



San Francisco Real Estate 2020 Spring Market Report

Supply & demand statistics, median sales price trends, sales and values by city district, the luxury home market, and the ongoing effects of COVID-19

June 2020

Generally speaking, market activity – as measured by the number of listings going into contract – continued to pick up rapidly in May, bouncing back from the steep plunge following the first shelter in place orders. However, activity in May, which is typically among the busiest selling months of the year, still remained well below May 2019. Still, with the easing of shelter in place, as well as the market learning to adjust to new circumstances, it is expected the recovery will continue to surge closer to normal. In fact, based on the strength of buyer demand, some analysts believe the coming months may be busier than in 2019, as sales activity that would have occurred in spring gets pushed into the summer instead. Another big factor in the market: Interest rates hit yet another historic low at the end of May.

Median sales prices for both houses and condos dropped significantly in San Francisco in May, but those figures are based on a very low volume of closed sales in the month, which dropped about 60% year-over-year. An even bigger drop in higher-price home sales also put downward pressure on median prices. Because sales are a lagging indicator, May sales and sales prices mostly reflect the huge impact of COVID-19 on the SF market in late March and April. Based on the large jump in *accepted-*

offer activity in May (and especially for more expensive homes), June sales volume will be significantly higher, and coming months will constitute a better indicator of whether changes in fair market value are actually occurring. Median sales prices commonly fluctuate on a short-term basis, often affected by a variety of dynamics unrelated to changes in fair market value. Anecdotally, word on the streets is that, generally speaking, buyer demand has come surging back and home prices have so far been little affected, though opinions vary regarding different market segments.

The SF market – as also common in other urban centers – was more deeply and more quickly affected by COVID-19 and shelter-in-place than other local, more suburban, county markets, seeing larger initial drops in activity. Even with the remarkable rebound of buyer demand in May, its recovery is, so far, lagging other counties on a year-over-year basis, especially more suburban and rural counties, such as Marin and Sonoma. (The level of Sonoma’s May 2020 activity was about the same as in May 2019). A variety of factors may be at play, which are discussed on a chart within this report, however it is still early days and definitive pronouncements regarding longer-term real estate market, general economic and demographic effects are impossible to make while the crisis is still at hand – that is true for wildfires, earthquakes, terrorist attacks and other crises, as well as for the pandemic. It is only after a crisis passes that ongoing effects can be realistically assessed, despite the almost universal desire to make striking pronouncements and predictions right now.

Rent rates appear to be dropping quickly, subsequent to the enormous increase in unemployment – which typically impacts the rental market more rapidly and significantly than the for-sale market. Estimates of the drop in rents vary: The director of the SF Apartment Association estimates a 10% drop in recent months coupled with a large increase in vacancy rates – some other rent-drop estimates trend lower. After the dotcom bubble popped, with the large loss of jobs that occurred then, rents ultimately dropped about 25% in following years. With many factors at play and still unfolding, it is too soon to calculate the longer-term effects on what has been the most expensive rental market in the country.

Note: Any statistics derived from closed sales – such as median sales prices, sales volume and days on market – reflect the state of the market *3-6 weeks ago* when the offers were negotiated and accepted – and when the market was most terribly impacted by the crisis. *They are lagging indicators:* May sales data mostly reflects the much weaker market in April.

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

San Francisco Market Dynamics by Week

Listings Accepting Offers, by Week since Mid-Winter

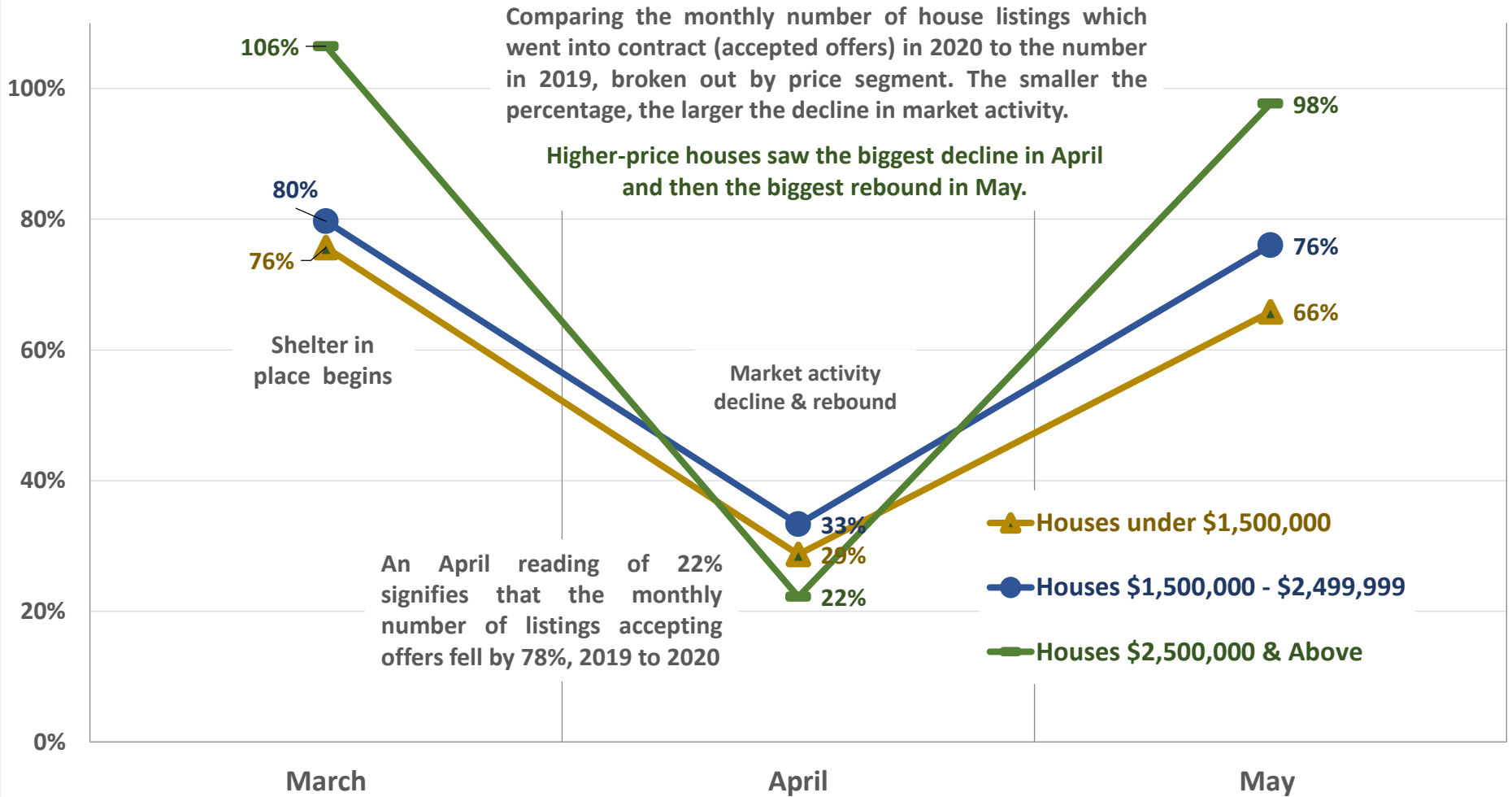


* MLS reported data, per Broker Metrics. Recent weeks' data estimated using available data, and may change with late reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

Listings Accepting Offers: HOUSES by Price Segment

San Francisco Spring Market Comparison, 2020 vs. 2019

All percentages to be considered approximate



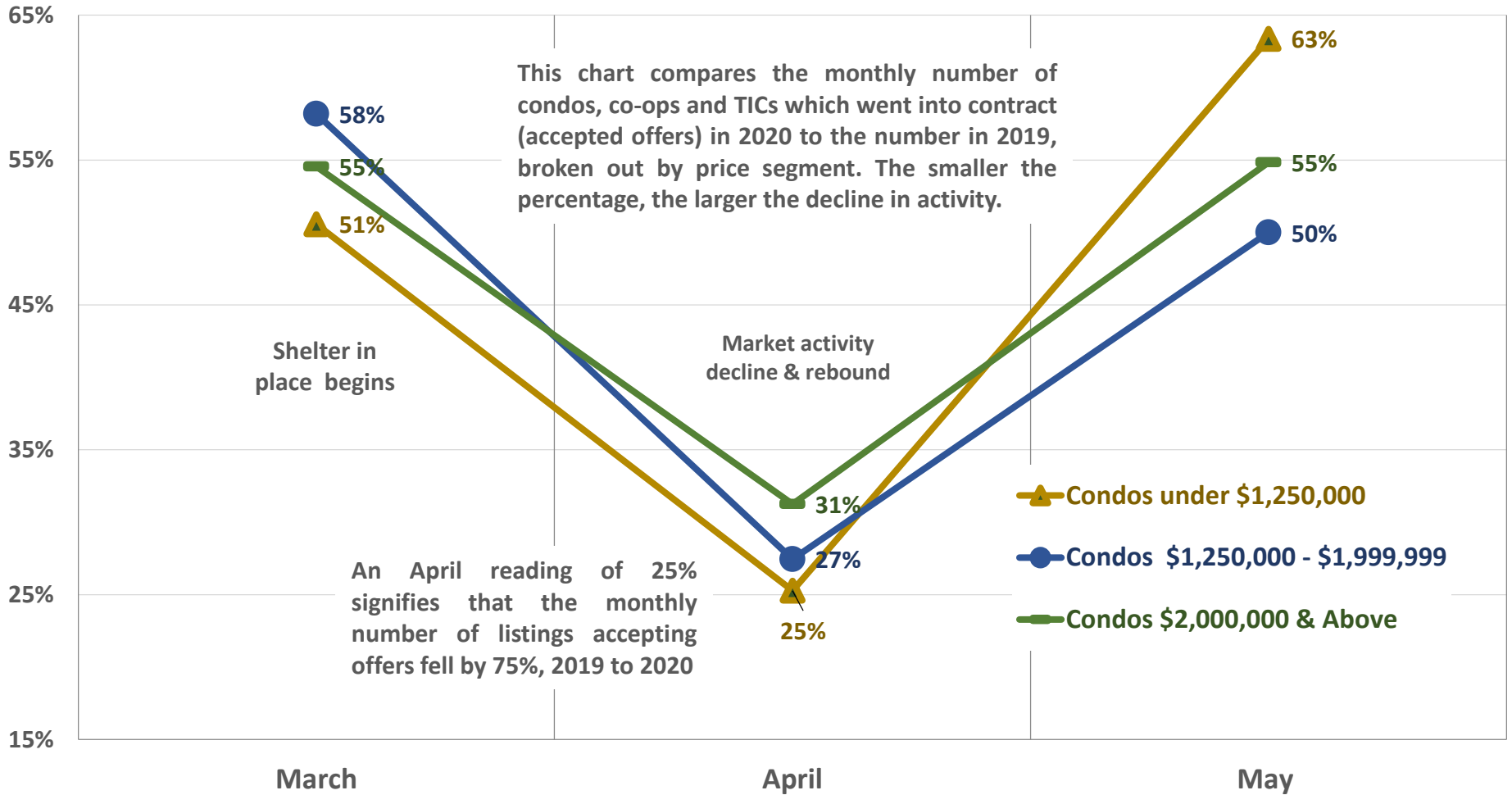
Residential activity reported to MLS, per Broker Metrics. Last month's data estimated based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.



