Home Prices, and Economic Conditions & Trends Affecting Bay Area Real Estate
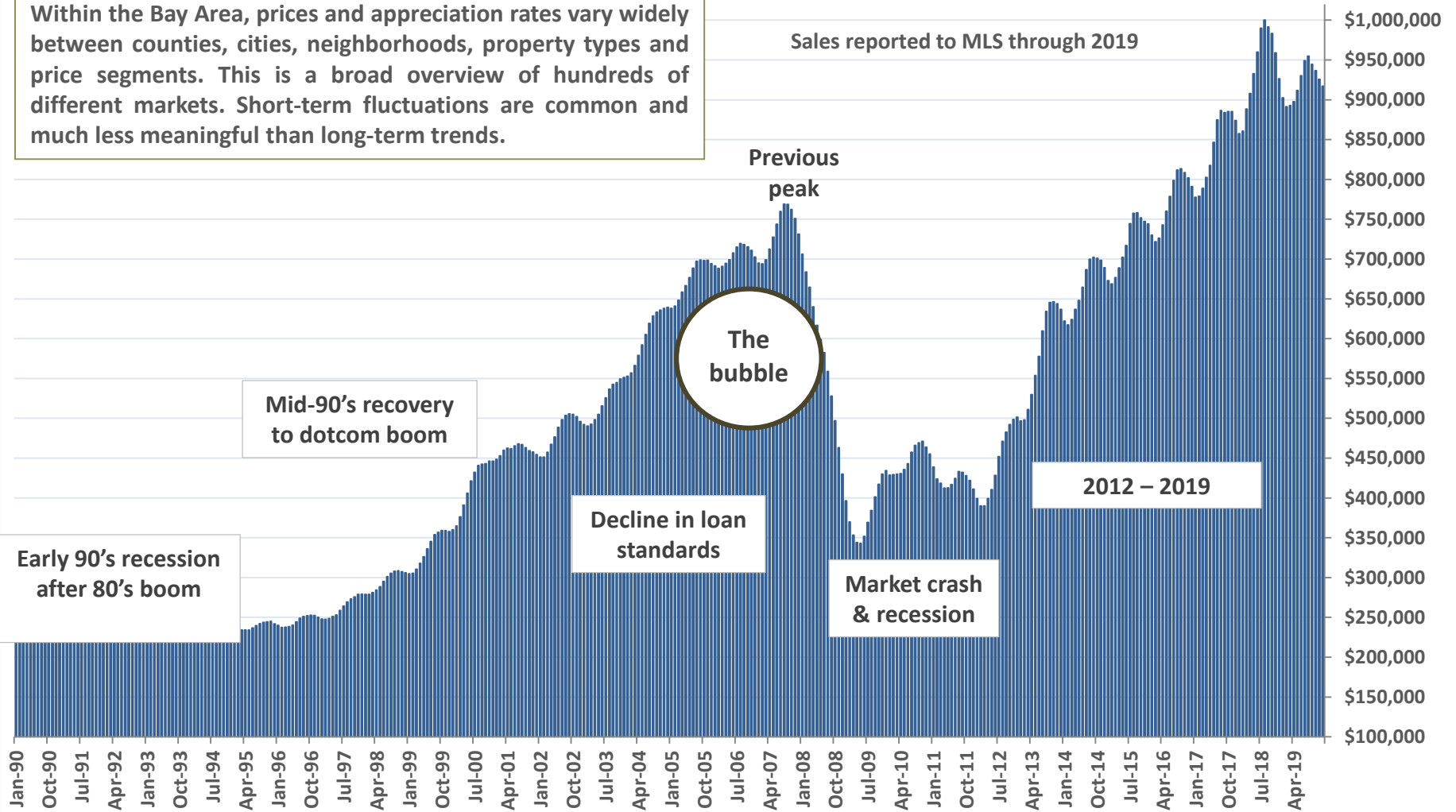
Selected Charts

There is a staggering number of economic, political, social and even ecological issues and factors constantly at play - locally, nationally and internationally - which can impact the Bay Area economy and housing market. These include home prices and affordability, interest rates, stock markets, politics, ecological disasters, employment, population, migration trends, national immigration policies, wage growth, how often people move, new home construction, consumer confidence, venture capital investment, initial public offerings, household debt, tax law changes, high-tech booms, creative financial engineering, and many others. Different analysts and economists often draw widely varying conclusions from this data.

COMPASS

Bay Area Home Price Appreciation
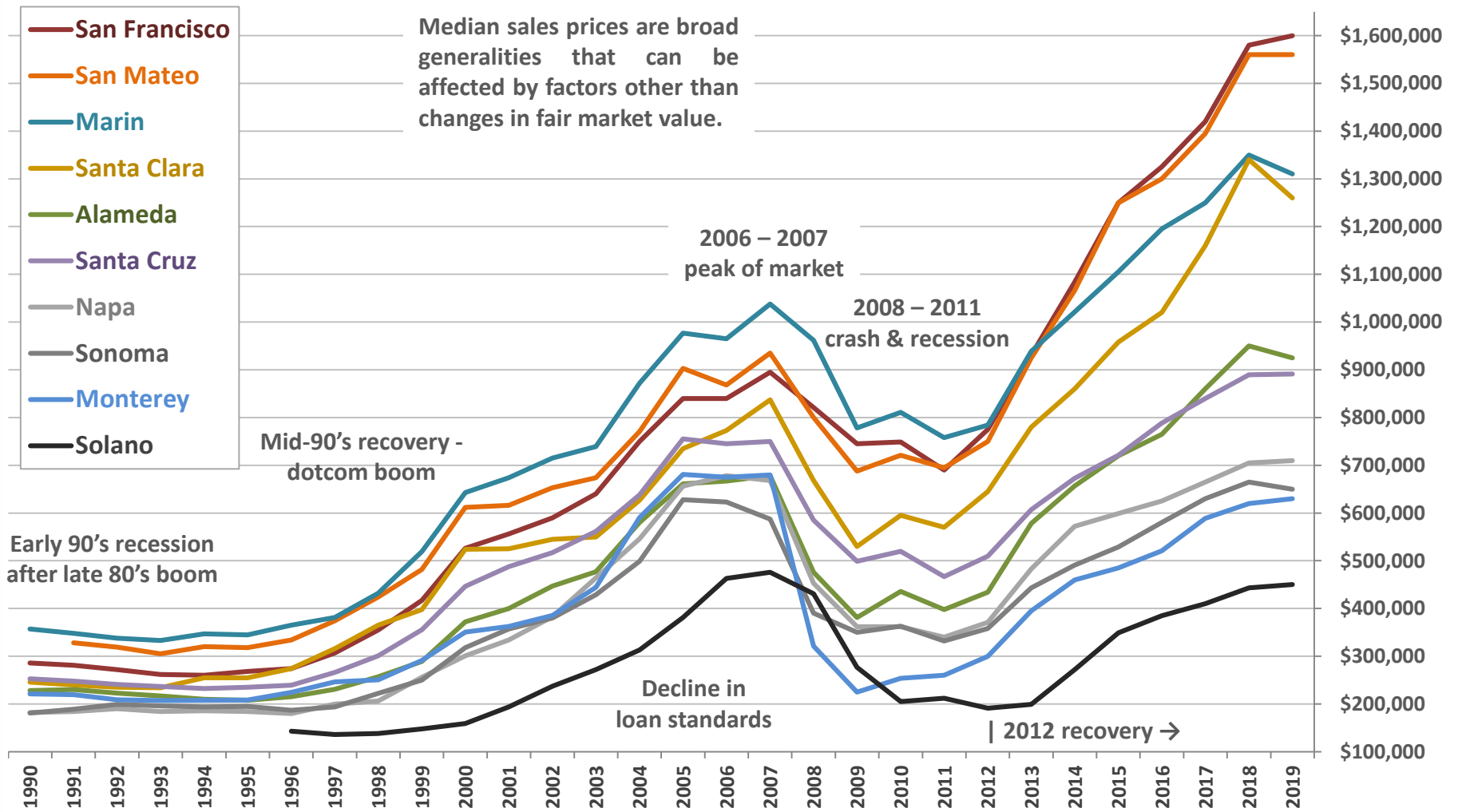## Median House Sales Prices, 1990 – Present, 6-Month Rolling Average

Within the Bay Area, prices and appreciation rates vary widely between counties, cities, neighborhoods, property types and price segments. This is a broad overview of hundreds of different markets. Short-term fluctuations are common and much less meaningful than long-term trends.

Sales reported to MLS through 2019

Previous peak

The bubble

Mid-90's recovery to dotcom boom

Decline in loan standards

Early 90's recession after 80's boom

Market crash & recession

2012 – 2019

$1,000,000
$950,000
$900,000
$850,000
$800,000
$750,000
$700,000
$650,000
$600,000
$550,000
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000

Jan-90 Oct-90 Jul-91 Apr-92 Jan-93 Oct-93 Jul-94 Apr-95 Jan-96 Oct-96 Jul-97 Apr-98 Jan-99 Oct-99 Jul-00 Apr-01 Jan-02 Oct-02 Jul-03 Apr-04 Jan-05 Oct-05 Jul-06 Apr-07 Jan-08 Oct-08 Jul-09 Apr-10 Jan-11 Oct-11 Jul-12 Apr-13 Jan-14 Oct-14 Jul-15 Apr-16 Jan-17 Oct-17 Jul-18 Apr-19

Each point reflects the 6 month rolling average of monthly median sales prices for existing houses, 9 Bay Area Counties, per CA Assoc. of Realtors. Analysis may contain errors and subject to revision. All numbers approximate.

C☉MPASS

Annual Median Bay Area House Sales Prices
Single Family Home Sales, 1990 – 2019

San Francisco
San Mateo
Marin
Santa Clara
Alameda
Santa Cruz
Napa
Sonoma
Monterey
Solano

Median sales prices are broad generalities that can be affected by factors other than changes in fair market value.

2006 – 2007 peak of market

2008 – 2011 crash & recession

Mid-90's recovery - dotcom boom

Early 90's recession after late 80's boom

Decline in loan standards

| 2012 recovery →

$1,600,000
$1,500,000
$1,400,000
$1,300,000
$1,200,000
$1,100,000
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

Sales reported to MLS. Median prices disguise an enormous variety of prices in the underlying individual sales. Data from the California Associations of Realtors Annual Historical Data Summary and local MLS associations. Deemed reliable but may contain errors and is subject to revision. All numbers should be considered approximate.

COMPASS

Potential Factors in Bay Area Real Estate Markets in 2020

Positive Factors

- The Bay Area is still the most dynamic economic and technologically innovative region in the world, continuing to generate enormous amounts of new wealth – and home to some of the most profitable companies in the world
- The Bay Area remains a magnet for many of the best and brightest around the world.
- Employment at all-time highs, with unemployment rates at all-time lows.
- Interest rates are close to historic lows, a critical issue in the cost of housing.
- Stock markets are at all-time highs increasing household wealth.
- Venture capital investment remains strong, continuing to flood the Bay Area with funding (but VC sentiment can shift quickly).
- The Bay Area is internationally considered to be one of the great metro areas of the world, financially, culturally and for sheer beauty.

Negative Factors

- Highest housing costs in the nation = huge political, social and economic issues.
- Increasing out-migration of working residents, retirees and businesses.
- National policies negatively affecting foreign immigration and investment.
- Highest state income taxes in the country, competing against no-income-tax states with their own high-tech centers or retiree-attractive communities.
- Recent federal income tax laws negatively impact ongoing cost of housing for more expensive markets in Bay Area.
- High local taxes and regulatory costs for businesses.
- Consumer, corporate, national government and international debt levels at all-time highs - and increasing. Debt typically plays a large role in negative economic adjustments.
- Possible signs of over-exuberance in financial markets after a long economic up-cycle.
- Potential for increased international conflict, politically & economically.
- Climate change/ecological issues.

COMPASS

Reduction in Supply

San Francisco New-Listing Volumes, since 2005

12-month-rolling house new-listing totals as reported to MLS, per Infosparks
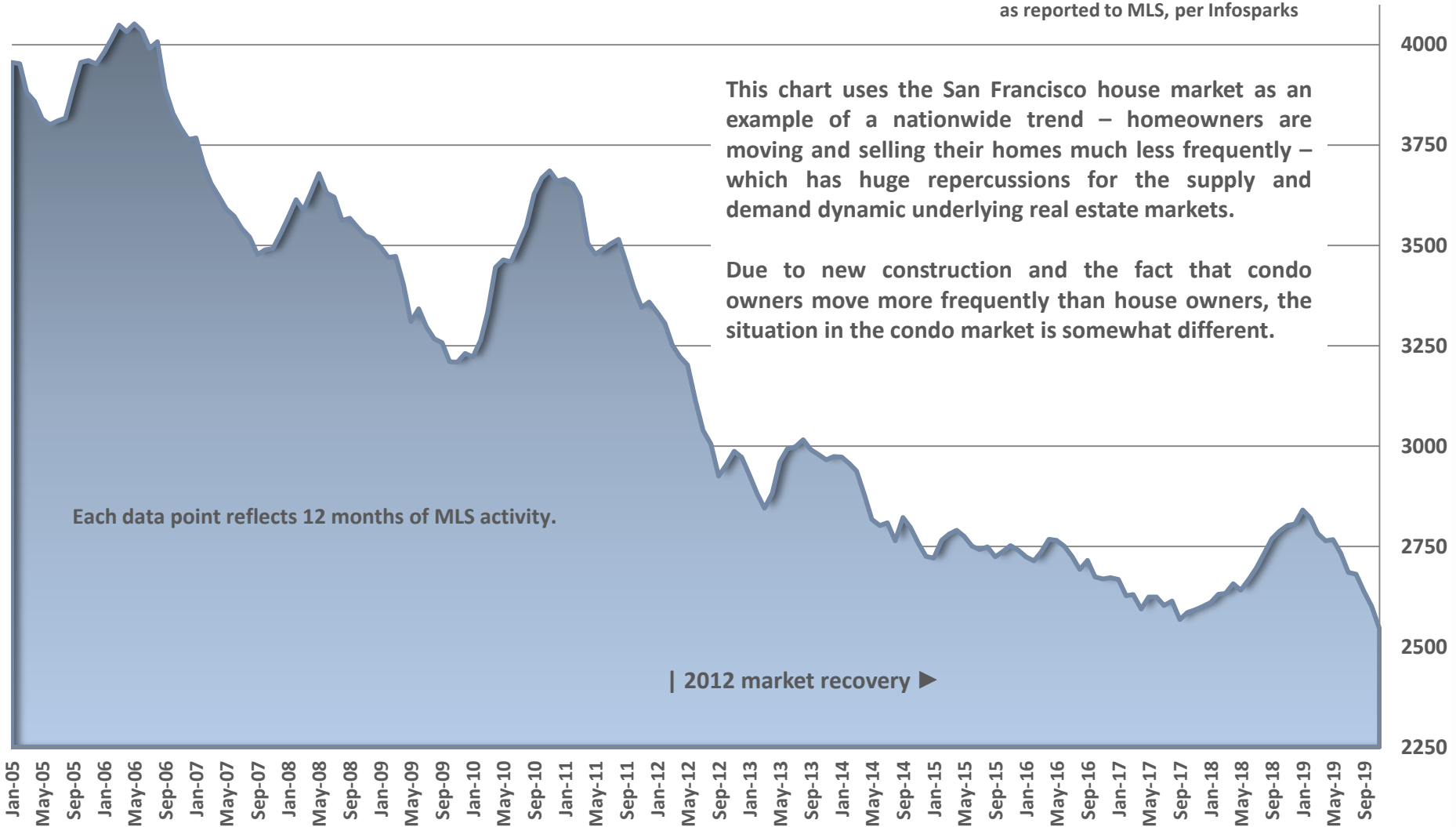
This chart uses the San Francisco house market as an example of a nationwide trend – homeowners are moving and selling their homes much less frequently – which has huge repercussions for the supply and demand dynamic underlying real estate markets.

Due to new construction and the fact that condo owners move more frequently than house owners, the situation in the condo market is somewhat different.

