



**San Francisco Real Estate**  
September 2022 Report

**COMPASS**

In early August, we mentioned agents reporting that buyer activity – renewed interest in getting back into the market, visits to open houses, and so on – was picking up due to a number of issues: Price reductions, less competition, the drop in interest rates, and the dramatic recovery in stock markets. And a small rebound in SF sales did show up in August data – sales usually tick *down* in August from July – though volume was still well below last year.

Across the Bay Area, year-over-year, home-price appreciation rates and overbidding statistics have continued to drop, and days-on-market to climb. In August, the number of new listings coming on market was lower year over year, and the number of active listings for sale declined, though still significantly higher than last year. There is usually a dramatic jump in new listing activity after Labor Day: In fact, September is *typically* the single month with the highest number of new listings, which then fuels autumn sales.

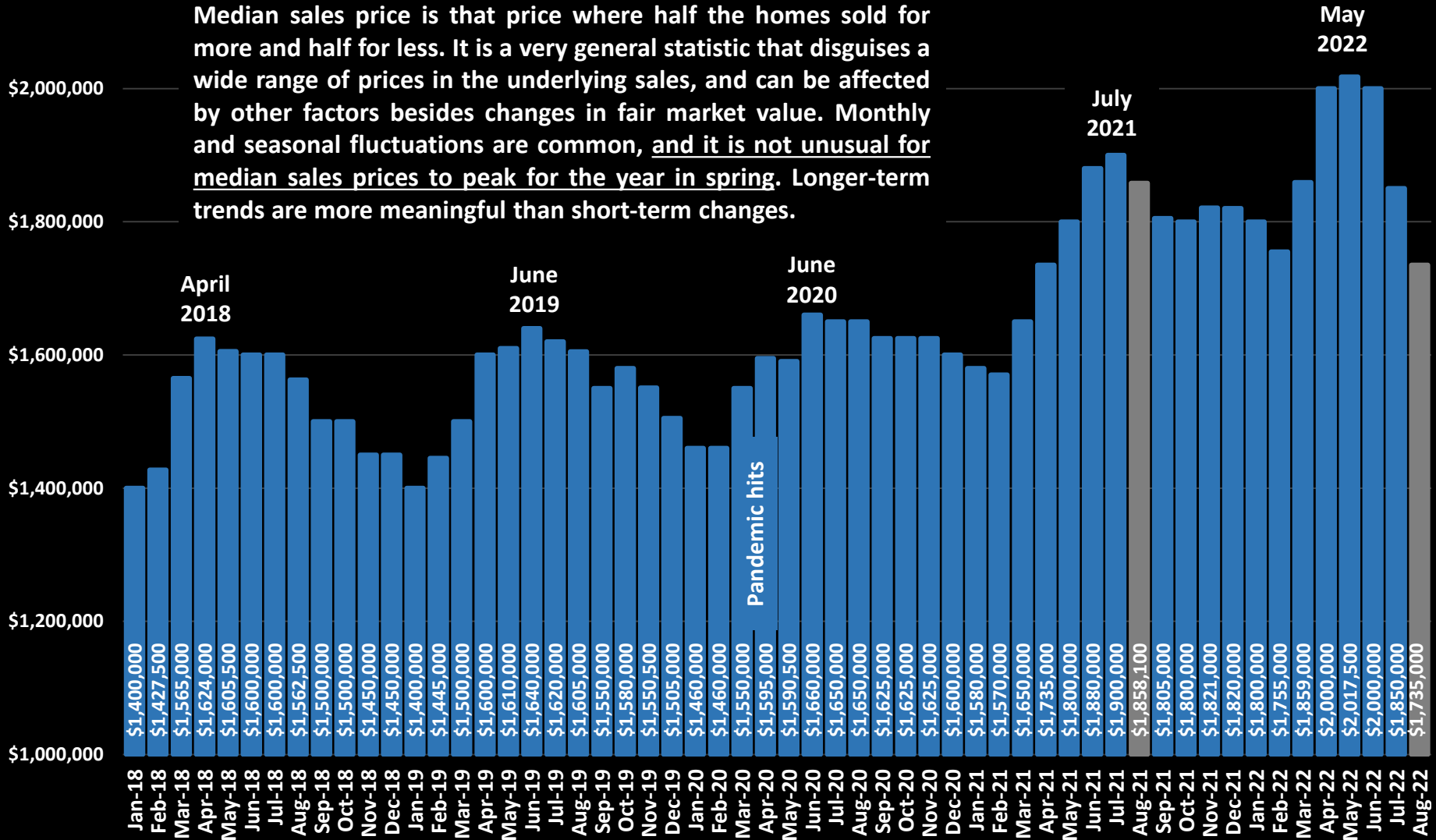
As of early September, interest rates have increased again and stock markets declined once more: They continue to see substantial short-term volatility and it remains difficult to confidently predict their future movements and effects on real estate markets. The next major indicator of buyer and seller psychology and market dynamics will be what occurs during the next 2 months of the autumn selling season, prior to the mid-November to mid-January holiday slowdown, typically the slowest market of the year.

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.

# San Francisco Median House Price Trends

## Median House Sales Prices, 3-Month-Rolling, 2018 – Present

Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that disguises a wide range of prices in the underlying sales, and can be affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, and it is not unusual for median sales prices to peak for the year in spring. Longer-term trends are more meaningful than short-term changes.

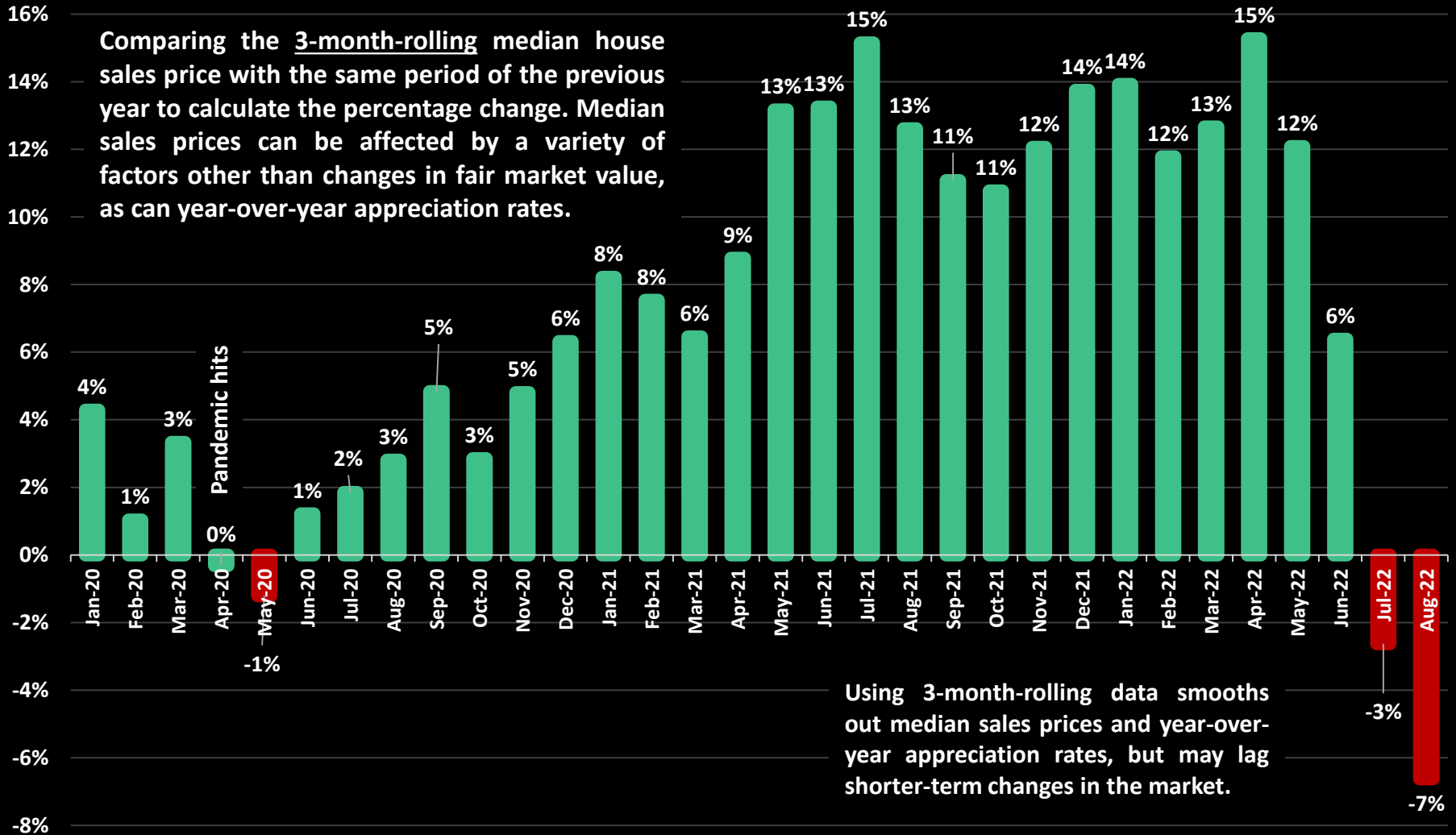


Sales reported to NorCal MLS Alliance, per Infosparks. All numbers are approximate and subject to revision. Last month price calculated early in the following month and may change with late-reported sales.



