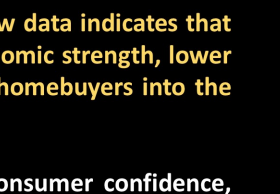


## San Francisco Real Estate December 2023 Report



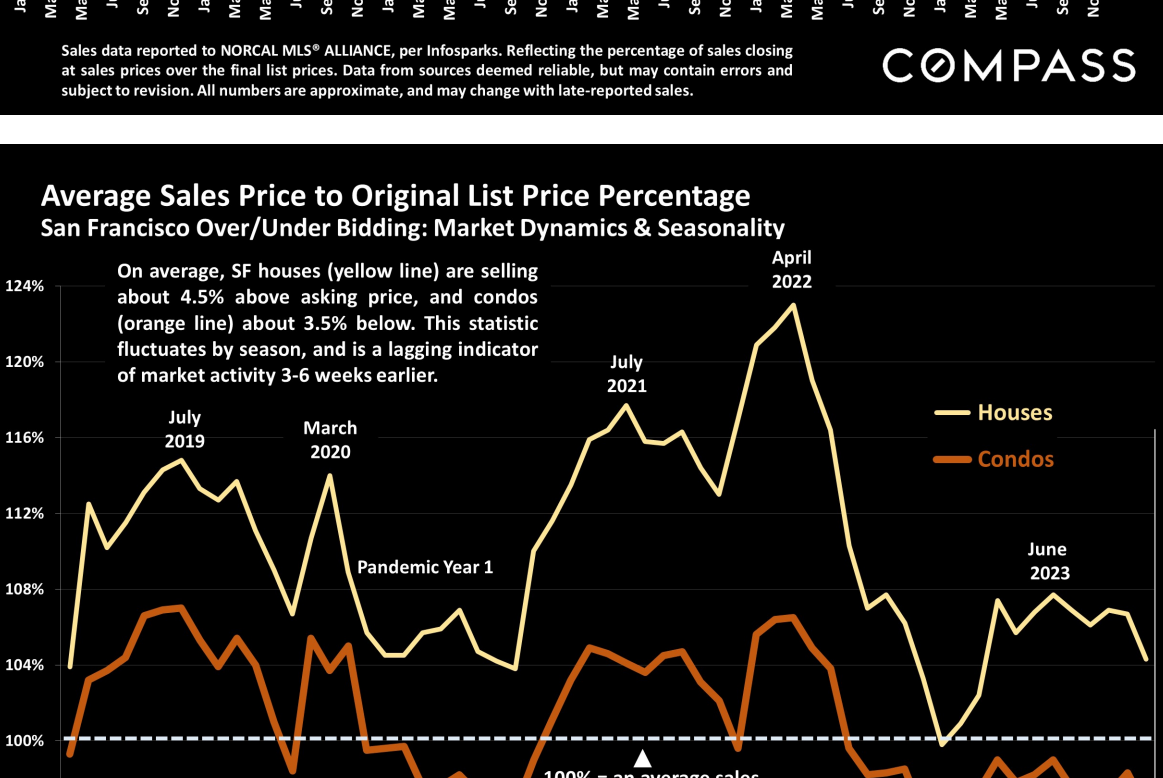
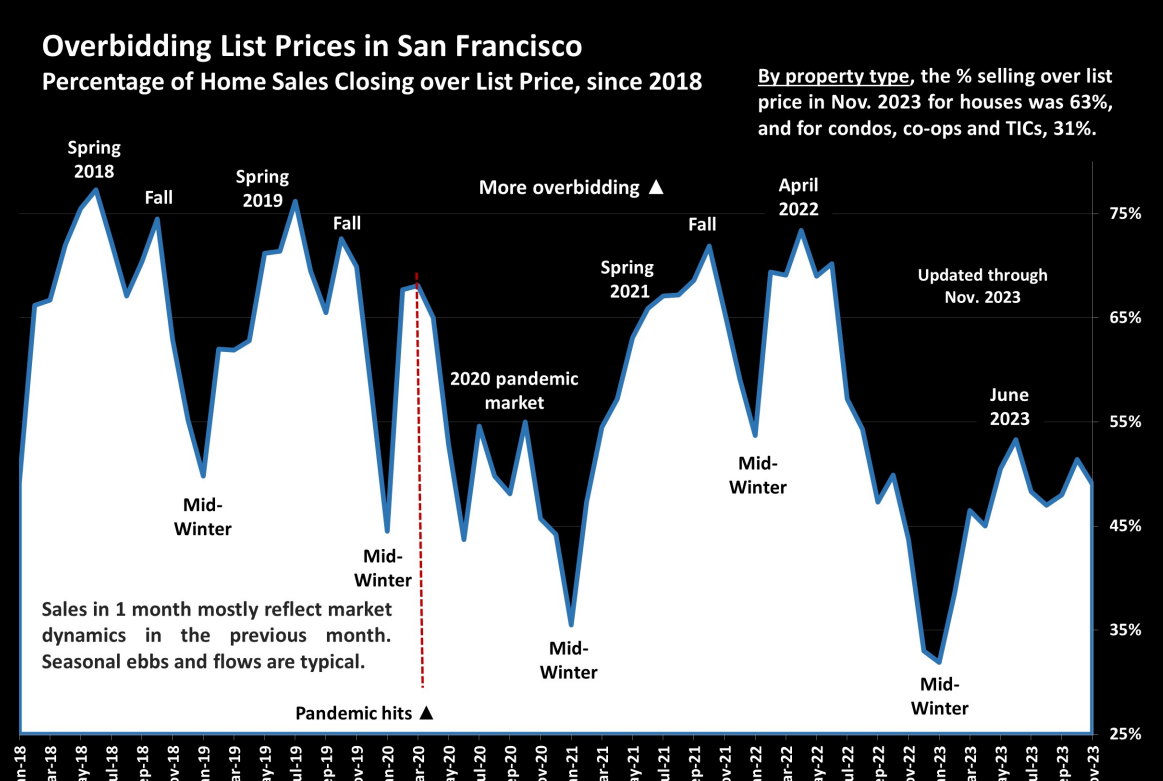
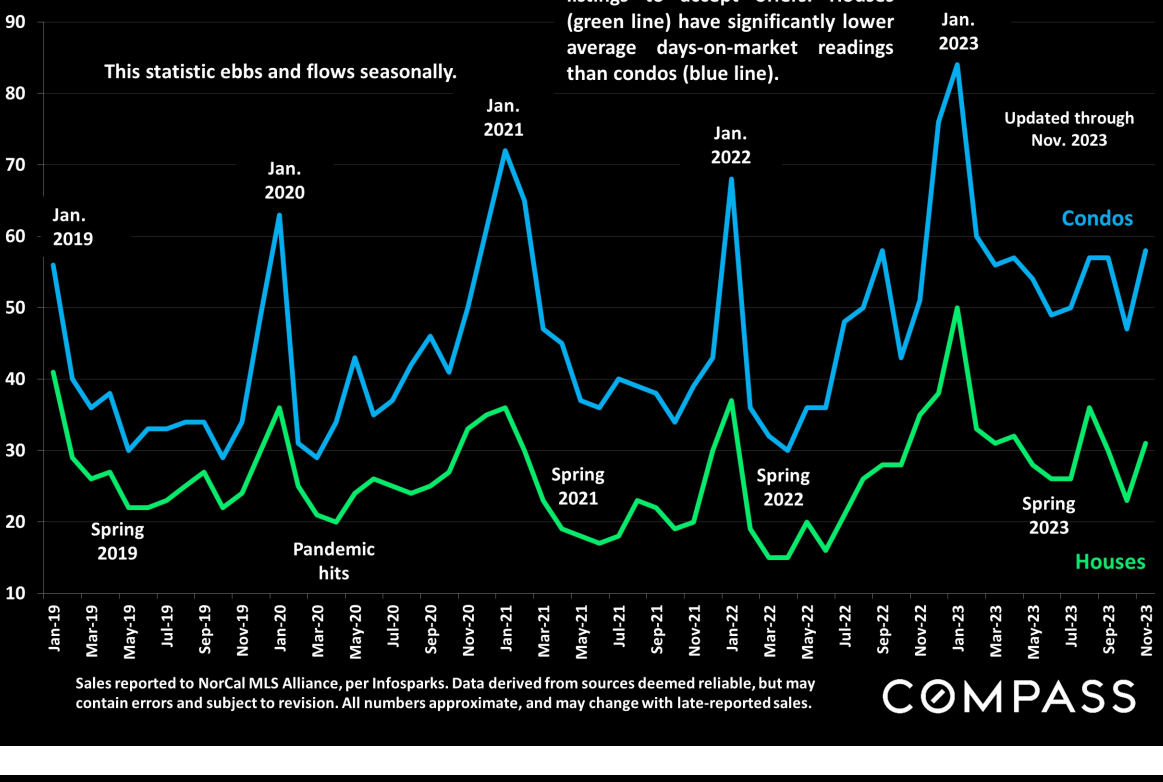
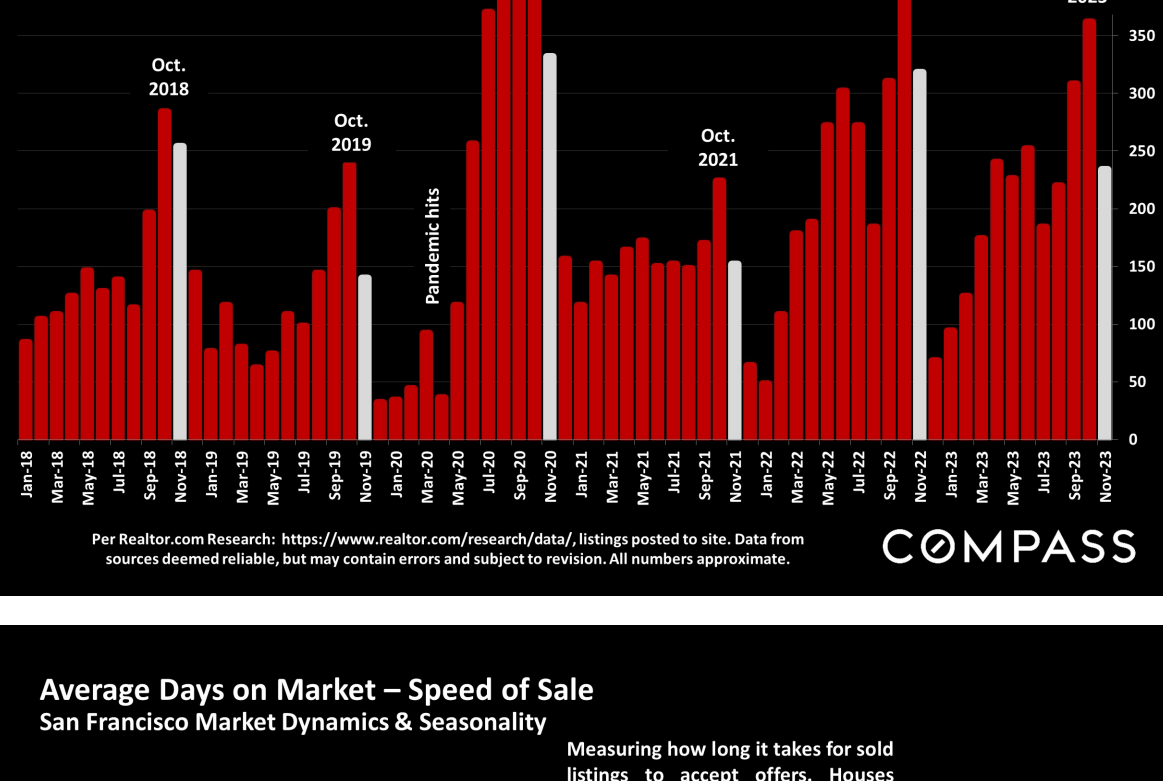
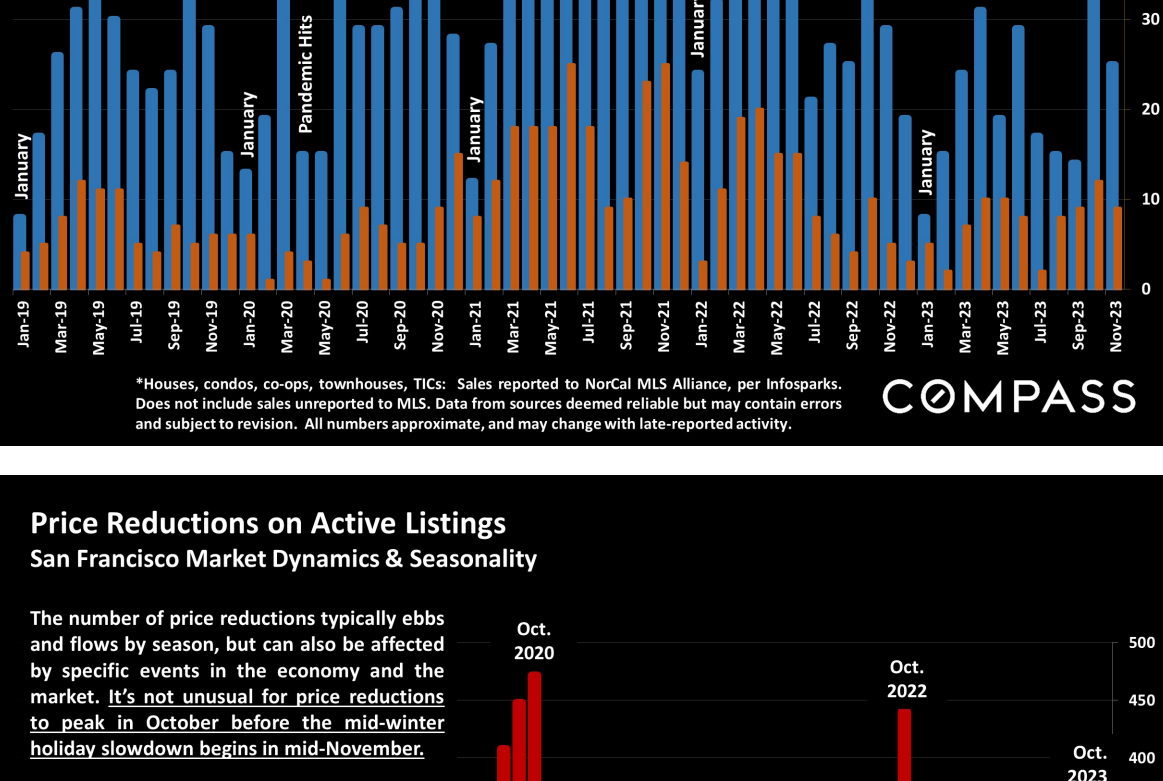
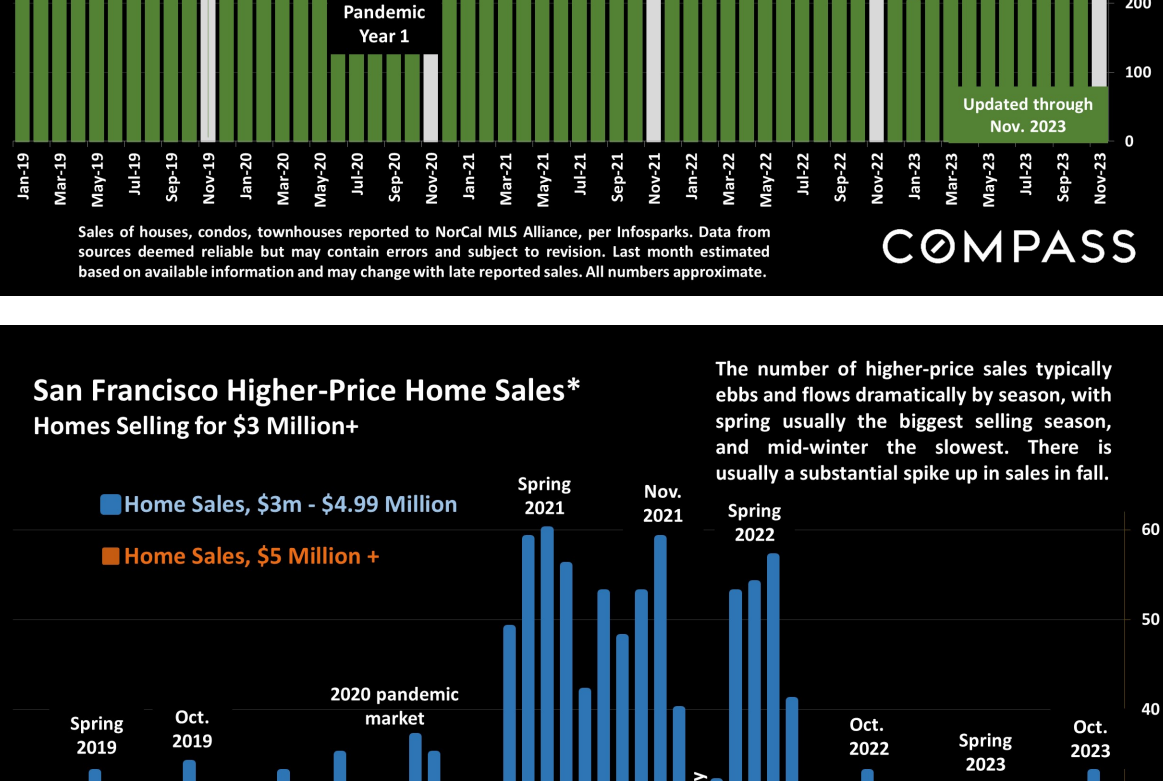
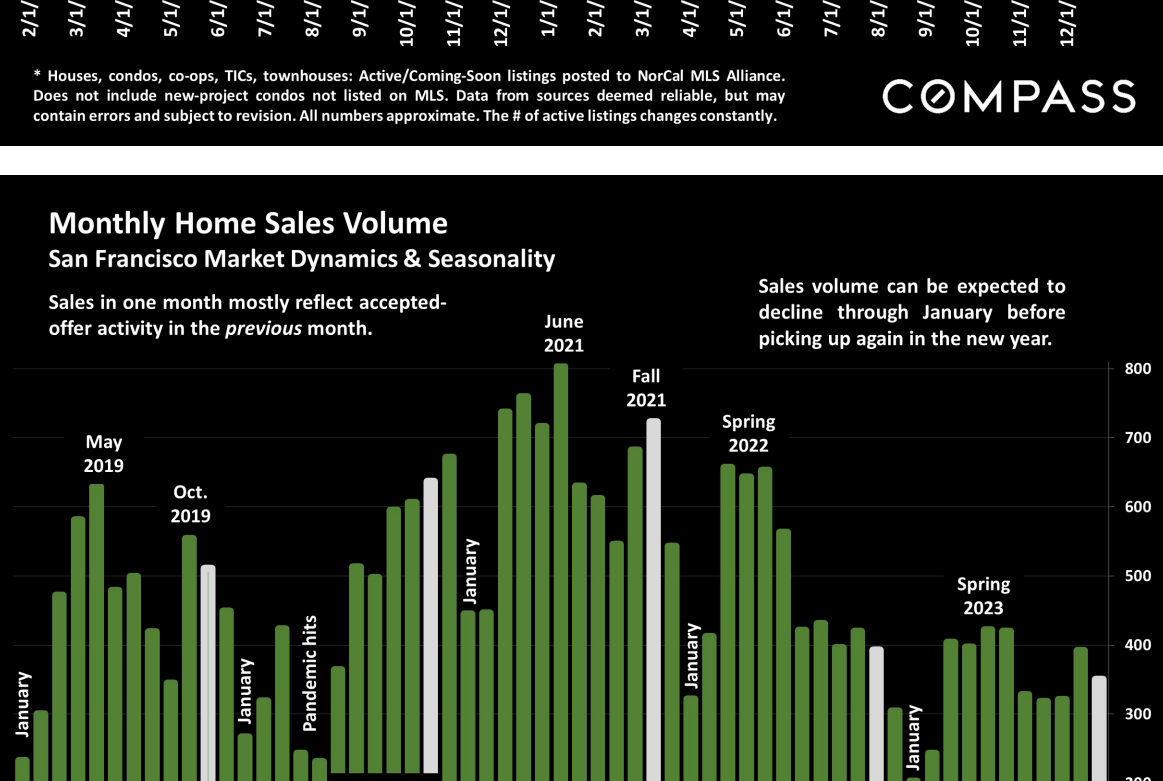
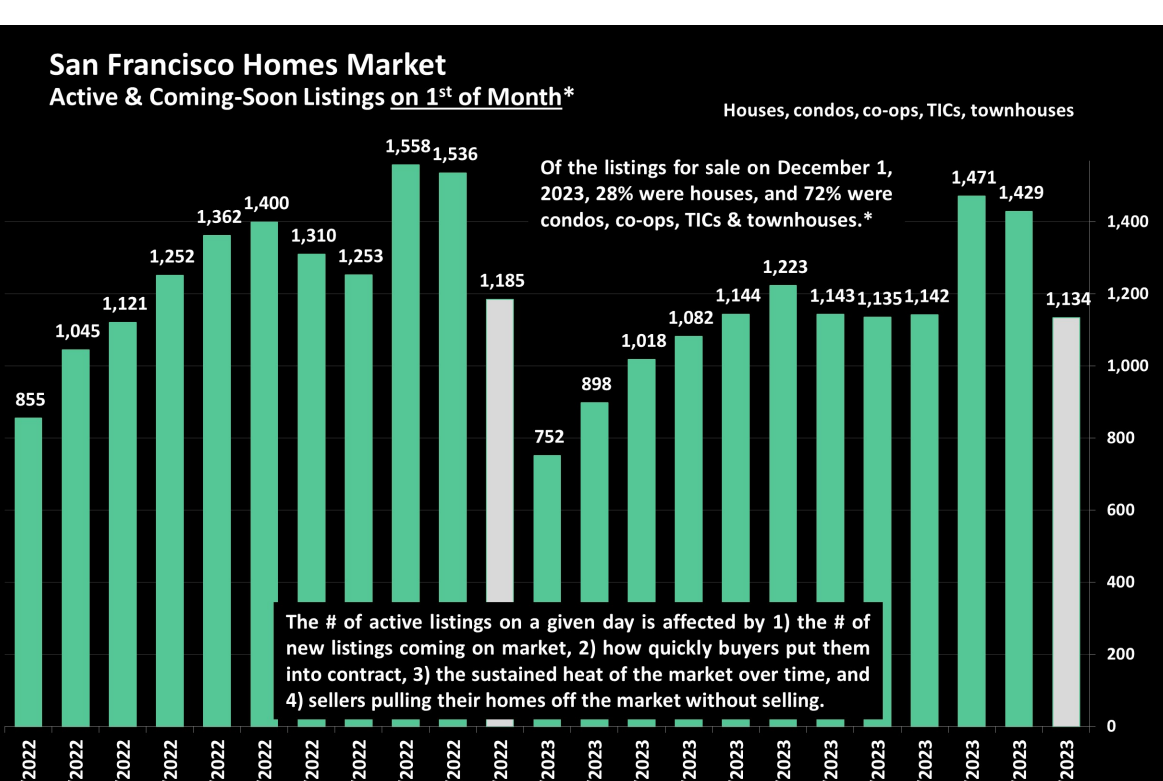
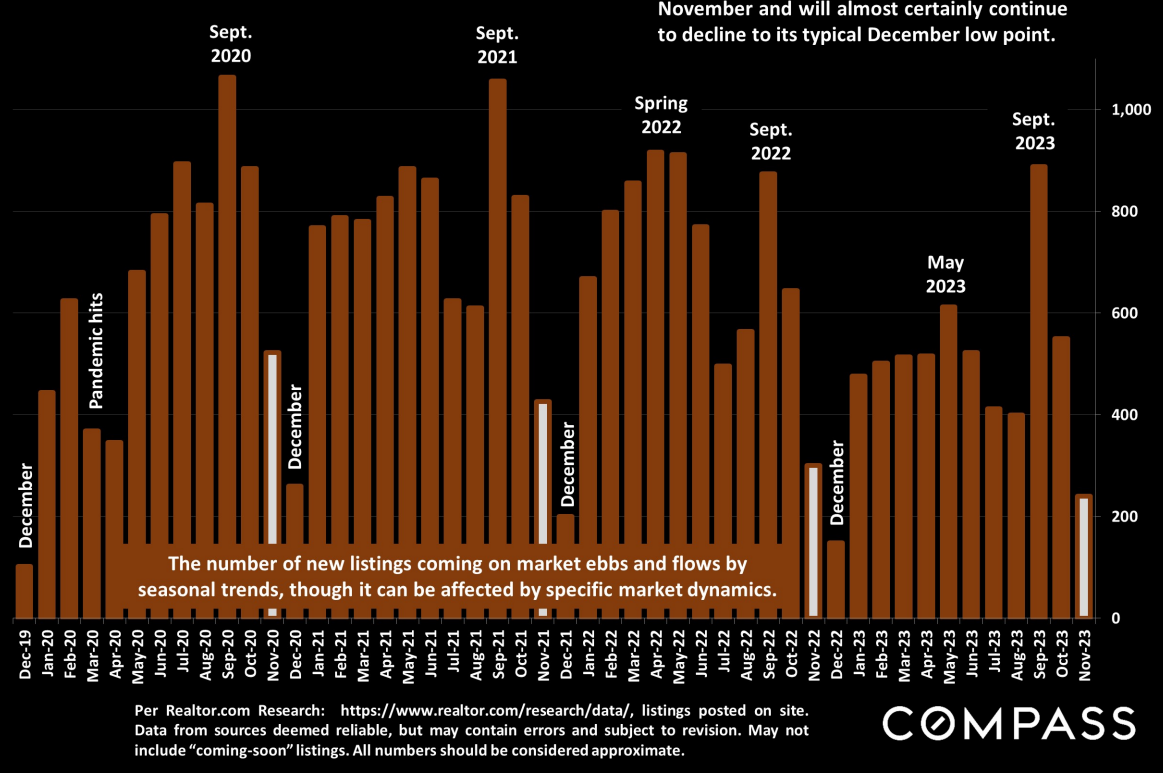
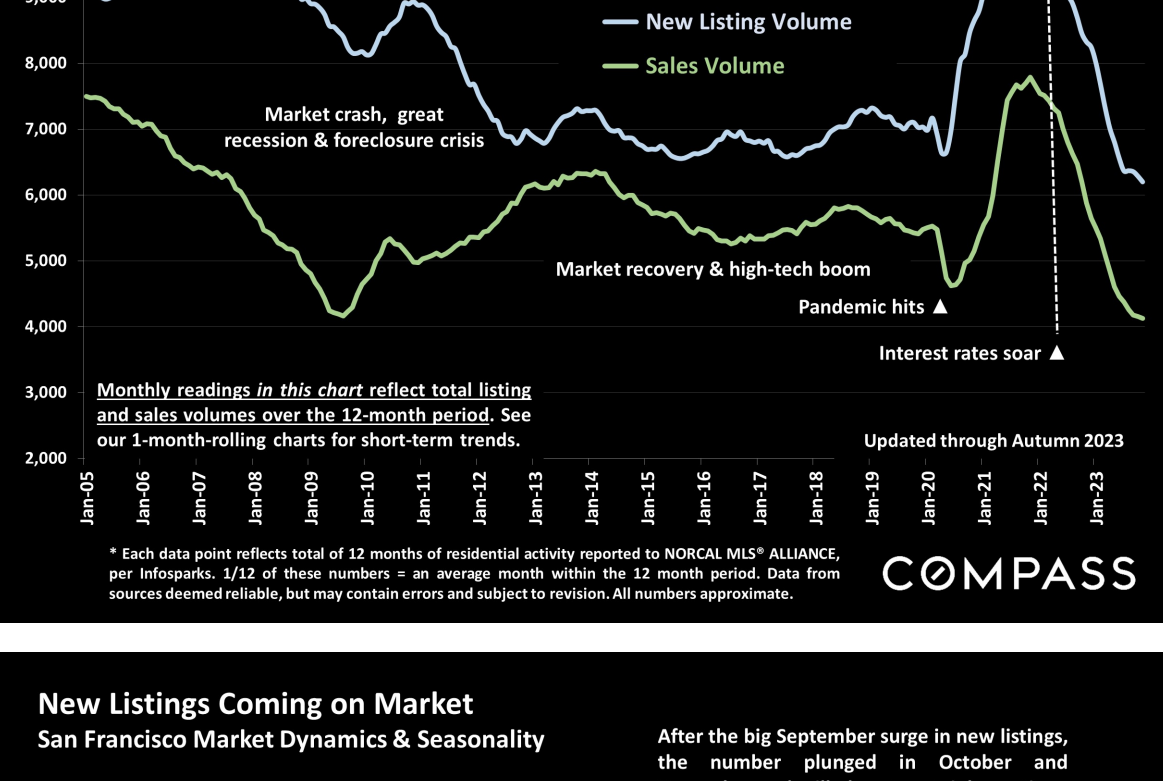
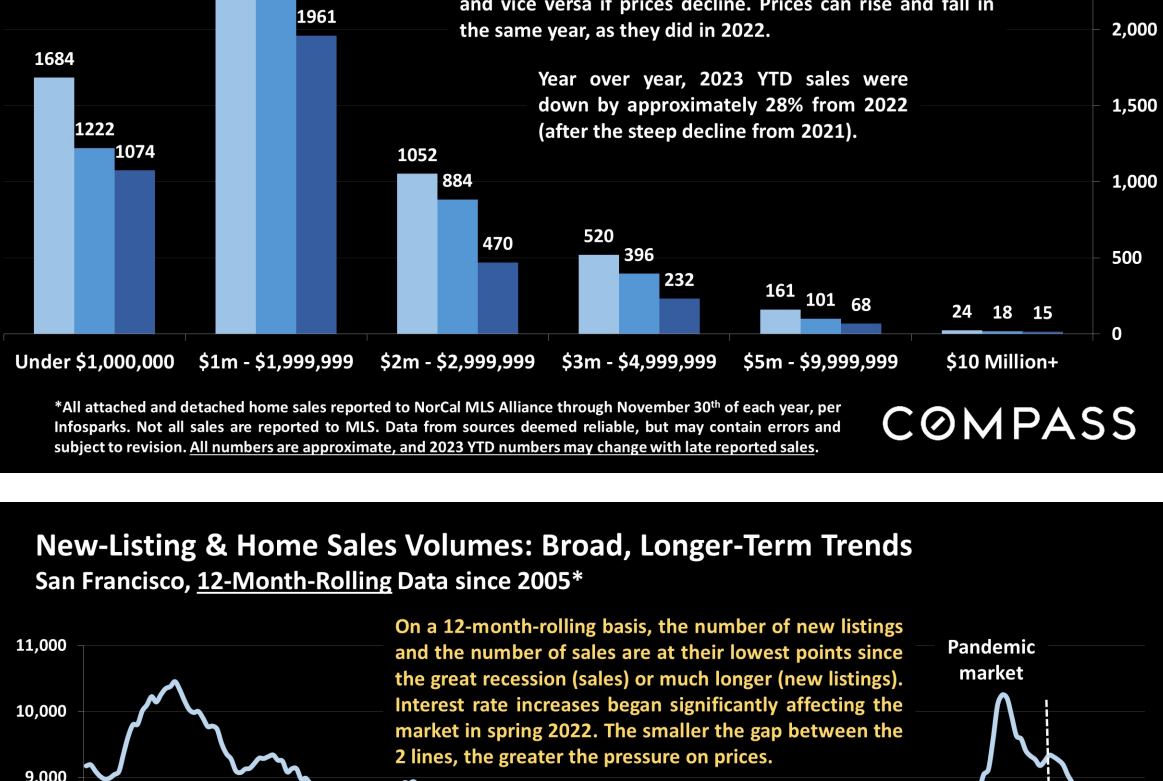
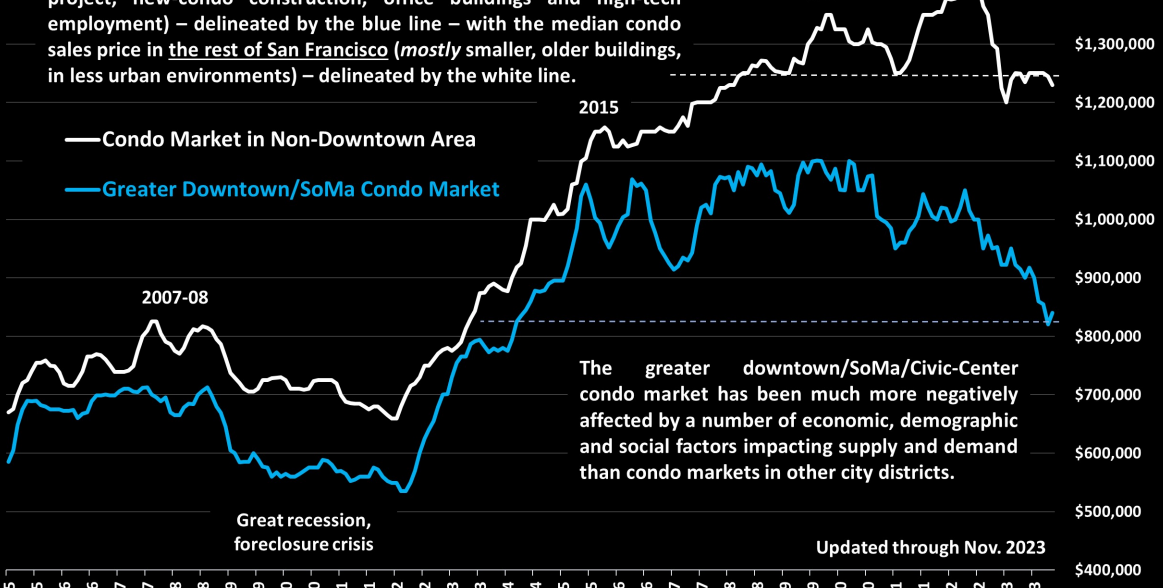
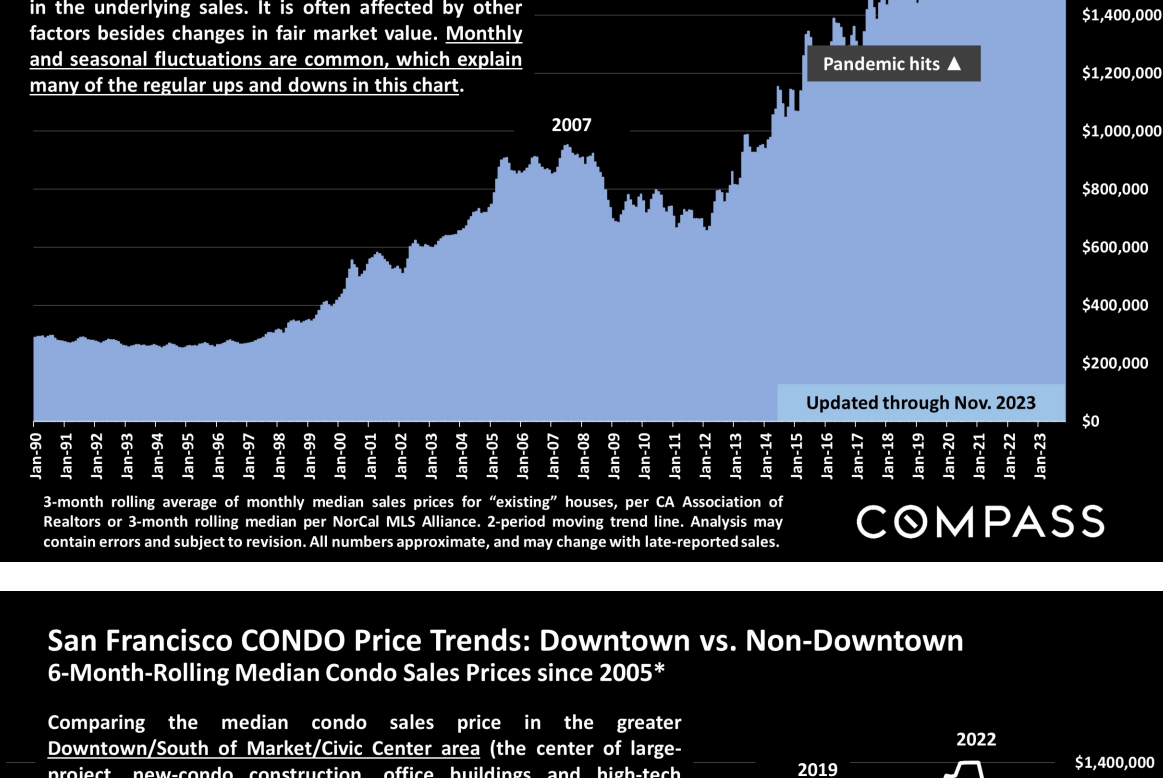
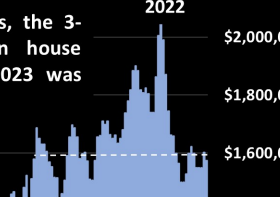
