

San Francisco Real Estate

April 2023 Report

The Market Continues to Recover, But with Many Dynamics at Play

Buyer demand continued to rebound from the depths of the mid-winter slowdown. The number and percentage of listings going into contract, and overbidding percentage continued to climb, and days-on-market to drop as the spring selling season gained traction. Buyers generally shrugged off the local banking crisis, the main effect of which, so far, has been a significant drop in interest rates in the 4 weeks after SVB collapsed and First Republic first came under pressure.

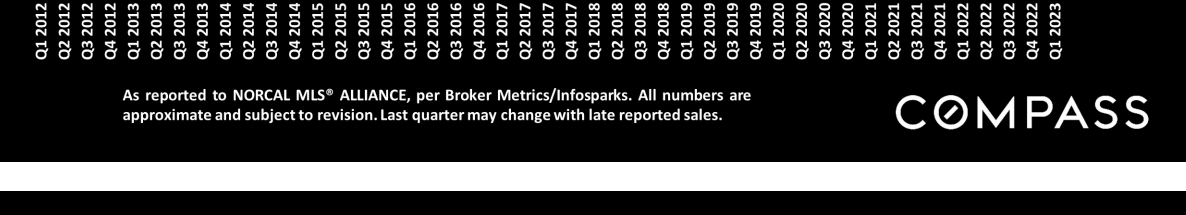
But though conditions have improved considerably, the market remains significantly weaker on a year-over-year basis, and across the Bay Area, median home sales prices have declined. However, it's worth remembering that the market in Q1 2022 was severely overheated, and approaching the peak of a historic, 10-year boom. This will distort many year-over-year comparisons.

The number of new listings coming on market continues to be extremely low, as many potential sellers hold out from listing their homes due to the doubling of interest rates since early 2022. This continues as a huge factor in market dynamics and is undoubtedly holding back sales activity.

Across the Bay Area, year-over-year sales declines in the highest price segments have outpaced drops for less expensive homes, and their demand-to-supply ratio – the number of sales compared to the number of listings for sale – is much weaker. Luxury home sales have been hit harder since the market correction began in mid-2022, though they too have been rebounding in 2023.

April, May and June sales volumes are commonly among the highest of the year, and this is especially true for luxury home sales.

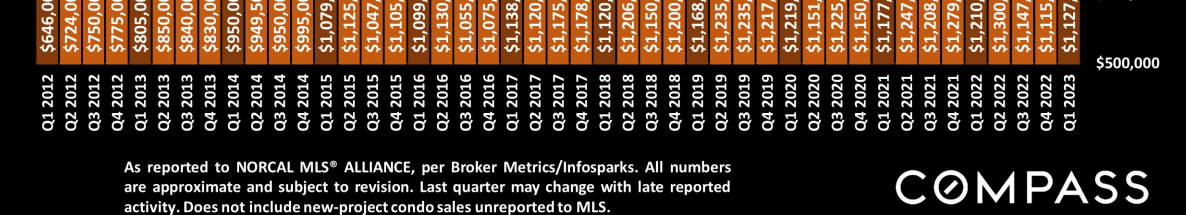
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Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that ignores a wide range of prices in the underlying sales.

Seasonal fluctuations are common, longer-term trends are more consistent. City statistics often use varying median sales price trends.

As reported by NARCA's MLS® ADVANTAGE, per Broker Marco/Chris/Ally. All numbers are approximate and subject to revision. Late quarter may change with late-reported sales.



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*Monterey and Santa Cruz Counties only had 8 sales each in this category. Napa County had too few sales for analysis.

†This report is based on MLS data during the 6 months through mid-March 2023. Excluding "Tier 1" sales, which are typically high-end properties, and "Tier 2" sales, which are typically high-end properties, the highest sale prices in the market were \$18.0 million in San Mateo County, \$12.4 million in Marin County, \$15.4 million in Santa Cruz County, \$14.5 million in San Francisco, \$4.9 million in Alameda County, and \$11.7 million in Santa Cruz County.