# San Francisco Year-over-Year House Appreciation Rates since 2020

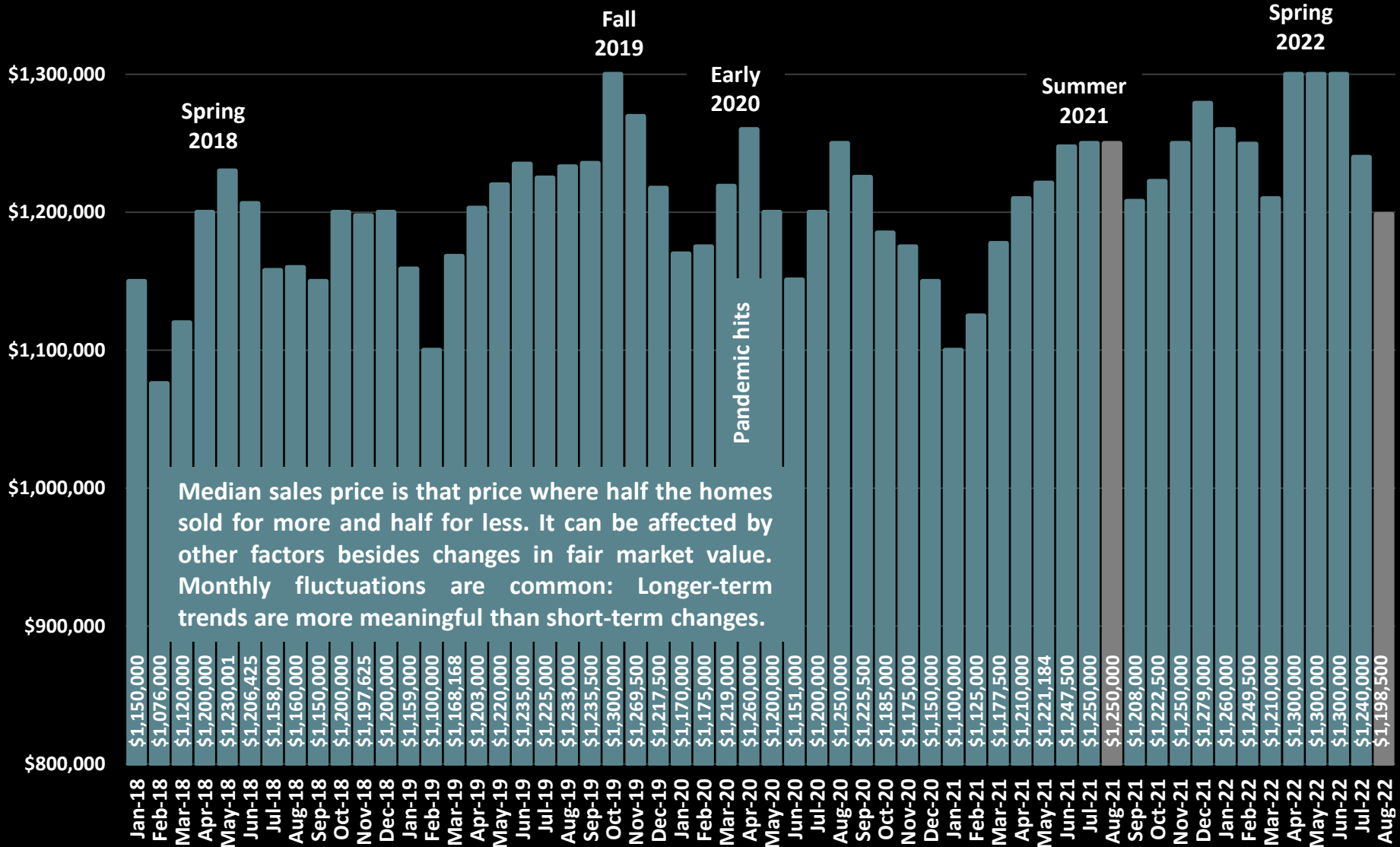
## Percentage Change in Year-over-Year, 3-Month-Rolling Median House Sales Price\*



\*3-month rolling sales reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

# San Francisco Median Condo Price Trends

## Median Condo Sales Prices, 3-Month Rolling, 2018 – Present



Sales reported to NorCal MLS Alliance, per Infosparks. All numbers are approximate and subject to revision. Last month price calculated early in the following month and may change with late-reported sales.



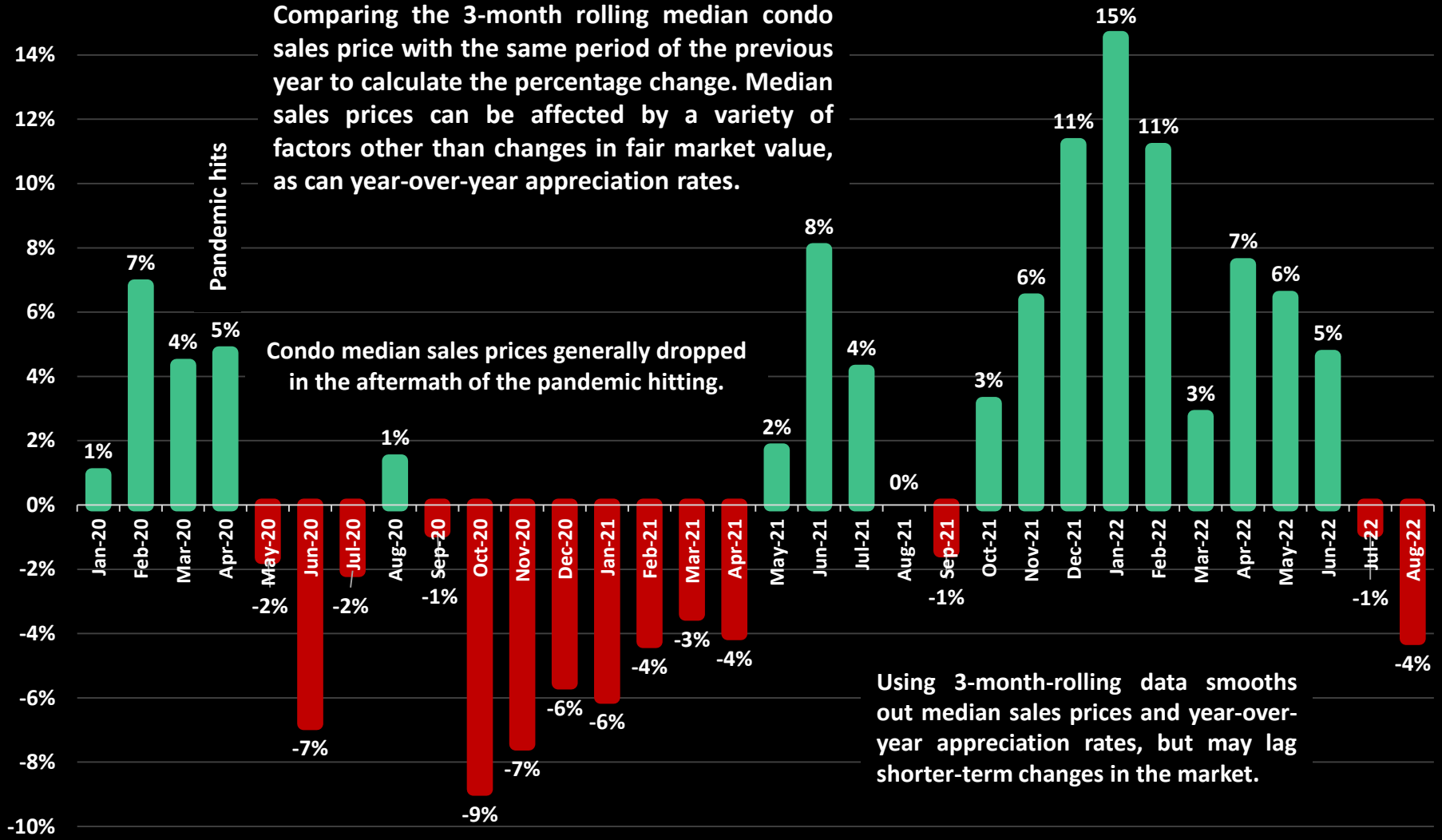
# San Francisco Year-over-Year Condo Appreciation Rates since 2020

## Percentage Change in Year-over-Year, 3-Month-Rolling Median CONDO Sales Price\*

Comparing the 3-month rolling median condo sales price with the same period of the previous year to calculate the percentage change. Median sales prices can be affected by a variety of factors other than changes in fair market value, as can year-over-year appreciation rates.

Condo median sales prices generally dropped in the aftermath of the pandemic hitting.

Using 3-month-rolling data smooths out median sales prices and year-over-year appreciation rates, but may lag shorter-term changes in the market.



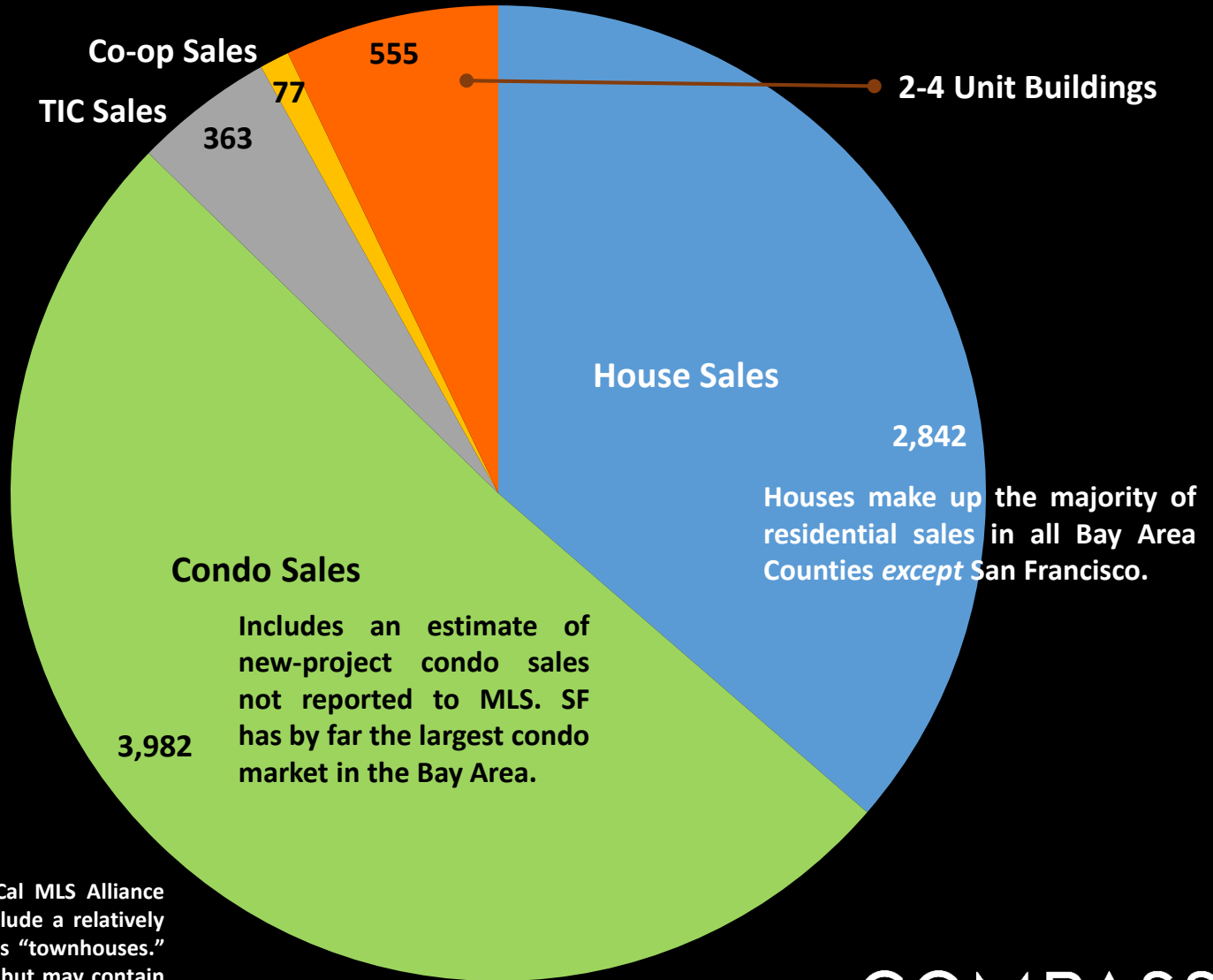
\*3-month rolling sales reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



# San Francisco Residential Market

## 12 Months Sales Volumes by Property Type\*

Both co-ops and TICs (tenancy-in-common units) are rarely found in the Bay Area outside San Francisco.