### A Sudden, Positive Shift in Economic Indicators

For the third sixth straight week, mortgage rates trended down, as new data indicates that inflationary pressures are easing. This combination of rekindled economic strength, lower inflation and lower mortgage rates should likely bring more potential homebuyers into the market. Freddie Mac (FHLMC)

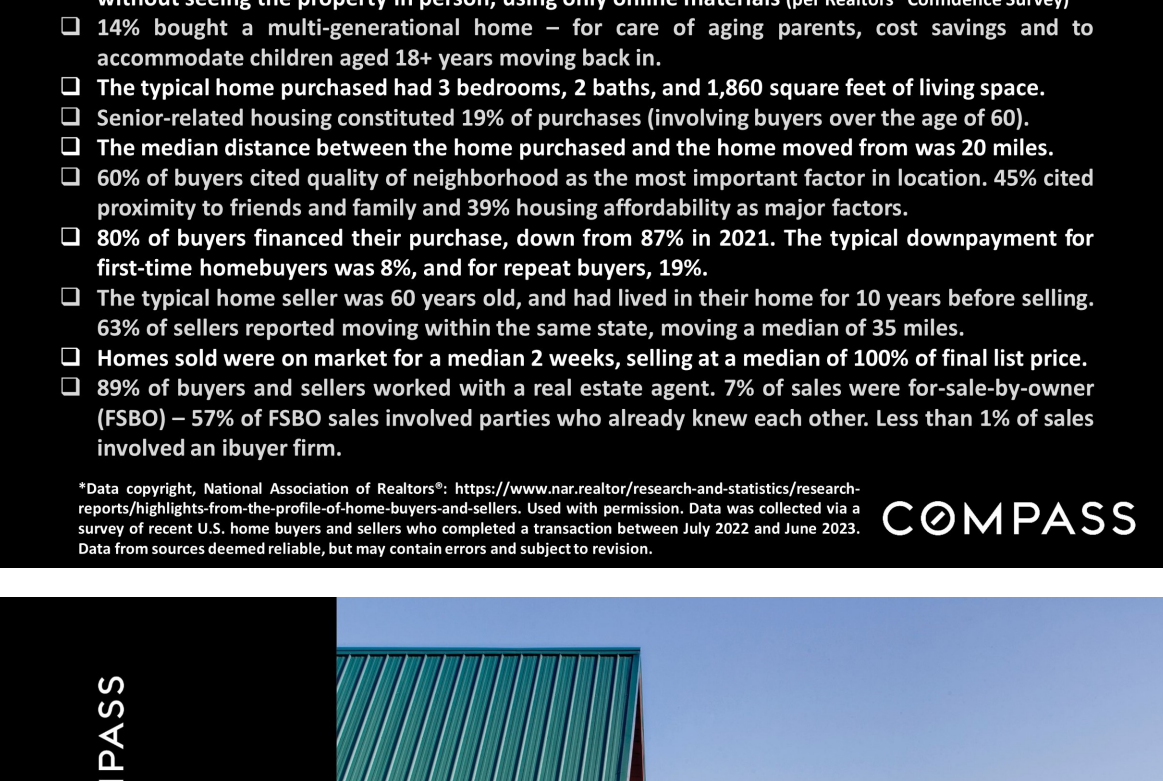
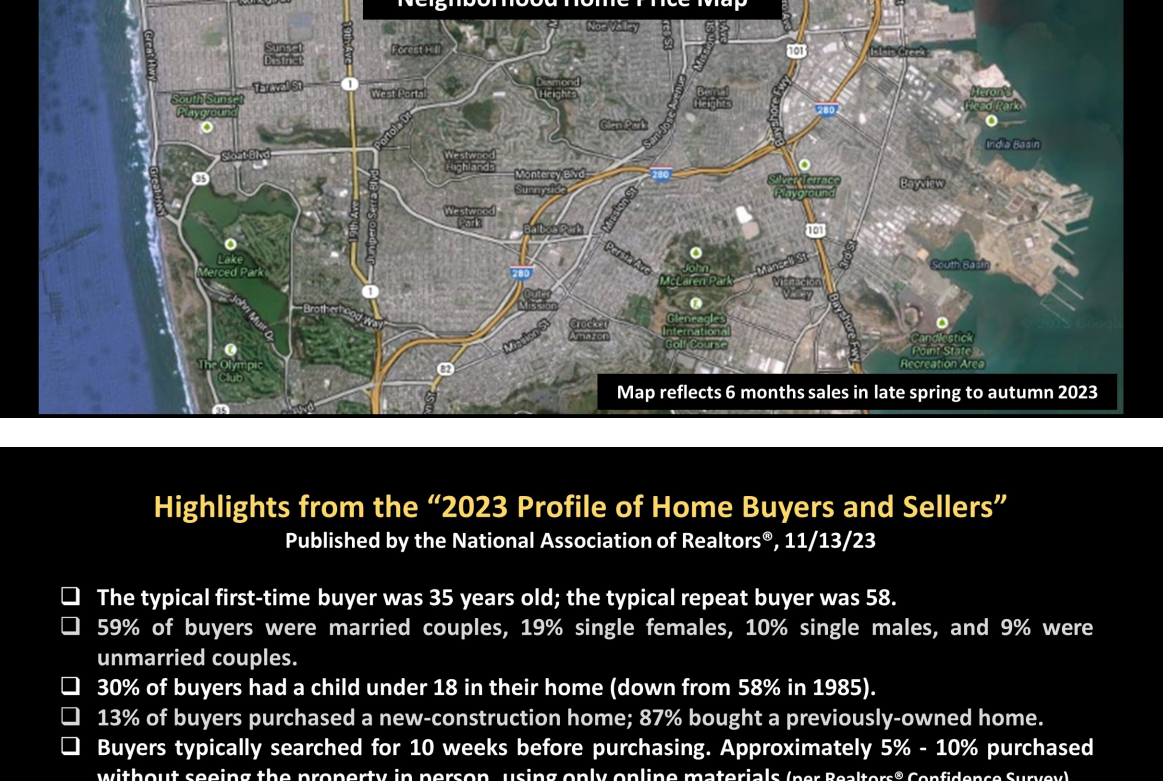
Stock and bond markets – which greatly impact household wealth, consumer confidence, and interest rates – were generally characterized by deep pessimism in October, but with significant changes in economic indicators such as inflation, and a continued pause in benchmark rate increases by the Fed, financial markets abruptly shifted