Listings Accepting Offers: CONDOS by Price Segment*

San Francisco Spring Market Comparison, 2020 vs. 2019

All percentages to be considered approximate



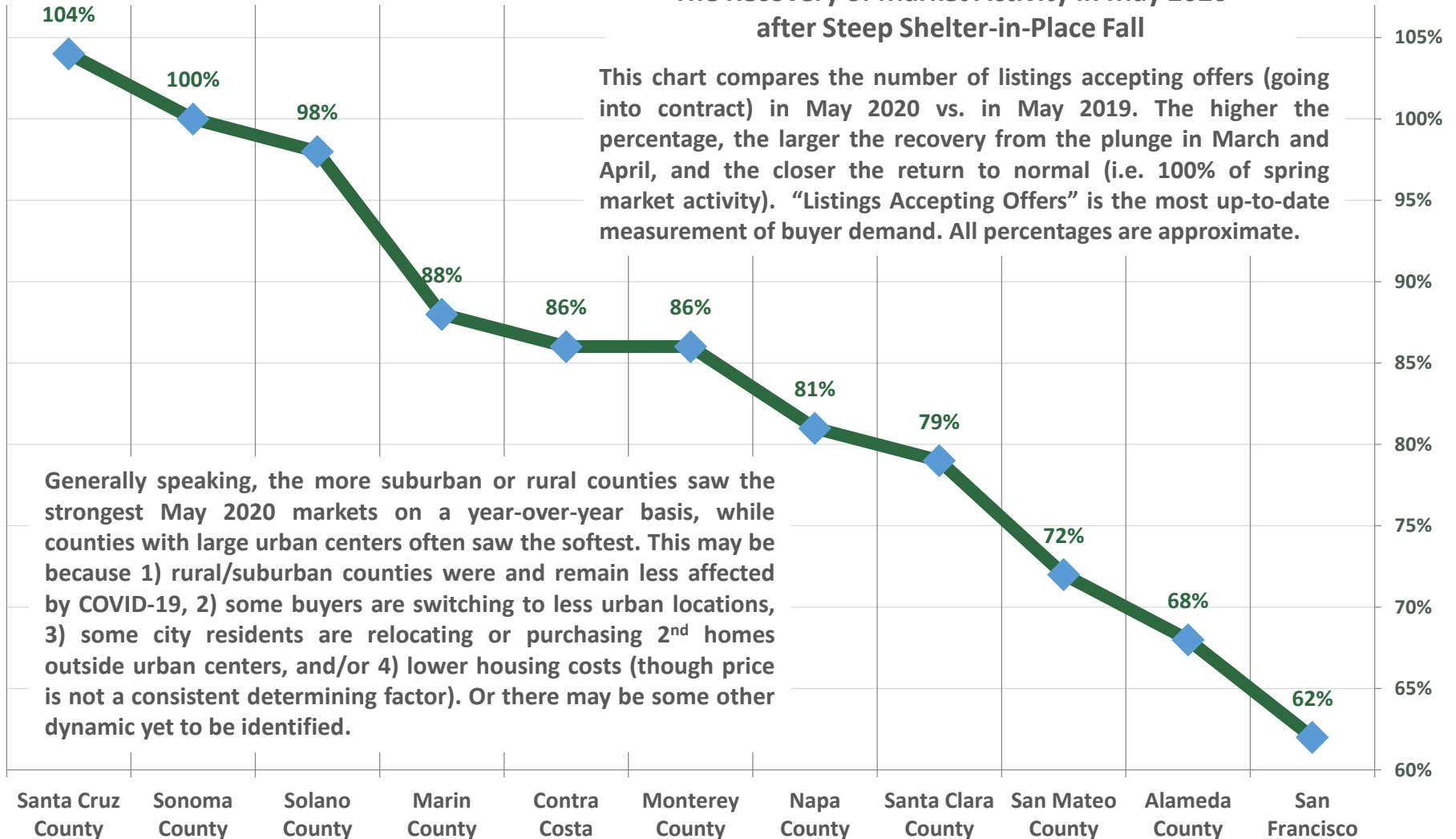
* Condo, co-op and TIC activity reported to MLS, per Broker Metrics. Last month's data estimated based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.

Bay Area County Markets, May 2020 vs. May 2019

Comparing the Year-over-Year Numbers of Home Listings Accepting Offers

The Recovery of Market Activity in May 2020 after Steep Shelter-in-Place Fall

This chart compares the number of listings accepting offers (going into contract) in May 2020 vs. in May 2019. The higher the percentage, the larger the recovery from the plunge in March and April, and the closer the return to normal (i.e. 100% of spring market activity). "Listings Accepting Offers" is the most up-to-date measurement of buyer demand. All percentages are approximate.



Generally speaking, the more suburban or rural counties saw the strongest May 2020 markets on a year-over-year basis, while counties with large urban centers often saw the softest. This may be because 1) rural/suburban counties were and remain less affected by COVID-19, 2) some buyers are switching to less urban locations, 3) some city residents are relocating or purchasing 2nd homes outside urban centers, and/or 4) lower housing costs (though price is not a consistent determining factor). Or there may be some other dynamic yet to be identified.

MLS residential activity, per Broker Metrics. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers should be considered approximate.



Median HOUSE Sales Prices by Month

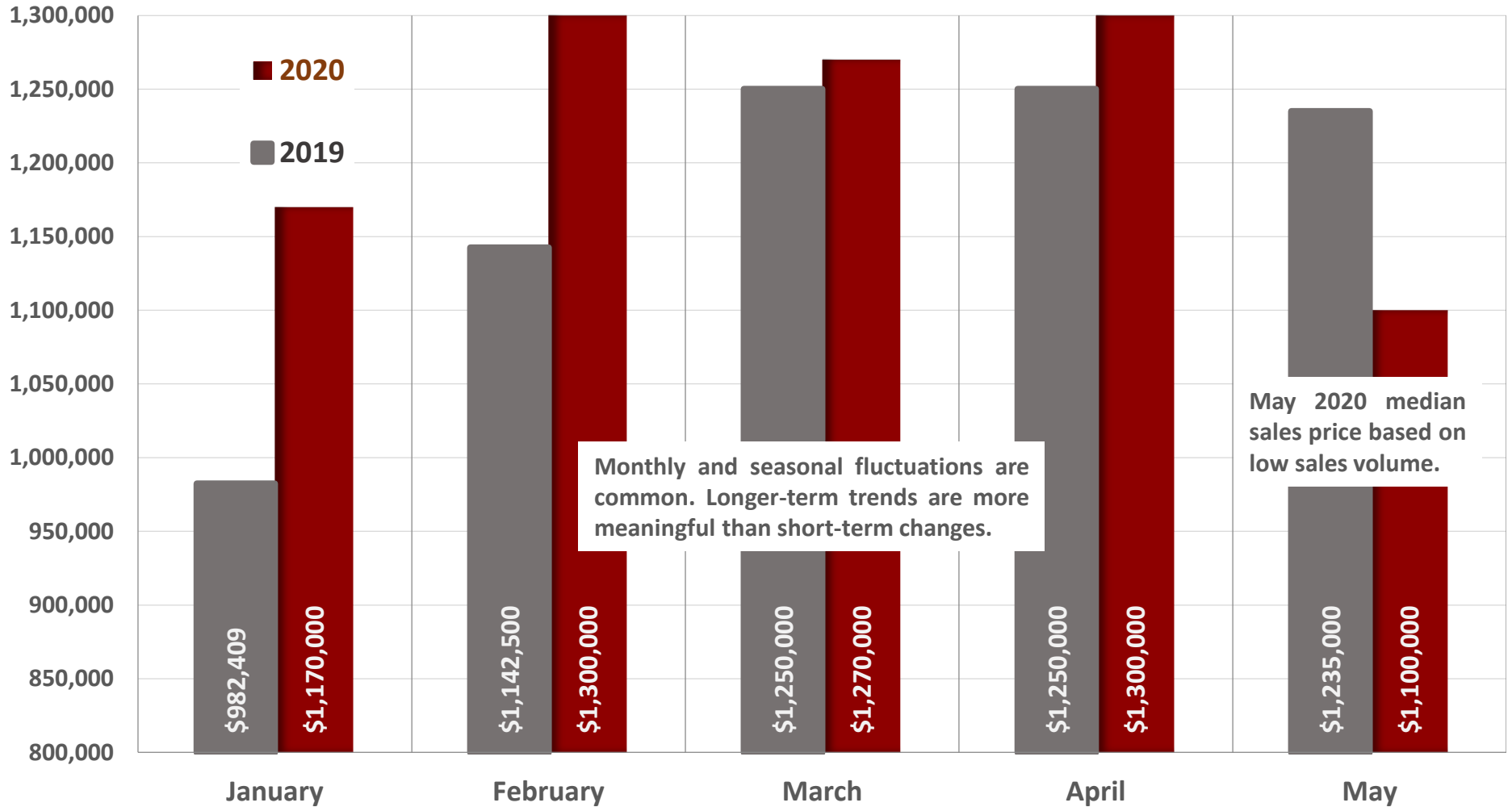
San Francisco Year-over-Year Spring Market Comparison, 2020 vs. 2019