Each data point reflects 12 months of MLS activity.

| 2012 market recovery ►

COMPASS

San Francisco Bay Area Employment Trends

Number of Employed Residents since 2000

Per California Employment Development Dept. (EDD)

Employment Numbers by Month
January 2000 to November 2019

San Francisco, Marin, Alameda, Contra Costa, San Mateo & Santa Clara Counties
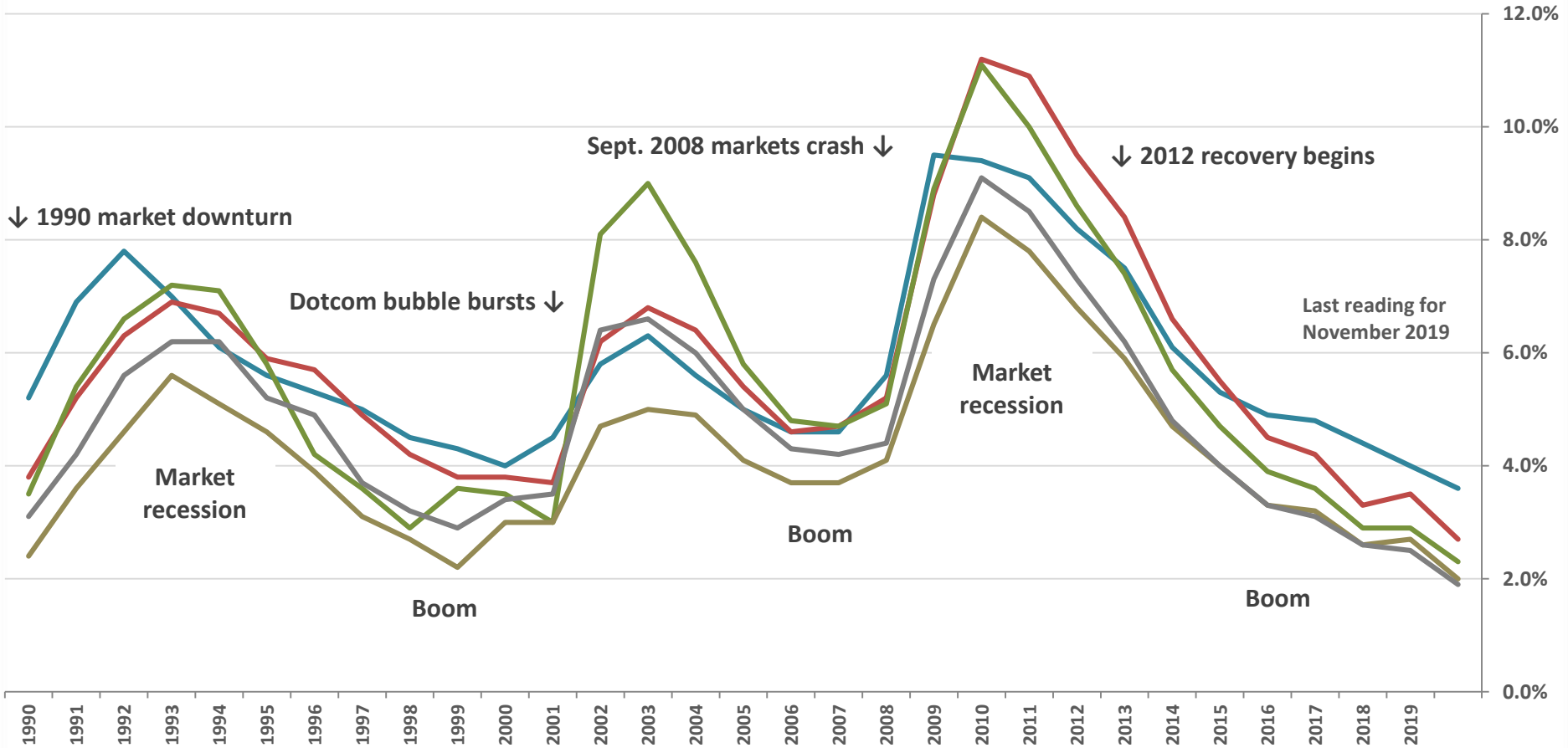

Peak - dotcom bubble

2007 – 2008 peak
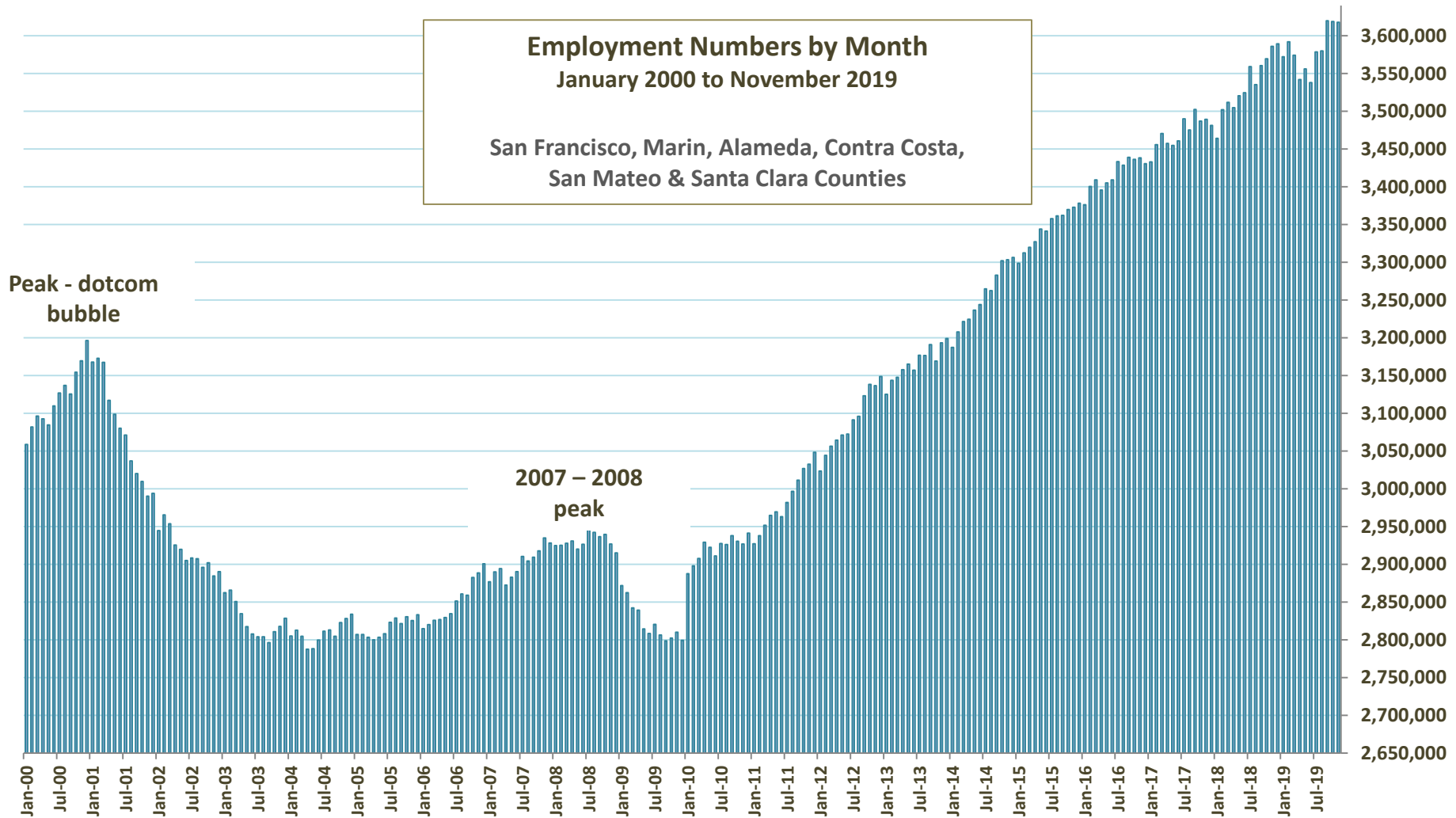
EDD data 6 inner Bay Area Counties. Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision.

C◯MPASS

Bay Area Unemployment Rates
Selected Bay Area Counties, January Data Points, 1990 – 2019

United States   **Alameda & Contra Costa**   **Santa Clara**
Marin   **San Francisco & San Mateo**

↓ 1990 market downturn

Dotcom bubble bursts ↓

Sept. 2008 markets crash ↓

↓ 2012 recovery begins

Last reading for November 2019

Market recession

Boom

Boom

Market recession

Boom

Per CA EDD and other sources. January data points except for last reading. Data from sources deemed reliable, but may contain errors and subject to revision.

COMPASS

Mortgage Interest Rate Trends, 2016 – 2019
30-Year Conforming Loans, Weekly Average Readings

Freddie Mac (FHLMC) currently forecasts an average annual interest rate of 3.8% for both 2020 & 2021.

2016 election↑

Per Freddie Mac, on December 26, 2019, the weekly average 30-year interest rate was 3.74%, down from 4.94% in November 2018.

The all-time low of 3.3% was hit in 2013. In 2007, the average was 6.3%.

| January 2016 | January 2017 | January 2018 | January 2019 |
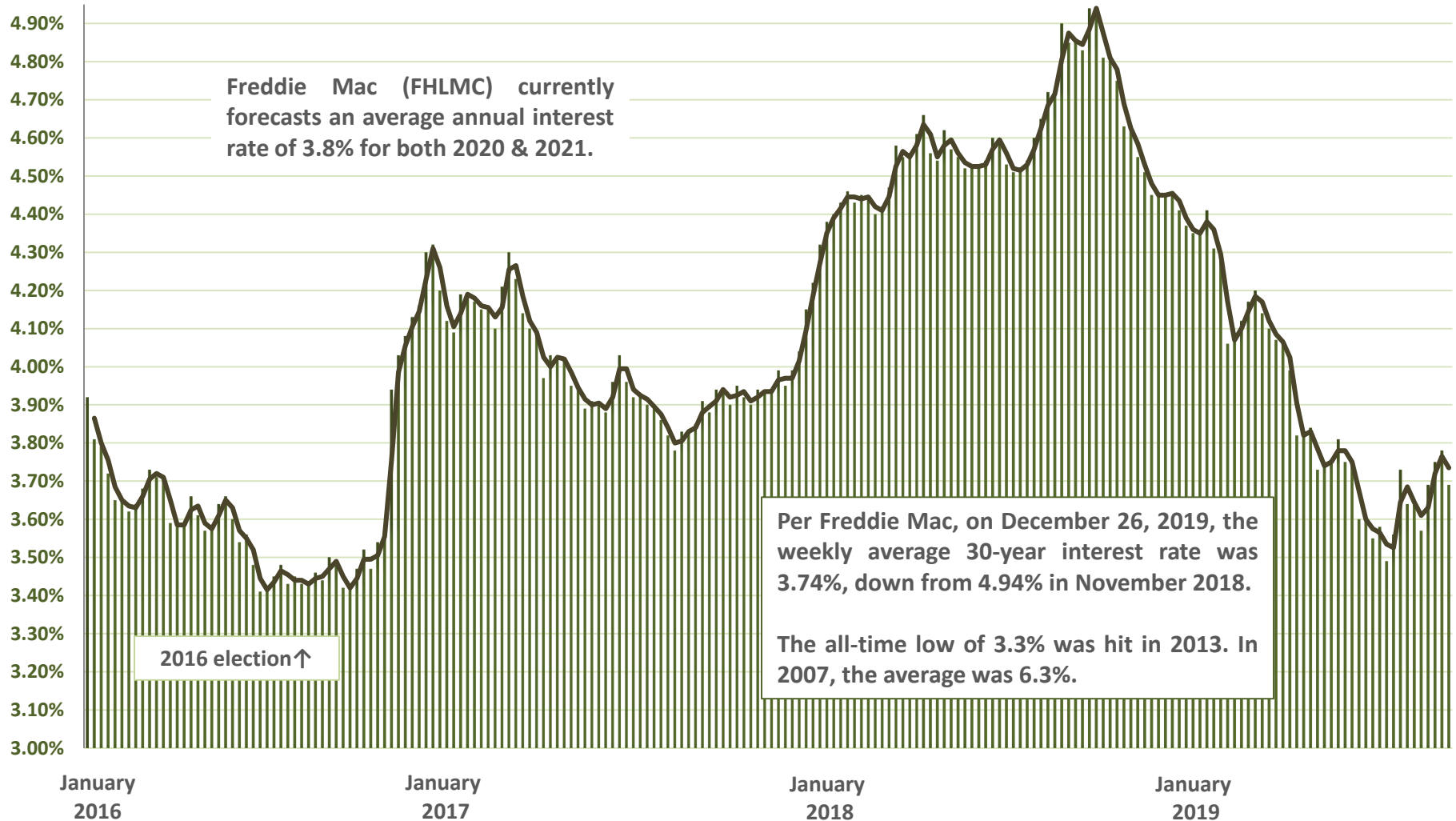
Interest rates may fluctuate suddenly and dramatically, and it is very difficult to predict rate changes. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.

COMPASS

Average Annual Interest Rates
30-Year Conforming Loans, by Year, 1981 – Present

1981, 16.60%

1985, 12.40%

1989, 10.30%

1993, 7.3%

1997, 7.6%

2001, 7.0%

2007, 6.3%

2011, 4.5%

2016, 3.7%

2018, 4.6%

Low, 3.3%

2019, 3.9%

Per Freddie Mac (FHLMC), the weekly average 30-year interest rate on 12/26/19 was 3.74%. FHLMC currently forecasts an average annual interest rate of 3.8% for both 2020 & 2021.
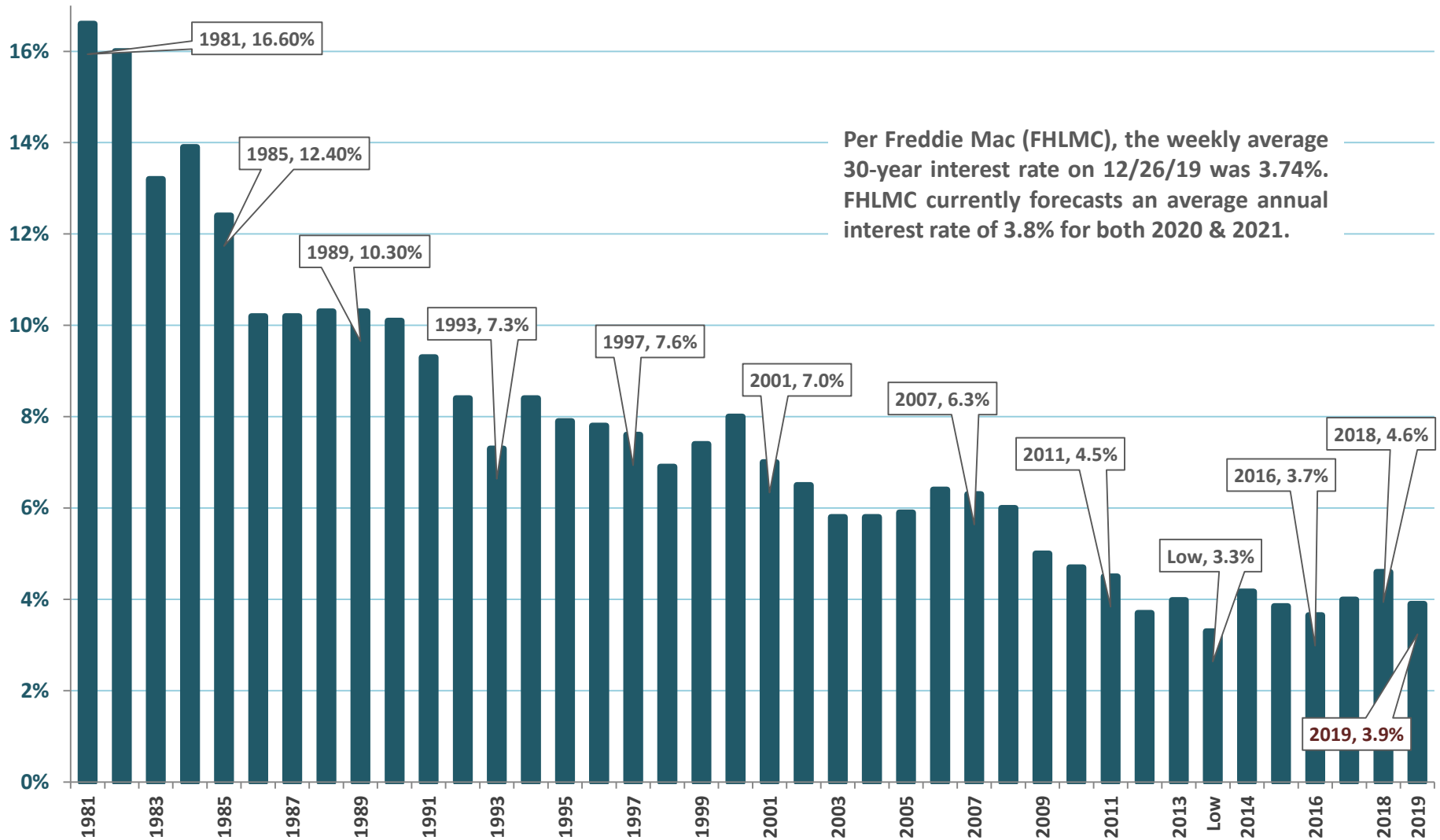
Interest rates may fluctuate suddenly and dramatically. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and accountant.

COMPASS

Average Length of U.S. Homeownership
Average Number of Years between Purchase & Sale

If homeowners stay in their homes longer and move less often, it reduces the number of homes listed at any given time, which typically adds upward pressure on prices as buyers increasingly compete for fewer homes available to purchase.