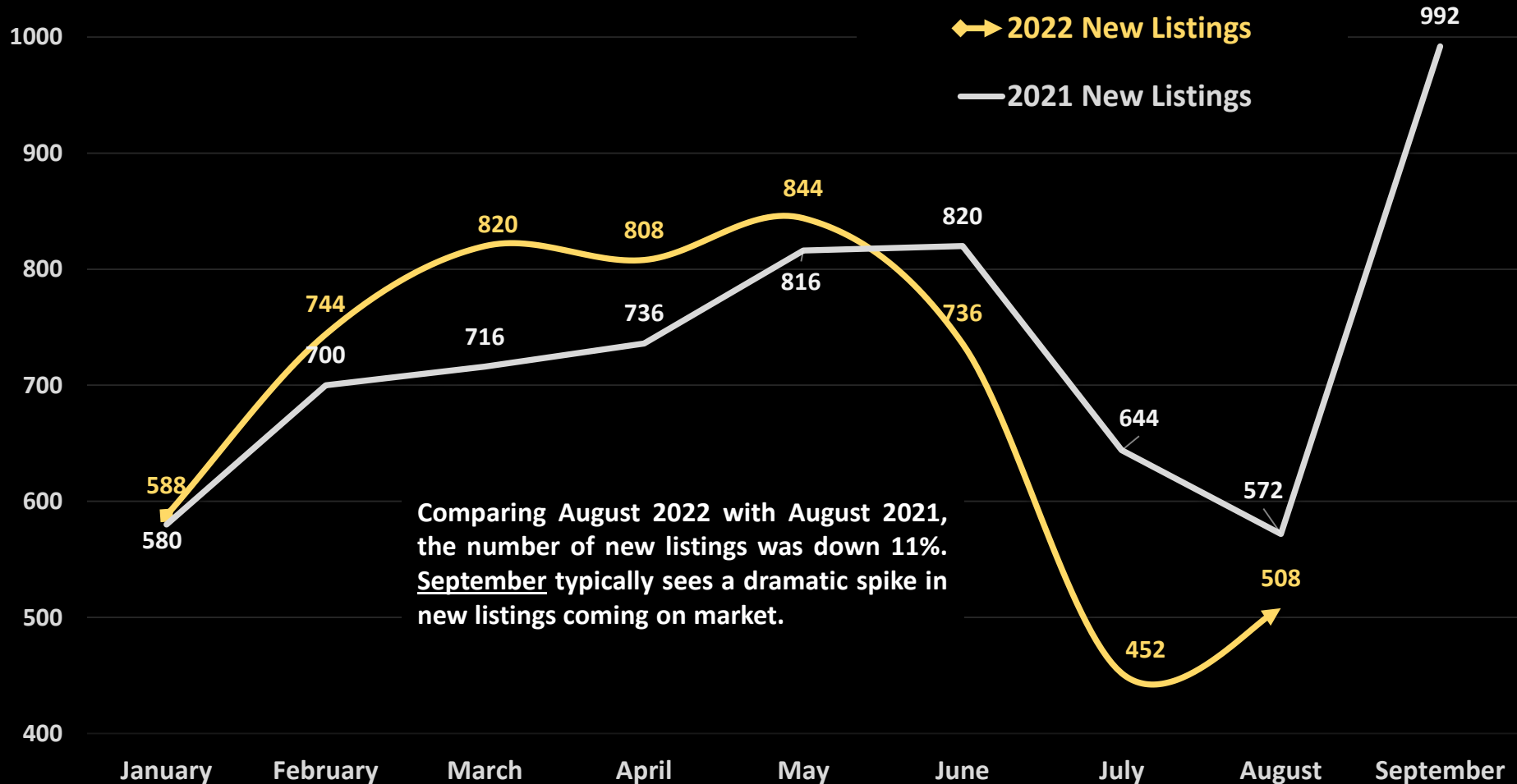


\*12 months sales reported to NorCal MLS Alliance through 7/31/22. "Condo Sales" include a relatively small number of sales designated as "townhouses." Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Not all sales are reported to MLS.

# New Listings Coming on Market

## San Francisco Market Dynamics: Year-over-Year Comparison

Comparing monthly market activity in 2021 and 2022



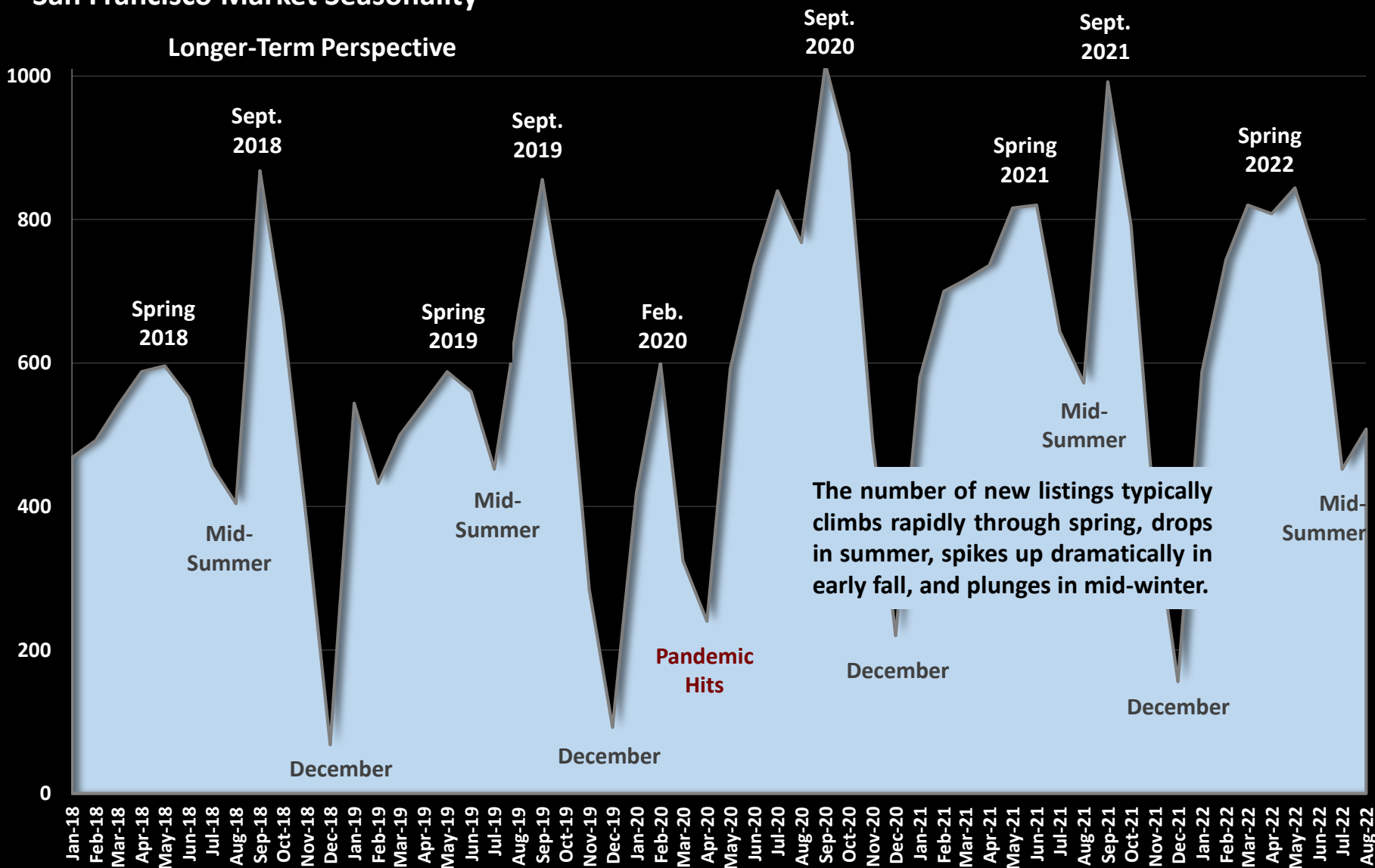
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. May not include "coming soon" listings posted to MLS. All numbers should be considered approximate.

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# New Listings Coming on Market

## San Francisco Market Seasonality



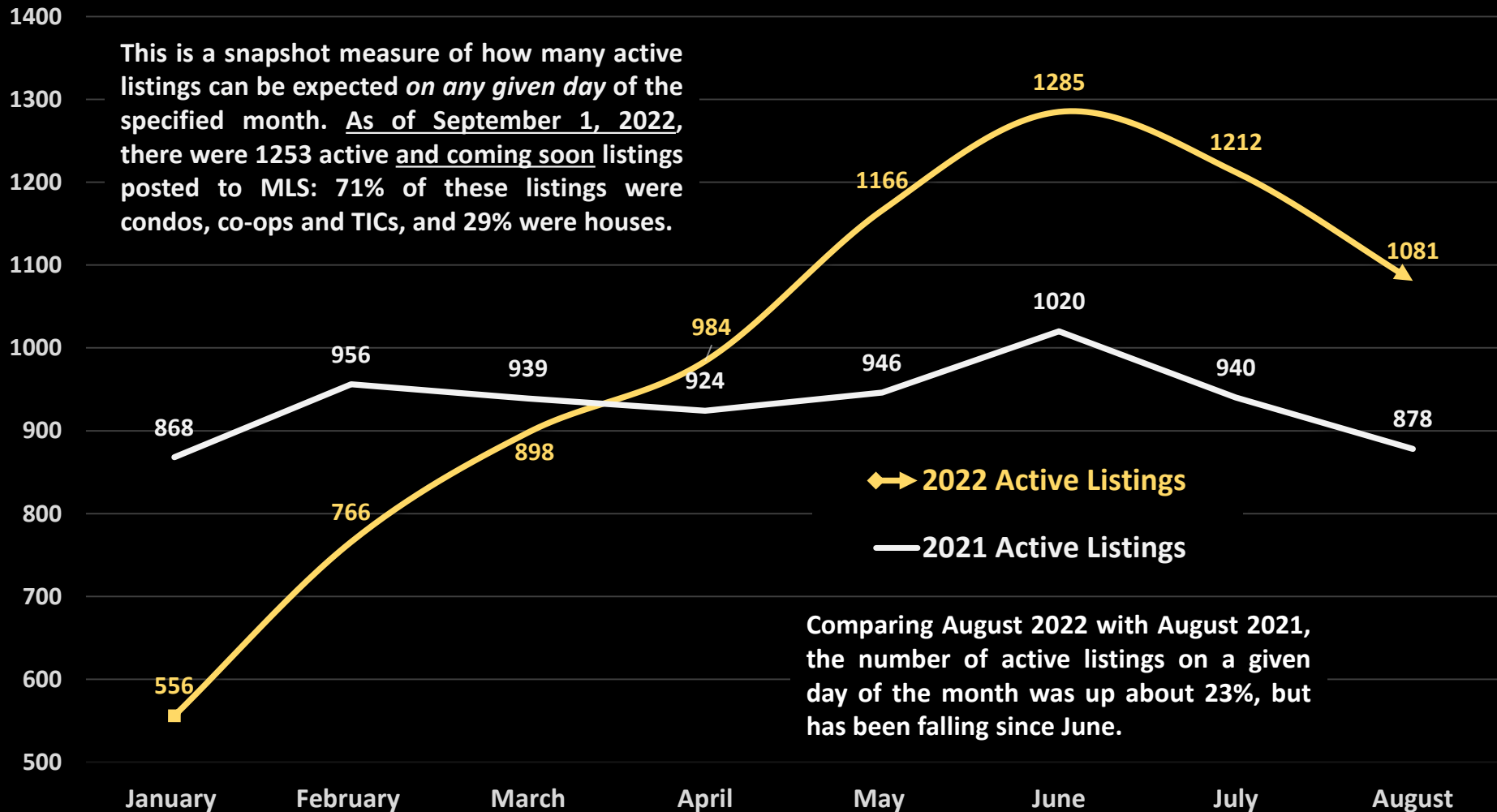
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# Active Listings