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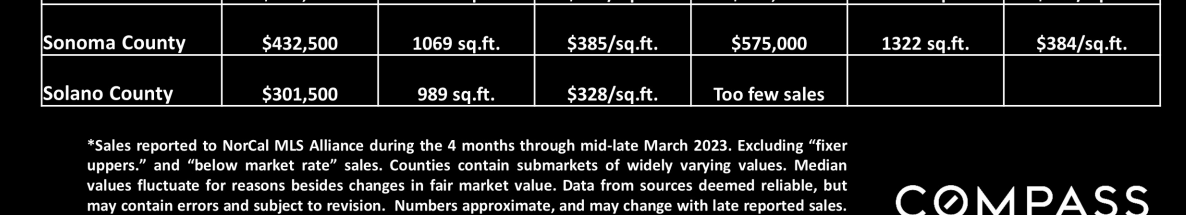
*This report is based on MLS data during the 6 months through mid-March 2023. Excluding "Tier 1" sales, which are typically high-end properties, and "Tier 2" sales, which are typically high-end properties, the highest sale prices in the market were \$994/sq.ft. in San Mateo County, \$987/sq.ft. in San Francisco, \$742/sq.ft. in Santa Clara County, \$668/sq.ft. in Marin County, \$653/sq.ft. in Santa Cruz County, \$666/sq.ft. in Alameda County, \$427/sq.ft. in Napa County, \$416/sq.ft. in Sonoma County, \$367/sq.ft. in Monterey County, and \$360/sq.ft. in Contra Costa County.

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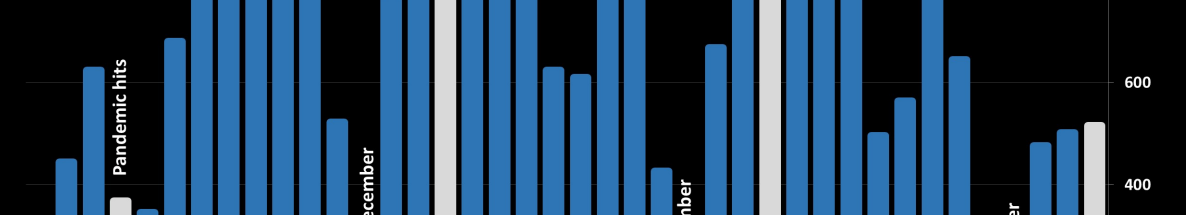
*This report is based on MLS data during the 6 months through mid-March 2023. Excluding "Tier 1" sales, which are typically high-end properties, and "Tier 2" sales, which are typically high-end properties, the highest sale prices in the market were \$888/sq.ft. in San Francisco, \$742/sq.ft. in Santa Clara County, \$753/sq.ft. in Marin County, \$593/sq.ft. in Santa Cruz County, \$598/sq.ft. in Monterey County, \$570/sq.ft. in Alameda County, \$487/sq.ft. in Contra Costa County, and \$384/sq.ft. in Sonoma County.

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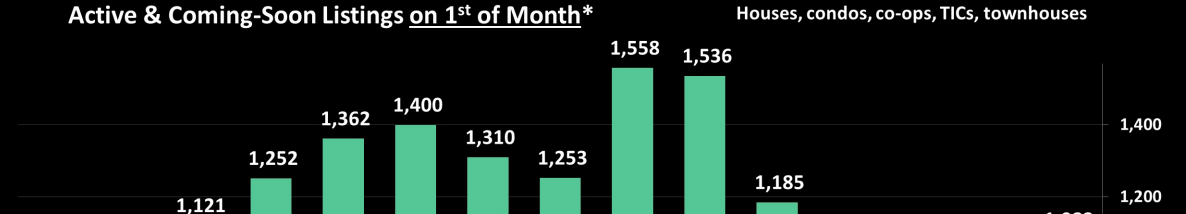
The number of new listings coming on market ebbs and flows by seasonal trends, though it can be affected by specific market dynamics.

For Realtime.com Research: <https://www.research.com/research/realtime>. All numbers are approximate and subject to revision. Late quarter may change with late-reported sales.