Residential activity reported to MLS, per Broker Metrics. Last month's data based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.

Median CONDO Sales Prices by Month

San Francisco Year-over-Year Spring Market Comparison, 2020 vs. 2019



Residential activity reported to MLS, per Broker Metrics. Last month's data based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.



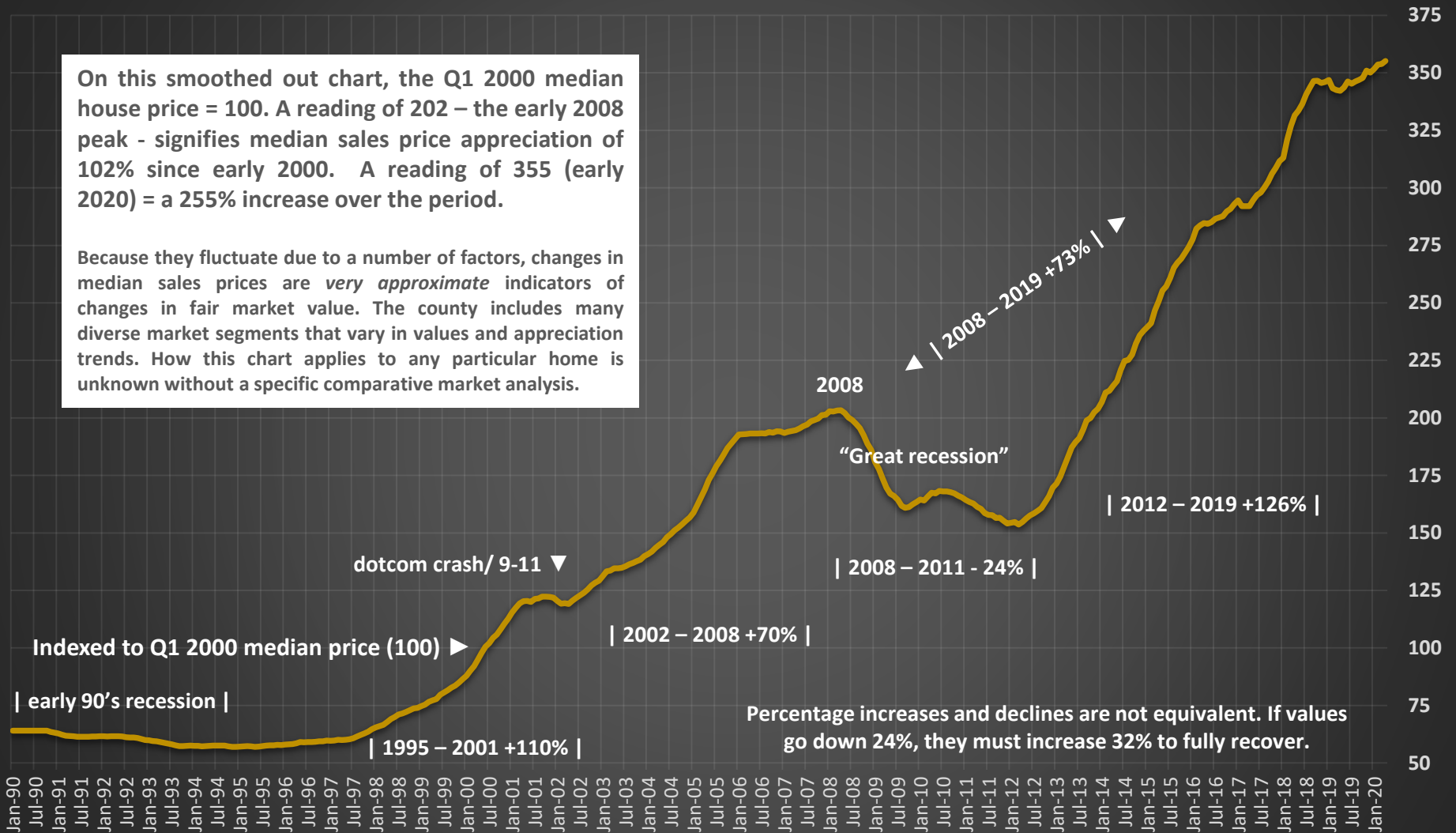
San Francisco Median Home Price Appreciation since 1990

Median HOUSE Sales Price Change, Indexed to Q1 2000

Sales reported to MLS through 5/31/20.
All numbers are approximate.

On this smoothed out chart, the Q1 2000 median house price = 100. A reading of 202 – the early 2008 peak - signifies median sales price appreciation of 102% since early 2000. A reading of 355 (early 2020) = a 255% increase over the period.

Because they fluctuate due to a number of factors, changes in median sales prices are *very approximate* indicators of changes in fair market value. The county includes many diverse market segments that vary in values and appreciation trends. How this chart applies to any particular home is unknown without a specific comparative market analysis.



Percentage increases and declines are not equivalent. If values go down 24%, they must increase 32% to fully recover.

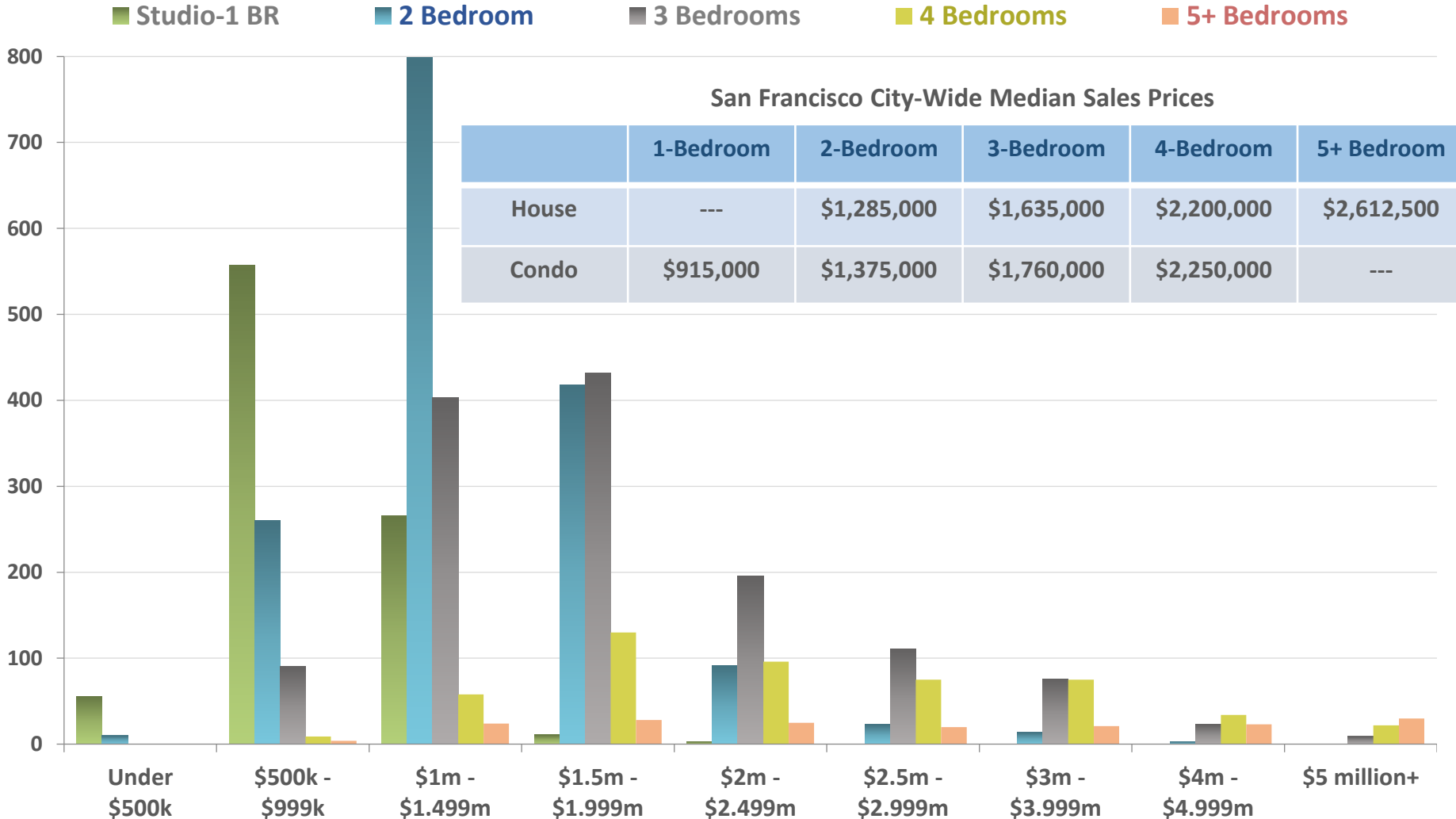
Change in monthly median house sales price, using CA Association of Realtors or MLS data, indexed to the median sales price in the first quarter of 2000, adjusted to a 12-month rolling average to smooth trend line. May contain errors and subject to revision. All numbers should be considered very approximate.