to enthusiastic optimism in November. That translated into a dramatic plunge in mortgage rates, which has caused mortgage applications to increase over recent weeks.

Since the homebuying process usually takes 30 to 60 days, from loan qualification and making an offer to a closed sale, sales *might* see a bounce in December, or – since the mid-winter holiday period typically sees the annual low point in new listings (and thus sales) activity – more life in the early 2024 (subject to these positive indicators).

In January 2023, buyer demand saw a substantial rebound due to a similar drop in interest rates in late 2022.



- ### Highlights from the "2023 Profile of Home Buyers and Sellers"
- Published by the National Association of Realtors®, 11/13/23
- The typical first-time buyer was 35 years old; the typical repeat buyer was 58.
  - 39% of buyers were married couples, 19% single females, 10% single males, and 9% were unmarried couples.
  - 30% of buyers had a child under 18 in their home (down from 58% in 1985).
  - 13% of buyers purchased a new construction home; 87% bought a previously-owned home.
  - Buyers typically searched for 10 weeks before purchasing. Approximately 5% - 10% purchased without seeing the property in person, using only online materials (per Realtors' Confidence Survey).
  - 14% bought a multi-generational home – for care of aging parents, cost savings and to accommodate children aged 18 years moving back in.
  - The typical home purchased had 3 bedrooms, 2 baths, and 1,860 square feet of living space.
  - Senior-related housing constituted 15% of purchases (involving buyers over the age of 60).
  - The median distance between the home purchased and the home moved from was 20 miles.
  - 60% of buyers cited quality of neighborhood as the most important factor in location, 45% cited proximity to friends and family and 33% housing affordability as major factors.
  - 82% of buyers financed their purchase, down from 87% in 2021. The typical downpayment for first-time home buyers was 8%, and for repeat buyers, 19%.
  - The typical home seller was 60 years old, and had lived in their home for 10 years before selling.