According to this analysis, the average tenure of homeownership in the San Francisco metro area was over 10 years in 2019 (i.e. exceeding the national average).
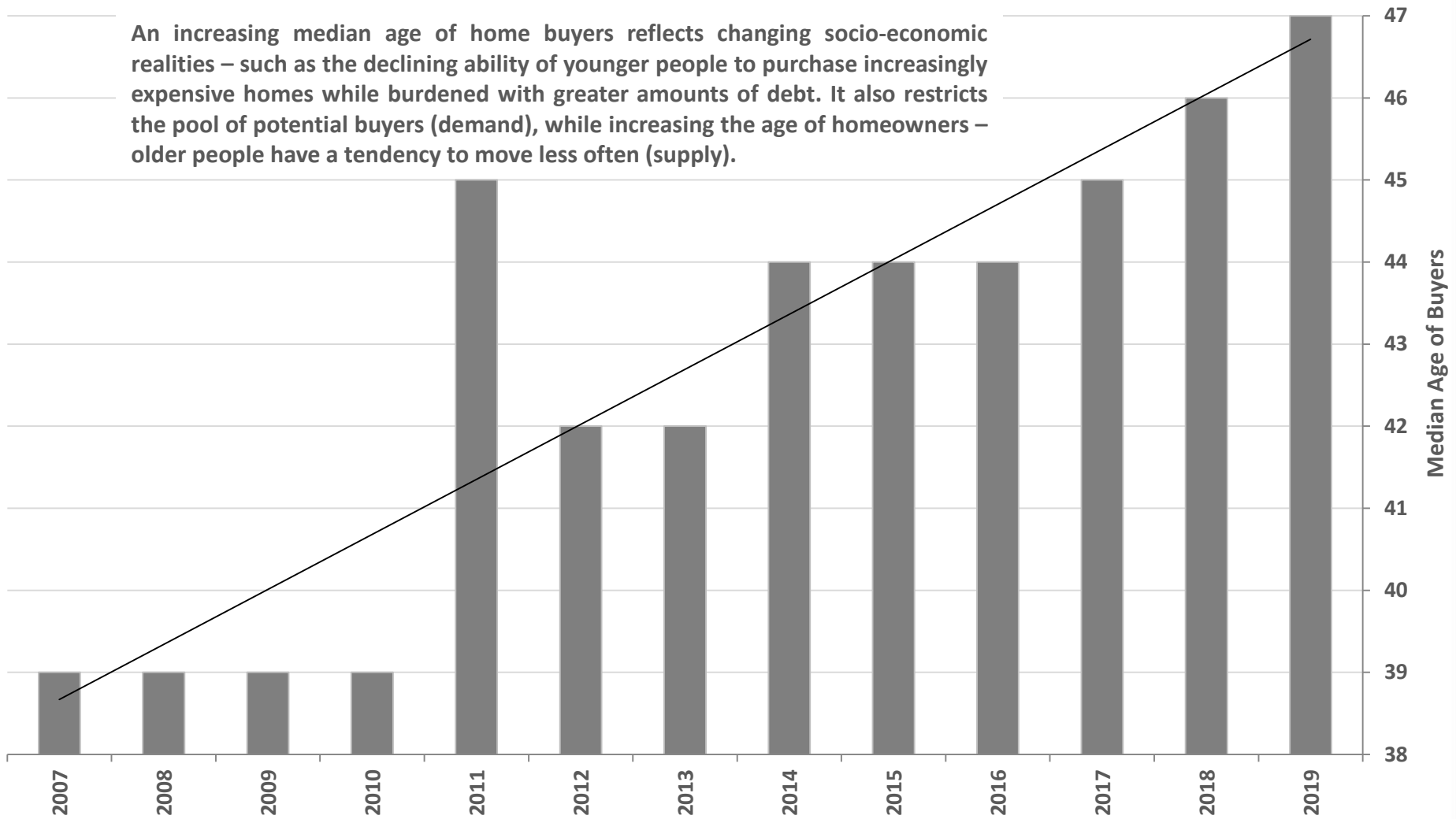

Average Number of Years

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
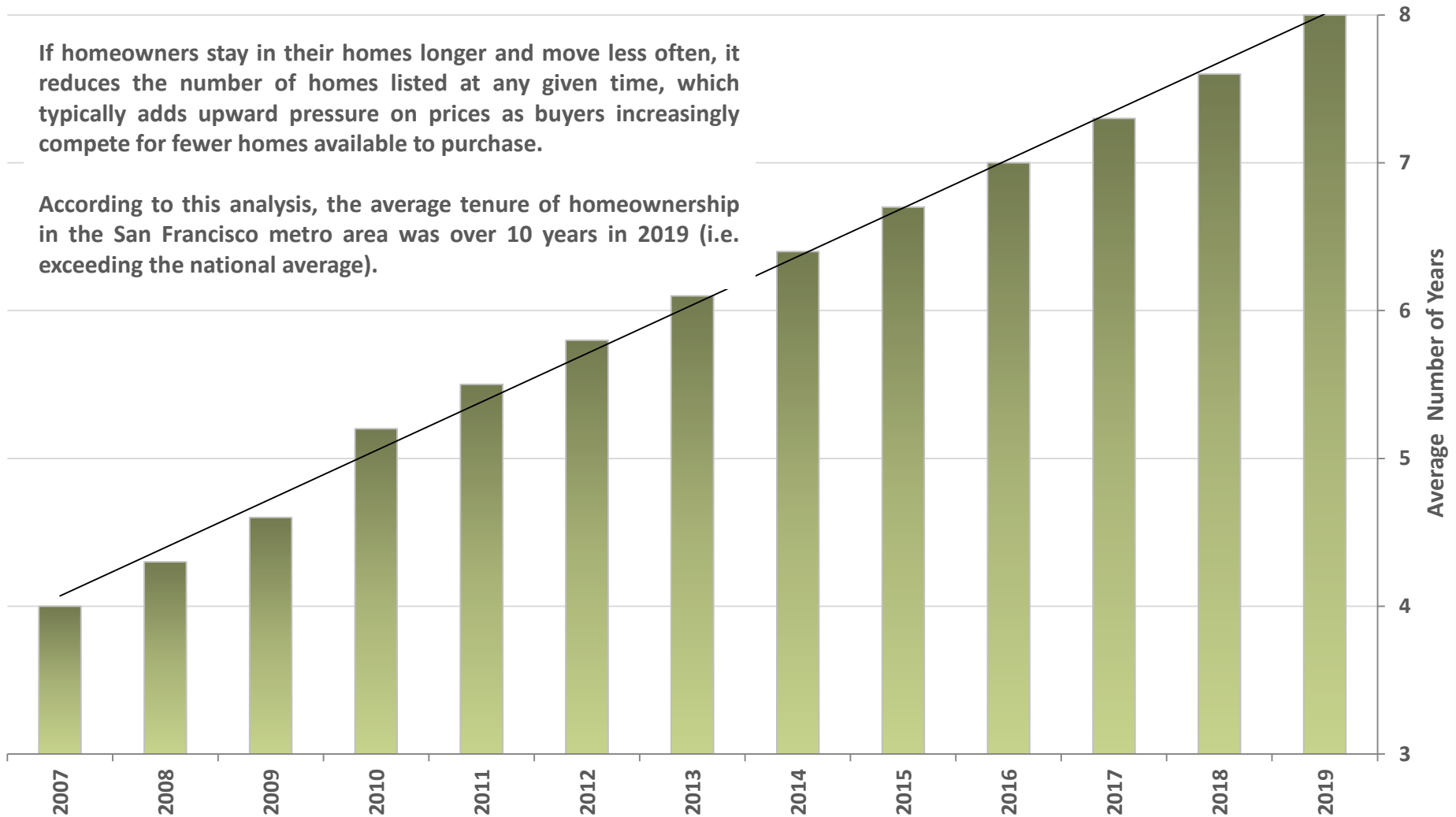
Smoothed annual trend line – using only begin and end data, 2007 and 2019 – of quarterly analysis by Attom Data Solutions. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.

COMPASS

Median Age of Home Buyers
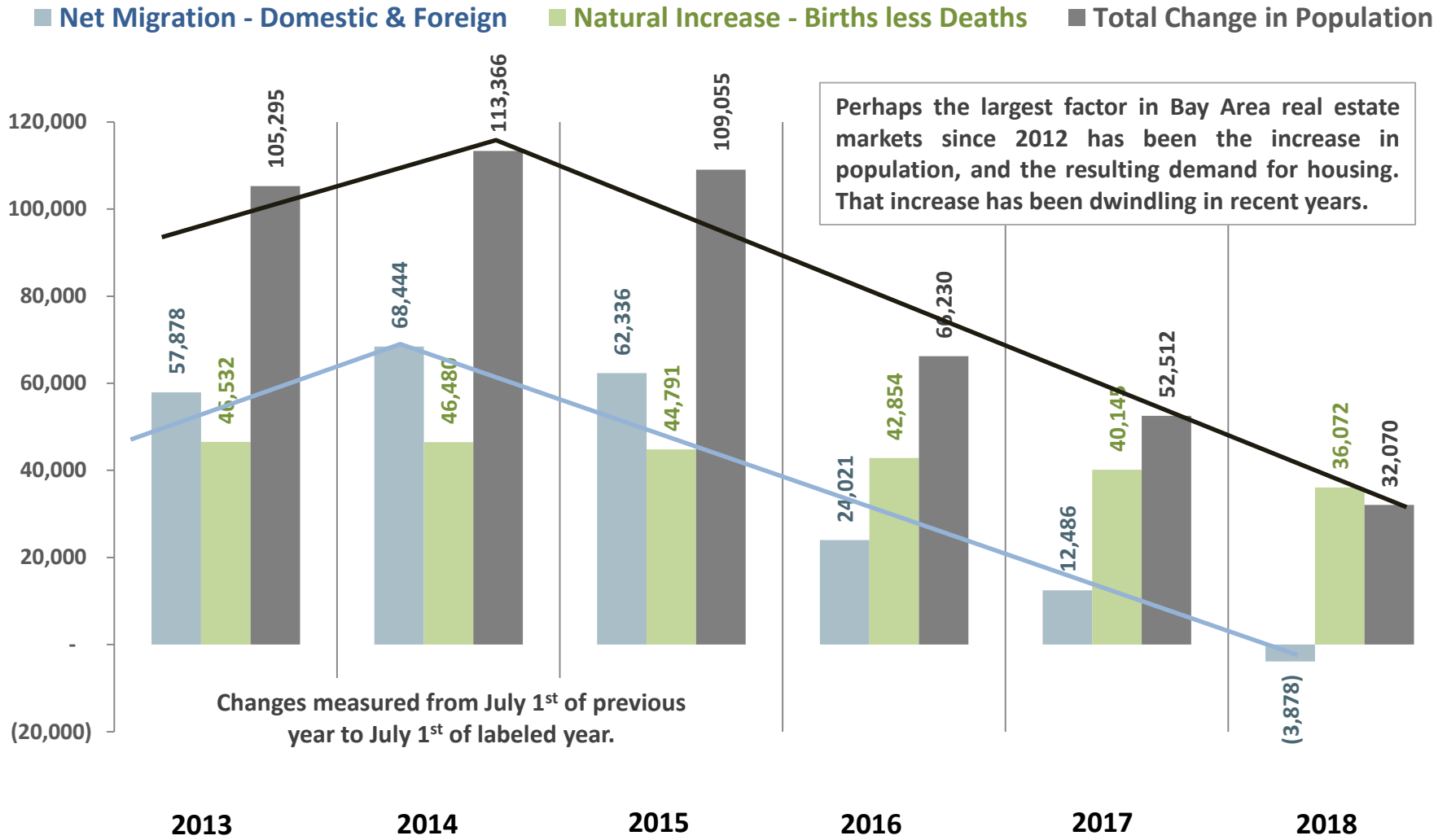## Average Number of Years between Purchase & Sale

An increasing median age of home buyers reflects changing socio-economic realities – such as the declining ability of younger people to purchase increasingly expensive homes while burdened with greater amounts of debt. It also restricts the pool of potential buyers (demand), while increasing the age of homeowners – older people have a tendency to move less often (supply).

Median Age of Buyers (y-axis, right: 38, 39, 40, 41, 42, 43, 44, 45, 46, 47)

Years (x-axis): 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019

COMPASS

San Francisco-San Jose Combined Metro Statistical Area

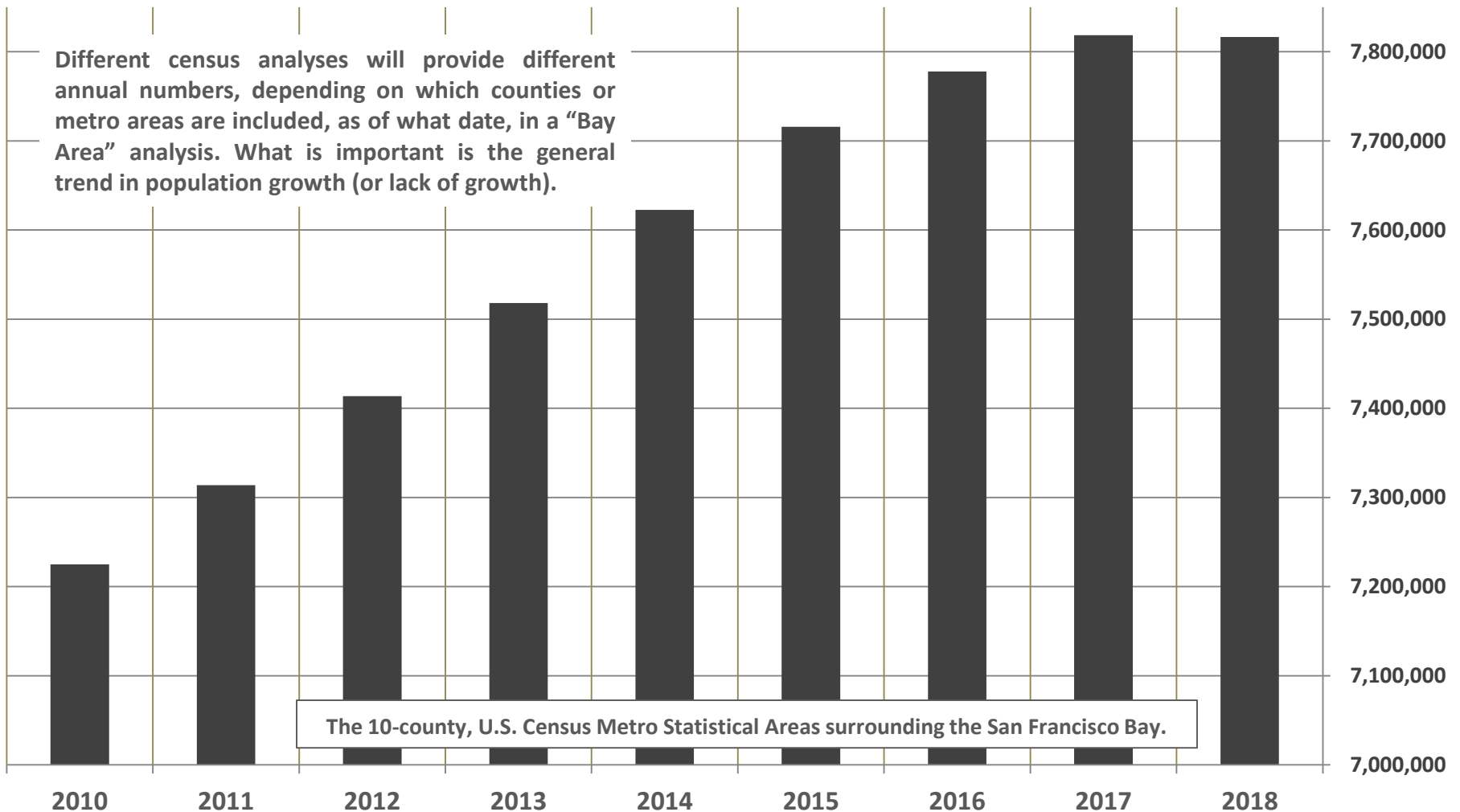## Bay Area Annual Population Changes – 7 Counties – Census Estimates

■ **Net Migration - Domestic & Foreign**   ■ **Natural Increase - Births less Deaths**   ■ **Total Change in Population**

Perhaps the largest factor in Bay Area real estate markets since 2012 has been the increase in population, and the resulting demand for housing. That increase has been dwindling in recent years.

Changes measured from July 1st of previous year to July 1st of labeled year.

	2013	2014	2015	2016	2017	2018
Net Migration	57,878	68,444	62,336	24,021	12,486	(3,878)
Natural Increase	46,532	46,480	44,791	42,854	40,142	36,072
Total Change	105,295	113,366	109,055	66,230	52,512	32,070

COMPASS

Bay Area (10 Counties) Population Trends since 2010
U.S. Census Estimates for July 1st of Each Year

Different census analyses will provide different annual numbers, depending on which counties or metro areas are included, as of what date, in a "Bay Area" analysis. What is important is the general trend in population growth (or lack of growth).

The 10-county, U.S. Census Metro Statistical Areas surrounding the San Francisco Bay.

	2010	2011	2012	2013	2014	2015	2016	2017	2018

Y-axis: 7,000,000 to 7,800,000

COMPASS

Foreign National Homebuyers in America
Estimated Dollar Volume Sales in Billions, Top 5 Countries

International Homebuyer Purchases in Billions of Dollars

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019

Years designated reflect estimated sales from April of the previous year through March of the year specified: Purchases by resident and non-resident foreign nationals.