## San Francisco Market: Year-over-Year Comparison

Comparing monthly market activity in 2021 and 2022



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# Active Listings on Market – Longer-Term Trends

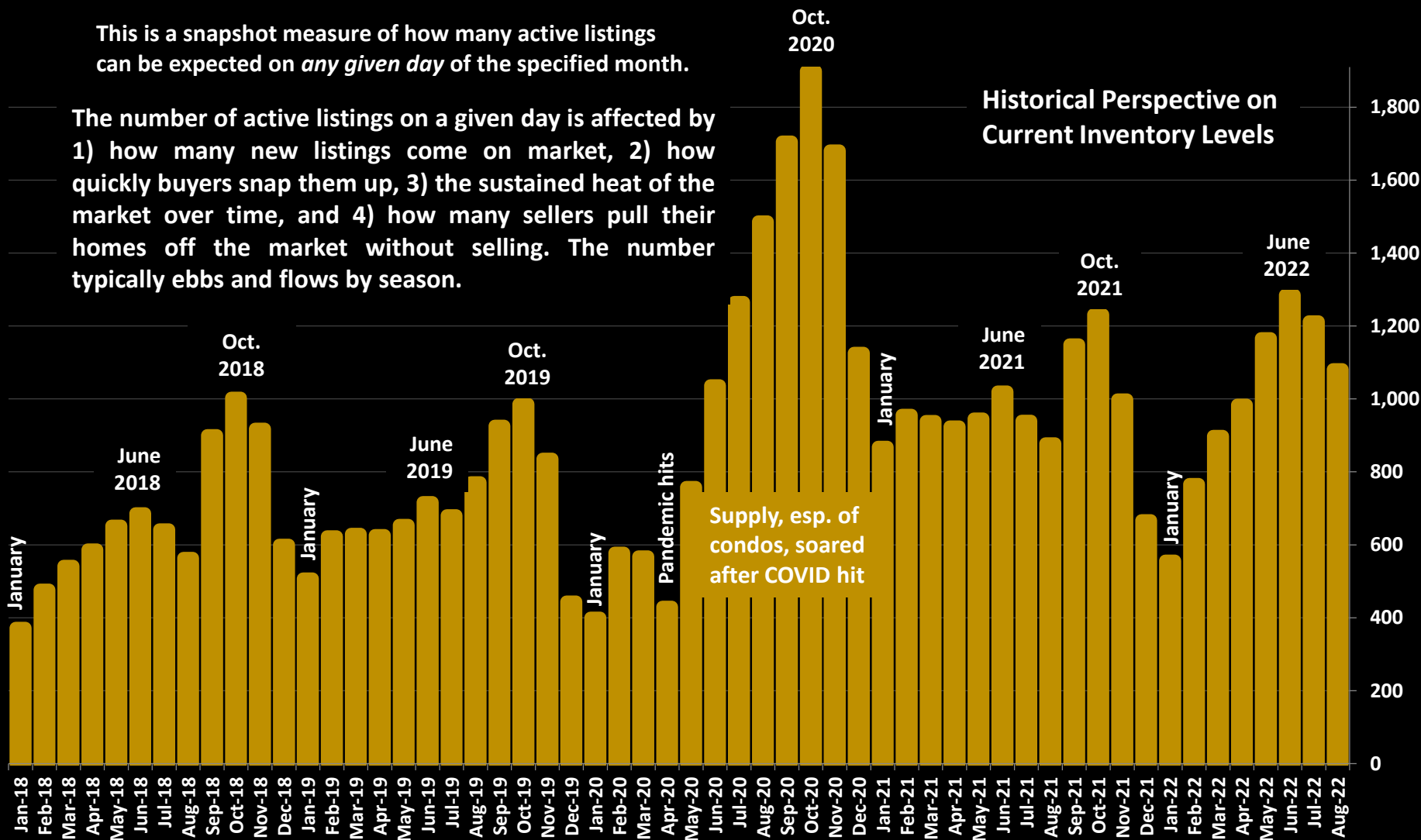
## San Francisco Real Estate Market Dynamics & Seasonality

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



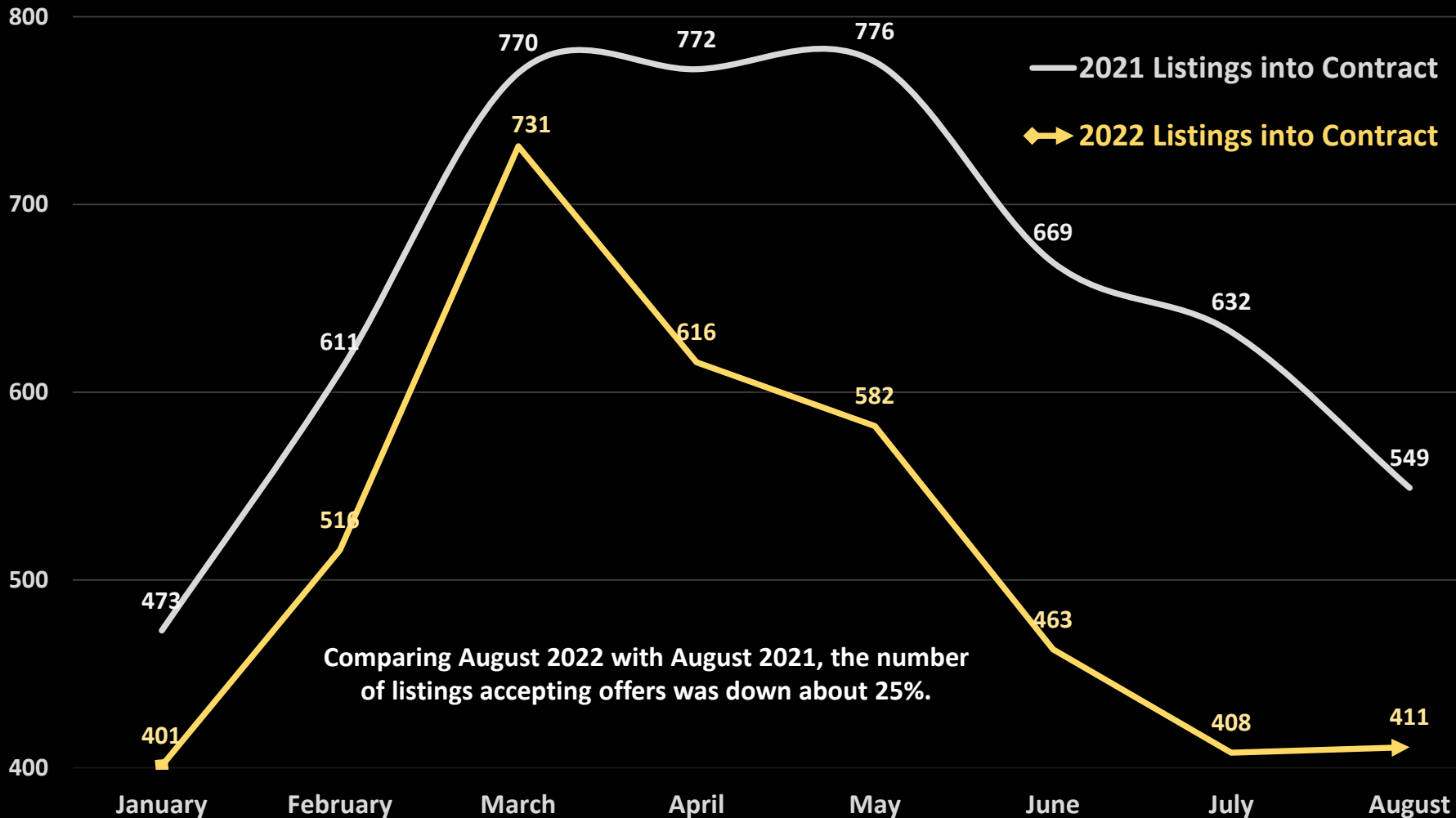
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# Listings Accepting Offers (Going into Contract)

## San Francisco Market Dynamics: Year-over-Year Comparison

Comparing monthly market activity in 2021 and 2022



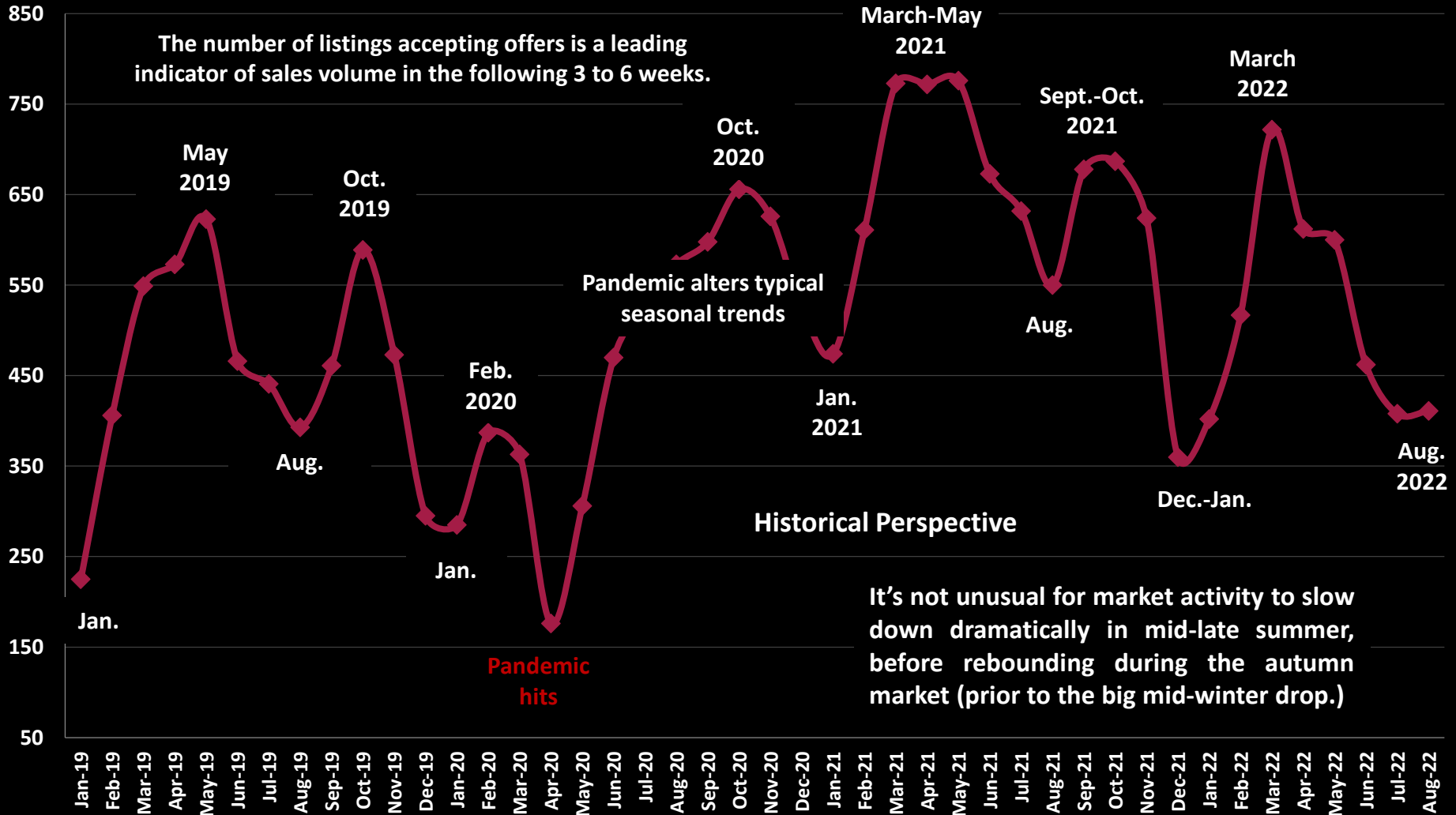
House, condo, TIC, co-op, townhouse activity reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last month estimated based on available data, and may change with late-reported activity.