The # of active listings on a given day is affected by 1) the # of new listings coming on market, 2) how quickly buyers get them into contract, 3) the sustained heat of the market over time, and 4) sellers pulling their homes off the market without selling.

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The lower the MSI reading, the higher the buyer demand as compared to the supply of homes for sale. In the highest price segments, small changes in sales can dramatically affect the MSI calculation.

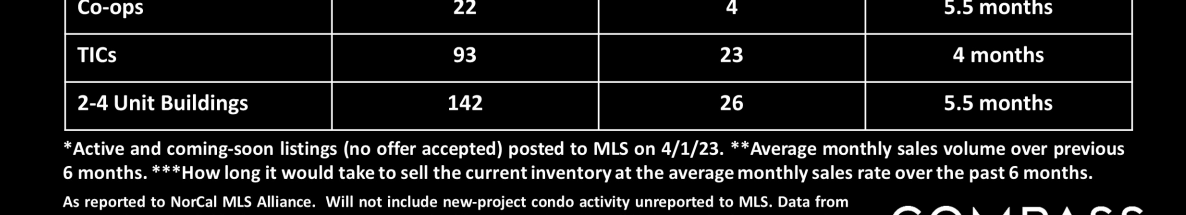
*Active and coming soon listings do not include pending listings. †Average monthly sales volume over previous 6 months. **MSI is calculated as the number of active listings divided by the average monthly sales volume over the past 6 months.

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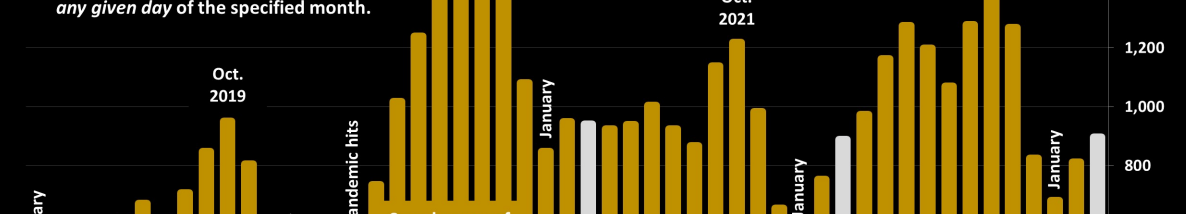
The number of active listings on a given day is affected by 1) how many new listings come on market, 2) how quickly buyers get them up, 3) the sustained heat of the market over time, and 4) how many sellers pull their homes off the market without selling.

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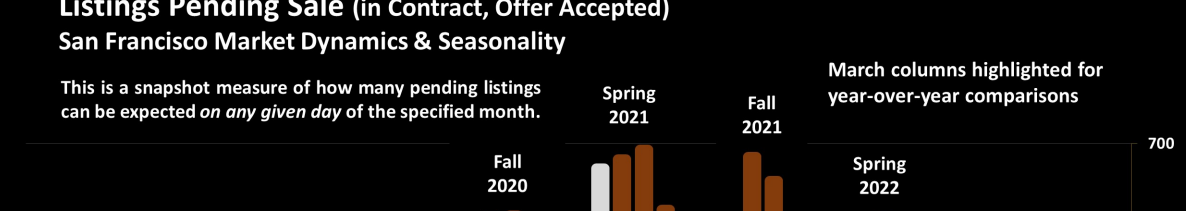
This is a snapshot measure of how many pending listings can be expected on any given day of the specified month.