In the latest 12-month period, California was the top destination of Chinese buyers (34%), #2 for UK (20%) & Mexican (10%), #3 for Indian buyers (10%)

Since the current administration came into office in January 2017, purchases by foreign nationals have declined by approximately 49%: A variety of economic and political factors are at play.
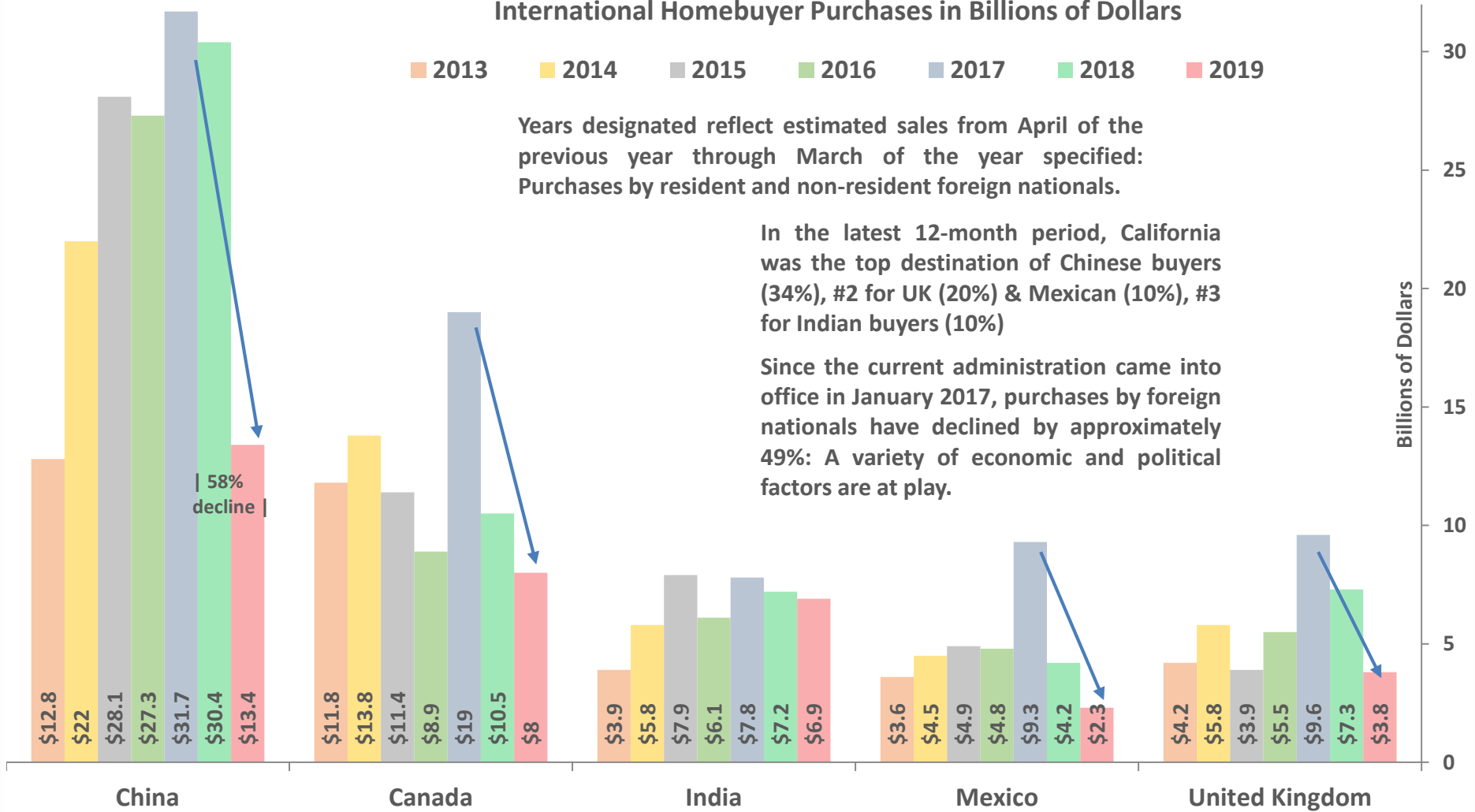
| 58% decline |

Billions of Dollars

China: $12.8, $22, $28.1, $27.3, $31.7, $30.4, $13.4

Canada: $11.8, $13.8, $11.4, $8.9, $19, $10.5, $8

India: $3.9, $5.8, $7.9, $6.1, $7.8, $7.2, $6.9

Mexico: $3.6, $4.5, $4.9, $4.8, $9.3, $4.2, $2.3

United Kingdom: $4.2, $5.8, $3.9, $5.5, $9.6, $7.3, $3.8

COMPASS

S&P 500 Stock Index, January 1994 – December 31, 2019

January Opening Values except as specified

Market fluctuations between illustrated data points were common and sometimes very dramatic.

12/31/19 close →

2018 peak →

Q4 2018

2016 election ↓

2008 markets crash ↓

2000 peak →

2007 peak →
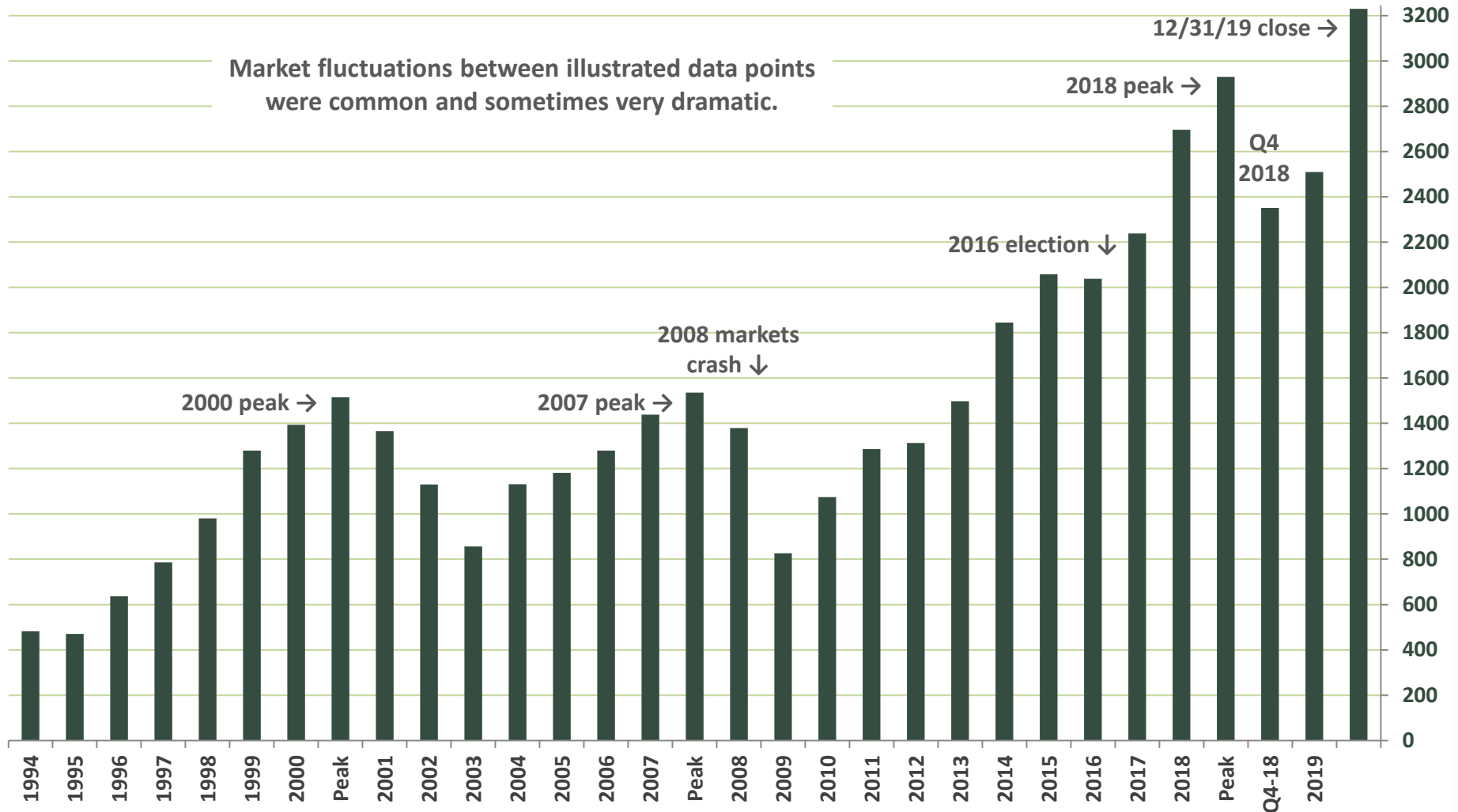
An approximate illustration only. January opening value data points except as noted in horizontal axis. Data from sources deemed reliable but may contain errors and subject to revision. Financial markets can be prone to significant volatility even on a short-term basis.

COMPASS

Bay Area Deal Activity & Venture Capital Investment

2012 to Present, by Quarter

The Bay Area currently receives the lion's share of venture capital investment in the United States, injecting an enormous amount of new money into its economy.
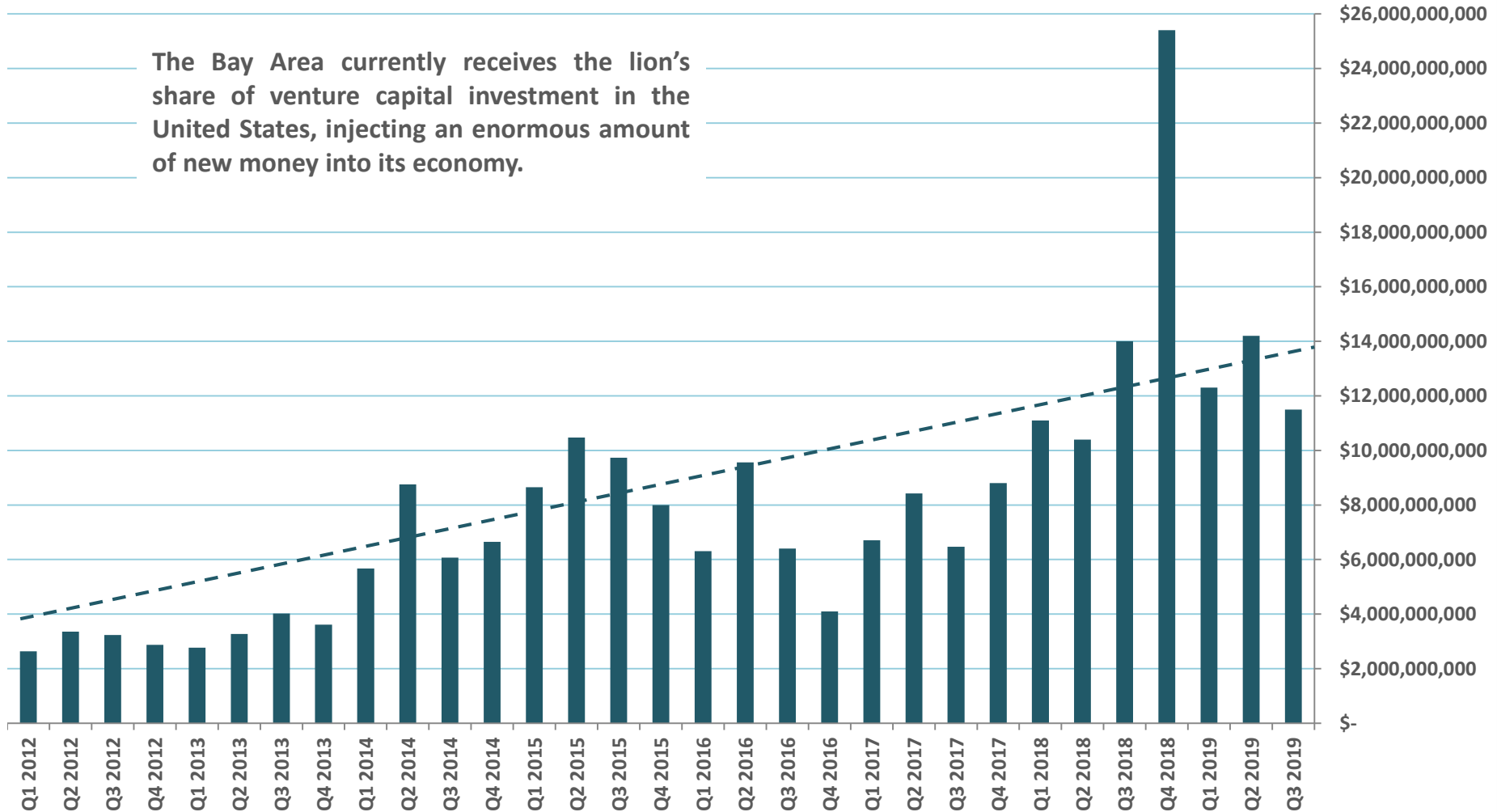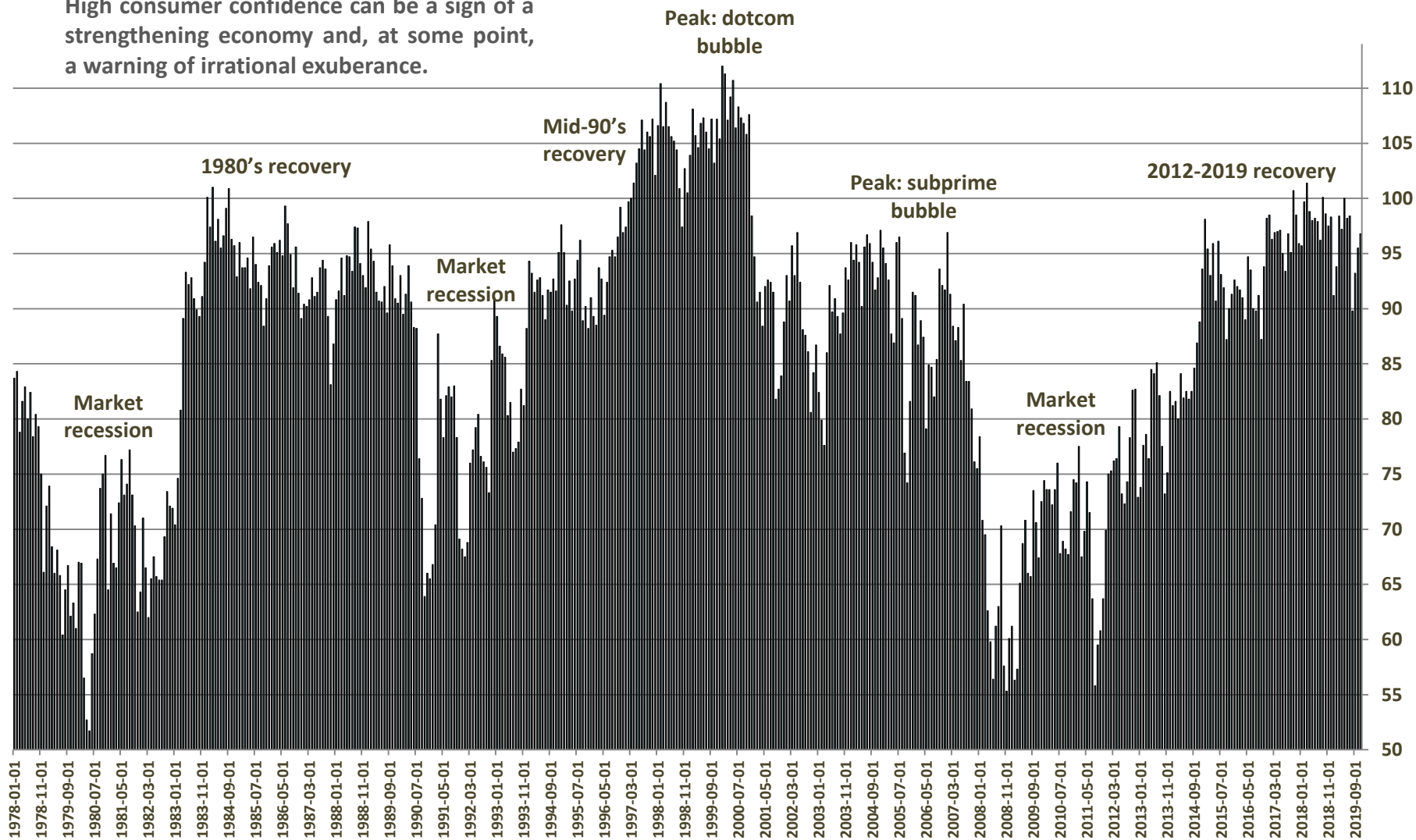
COMPASS

Consumer Sentiment (Confidence) Index
University of Michigan, January 1978 – November 2019

As published by the Federal Reserve Bank of St. Louis

High consumer confidence can be a sign of a strengthening economy and, at some point, a warning of irrational exuberance.