# 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



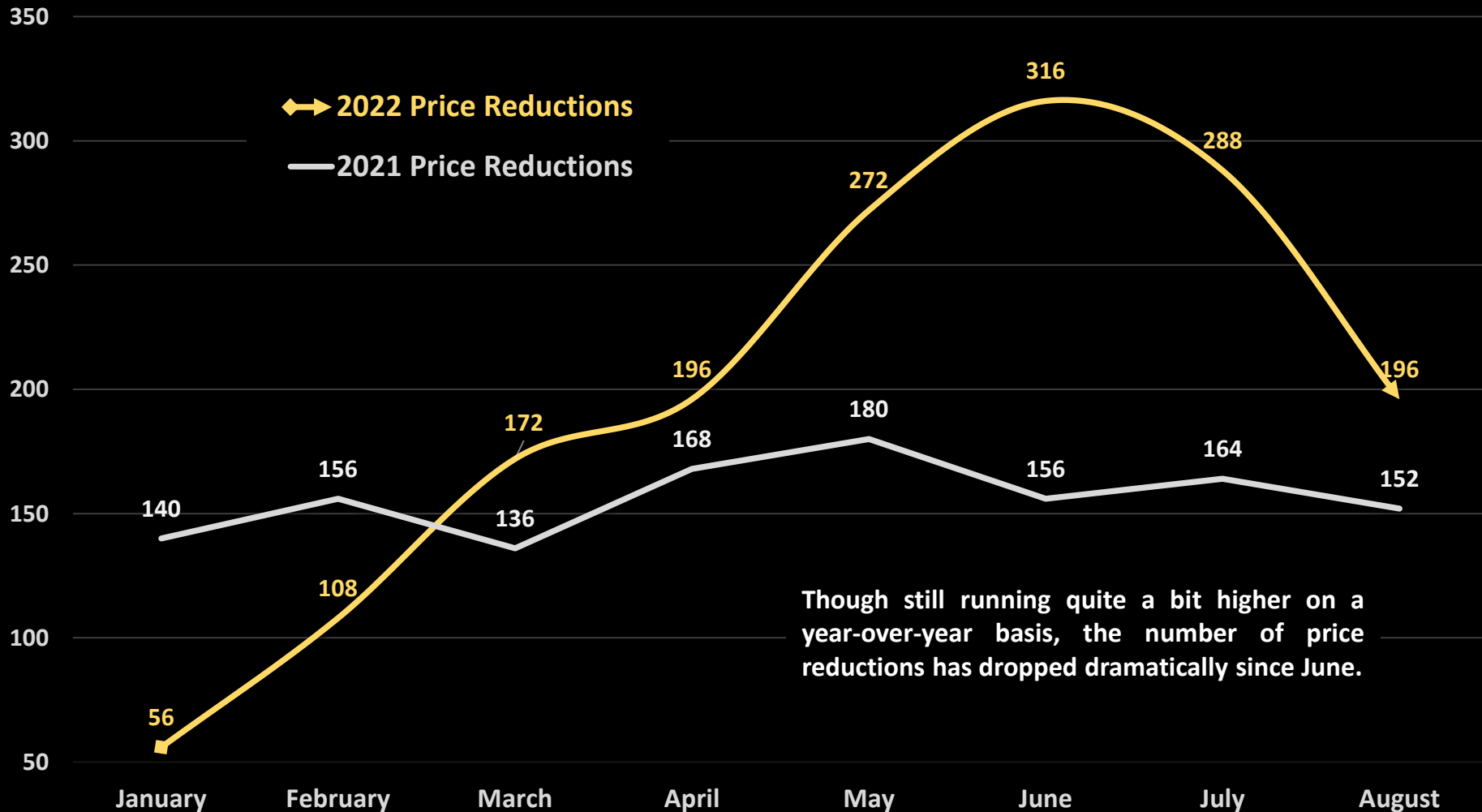
Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.  
Last month numbers estimated based on available data, and may change with late reported activity.



# Price Reductions on Active Listings

## San Francisco Market Dynamics: Year-over-Year Comparison

Comparing monthly market activity in 2021 and 2022



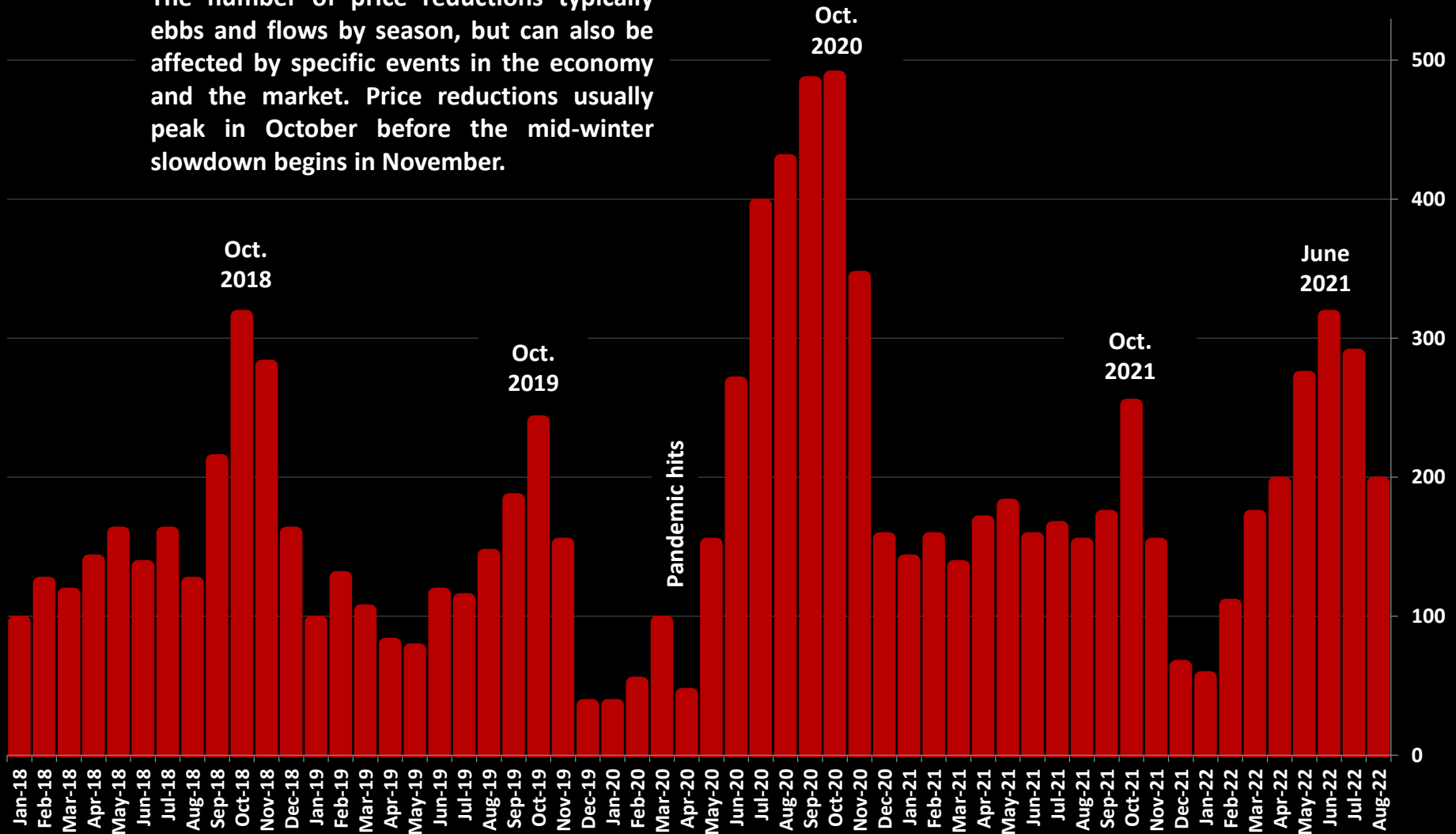
Though still running quite a bit higher on a year-over-year basis, the number of price reductions has dropped dramatically since June.

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.

# 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.



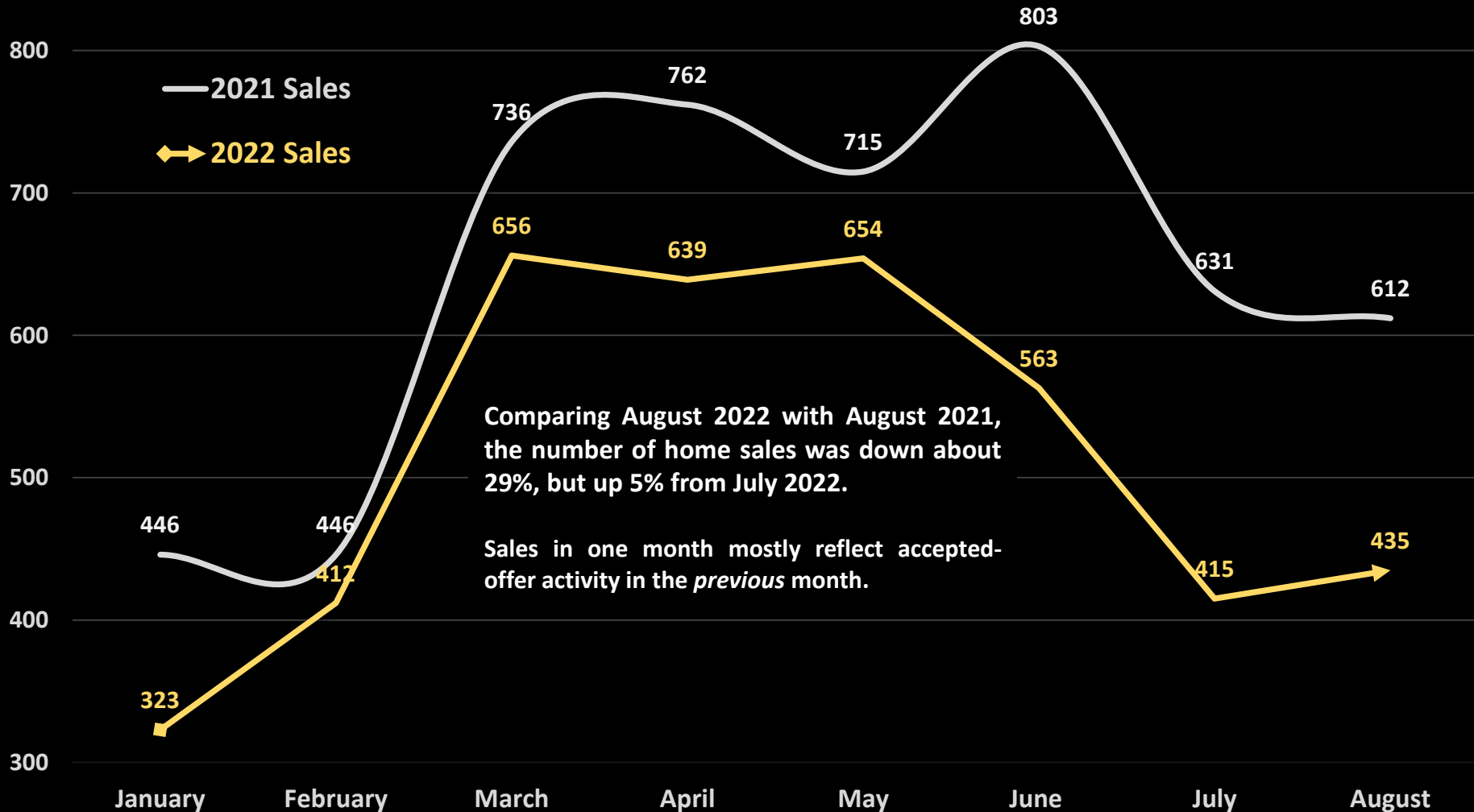
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted to site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