  - 63% of sellers reported moving within the same state, moving a median of 85 miles.
  - Homes sold were on market for a median 2 weeks, selling at a median of 100% of final-sale price.
  - 89% of buyers and sellers worked with a real estate agent. 7% of sales were for-sale-by-owner (FSBO) – 57% of FSBO sales involved parties who at least knew each other. Less than 1% of sales involved an investor firm.
- \*Data copyright, National Association of Realtors®. <https://www.nar.com/resources-and-statistics/research>. Source: Published by the profile of home buyers and sellers survey. Data was collected via a survey of recent U.S. home buyers and sellers who completed a transaction between July 2022 and June 2023. Data from sources deemed reliable, but may contain errors and subject to revision.



Statistics are generalities, essentially summaries of widely disparate data collected over periods, irregular or throughout of time. Individual figures in statistics reflect time periods. They are best seen not as precise measurements, but as broad, comparative indicators, with recognizable trends. Individual figures in statistics are subject to common, especially in smaller, expensive market segments. Last period data should be considered estimates that may change with late-reported data. Different programs sometimes define statistics – such as "active listings," "days on market" and "months supply of inventory" – differently, which is most apparent in the more specific categories that they illustrate. Most listing and sales data derives from the local or regional multi-listing services (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 and TICs (but not mobile homes), as applicable to each market. City/town homes refer specifically to the named cities and towns, on their MLS unless unless otherwise indicated. Multicity 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, view, lot size, quality of outdoor space, "bonus" rooms, additional parking, quality of interior finishes, landscaping, 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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