Peak: dotcom bubble

Mid-90's recovery

1980's recovery

Peak: subprime bubble

2012-2019 recovery

Market recession

Market recession

Market recession

University of Michigan: Consumer Sentiment [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/UMCSENT, August 11, 2018. Not seasonally adjusted. 1966, Q1 = 100.
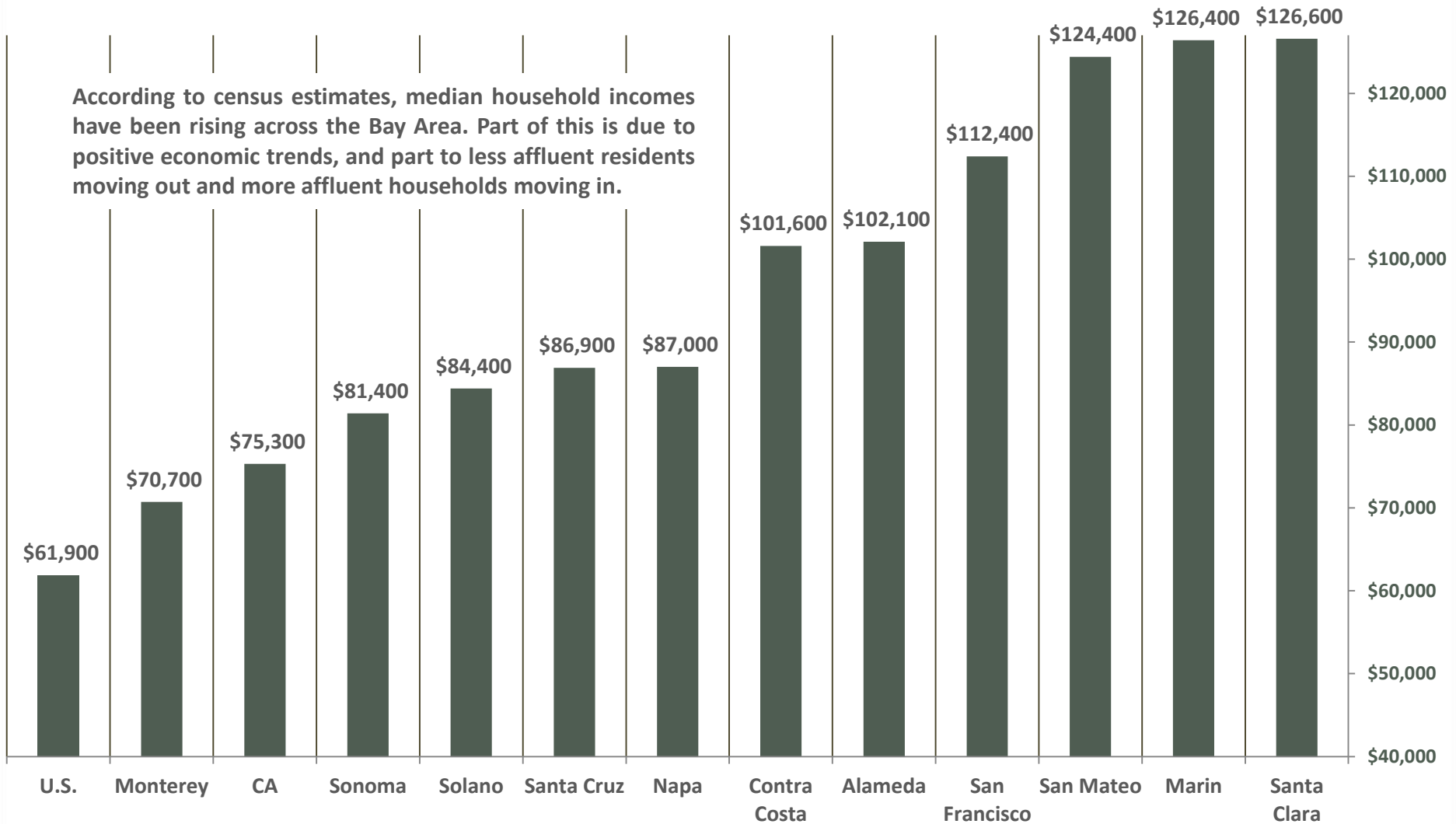
COMPASS

Median Household Income

by Bay Area County, 2018 U.S. Census Estimates

Per U.S. Census ACS 1-year estimates

According to census estimates, median household incomes have been rising across the Bay Area. Part of this is due to positive economic trends, and part to less affluent residents moving out and more affluent households moving in.
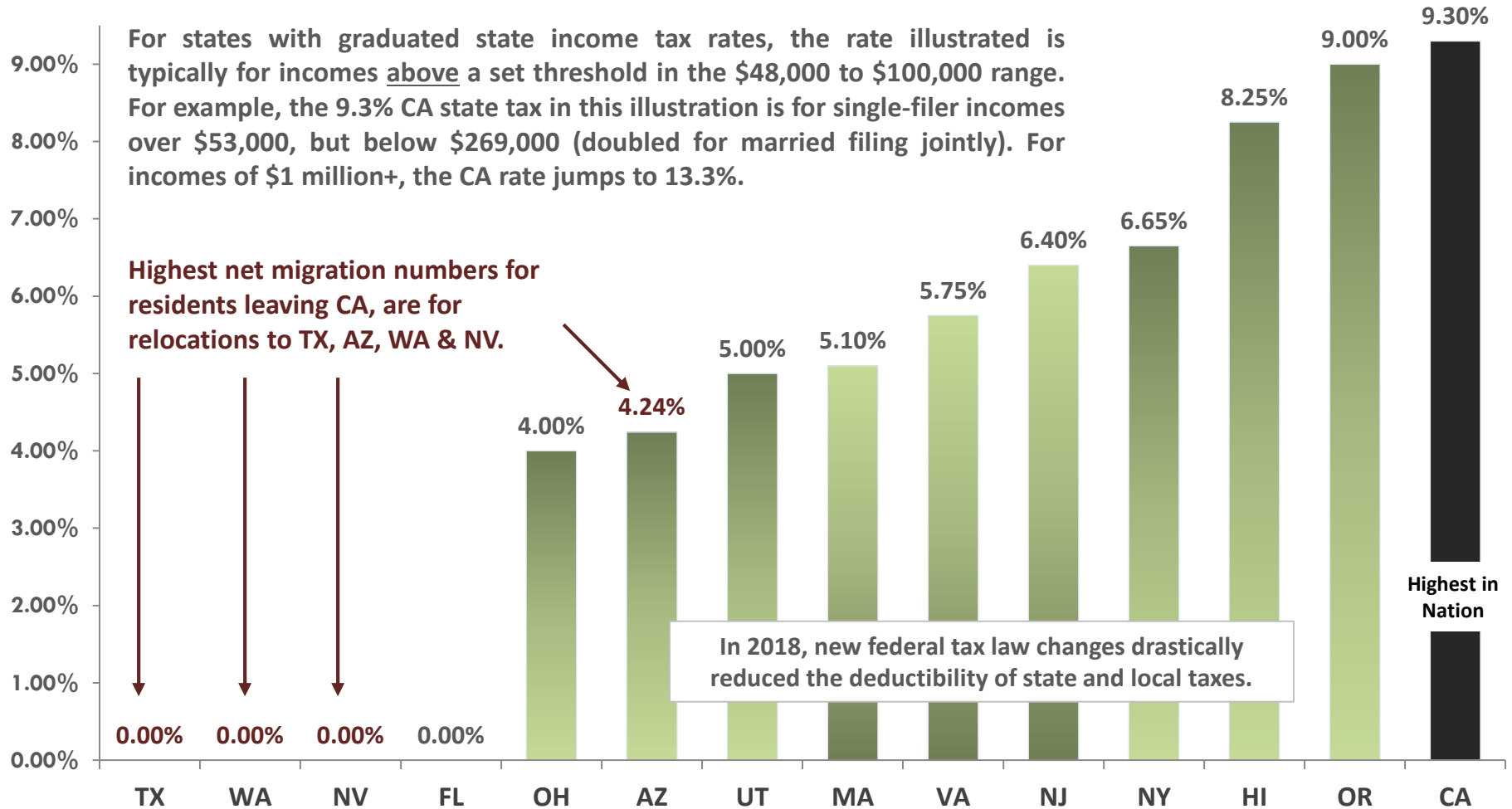

County	Median Household Income
U.S.	$61,900
Monterey	$70,700
CA	$75,300
Sonoma	$81,400
Solano	$84,400
Santa Cruz	$86,900
Napa	$87,000
Contra Costa	$101,600
Alameda	$102,100
San Francisco	$112,400
San Mateo	$124,400
Marin	$126,400
Santa Clara	$126,600

COMPASS

State Income Tax Rates

Selected States, Approximate Rates

For states with graduated state income tax rates, the rate illustrated is typically for incomes **above** a set threshold in the $48,000 to $100,000 range. For example, the 9.3% CA state tax in this illustration is for single-filer incomes over $53,000, but below $269,000 (doubled for married filing jointly). For incomes of $1 million+, the CA rate jumps to 13.3%.

Highest net migration numbers for residents leaving CA, are for relocations to TX, AZ, WA & NV.

In 2018, new federal tax law changes drastically reduced the deductibility of state and local taxes.

Highest in Nation

State	Rate
TX	0.00%
WA	0.00%
NV	0.00%
FL	0.00%
OH	4.00%
AZ	4.24%
UT	5.00%
MA	5.10%
VA	5.75%
NJ	6.40%
NY	6.65%
HI	8.25%
OR	9.00%
CA	9.30%

COMPASS

Percentage of Households Able to Afford Median Priced House

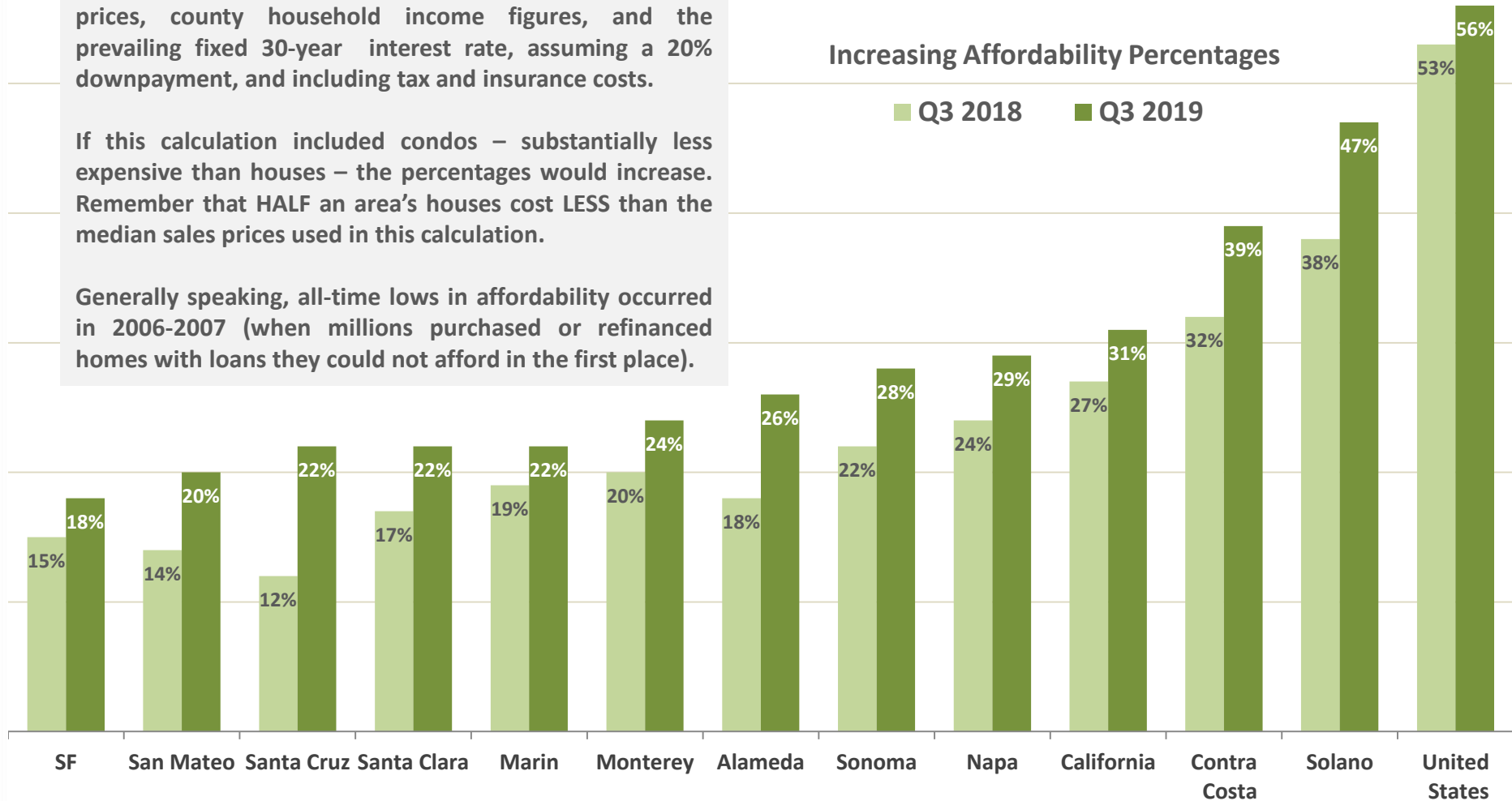## by Bay Area County, Q3 2018 vs. Q3 2019

This statistic is calculated using Q3 median house sales prices, county household income figures, and the prevailing fixed 30-year interest rate, assuming a 20% downpayment, and including tax and insurance costs.

If this calculation included condos – substantially less expensive than houses – the percentages would increase. Remember that HALF an area's houses cost LESS than the median sales prices used in this calculation.

Generally speaking, all-time lows in affordability occurred in 2006-2007 (when millions purchased or refinanced homes with loans they could not afford in the first place).

Increasing Affordability Percentages

- Q3 2018
- Q3 2019

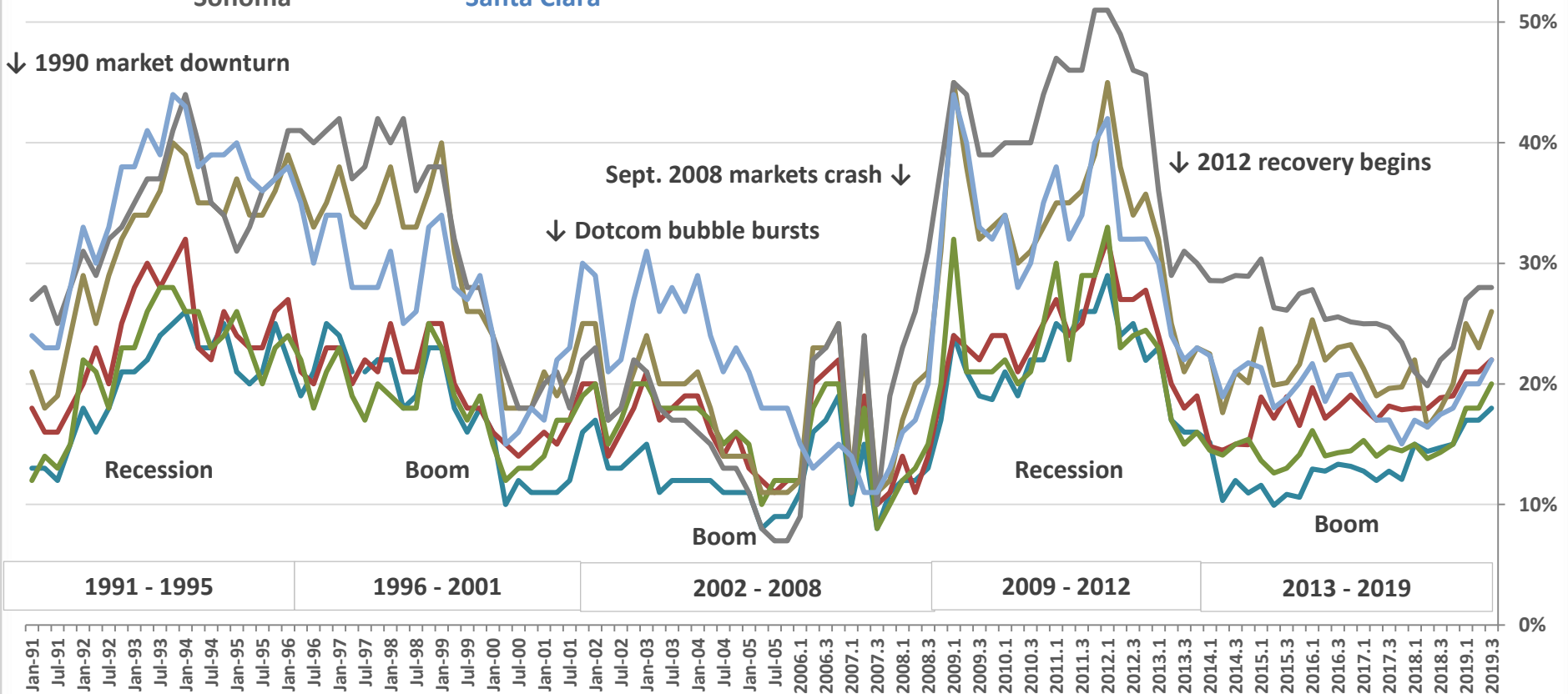| County	Q3 2018	Q3 2019
SF	15%	18%
San Mateo	14%	20%
Santa Cruz	12%	22%
Santa Clara	17%	22%
Marin	19%	22%
Monterey	20%	24%
Alameda	18%	26%
Sonoma	22%	28%
Napa	24%	29%
California	27%	31%
Contra Costa	32%	39%
Solano	38%	47%
United States	53%	56%

COMPASS

Bay Area Housing Affordability Trends
Selected Bay Area Counties, 1991 – Q3 2019

Per CAR Housing
Affordability Index

Legend:
- San Francisco
- Marin
- San Mateo
- Alameda
- Sonoma
- Santa Clara

The Housing Affordability Index measures the percentage of households that can afford to buy the median priced house. The big factors are median sales price, mortgage interest rates, and household income distribution. The lower the percentage, the less affordable the housing.

