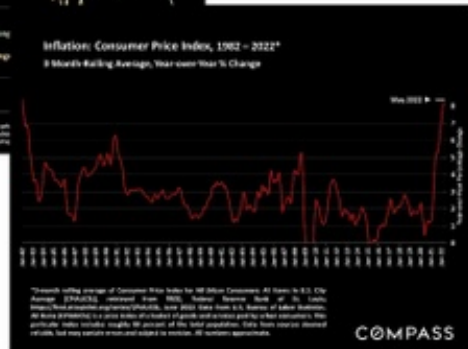
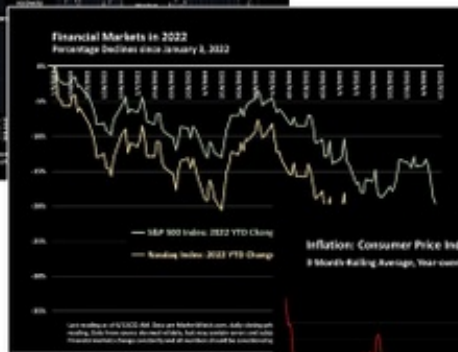
Click Here to Access Our Special Report on San Francisco's Downtown Condo Market

Half-empty office buildings, high-tech cooling and layoffs, work from home, closed local businesses, a drop in foreign buyers, and increased homelessness (as well as general economic issues related to interest rates and stock markets) have significantly impacted the real estate market in the urban area of San Francisco in which both large-project new-condo construction and high-tech activity have been concentrated. The supply of condos for sale has increased as buyer demand has declined, and there has been a larger drop in sales and in median sales prices than in other city market segments.

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Click Here for Review of Selected Macroeconomic Trends



Factors in Bay Area Real Estate Markets

Many of these factors affect us using both positive and negative economic effects on single-family markets (e.g. a pandemic causing a home buying boom), economic, political, and social conditions causing uncertainty change and increase in difficulty to predict long-term housing demand, demographic, non-persistent, political, or other quality and uncertainty, the impact of growth factors on quality market segments.

- Local economic conditions: High-tech boom, employment, housing affordability & demographics, working capital & foreign investment, product lifecycle, and demand.
- Interest rates: Fed's monetary policy, inflation, consumer confidence.
- Household wealth, personal, Median, government economic intervention (including corporate gov. debt issues). By the Fed (pace & volume), post-2008, post-2015, post-2020.
- Regional economic and COVID-19, 2020, 2021, 2022 (Economic growth, unemployment).
- Immigration & foreign investment (including international investment, foreign capital, foreign investment).
- The Bay Area's real estate market benefits from a high concentration of high-net-worth individuals, 2021, 2022 (Economic growth, unemployment).
- International economic performance, e.g. high-growth emerging markets, emerging economies, U.S., 2020 (Economic growth, unemployment).
- Local, state & national: local and regional political, social, environmental, and economic conditions, e.g. local, state, and national government intervention, local, regional, and national government intervention, local, regional, and national government intervention, local, regional, and national government intervention.

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San Francisco Bay Area Real Estate Survey

[Click Here to Access the Full Report](#)

The focus of this survey is on broad, Bay Area market trends. Though submarkets will often diverge to various degrees, over longer periods of time, general trends in supply and demand typically apply across the region.

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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, or their MLS areas, 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.

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