# Monthly Sales Volume\*

## San Francisco Market Dynamics: Year-over-Year Comparison

Comparing monthly market activity in 2021 and 2022



\*House, condo, TIC, co-op, townhouse 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 available data, and may change with late-reported activity. Does not include sales unreported to MLS.

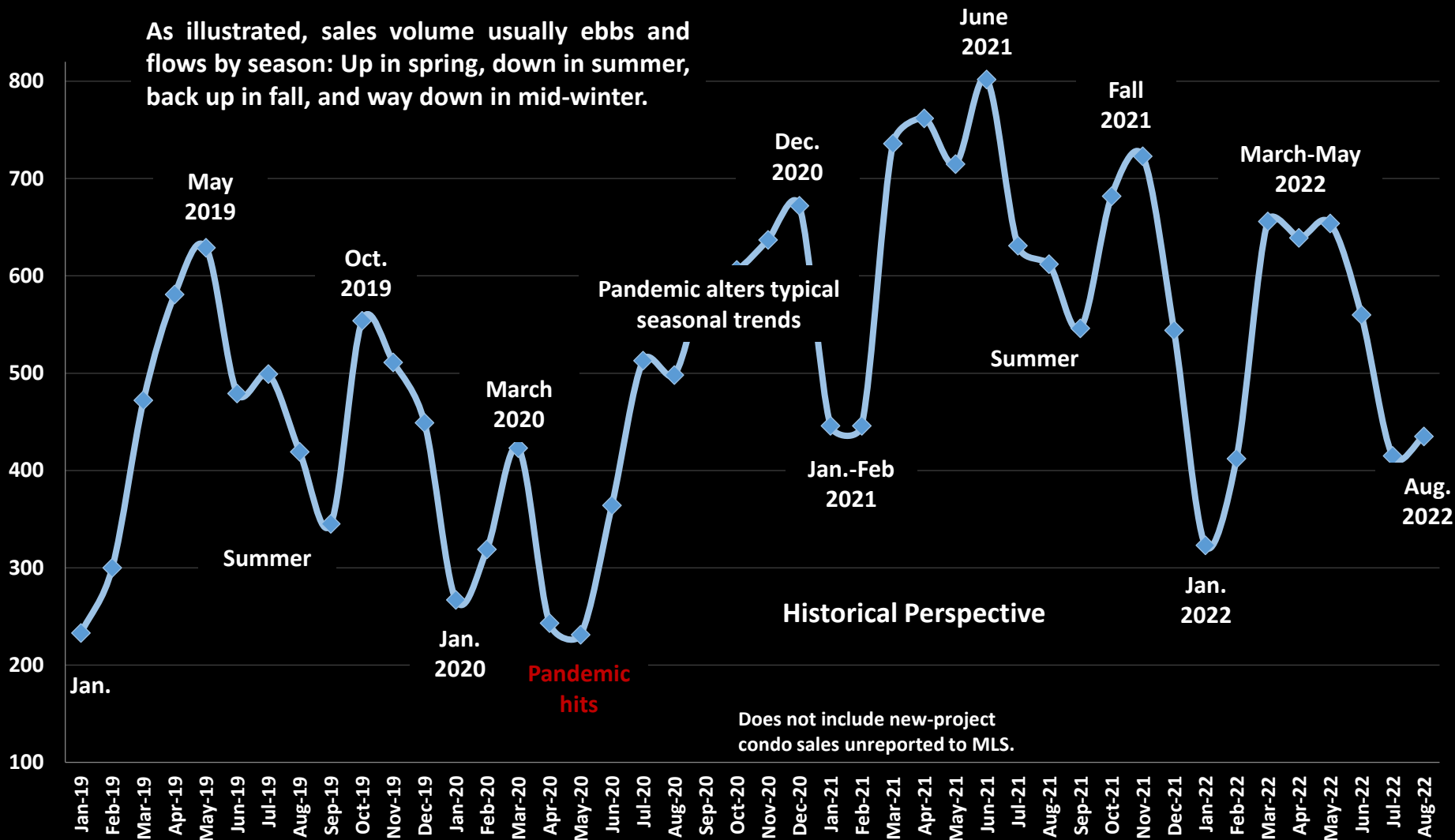
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# Monthly Sales Volume – Longer-Term Trends

## San Francisco Market Dynamics & Seasonality

As illustrated, sales volume usually ebbs and flows by season: Up in spring, down in summer, back up in fall, and way down in mid-winter.



Does not include new-project condo sales unreported to MLS.

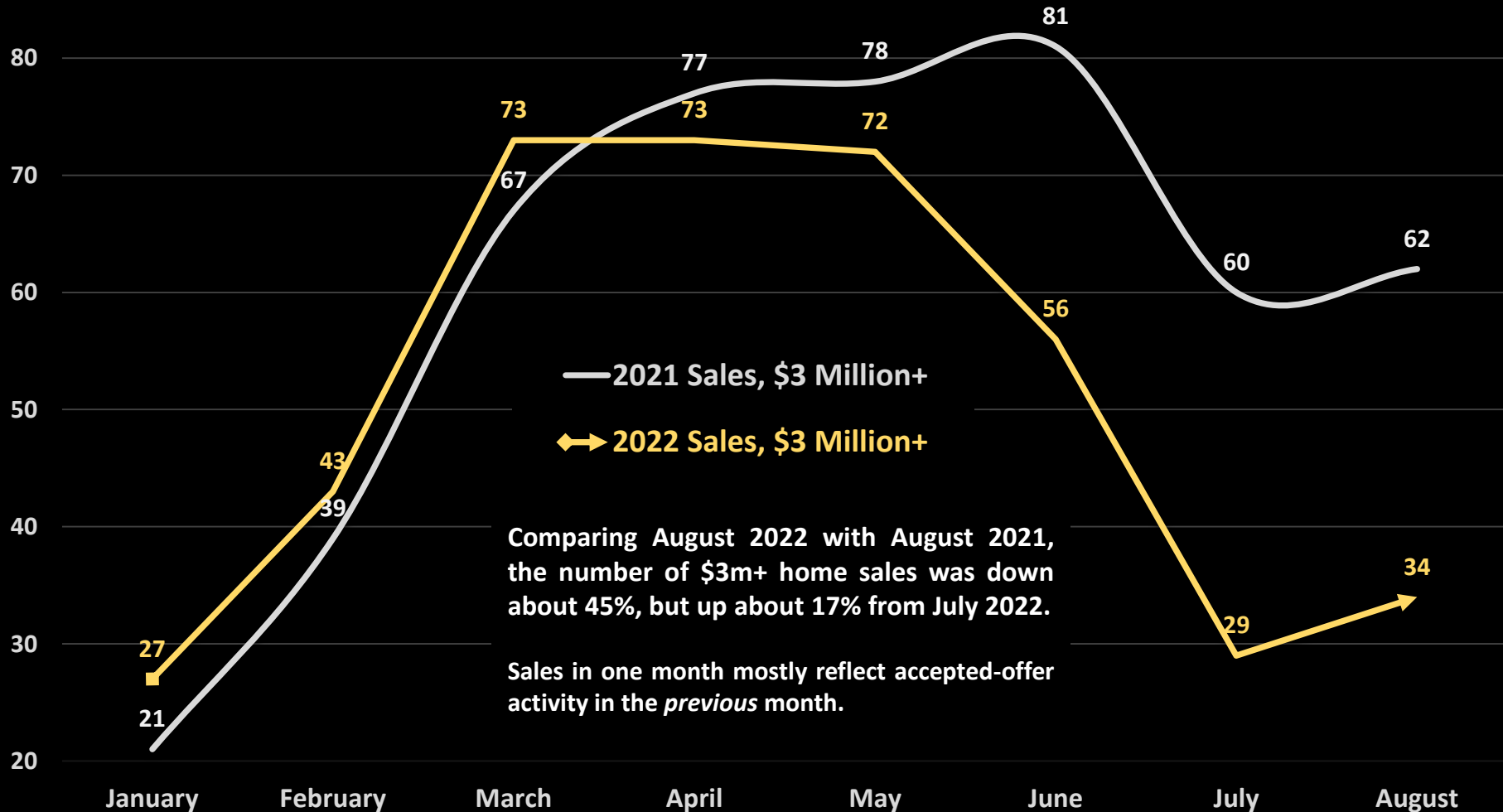
House, condo, TIC, co-op sales reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last month estimated based on data available early the next month, and may change with late reported sales.



# Higher-Price Home Sales Volume

## San Francisco Market Dynamics: Sales \$3 Million+

Comparing monthly market activity in 2021 and 2022



House, condo, TIC, co-op, townhouse 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 available data, and may change with late-reported activity. Does not include sales unreported to MLS.