↓ 1990 market downturn

Sept. 2008 markets crash ↓

↓ Dotcom bubble bursts

↓ 2012 recovery begins

Recession

Boom

Boom

Recession

Boom

| 1991 - 1995 | 1996 - 2001 | 2002 - 2008 | 2009 - 2012 | 2013 - 2019 |

Data from sources deemed reliable, but may contain errors and subject to revision. The methodology for CAR Housing Affordability Index calculations can be found here: https://www.car.org/en/marketdata/data/haimethodology

COMPASS

National Housing Affordability Index

by Metro Statistical Area (MSA)

A value of 100 = a median-income family has 100% of income to qualify for an 80% loan on a median-price house. A value of 64 (SF Metro Area) = a family earning the median income has only 64% of the income required, and a value of 153 (Austin Metro) = 153% of the needed income.

| ← Least Affordable   Most Affordable → |

The 2 Bay Area metro areas – comprising 7 counties – are among the least affordable in the nation.

MSA	Index
San Jose	51
Honolulu	62
San Francisco	64
San Diego	72
Miami	96
Seattle	103
Denver	109
Portland	114
Sacramento	116
Boston	117
Las Vegas	120
Salt Lake	129
Phoenix	141
Austin	153
Houston	164
Atlanta	183
Kansas City	204
Cincinnati	237
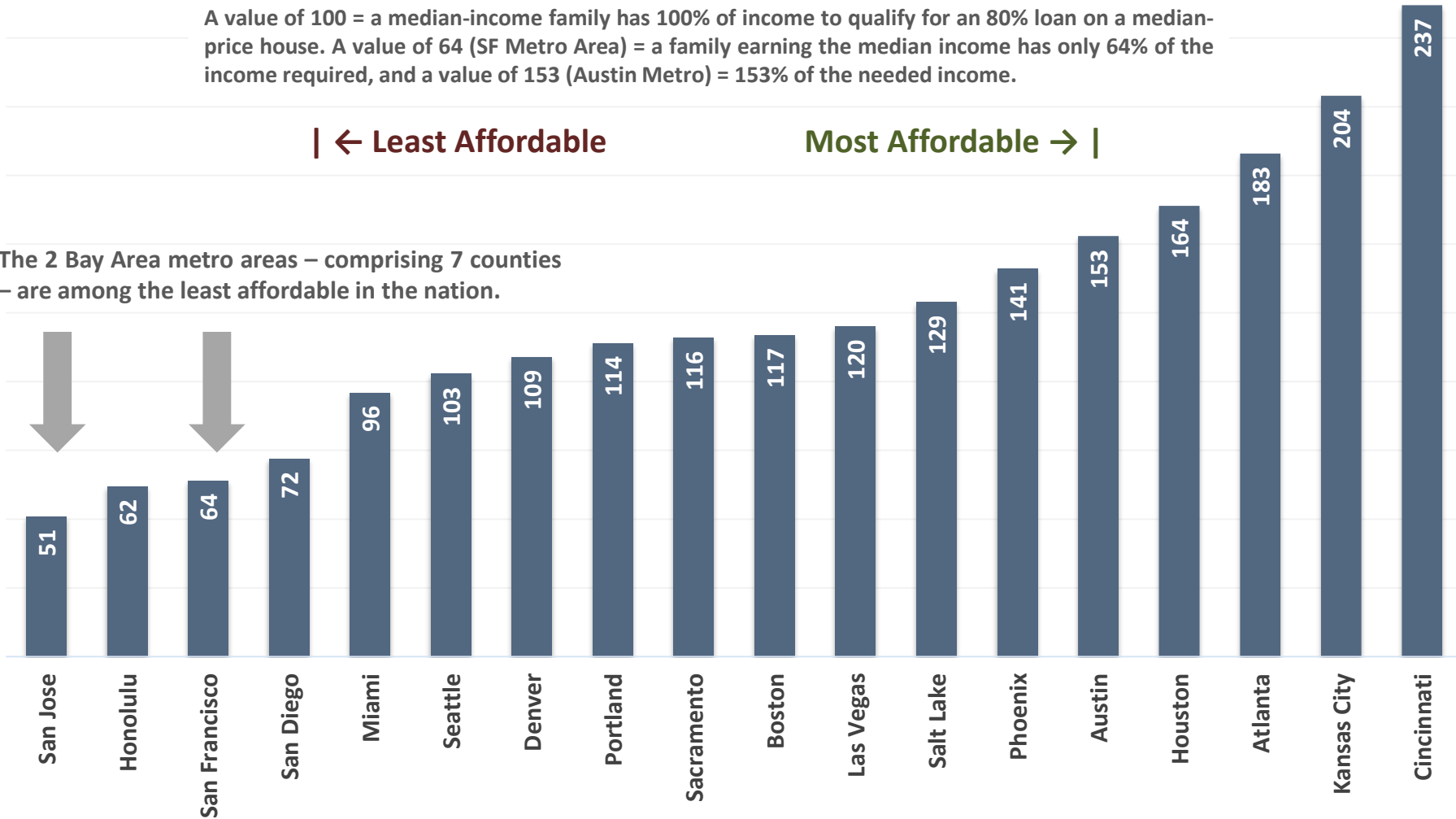
Metro statistical areas often encompass large areas: the SF MSA includes Alameda, Contra Costa, San Mateo, Marin and San Francisco Counties.
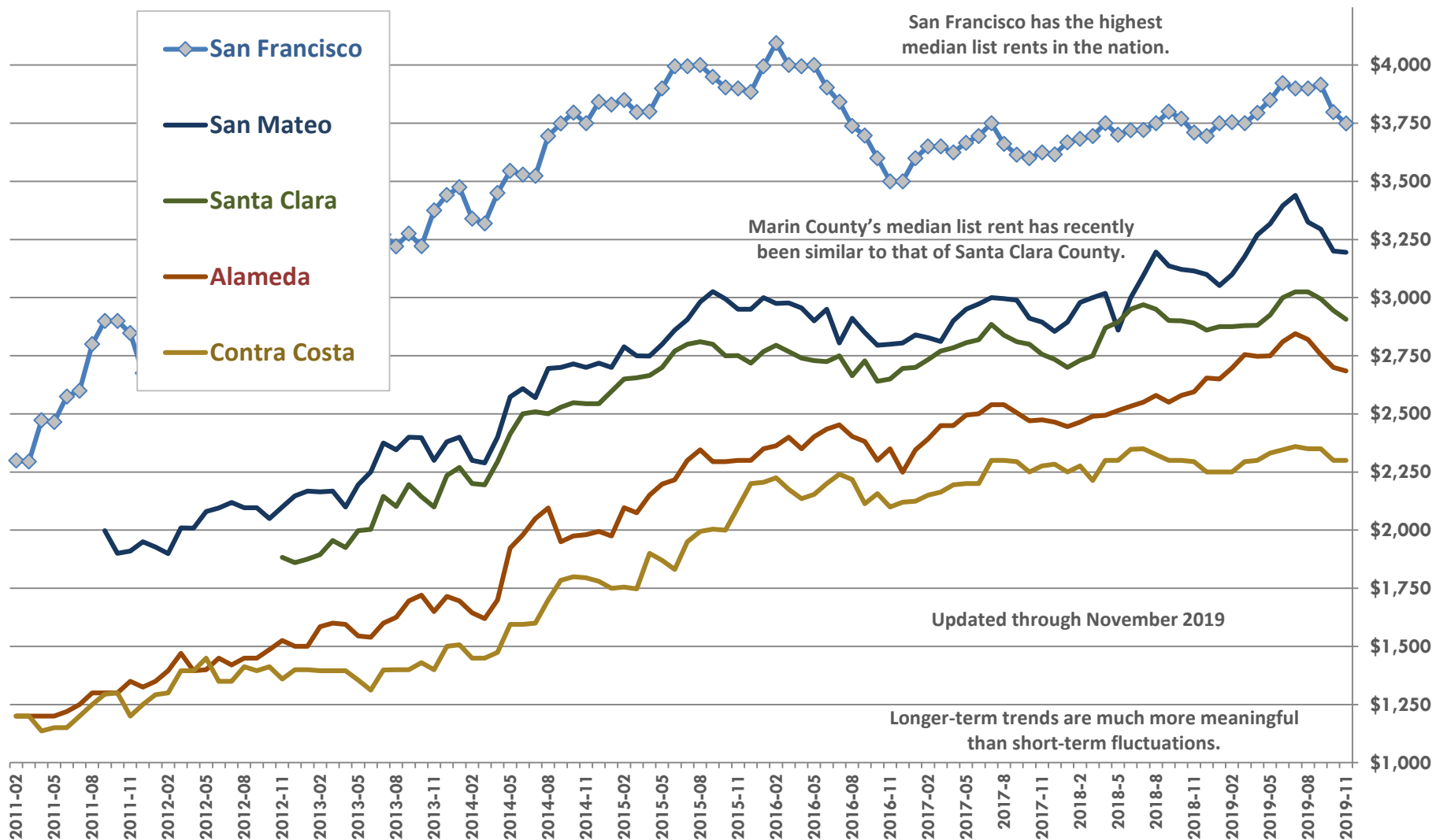
2018 preliminary measurements: 20% downpayment on median-price existing single family dwelling at prevailing loan rates; principal & interest cannot equal more than 25% of median family income. Index methodology: www.nar.realtor/topics/housing-affordability-index

COMPASS

Estimated Median List Apartment Rents

Bay Area Counties since 2011

Data per Zillow Research, 5+ unit
buildings through November 2019

San Francisco has the highest
median list rents in the nation.

Marin County's median list rent has recently
been similar to that of Santa Clara County.

Updated through November 2019

Longer-term trends are much more meaningful
than short-term fluctuations.

Legend:
- San Francisco
- San Mateo
- Santa Clara
- Alameda
- Contra Costa

COMPASS

Household, Federal, Corporate & International Debt Trends

January 2020 Review

Throughout the world, debt has increased to new heights in recent years, typically surging past previous peaks seen prior to the 2008 financial markets crash. However, due to the large drop in interest rates since then, the cost of servicing this debt is much lower than it was at that time. Low rates have encouraged consumers, companies and governments around the world to take on more debt, and for investors searching for yield to purchase debt of lower quality and more risk. Debt that must be serviced, and typically paid back at some point.

Interest rates are currently close to historic lows, but rates can be subject to sudden, dramatic changes, affecting the cost of servicing. Internationally, the currency upon which a particular debt is based can also be subject to such changes.

Debt and debt defaults often play a very large role in economic crises, acting as precipitating, destabilizing and/or heightening factors, as well as significantly limiting the ability of indebted parties – whether individual, corporate or governmental entities – to respond effectively to ameliorate such crises. At times of such crises, the collateral upon which debt was extended in the first place (stocks, homes and other assets) can decline rapidly in value, putting the debtor "under water," i.e. the sale of the collateral cannot cover the debt. The subprime-financing foreclosure crisis is a classic example.

For all these reasons, increasing levels of debt – and the inability to service or pay back the debt – are often harbingers of a positive economic upcycle moving toward a negative down-cycle, whether characterized by a market crash, recession or downturn of lesser scale.
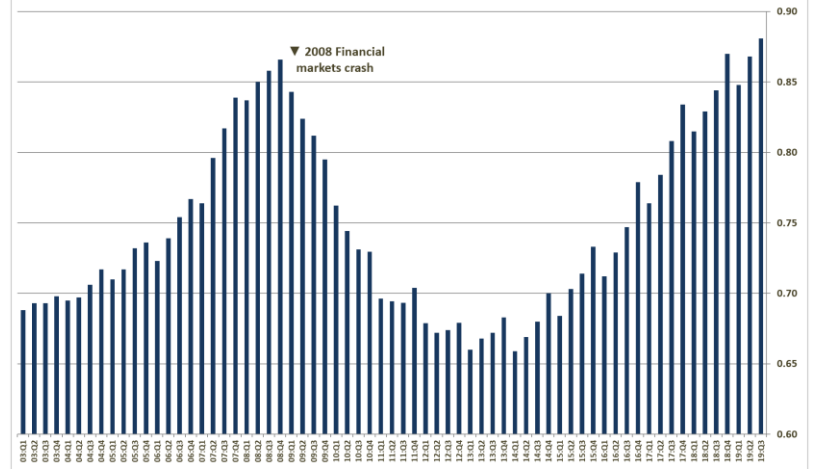
COMPASS

Total U.S. Auto Loan Debt
2004 – Q3 2019, in Trillions of Dollars
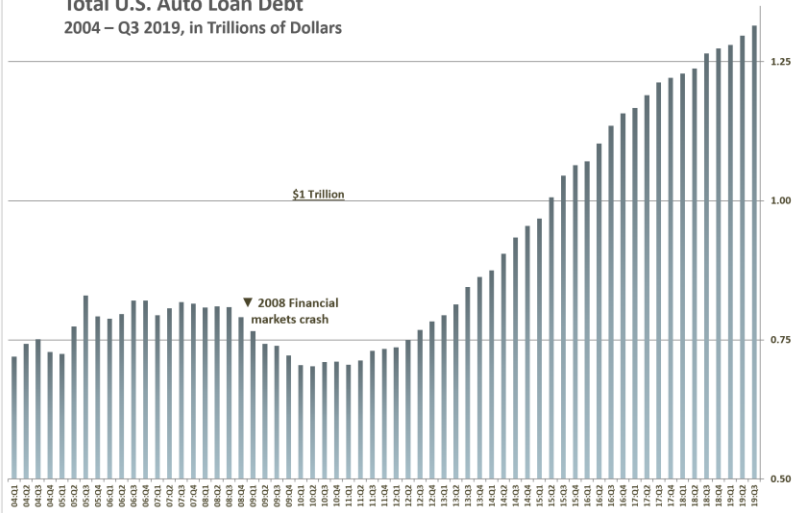
$1 Trillion

▼ 2008 Financial markets crash

COMPASS

Total U.S. Credit Card Debt
2003 – Q3 2019, in Trillions of Dollars

▼ 2008 Financial markets crash

COMPASS

Total U.S. Student Loan Debt
2004 – Q3 2019, in Trillions of Dollars

$1.5 Trillion

$1 Trillion

$.5 Trillion

COMPASS

Total U.S. Mortgage Debt
2003 – Q3 2019, in Trillions of Dollars

▼ 2008 Financial markets crash

Subprime financing bubble

COMPASS

COMPASS

Federal Debt: Total Public Debt
1980 – Q3 2019, in Millions of Dollars

$20 Trillion

The sum of all outstanding debt owed by the federal government exceeded $22 trillion Q3 2019.

$15 Trillion

$10 Trillion

2008 Financial markets crash ▼

$5 Trillion

Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.
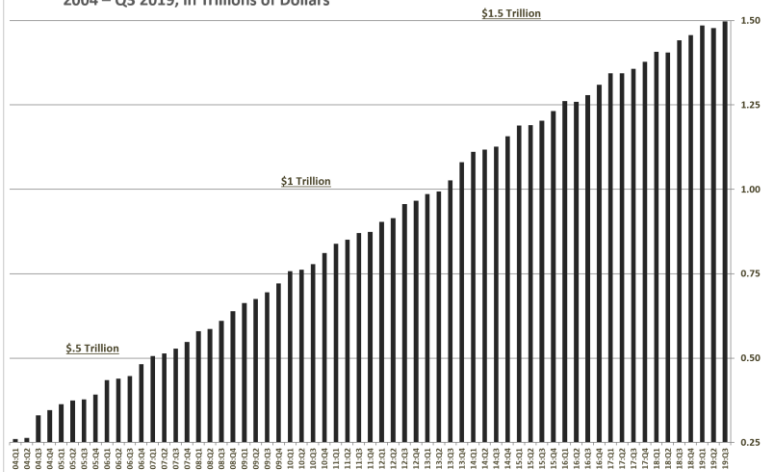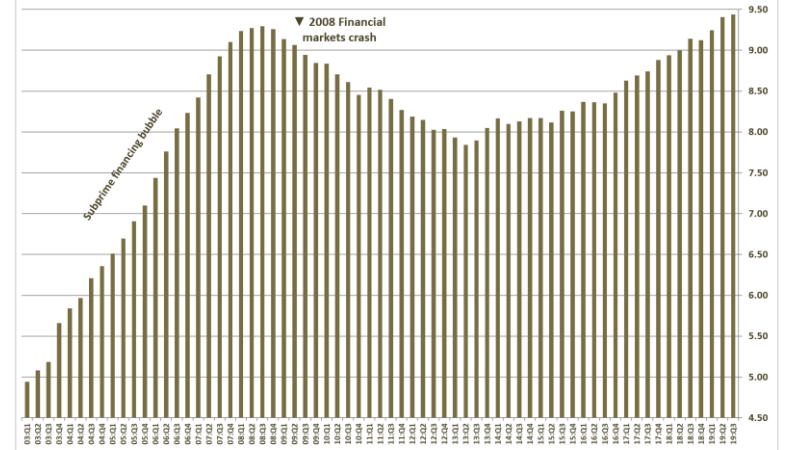
COMPASS

U.S. Government Deficit
since 2002, in Billions of Dollars

2008 Financial markets crash ▼

Reported deficits in billions through fiscal year 2019. 2020 figure reflects estimate.

