

San Francisco Real Estate July 2023 Report

Underlying market and economic dynamics in 2023 have been a mix of a robust economy and volatile factors – including downward-trending inflation, interest rates bouncing between 6% and 7%, increasing uncertainty regarding what will do next, monetary rebounds in stock markets, bank, commercial real estate and domestic crises, international political, economic and military conflicts; high-tech layoffs amid generally strong employment statistics; and a recovery in buyer demand, sales activity and home prices. But all this is significantly lower than the peak of the market in early 2022. And within the city, market conditions often vary by property type (houses generally seeing higher demand), neighborhood (the downtown market remains resilient) and/or property segment (with types and locations).

Ultimately, the market is defined by neither just demand nor supply, but by the balance between the two. As we've moved deeper into 2023, that balance has generally tilted to sellers advantage, with homes selling faster, with more offers, for higher prices. Part of this is due to seasonal dynamics: Spring is commonly the highest-demand, most active selling season of the year. But the contrast with the 2nd half of 2022, when demand and sales plunged, is more than seasonal. It also reflects a rebound in psychology, with many buyers deciding to move forward with their life plans.

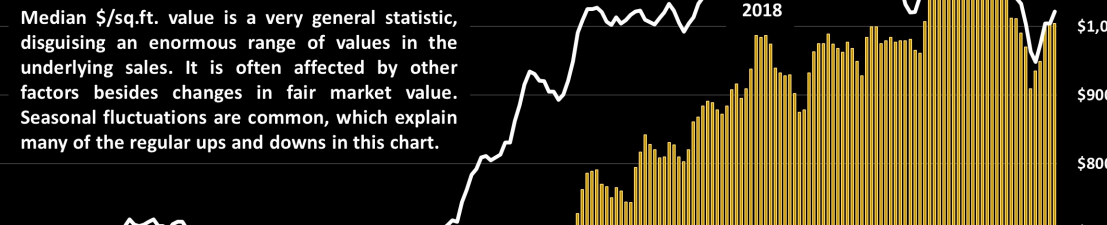
For most Bay Area markets, summer has historically been a slower period after spring – with some regions, such as San Francisco, seeing a relatively short (6 to 8 weeks) lull in activity in mid-June before the big midwinter slowdown – but typical seasonal trends have been upended a few times in recent years. Certainly, a substantial amount of buying and selling will continue to occur in coming months, as well as seasonal fluctuations in demand and supply. We'll continue to provide detail in future reports.

San Francisco House Price Trends

Median House Sales Prices, 2012 – Present, by Quarter

Median sales price is that price where half the homes sell for less than it and half for more. It's a very general statistic that changes a wide range of prices in the underlying sales.

Seasonal fluctuations are common, but it's not unusual for median sales price to peak for the year in Q2. Longer-term trends are more meaningful than short-term changes.



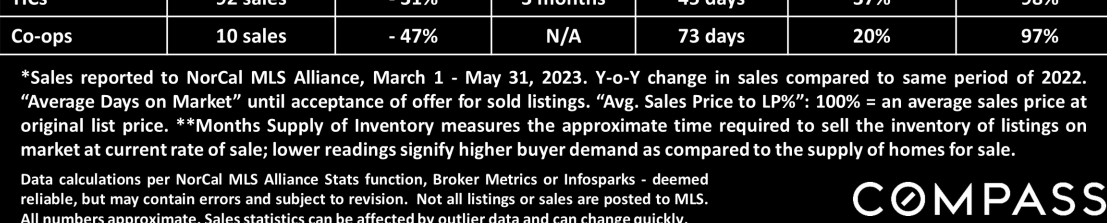
As reported to NAR/MLS, ALLIANCE, per Broker/Metro/Zip/Market. All numbers are approximate and subject to revision. All numbers approximate and may contain errors. Data from various sources. Sales reported and subject to revision. All numbers approximate, and may contain errors.

San Francisco Condo Price Appreciation

Median Condo Sales Prices, 2012 – Present, by Quarter

Seasonal fluctuations are common, but it's not unusual for median sales price to peak for the calendar year in Q2. Different city districts often see varying median price trends.

Year over year, the Q2 2023 median condo sales price was down about 13.5% from Q2 2022 (the market peak).

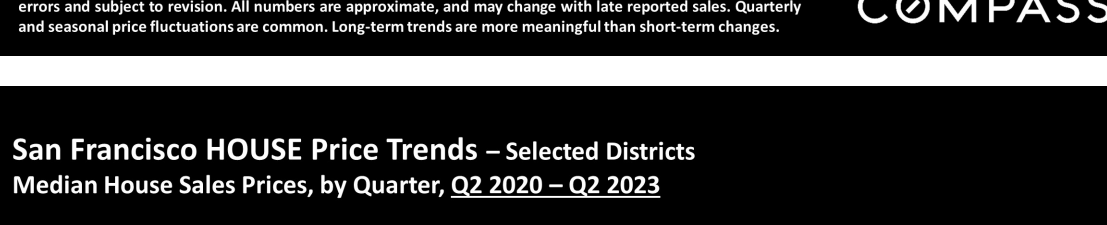


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San Francisco Home Value Trends since 2005

Used recently, median condo 5/yr, values (yellow line) were typically considerably higher than those for houses (yellow columns).

Median 5/yr, value is a very general statistic, missing an enormous range of values in the underlying sales. It is often affected by other factors besides changes in fair market value. Seasonal fluctuations are common, which explain many of the regular ups and downs in this chart.



\*3-month rolling median house sales values reported to NAR/MLS Alliances, per Metro/Zip. Analysis may contain errors and subject to revision. All numbers approximate and may contain errors. Data from various sources. Sales reported and subject to revision. All numbers approximate, and may contain errors.

San Francisco Residential Market: Spring 2023

Market reports with strongest demand dynamics highlighted

Table with 7 columns: Price Segment/Property Type, Spring 2023 - 3 Months Sales, Year-over-Year % Change, Inventory\*, Average Days on Market\*\*, % of Sales Over List Price\*, Avg. Sales Price to List Price\*\*.

\*Sales reported to NAR/MLS Alliances, March 1 - May 31, 2023. 90-D change in sales compared to same period of 2022. Market reports with strongest demand dynamics highlighted.

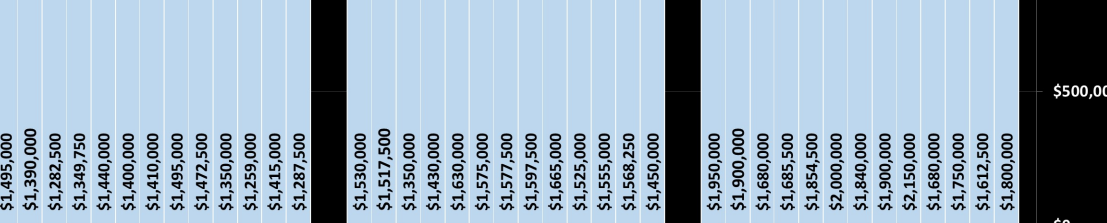
\*\*Market reports with strongest demand dynamics highlighted.

San Francisco HOUSE Price Trends – Selected District Markets

Median House Sales Prices, by Quarter, Q2 2020 – Q2 2023

Median sales price is a very general statistic often affected by factors other than changes in fair market value. Districts often contain neighborhoods of significantly varying values. How these prices and trends apply to any particular home is unknown without a specific comparative market analysis.

Rehob districts often include other nearby neighborhoods besides those listed.



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