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San Francisco Real Estate
October 2024 Report

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In September, SF's home buyers drew a line in the sand, refusing to pay additional premiums for homes in many market areas as more sweet relief arrived in the form of lower mortgage rates. Buyers' patience and restraint was obvious by the 10th month-to-month decline in home values since the end of the 20th month-long run-up in home values that began in early 2020, but remain close to all-time highs.

As of September, mortgage rates were the lowest since February 2023, but from an unexpectedly high starting point. Rates remain more than double the historic lows of 2020 and have dropped a full round of points. It has been one challenging 12 month period in which changes in mortgage rates have had a significant impact on buyer behavior. Despite the recent drop in rates, the total monthly payment on a median-priced home remains at historically unaffordable levels.

Though sales activity increased in September, the recent drop in interest rates did not precipitate a substantial increase in buyer demand, a trend that appears to be consistent with the Fed's decision to cut rates by only 50 basis points instead of the 75 basis points that many had expected. Buyers are also substantially late in the summer of new listings coming to market – a key tip for the highest likelihood of success in a low-inventory market – a buyer's market by most definitions, but not by the data.

Market-level indicators (and median sales prices) usually peak in spring 2022, then start significantly to trail off from spring to summer, but then bounce back in the fall and winter. Buyers and sellers are now in a holding pattern, waiting for the Fed's next move. Will it be another 50 basis point cut, or a return to a pace of only 25 basis point cuts? Will mortgage rates continue to decline, converge to get closer to the Fed's rate cuts, or rise in 2025?

Report covers 9 and 10th month-long trends (sources listed under the 10th month-long trend). Unless otherwise noted, all data is for single-family homes, townhomes and condominiums combined.

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Federal Funds Interest Rate since 1981
& Economic Interventions by Federal Reserve Bank*

A daily 30BPS fed appreciating since fed
began cutting rates in 2024
Early 1980s - extreme rise, steep
single-month rate increases, followed
by steep decline
Fed's rate cuts since 2008 have
been relatively slow and steady
Sharp rise in rates
Sharp decline
Fed's rate cuts since 2020 have been
relatively slow and steady
Fed's rate cuts since 2024 have been relatively slow and steady
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