$1 Trillion

$500 Billion

Data per Federal Reserve Bank of St. Louis, but may contain errors and subject to revision.

COMPASS

Federal Debt: Total Public Debt
as Percentage of Gross Domestic Product, 1980 – Q3 2019

The sum of all outstanding debt owed by the federal government exceeded $22 trillion Q1 2019. This debt is greater – over 100% – than what America currently produces (GDP) in a year, as illustrated in this chart.
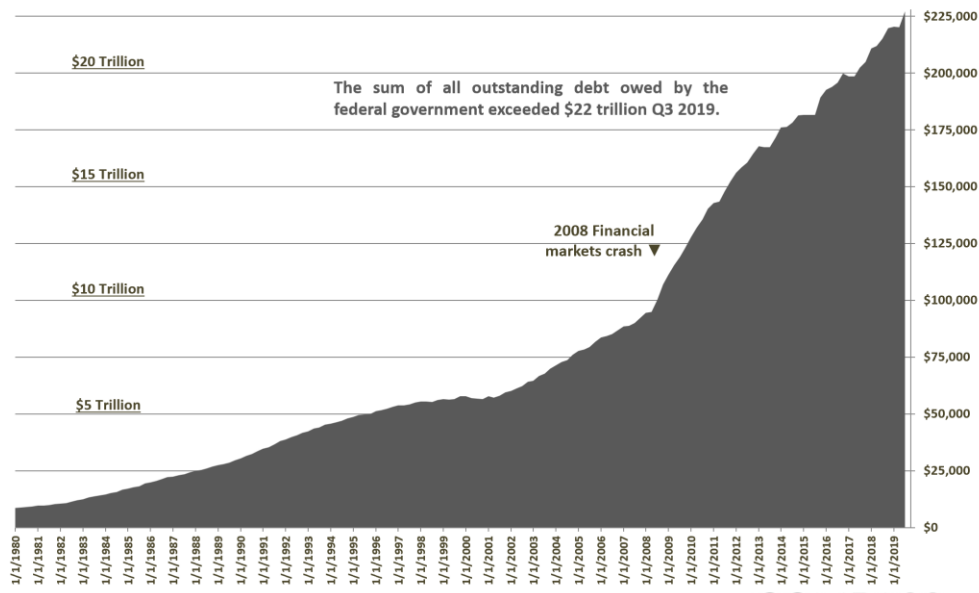
2008 Financial markets crash ▼

Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.
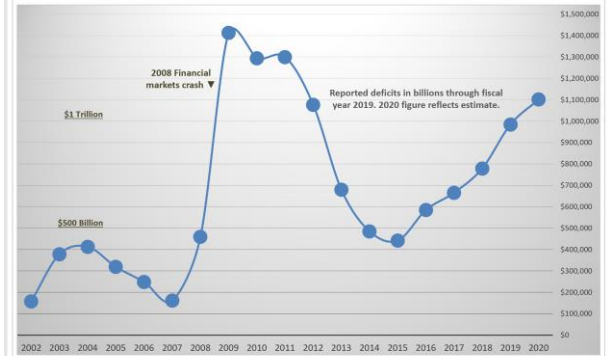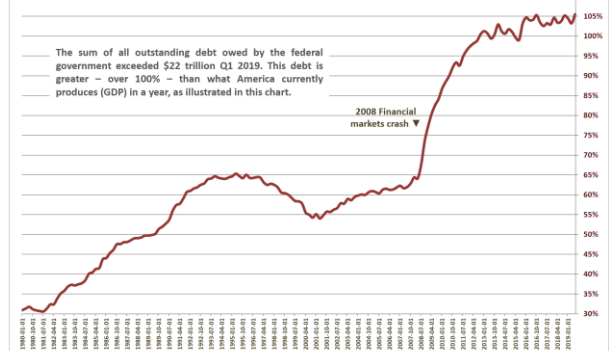
COMPASS

COMPASS

Global Debt as Percentage of GDP
Since 1950, Advanced Economies & Rest of World

Contributions to Global Debt
(weighted average, percent of GDP)

- Rest of the World
- Advanced Economies
- World

Global debt has reached an all-time high of $184 trillion in nominal terms, the equivalent of 225 **percent of GDP** in 2017. On average, the **world's debt** now exceeds $86,000 in per capita terms, which is more than 2½ times the average income per-capita. IMF Blog, Jan 2019

Sources: Global Debt Database and authors' calculations.

Chart by International Monetary Fund, "New Data on Global Debt"
By Samba Mbaye and Marialuz Moreno Badia, January 2, 2019, IMF Blog

COMPASS

Federal Debt: Total Public Debt
1980 – Q3 2019, in Millions of Dollars

$20 Trillion

The sum of all outstanding debt owed by the federal government exceeded $22 trillion Q3 2019.

$15 Trillion

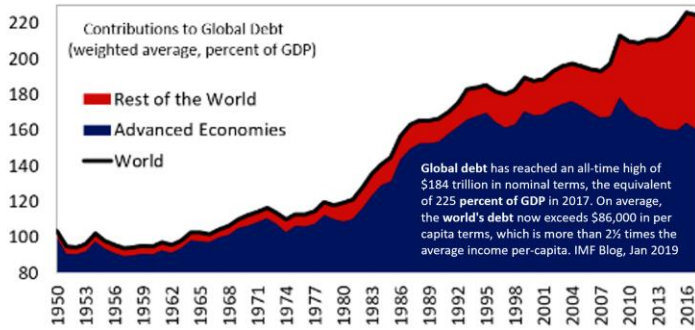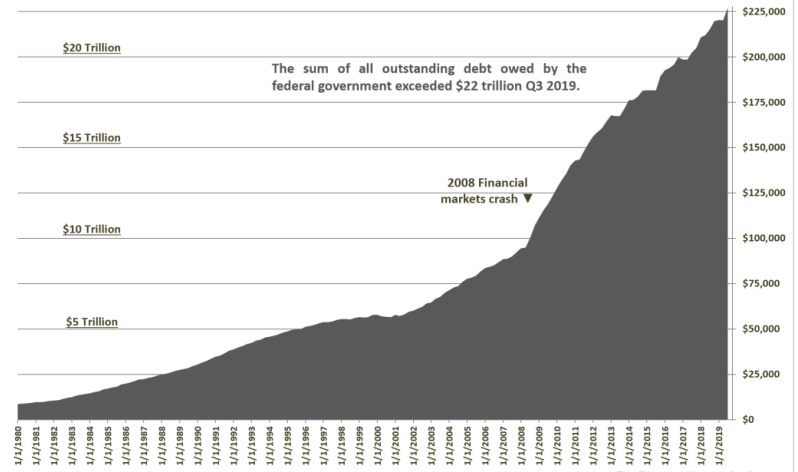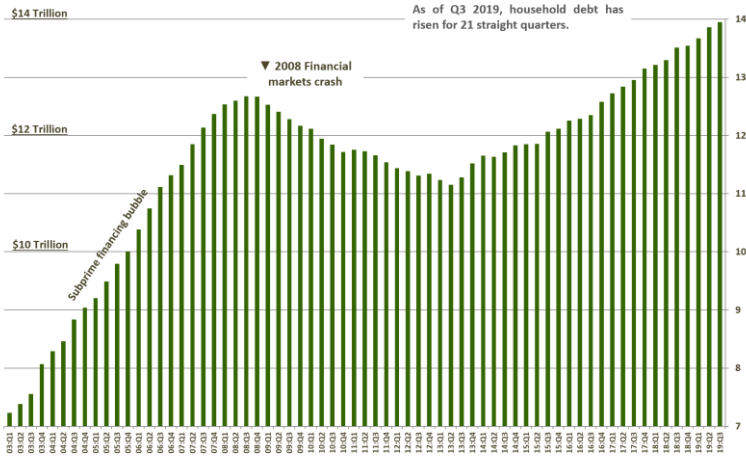$10 Trillion

2008 Financial markets crash ▼

$5 Trillion

Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

COMPASS

Total U.S. Household Debt
2003 – Q3 2019, in Trillions of Dollars

$14 Trillion

As of Q3 2019, household debt has risen for 21 straight quarters.

▼ 2008 Financial markets crash

$12 Trillion

Subprime financing bubble

$10 Trillion

Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

COMPASS

U.S. Nonfinancial Corporate Business; Debt Securities & Loans
2010 – Q3 2019, Liability in Millions of Dollars

$10 Trillion

$8 Trillion

$6.5 Trillion

Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.
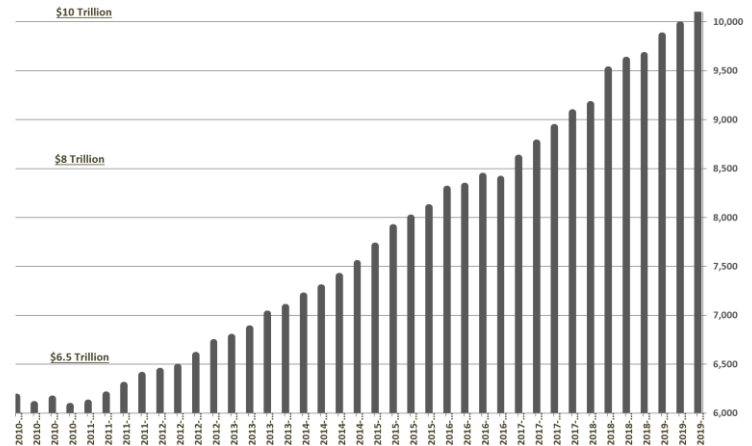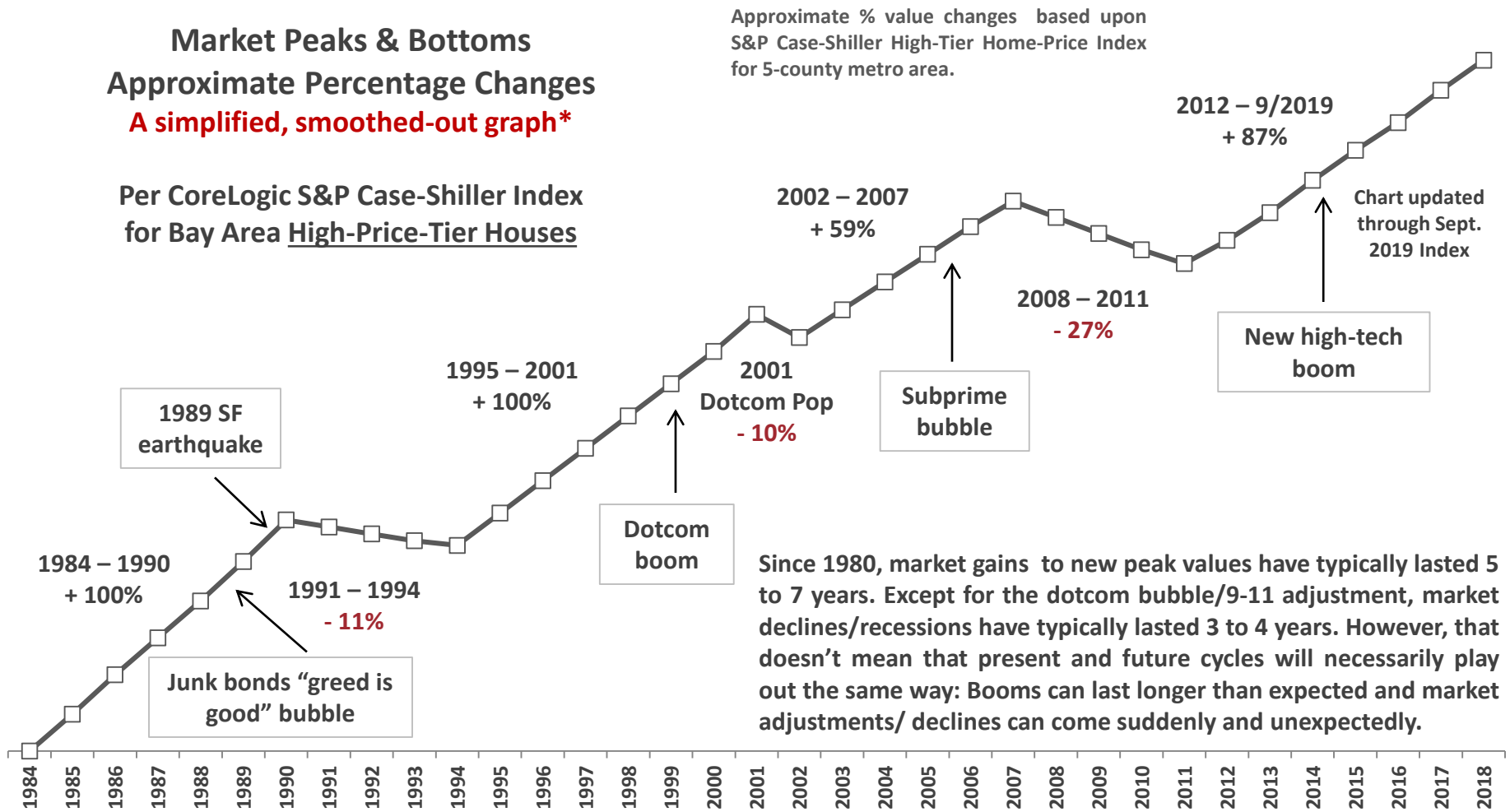
COMPASS

COMPASS

San Francisco Bay Area Real Estate Market Cycles

Home Price Increases & Declines, by Percentage, 1984 – Present
https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller

Market Peaks & Bottoms
Approximate Percentage Changes
A simplified, smoothed-out graph*

Per CoreLogic S&P Case-Shiller Index
for Bay Area High-Price-Tier Houses

Approximate % value changes based upon S&P Case-Shiller High-Tier Home-Price Index for 5-county metro area.

2012 – 9/2019
+ 87%

Chart updated through Sept. 2019 Index

2002 – 2007
+ 59%

2008 – 2011
- 27%

New high-tech boom

1995 – 2001
+ 100%

2001
Dotcom Pop
- 10%

Subprime bubble

1989 SF earthquake

Dotcom boom

1984 – 1990
+ 100%

1991 – 1994
- 11%

Junk bonds "greed is good" bubble

Since 1980, market gains to new peak values have typically lasted 5 to 7 years. Except for the dotcom bubble/9-11 adjustment, market declines/recessions have typically lasted 3 to 4 years. However, that doesn't mean that present and future cycles will necessarily play out the same way: Booms can last longer than expected and market adjustments/ declines can come suddenly and unexpectedly.