San Francisco Home Sales

12 Months Sales by Price Segment & Bedroom Count

Updated May 2020



12 months MLS sales of houses, condos, co-ops and TICs. Less than 5 sales in a segment were not charted. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



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12 Months
HOUSE Sales:
May 2020 Update

San Francisco District	12 Months HOUSE Sales	Median HOUSE Sales Price	Median \$ per Square Foot	Median House Size
Pacific & Presidio Heights, Cow Hollow, Marina (D7)	80	\$4,450,000	\$1330/sf	3098 sf
Russian, Nob & Telegraph Hills; North Beach (D8 North)	23	\$3,125,000	\$1170/sf	2215 sf
Sea Cliff, Lake Street, Jordan Park/Laurel Heights (D1 North)	34	\$3,063,000	\$1158/sf	2412 sf
Lower Pacific Hts, Hayes Valley, Alamo Square, NoPa (D6)	39	\$2,760,000	\$1080/sf	2535 sf
Noe-Eureka-Cole Valleys; Ashbury-Corona Heights; Glen Park (D5)	285	\$2,630,000	\$1198/sf	1912 sf
St. Francis Wd/Forest Hill/Monterey Heights/West Portal (D4 West)	100	\$2,200,000	\$933/sf	2330 sf
Inner, Central, Outer Richmond, Lone Mountain (D1 South)	130	\$2,000,000	\$912/sf	2070 sf
Potrero Hill, Bernal Heights, Inner Mission (D9)	199	\$1,725,000	\$1035/sf	1510 sf
Miraloma Park/Forest Knolls/Midtown Ter./Sunnyside (D4 East)	148	\$1,567,500	\$999/sf	1456 sf
Sunset, Parkside and Golden Gate Heights (D2)	346	\$1,485,000	\$971/sf	1500 sf
Lake Shore/Lakeside/Ingleside/Merced Heights/Oceanview (D3)	130	\$1,269,000	\$856/sf	1475 sf
Bayview/Excelsior/Visitacion Valley/Portola/Crocker Amazon (D10)	369	\$1,120,000	\$778/sf	1360 sf

All things being equal, a smaller house will typically sell for a higher dollar per square foot value.

Realtor districts often include other neighborhoods adjacent to those listed. Districts contain neighborhoods of widely varying home values and sizes. Sales reported to MLS over 12-month period. "Fixer-Uppers" excluded. Median values are generalizations.

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Sales reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision.

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12 Months Sales -
Condo, Co-op, TIC:
May 2020 Update

| Total Sales |

| These 3 Columns Pertain to 2BR/2BA Condo Sales Only |

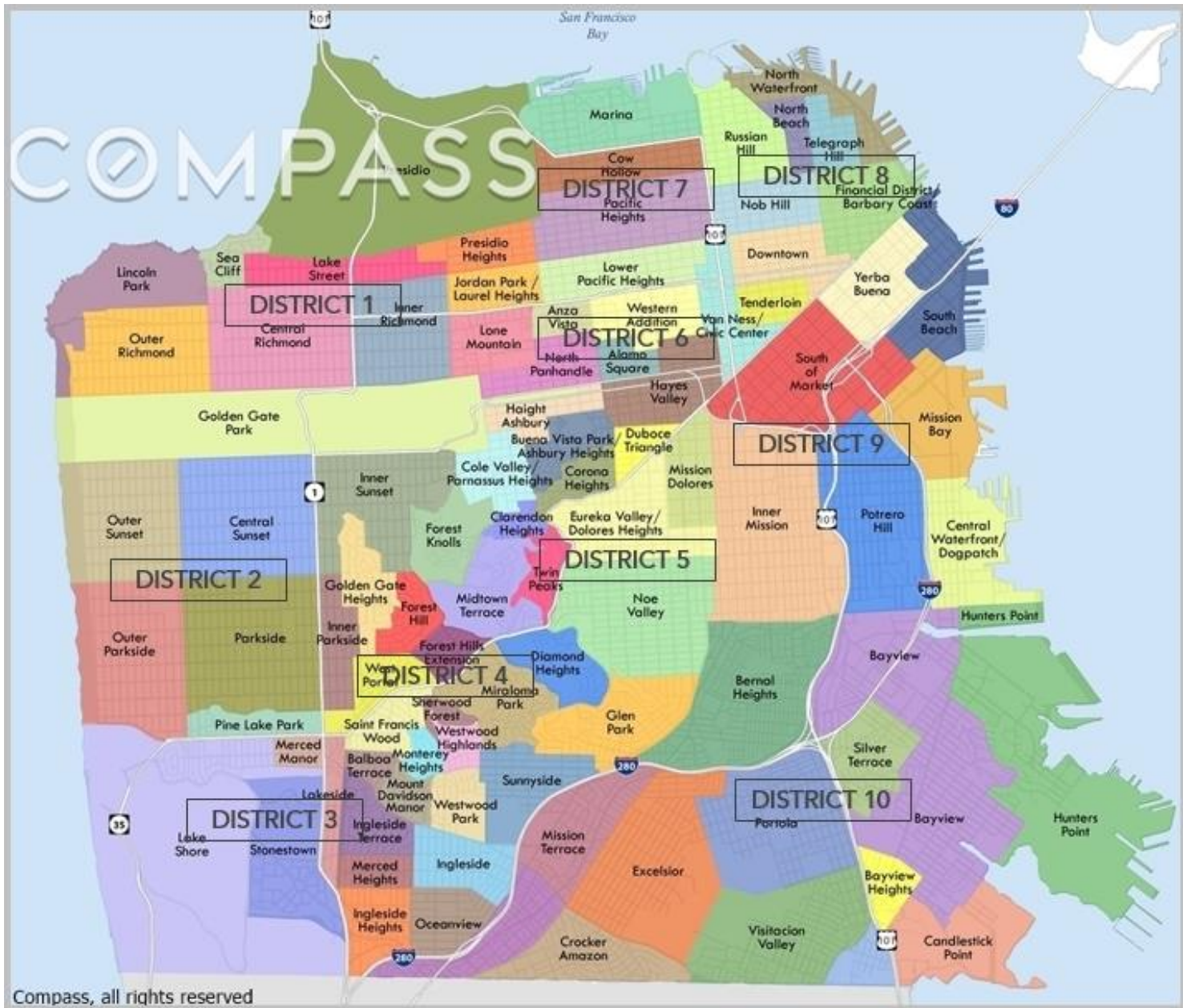
San Francisco District	12 Months Condo, Co-op, TIC Sales	Median 2 BR/2 BA CONDO Sales Price	Median \$ per Square Foot	Median 2/2 Condo Size
Pacific & Presidio Heights, Cow Hollow, Marina (D7)	286	\$1,660,000	\$1208/sf	1195 sf
Noe-Eureka-Cole Valleys; Glen Park; Ashbury-Corona Hghts (D5)	408	\$1,600,000	\$1238/sf	1295 sf
South Beach, Mission Bay, Yerba Buena (D9 North)	402	\$1,579,000	\$1205/sf	1260 sf
Russian, Nob, Telegraph Hills (D8 North)	265	\$1,572,500	\$1157/sf	1230 sf
Richmond District, Lake Street, Jordan Park/Laurel Heights (D1)	141	\$1,295,000	\$810/sf	1180 sf
Sunset/Parkside (D2)	44	\$1,375,000	\$716/sf	1435 sf
Potrero Hill, Dogpatch, Bernal Heights, Inner Mission (D9)	290	\$1,350,000	\$1165/sf	1140 sf
Lower Pacific Hts, Hayes Valley, Alamo Square, NoPa (D6)	239	\$1,320,000	\$1195/sf	1085 sf
South of Market (SoMa)	162	\$1,276,000	\$1126/sf	1066 sf
Van Ness/Civic Ctr, Downtown	143	\$1,132,500	\$1018/sf	1088 sf
Diamond Heights	33	\$975,000	\$881/sf	1052 sf
Ingleside & Ingleside Heights	22	\$840,000	\$850/sf	969 sf
Bayview/Hunter's Point/Candlestick Point (D10)	60	\$768,000	\$700/sf	1083 sf

All things being equal, a smaller unit will typically sell for a higher dollar per square foot value.
Units on higher floors usually sell for higher, often much higher, values.

Right 3 columns pertain to 2-bedroom, 2-bath condos only. Realtor districts often include other neighborhoods adjacent to those listed. Districts contain neighborhoods of widely varying home values. Sales reported to MLS over 12-month period. Below-Market-Rate units excluded.