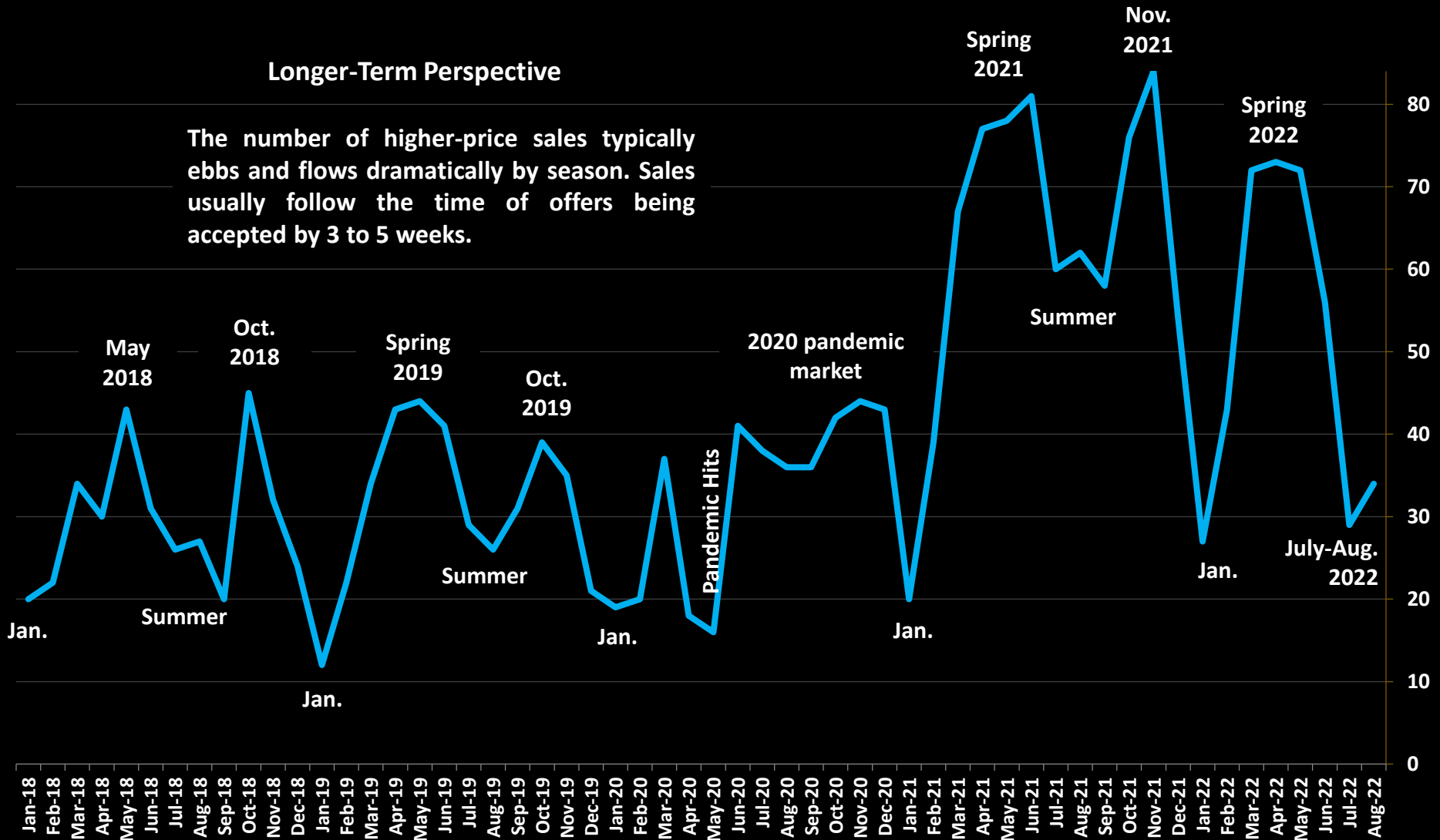
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# San Francisco Higher-Price Home Sales

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

### Longer-Term Perspective

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.



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.



# What You Get Where: Buying a Large Home in the Bay Area

## 2022 YTD Home Sales of 5+ Bedrooms, 4+ Baths, 4000+ Square Feet\*

County	# of Sales	Median Sales Price	Median Square Footage	Median \$/Sq.Ft.	Median Lot in Acres	Average Days on Market
San Mateo	97	\$7,045,000	5310 sq.ft.	\$1385/sq.ft.	.82 acre	33 days
San Francisco	38	\$6,965,000	5059 sq.ft.	\$1322/sq.ft.	.08 acre	46 days
Monterey	37	\$5,600,000	5814 sq.ft.	\$927/sq.ft.	1.6 acres	76 days
Marin	56	\$5,488,500	5050 sq.ft.	\$1088/sq.ft.	.75 acre	30 days
Napa	13	\$5,275,000	4653 sq.ft.	\$1153/sq.ft.	1.53 acres	78 days
Santa Clara	141	\$5,005,000	4899 sq.ft.	\$1017/sq.ft.	.75 acre	25 days
Alameda	107	\$3,500,000	4700 sq.ft.	\$734/sq.ft.	.33 acre	23 days
Contra Costa	168	\$3,405,000	4587 sq.ft.	\$708/sq.ft.	.5 acre	16 days
Santa Cruz	15	\$3,150,000	4780 sq.ft.	\$580/sq.ft.	1.13 acres	34 days
Sonoma	23	\$2,600,000	4691 sq.ft.	\$509/sq.ft.	2.76 acres	73 days

Many factors affect values, but note the county differences in median home price, home size and lot size.

\* Sales reported to NorCal MLS Alliance in 2022 by 8/15/22. Not all sales are reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Square footage and \$/sq.ft. does not include garages, rooms built without permit, storage, decks, patios or lot size. Lot size in particular complicates the \$/sq.ft. value calculation. Outliers in days on market adjusted when identified.



Photo by Spencer Means, Creative Commons License



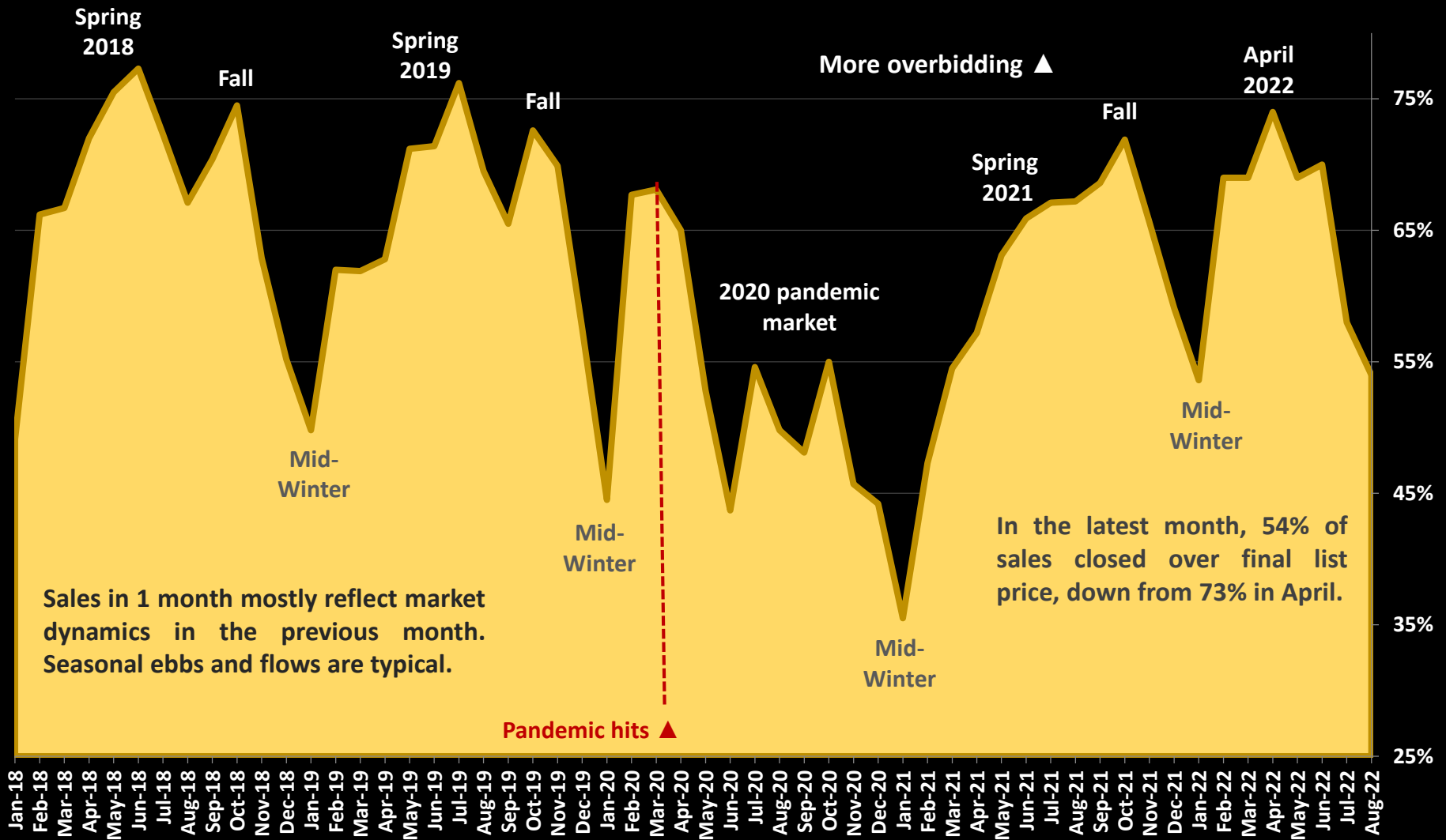
## San Francisco Bay Area Luxury Home Market

[Click Here to Access Report](#)

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# Overbidding List Prices in San Francisco