1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018
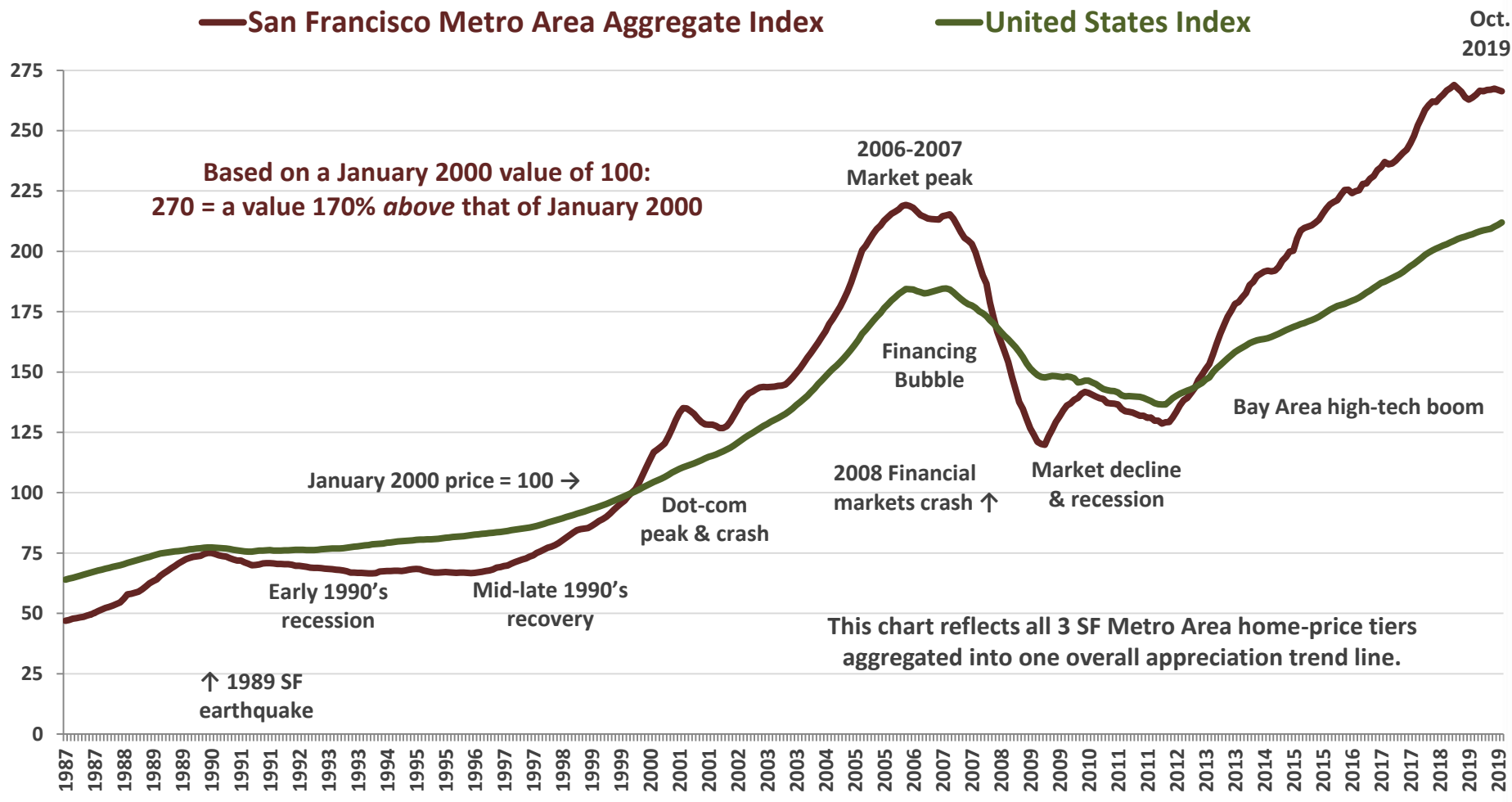
* The years between market peaks and bottoms are not accurately represented, but entered as straight lines between high and low points to illustrate percentage changes over time. Shorter-term fluctuations are not reflected on this chart. All numbers are approximate and subject to revision.

COMPASS

CoreLogic S&P Case-Shiller Home Price Index: Appreciation since 1987
United States vs. San Francisco Metro-Area (Overall, Aggregate Index)

Seasonally adjusted

—**San Francisco Metro Area Aggregate Index**   —**United States Index**

Oct. 2019

Based on a January 2000 value of 100:
270 = a value 170% *above* that of January 2000

2006-2007 Market peak

Financing Bubble

January 2000 price = 100 →

Dot-com peak & crash

2008 Financial markets crash ↑

Market decline & recession

Bay Area high-tech boom

Early 1990's recession

Mid-late 1990's recovery

This chart reflects all 3 SF Metro Area home-price tiers aggregated into one overall appreciation trend line.
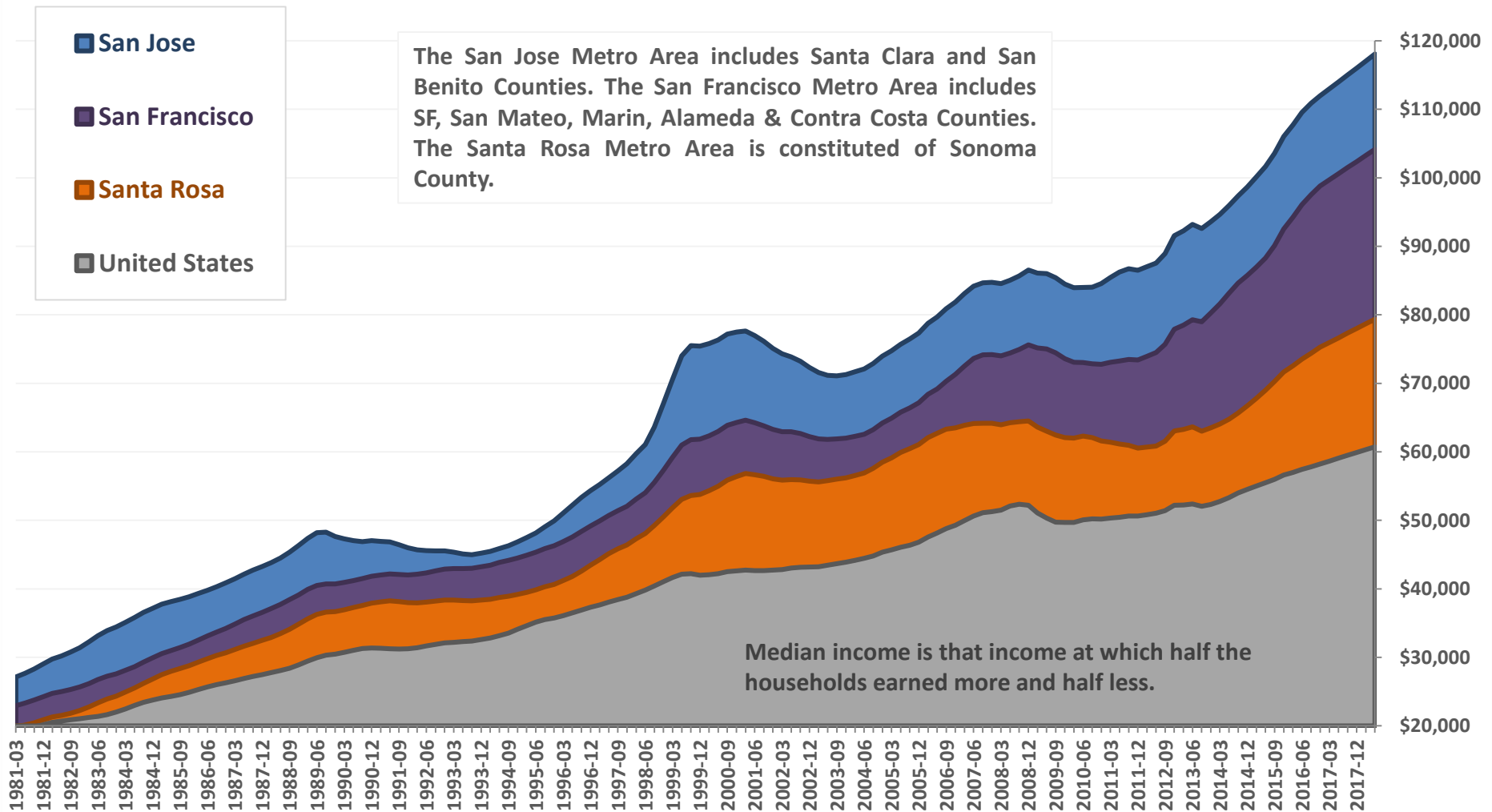
↑ 1989 SF earthquake

*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. The chart reflects all price segments in the metro area, and San Francisco County is only a small percentage of overall metro area house sales.
https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller

C❍MPASS

Median Household Income

1981 – 2018, by Metro Area (which are larger than the cities themselves)

Per Zillow Research

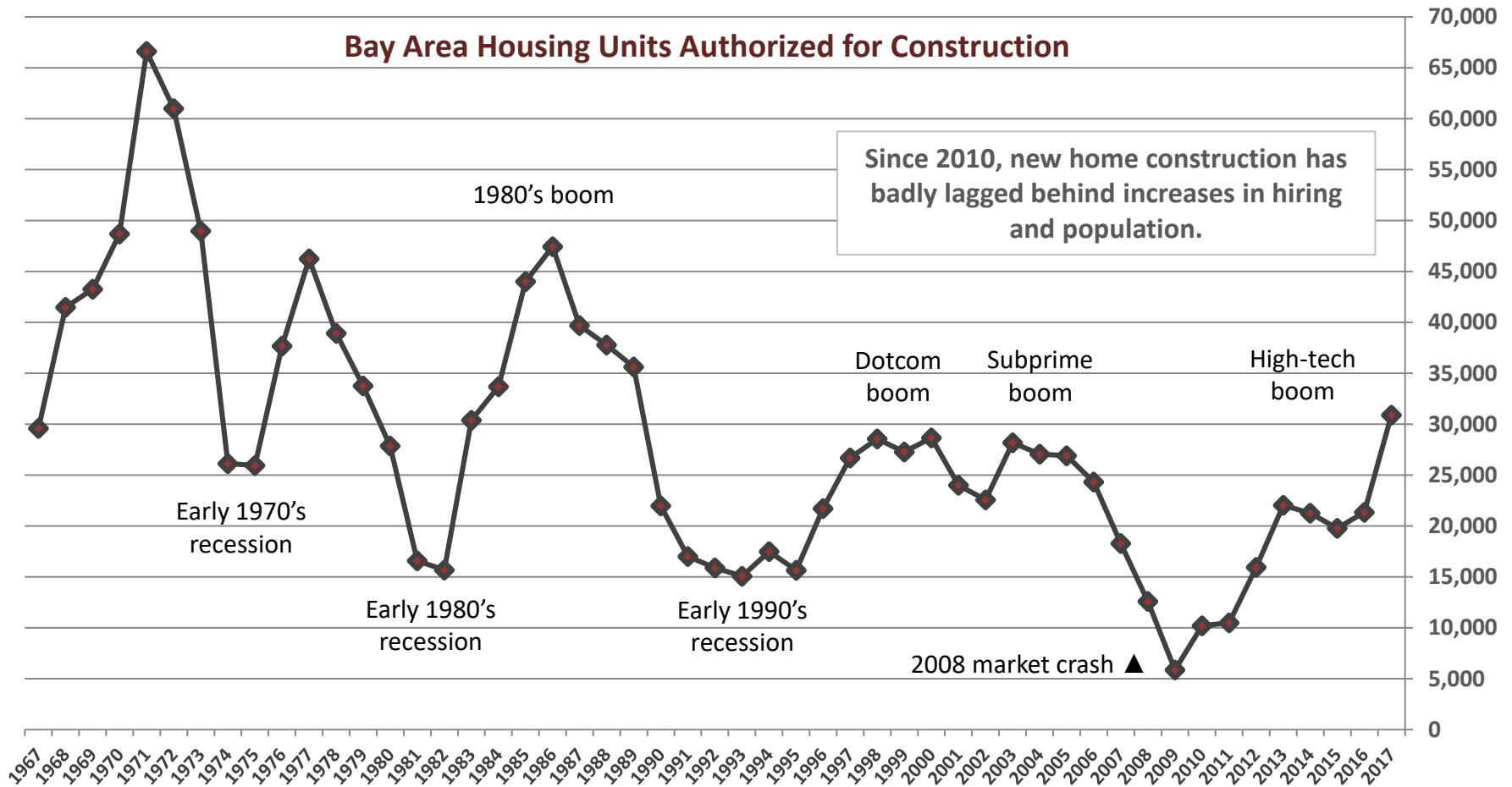- ■ **San Jose**
- ■ **San Francisco**
- ■ **Santa Rosa**
- □ **United States**

The San Jose Metro Area includes Santa Clara and San Benito Counties. The San Francisco Metro Area includes SF, San Mateo, Marin, Alameda & Contra Costa Counties. The Santa Rosa Metro Area is constituted of Sonoma County.

Median income is that income at which half the households earned more and half less.

Data from Zillow Research: https://www.zillow.com/research/data/. Analysis may contain errors and subject to revision. All numbers to be considered approximate.

COMPASS

Bay Area New Home Construction
Housing Units Permitted by Year since 1967

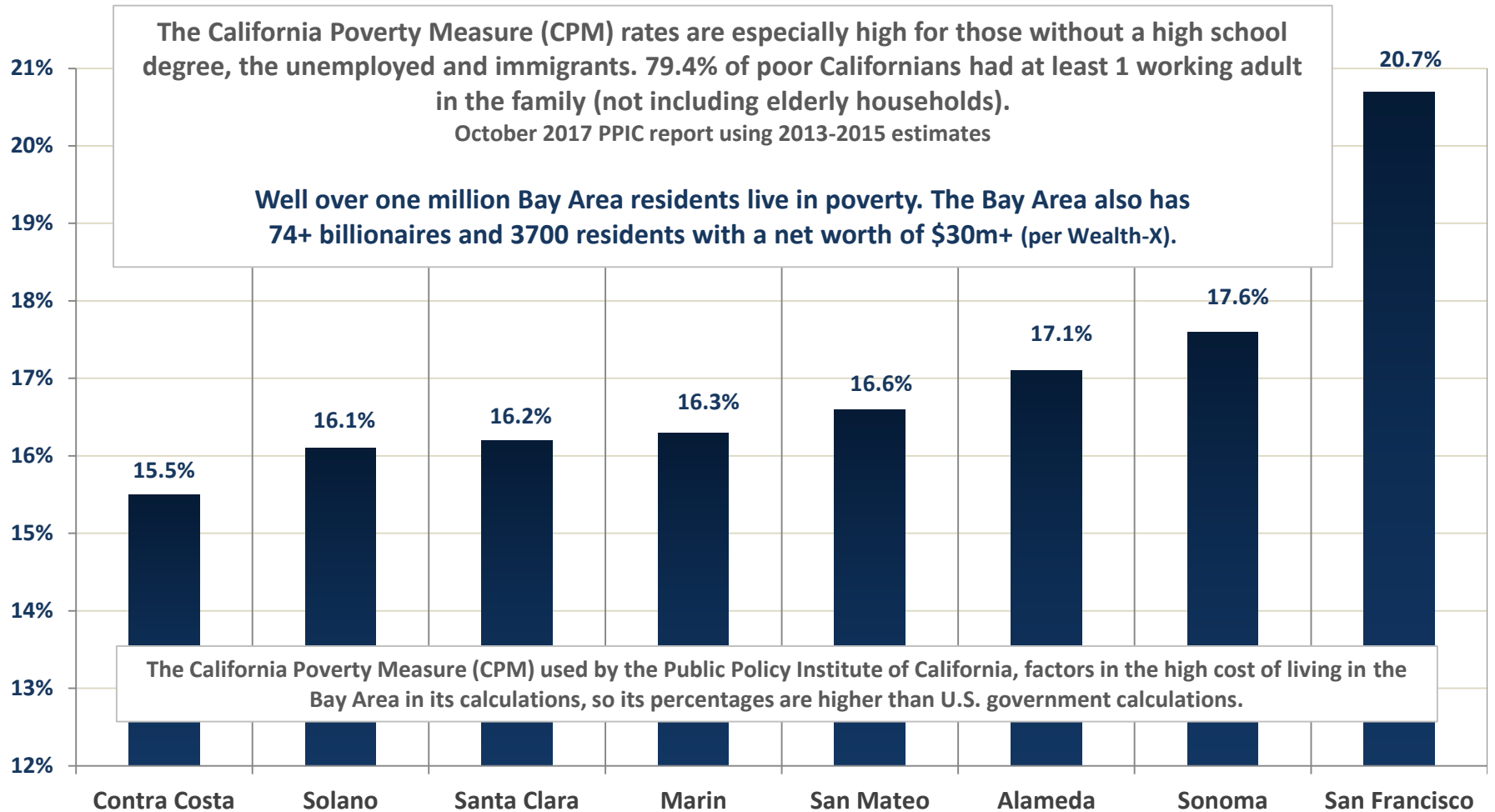**Bay Area Housing Units Authorized for Construction**

1980's boom

Since 2010, new home construction has badly lagged behind increases in hiring and population.

Dotcom boom

Subprime boom

High-tech boom

Early 1970's recession

Early 1980's recession

Early 1990's recession

2008 market crash ▲

Data the Metropolitan Transportation Commission "Vital Signs," 1967-2015, then from the Construction Industry Research Board, 2016 to present. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

COMPASS

Poverty in the Bay Area
Percentage of Residents Living in Poverty

The California Poverty Measure (CPM) rates are especially high for those without a high school degree, the unemployed and immigrants. 79.4% of poor Californians had at least 1 working adult in the family (not including elderly households).
October 2017 PPIC report using 2013-2015 estimates

Well over one million Bay Area residents live in poverty. The Bay Area also has 74+ billionaires and 3700 residents with a net worth of $30m+ (per Wealth-X).

The California Poverty Measure (CPM) used by the Public Policy Institute of California, factors in the high cost of living in the Bay Area in its calculations, so its percentages are higher than U.S. government calculations.

County	Poverty Rate
Contra Costa	15.5%
Solano	16.1%
Santa Clara	16.2%
Marin	16.3%
San Mateo	16.6%
Alameda	17.1%
Sonoma	17.6%
San Francisco	20.7%

COMPASS

These analyses were made in good faith with data from sources deemed reliable, but may contain errors and are subject to revision. It is not our intent to convince you of a particular position, but to attempt to provide straightforward data and analysis, to help you make your own informed decisions. Shifts in financial cycles are extremely difficult to predict: Booms can go on much longer than expected or get second winds; rational economic growth can shift into irrational exuberance; local, national or international economic and political events can arise suddenly to cause major economic adjustments. Though highly experienced in Bay Area real estate markets, we are not economists, nor can we predict the future.

COMPASS