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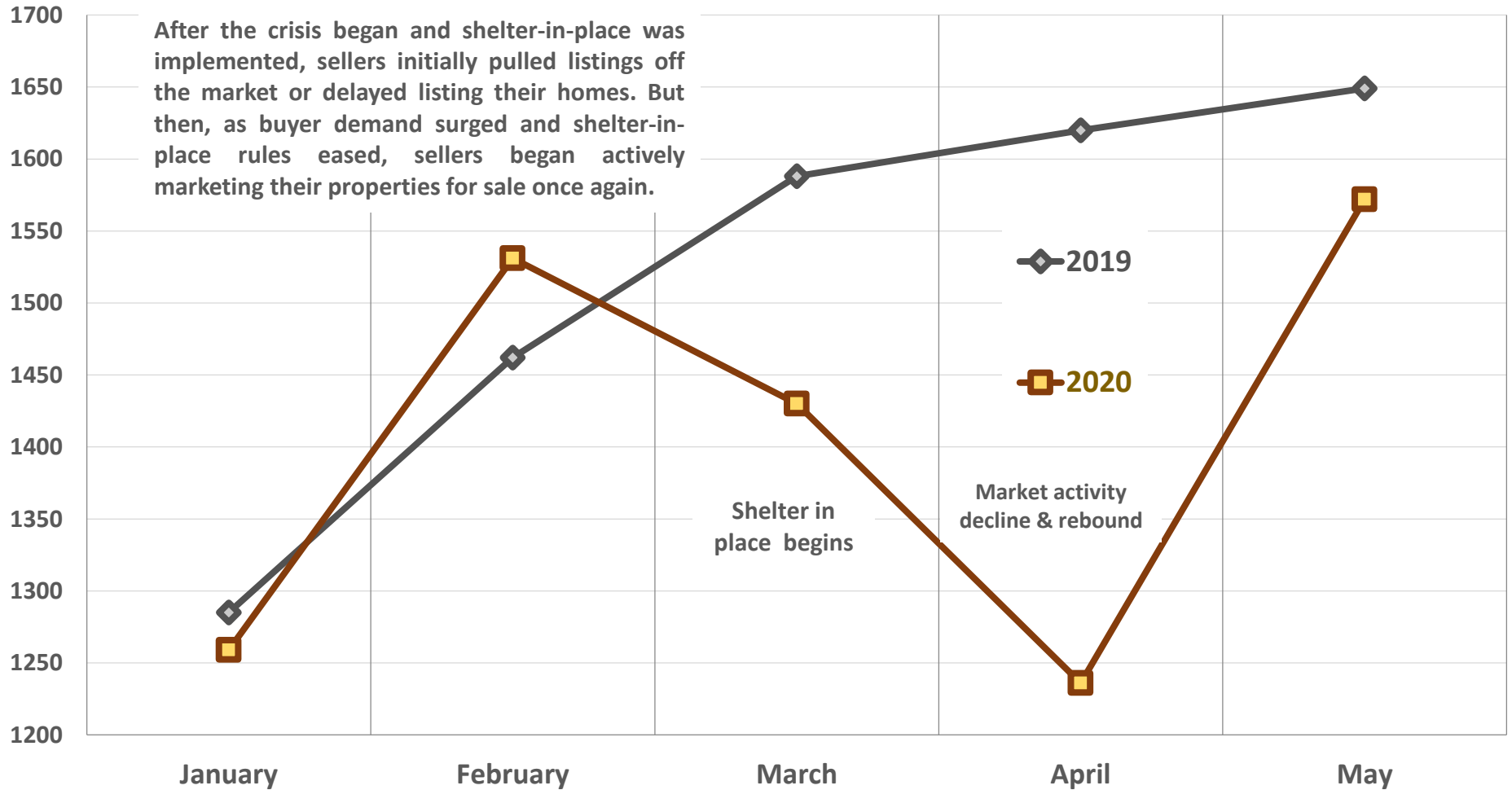
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Active Listings For Sale in Month

San Francisco Spring Market Comparison, 2020 vs. 2019

All numbers and percentages to be considered approximate

After the crisis began and shelter-in-place was implemented, sellers initially pulled listings off the market or delayed listing their homes. But then, as buyer demand surged and shelter-in-place rules eased, sellers began actively marketing their properties for sale once again.



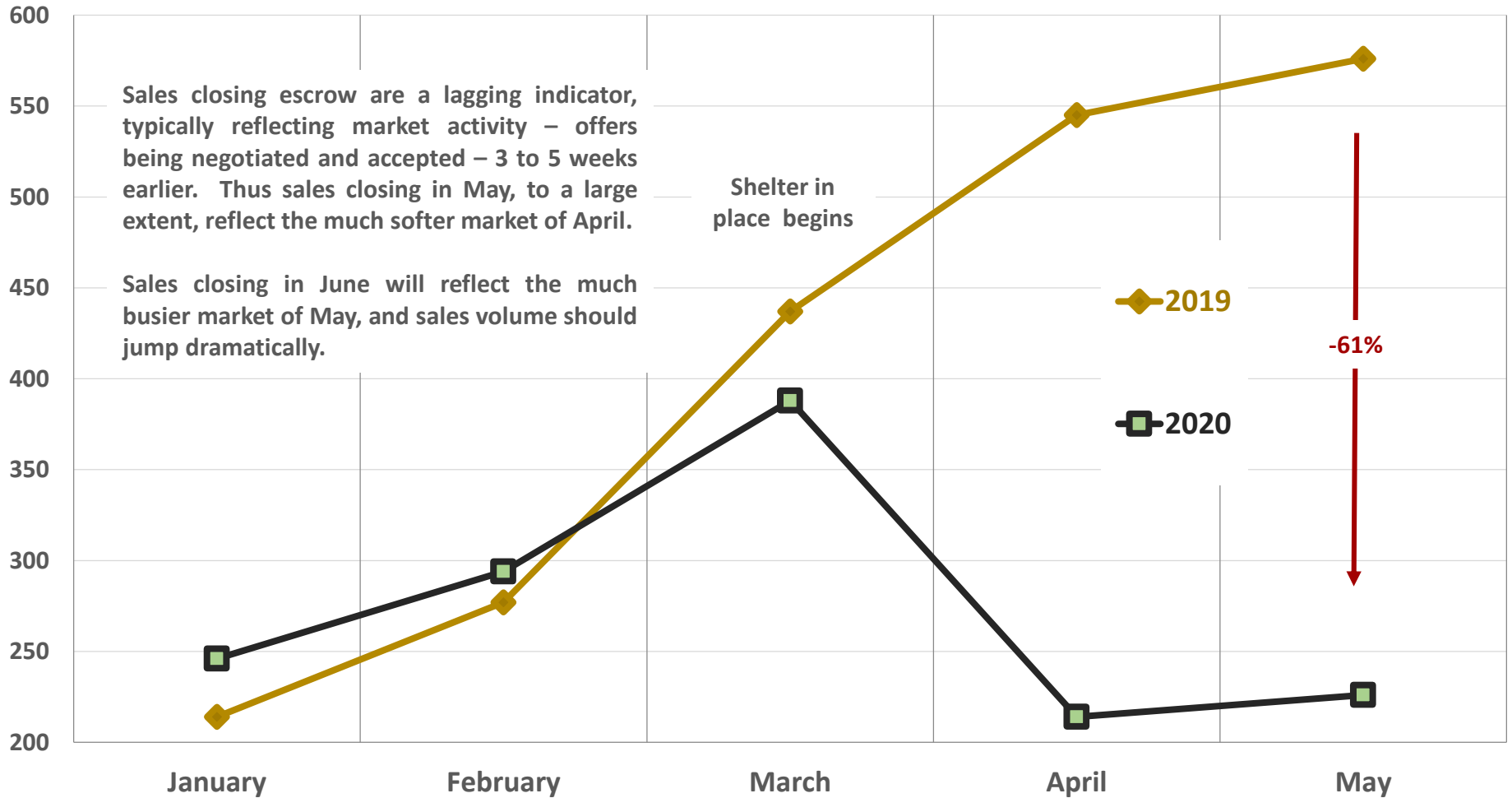
Residential activity reported to MLS, per Broker Metrics. Last month's data estimated based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.