## Percentage of Home Sales Closing over List Price, since 2018

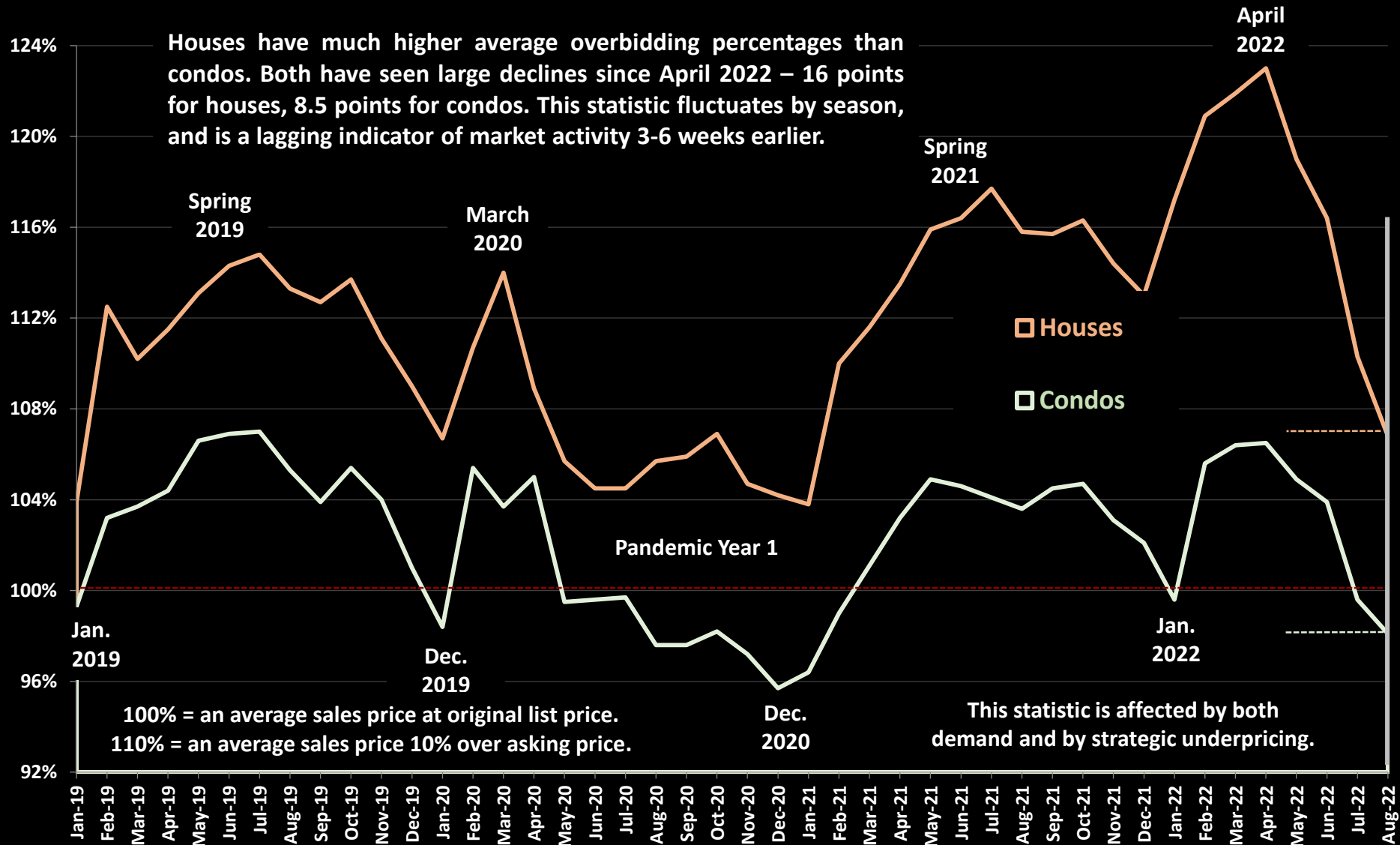


Sales data reported to NORCAL MLS® ALLIANCE, per Infosparks. Reflecting the percentage of sales closing at sales prices over the final list prices. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late-reported sales.



# Average Sales Price to Original List Price Percentage

## San Francisco Overbidding: Market Dynamics & Seasonality



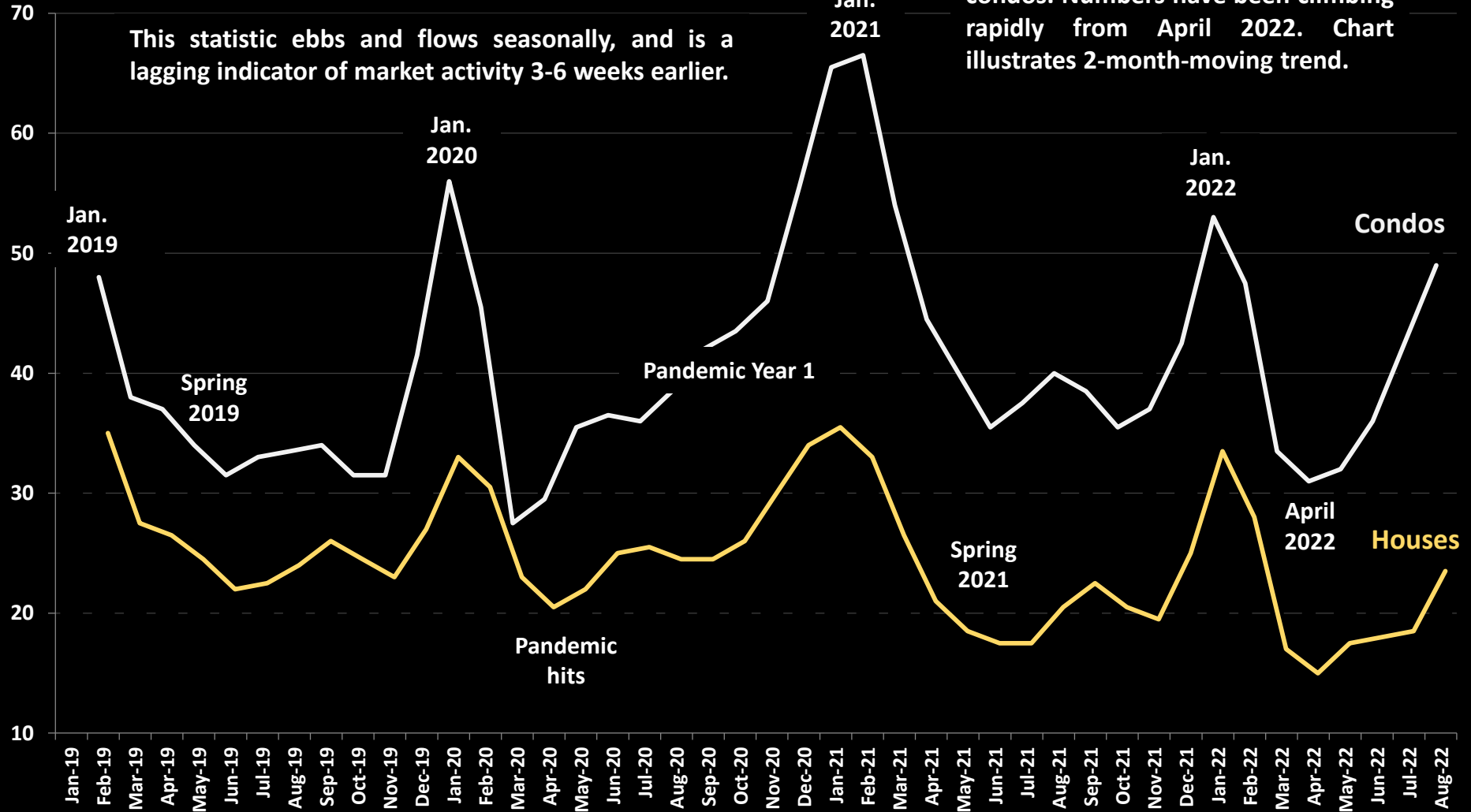
Sales reported to NorCal MLS Alliance, per Infosparks. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



# Average Days on Market

## San Francisco Market Dynamics & Seasonality

Houses have much lower average days-on-market readings than condos. Numbers have 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.

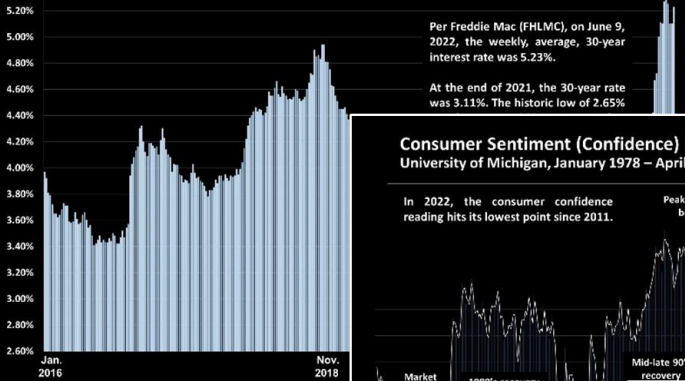




### Mortgage Interest Rate Trends, 2016 – Present

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

Rates published by the FHLMC

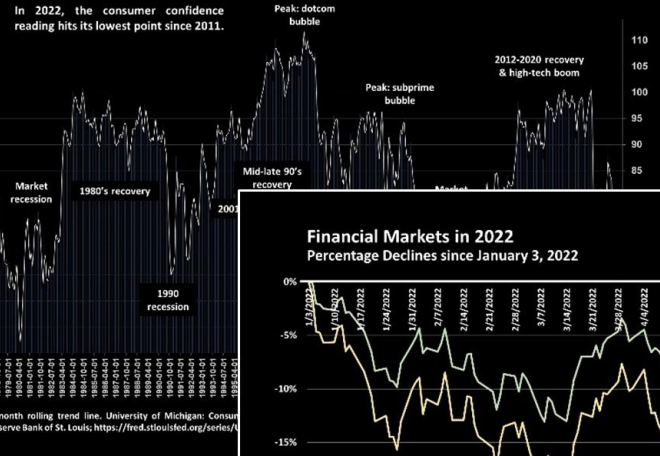


Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

### Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

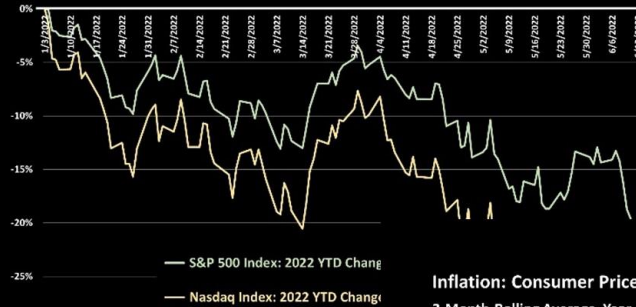
As published by the Federal Reserve Bank of St. Louis



**Click Here for Review of Selected Macroeconomic Trends**

### Financial Markets in 2022

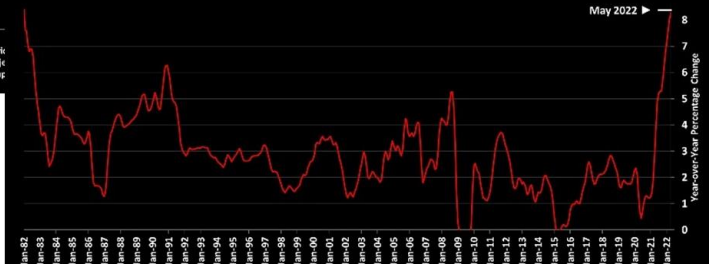
Percentage Declines since January 3, 2022



Last reading as of 6/13/22 AM. Data per MarketWatch.com, daily closing price reading. Data from source deemed reliable, but may contain errors and subject to revision. Financial markets change constantly and all numbers should be considered as approximate.

### Inflation: Consumer Price Index, 1982 – 2022\*

3-Month-Rolling Average, Year-over-Year % Change



\*3 month rolling average of Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL), retrieved from FRED, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/CPIAUCSL>, June 2022. Data from U.S. Bureau of Labor Statistics. All Items (CPIAUCSL) is a price index of a basket of goods and services paid for by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

### Factors in Bay Area Real Estate Markets

Many of these factors can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.

Interest rates    Stock markets    Inflation    Consumer confidence

Household wealth; personal, corporate, govt. debt levels    Massive, governmental economic interventions (including by the Fed); post 9/11/2001, post 9/2008, post 3/2020

Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought

Domestic & foreign migration; federal immigration policy; demographic changes

Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation    Rental market dynamics    State income tax disparities

International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash

Local, state & national politics    Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.

Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance



## **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.

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, 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.

Median Sales Price is that price at which half the properties sold for more and half for less. It may be affected by seasonality, “unusual” events, or changes in inventory and buying trends, as well as by changes in fair market value. The median sales price for an area will often conceal an enormous variety of sales prices in the underlying individual sales.

Dollar per Square Foot is based upon the home’s interior living space and does not include garages, unfinished attics and basements, rooms built without permit, patios, decks or yards (though all those can add value to a home). These figures are usually derived from appraisals or tax records, but are sometimes unreliable (especially for older homes) or unreported altogether. The calculation can only be made on those home sales that reported square footage.

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