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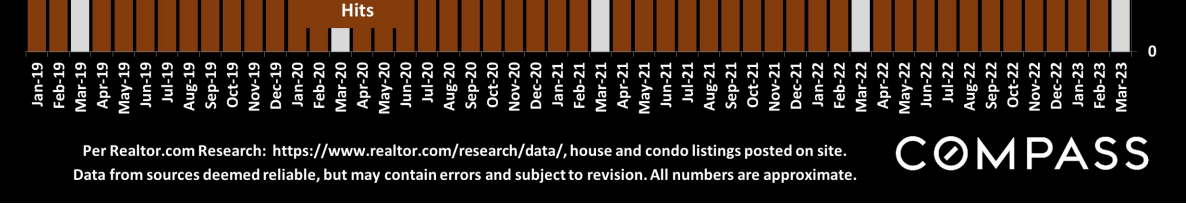
Absorption rate: A measurement of buyer demand as compared to the inventory of listings. The higher the percentage, the stronger the demand as compared to the supply of homes for sale. It typically ebbs and flows according to seasonal trends, as well as being affected by changes in interest rates.

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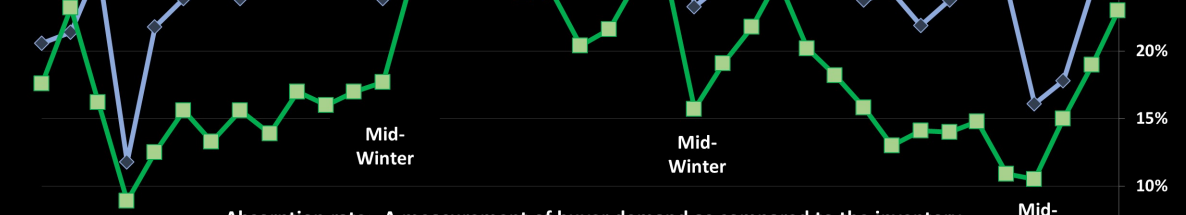
Sales in one month mostly reflect accepted-offer activity in the previous month.

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Year over year, Bay Area ultra-luxury home sales have declined about 52% in March 2023.

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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. It's not unusual for price reductions to peak in October before the mid-winter holiday slowdown begins as a top recovery.

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Sales in 3 month window reflect market dynamics in the previous month. Seasonal ebbs and flows are typical.

The percentage of home sales over list price has spiked back up since hitting its mid-winter low.

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Houses have higher average sales price to list price percentages than condos, both are much lower than last spring, but peaked up in February. This statistic fluctuates by season, and is a leading indicator of market activity 3-6 weeks earlier.

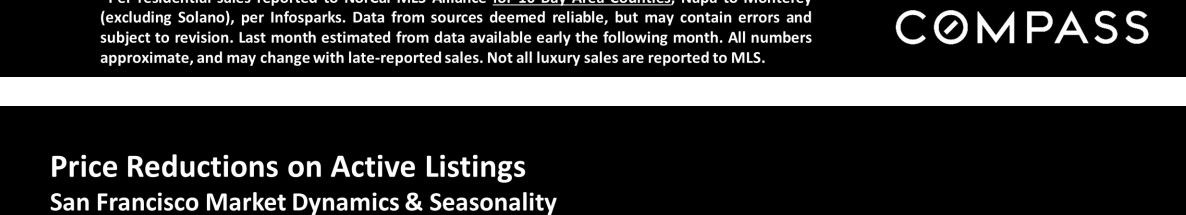
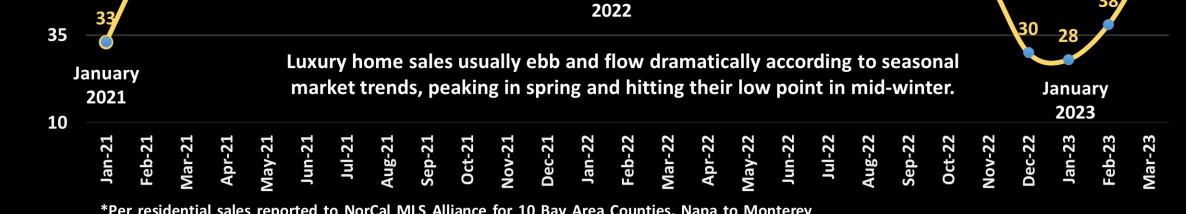
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This statistic ebbs and flows seasonally, and is a leading indicator of market conditions.

Measuring how long it takes for sold properties to close, sellers have significantly lower days-on-market readings than buyers.

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