Home Listings Closing Sale in Month

San Francisco Spring Market Comparison, 2020 vs. 2019

All numbers and percentages to be considered approximate



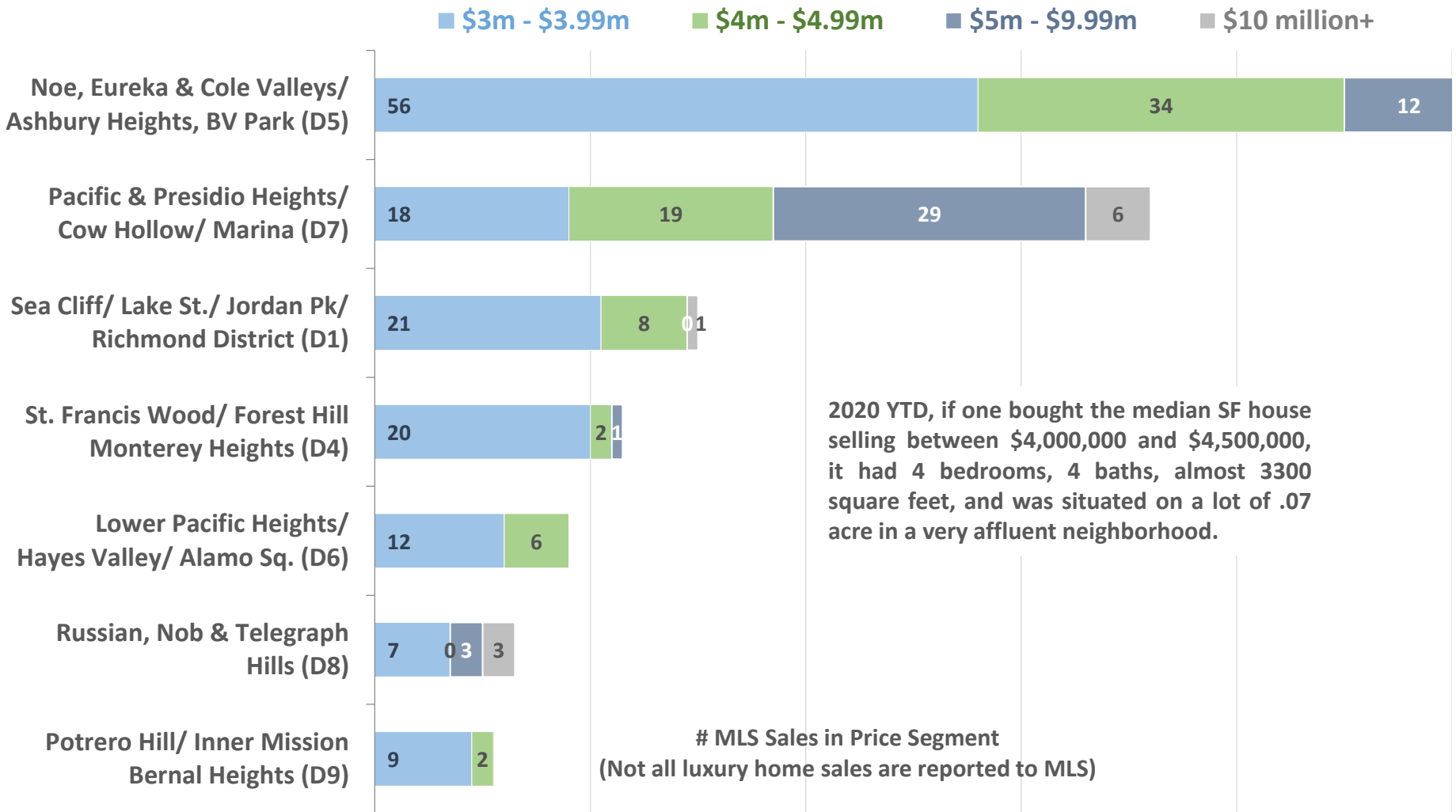
Residential activity reported to MLS, per Broker Metrics. Last month's data estimated based on available numbers, but may change with late-reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.



San Francisco Luxury House Market

House Sales of \$3,000,000+, by District

May 2020 Update: 12 months sales reported to MLS

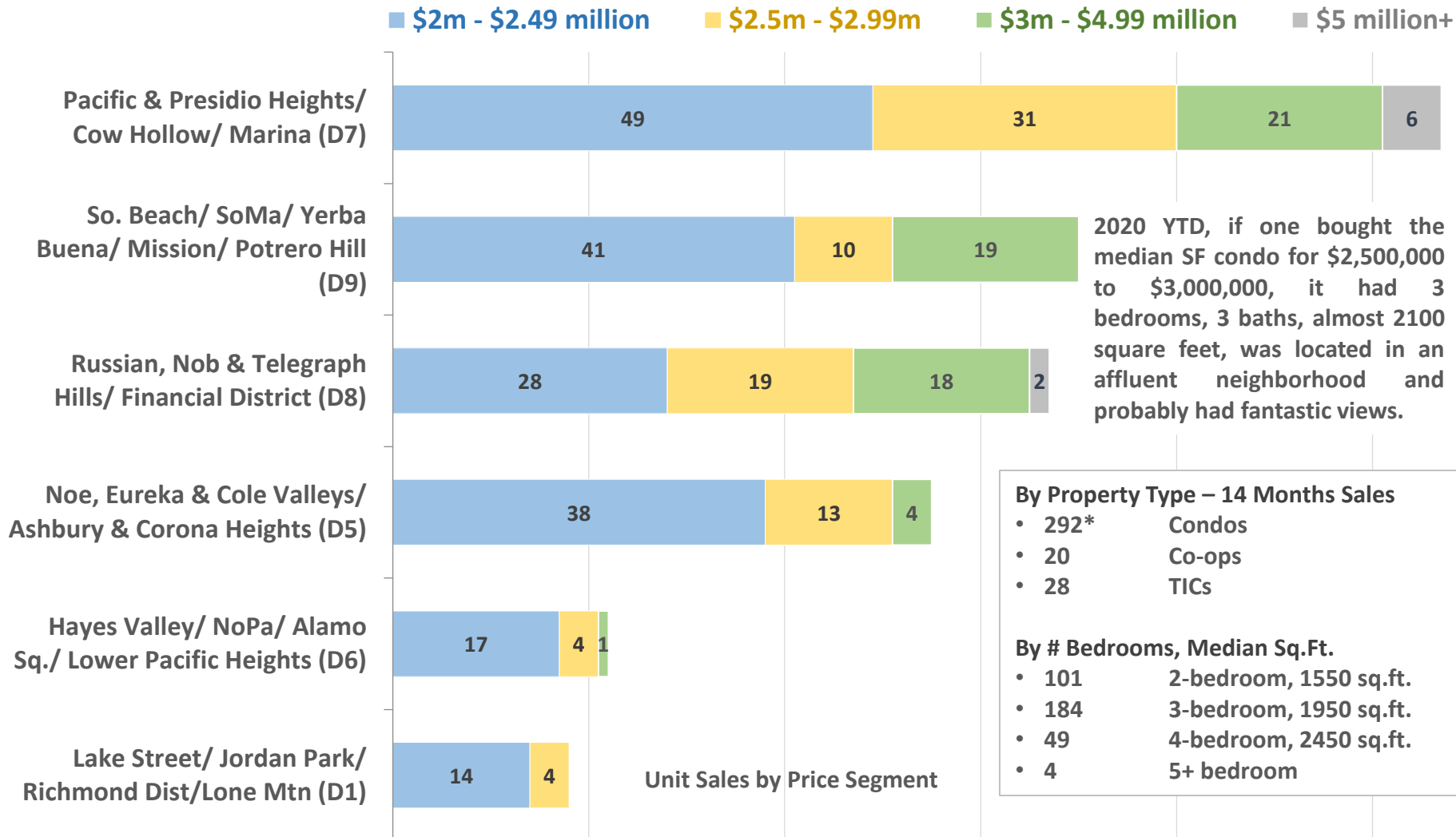


* 12 months sales reported to MLS. Not all luxury home sales are reported to MLS. Neighborhood groupings correspond to SF Realtor districts, which often include adjacent neighborhoods not listed. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

San Francisco Luxury Condo Market

Condos, Co-ops & TICs, Sales Prices of \$2 Million+, by District

May 2020 Update: 12 months sales reported to MLS



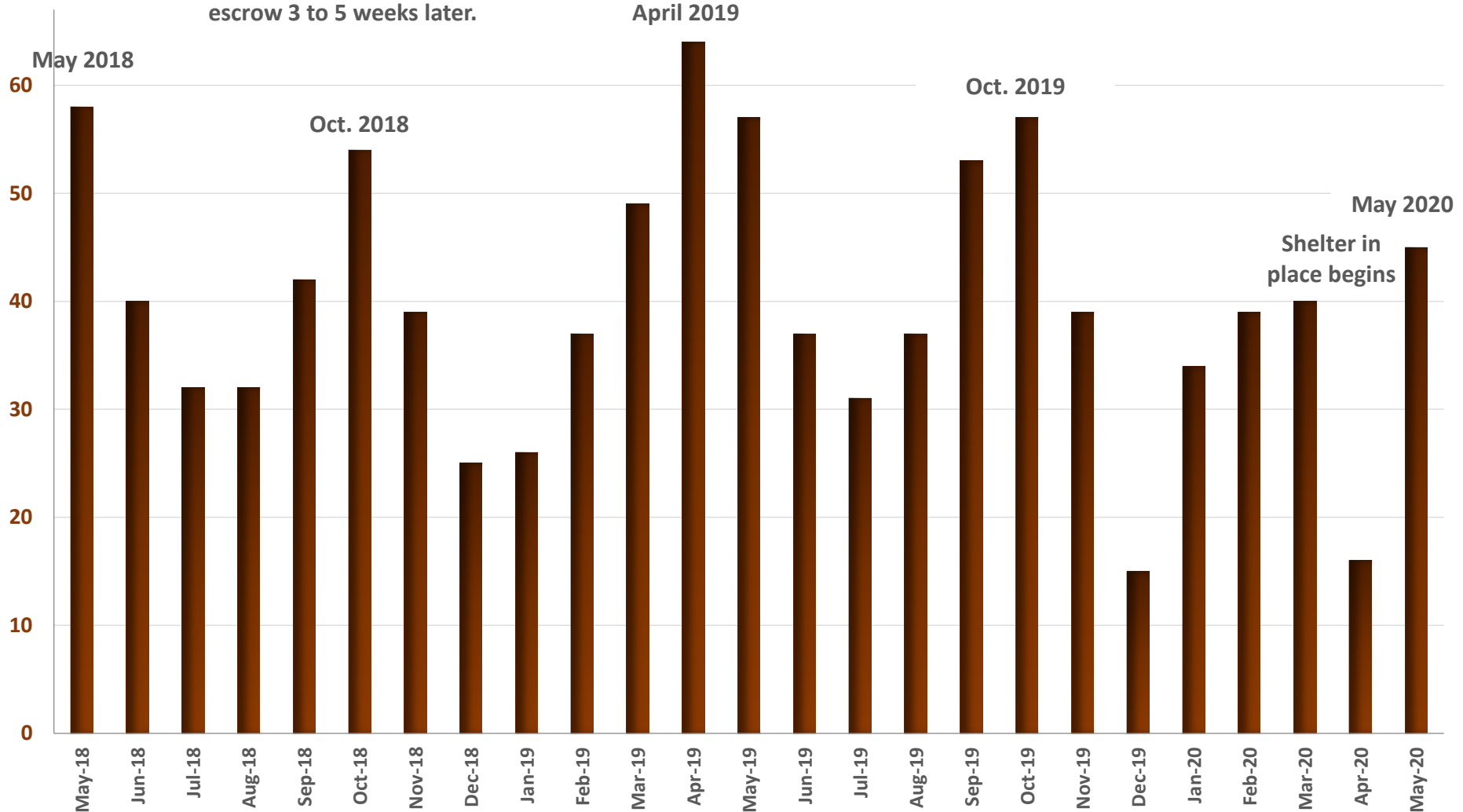
* 12 months sales reported to MLS – many new luxury condo projects do not report all sales. Neighborhood groupings correspond to SF Realtor districts, which include other neighborhoods as well. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

Higher-Price Home Listings Accepting Offers

San Francisco, \$2,500,000+

As reported to MLS. All numbers to be considered approximate.

Sales that go into contract typically close escrow 3 to 5 weeks later.



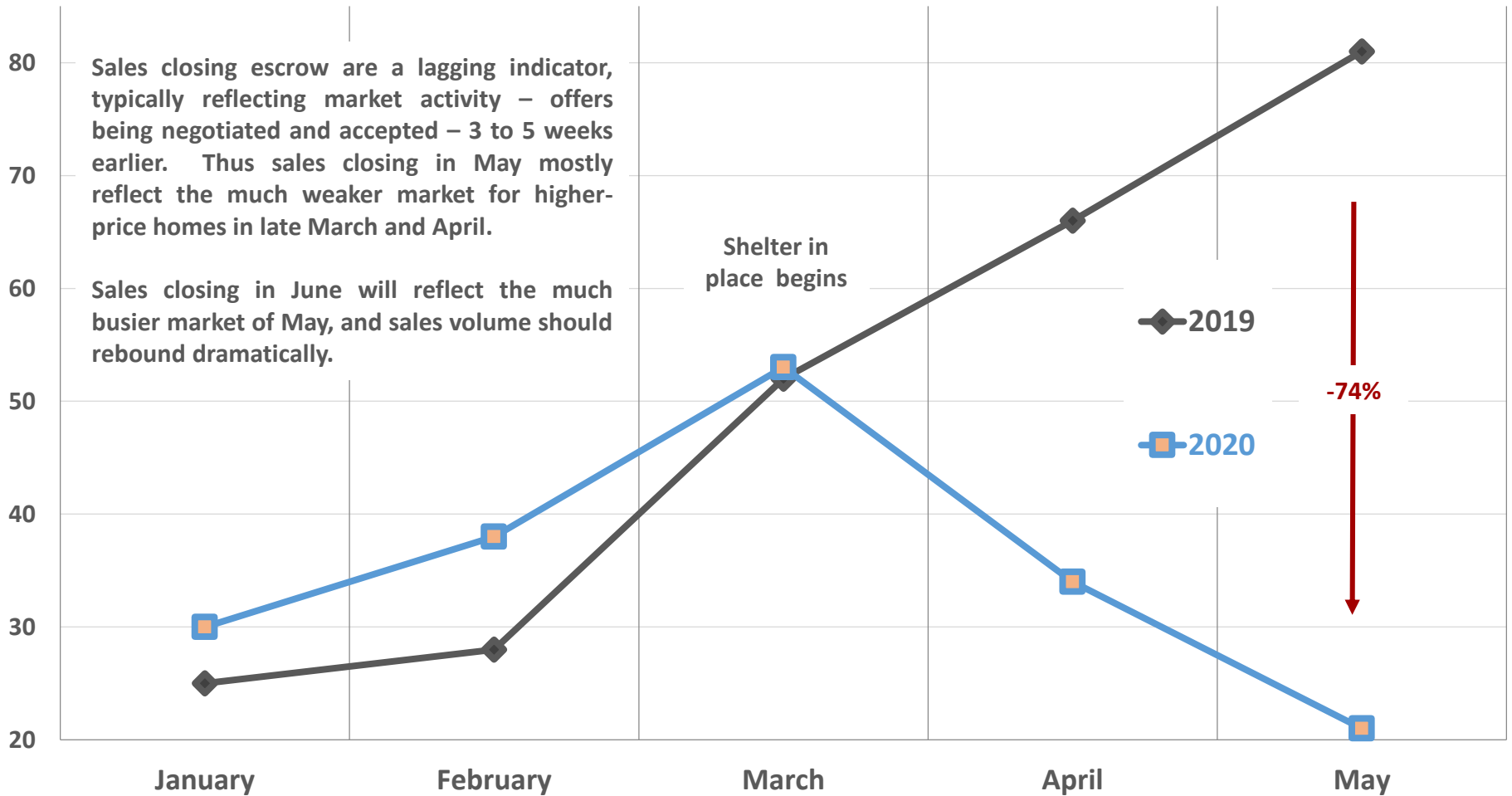
Activity reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



Higher-Price Listings Closing Sale, \$2.5 Million+

San Francisco Spring Market Comparison, 2020 vs. 2019

All numbers and percentages to be considered approximate



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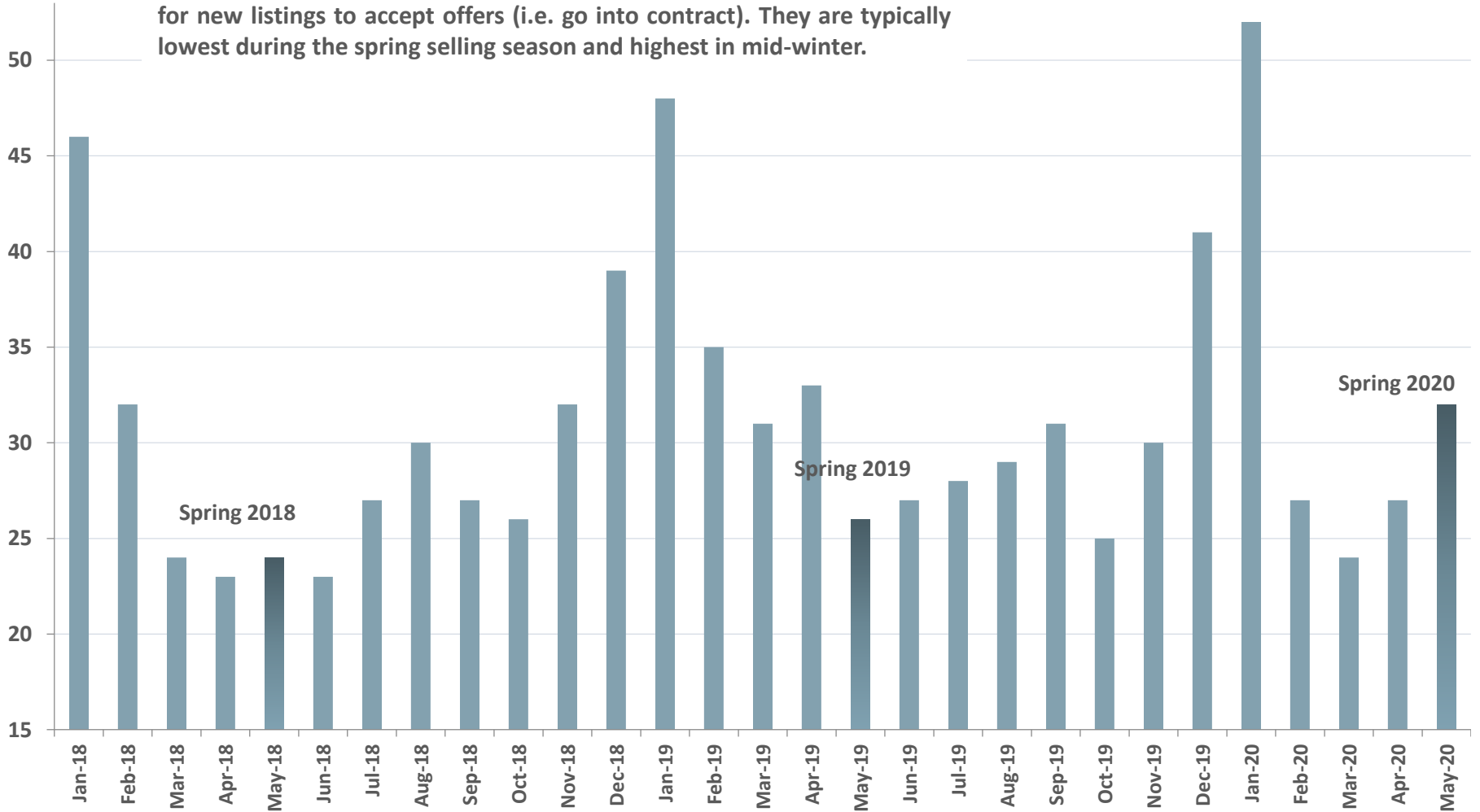


Average Days on Market to Acceptance of Offer

San Francisco Real Estate Market Dynamics & Seasonality

Residential sales data reported to MLS, per Infosparks

Average Days on Market (DOM) measures how long it takes, on average, for new listings to accept offers (i.e. go into contract). They are typically lowest during the spring selling season and highest in mid-winter.



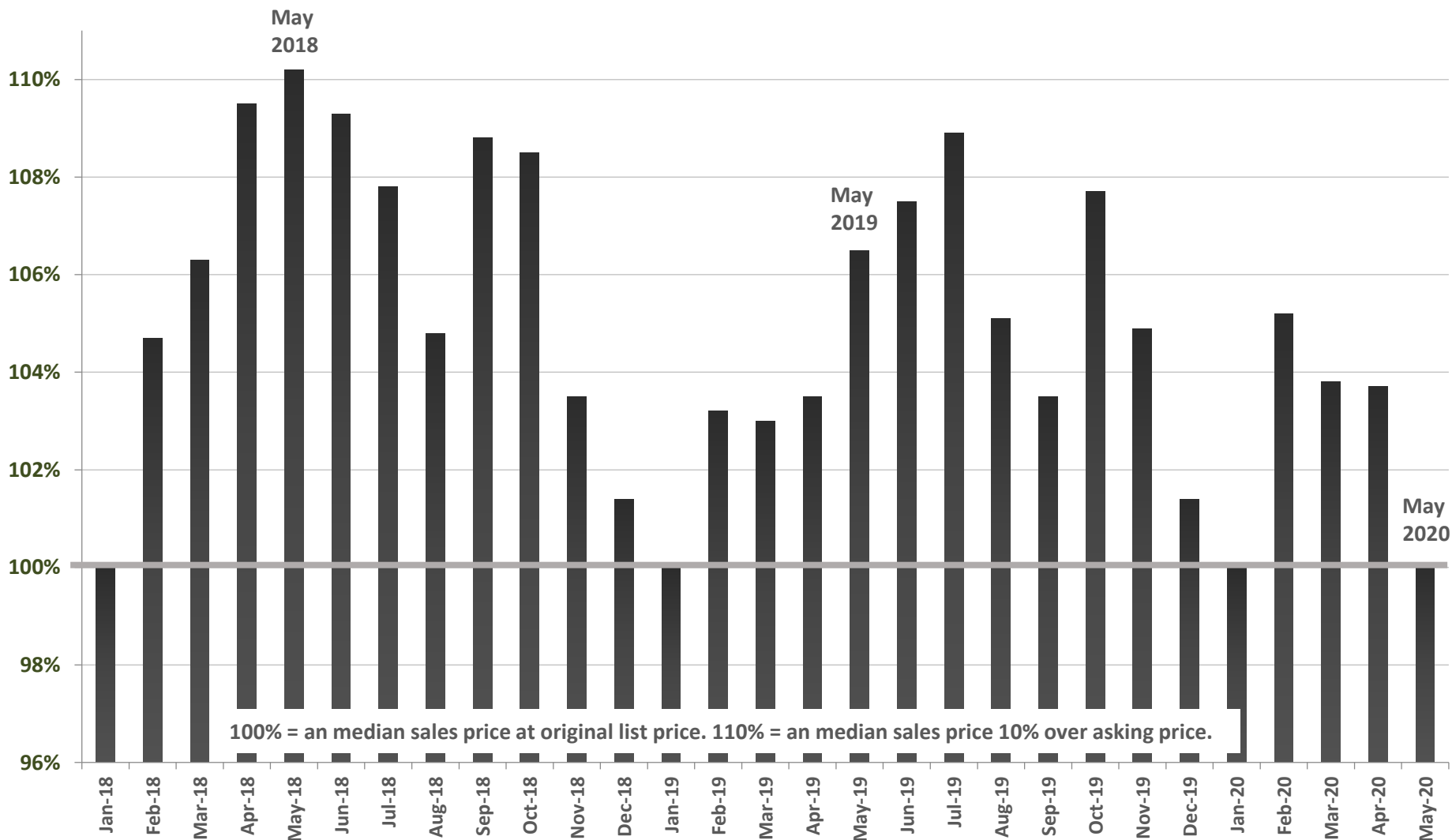
Listings that close sale. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



Median Sales Price to Final List Price Percentage

San Francisco Market: Seasonality & Overbidding Asking Prices

MLS sales of houses, condos, co-ops and TICs, per Infosparks



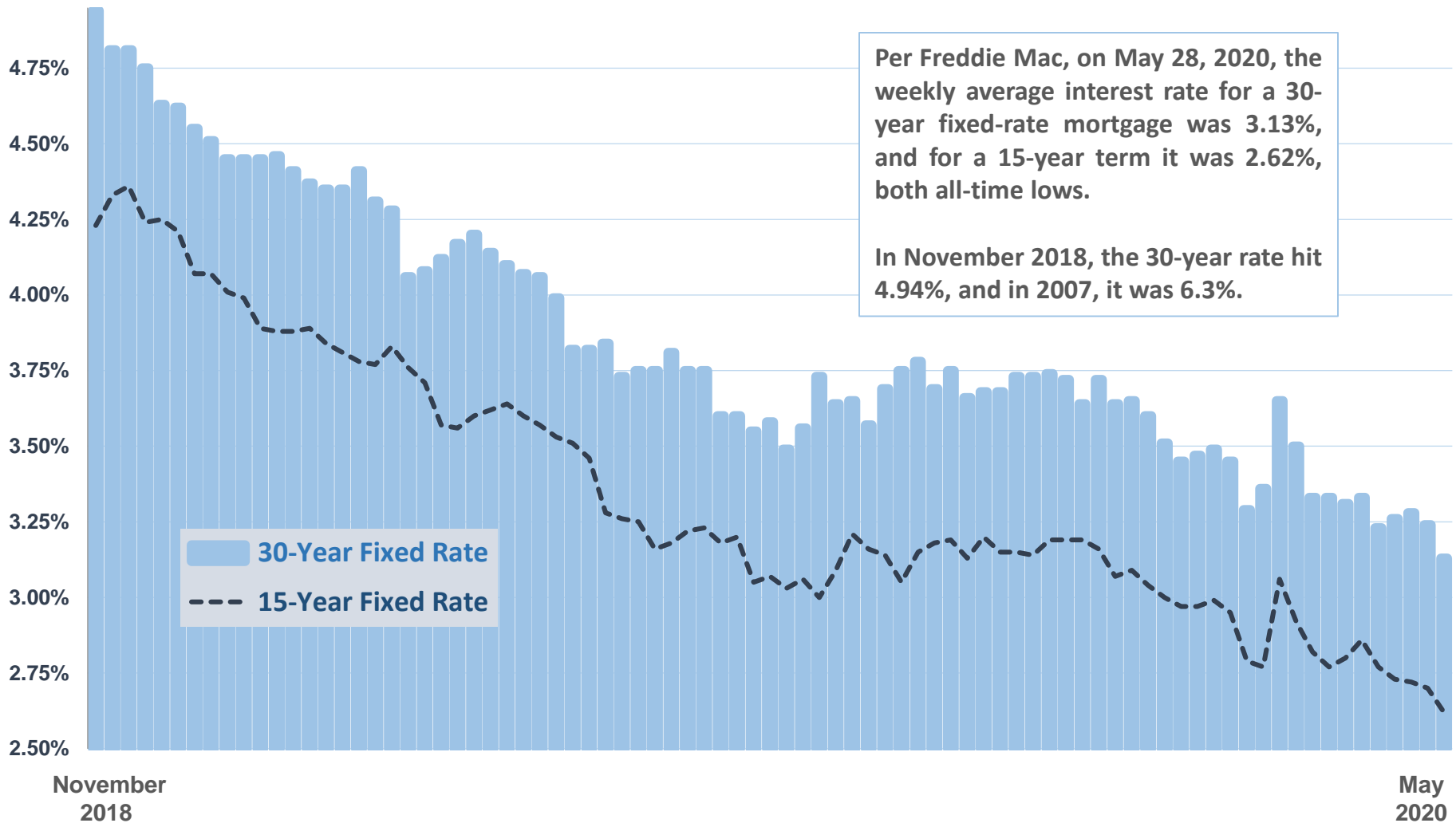
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Mortgage Interest Rate Trends, November 2018 – May 2020

30-Year & 15-Year Conforming Fixed Rate Loans, Weekly Average Readings

Rates published
by the FHLMC



Per Freddie Mac, on May 28, 2020, the weekly average interest rate for a 30-year fixed-rate mortgage was 3.13%, and for a 15-year term it was 2.62%, both all-time lows.

In November 2018, the 30-year rate hit 4.94%, and in 2007, it was 6.3%.

30-Year Fixed Rate
15-Year Fixed Rate

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.

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Compass San Francisco Bay Area Reports: <https://www.bayareamarketreports.com/>

Bay Area Home Price Map: <https://www.bayareamarketreports.com/trend/bay-area-home-prices>

SF Home Price Map: <https://www.bayareamarketreports.com/trend/san-francisco-neighborhood-map>

It is impossible to know how median and average value statistics apply to any particular home without a specific comparative market analysis. Many factors affect sales prices besides neighborhood/ bedroom count: quality of location *within* the neighborhood, condition, size, architecture, views, amenities, parking, outdoor space, etc.

The data in these charts should be interpreted as approximate and illustrative of general trend lines rather than reflecting exact numbers. Last period data in particular may change with late-reported activity.

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, so you can make your own informed decisions. Median and average statistics are enormous generalities: There are hundreds of different markets in San Francisco and the Bay Area, each with its own unique dynamics. Median prices and average dollar per square foot values can be and often are affected by other factors besides changes in fair market value. Longer term trends are much more meaningful than short-term.

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