



San Francisco July 14, 2021 Sales Meeting Selected Angles on the Market

Presented by Patrick Carlisle

COMPASS

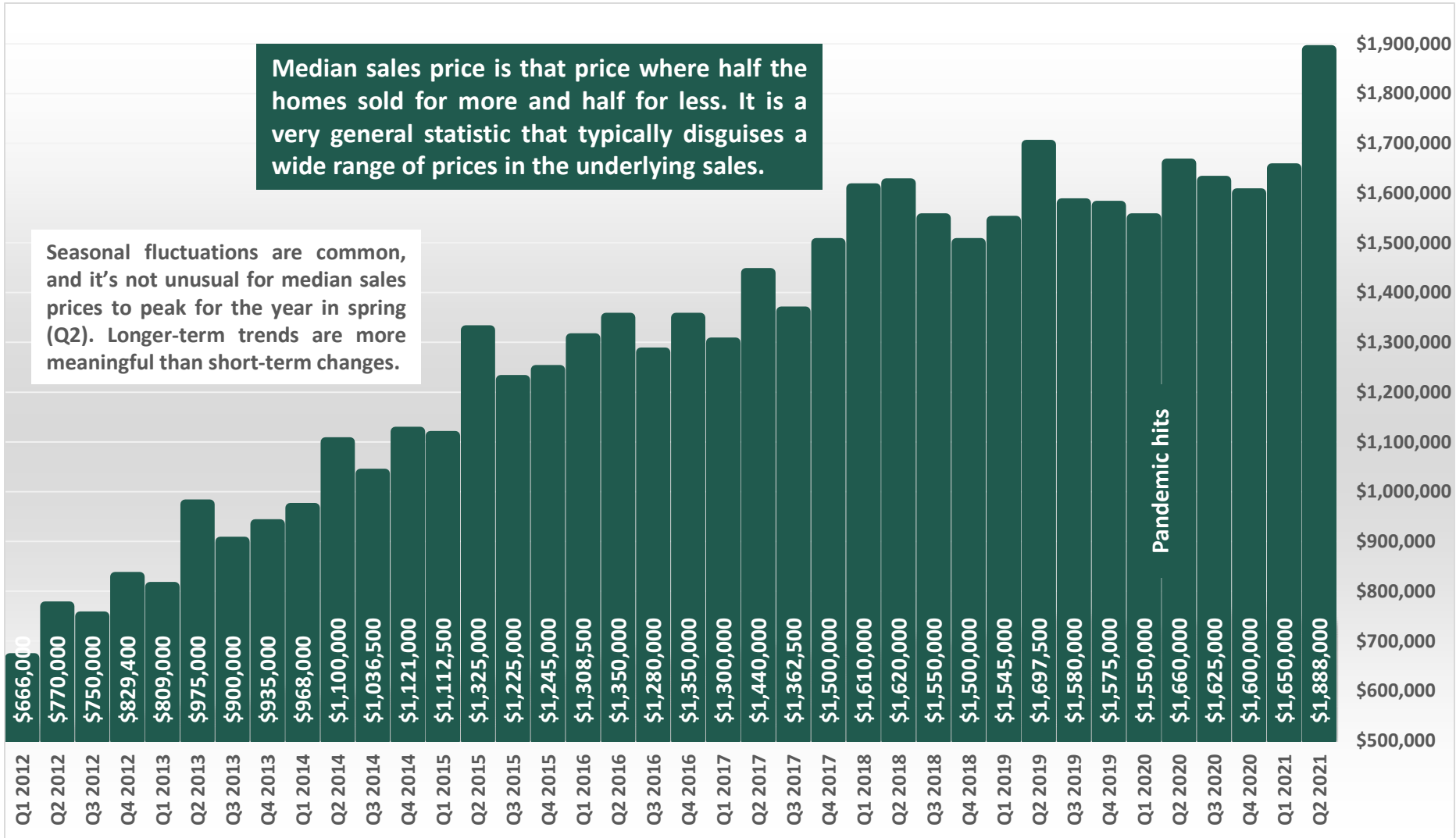
San Francisco House Price Appreciation

Median House Sales Prices, 2012 – Present, by Quarter

As reported to MLS,
per Broker Metrics

Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that typically disguises a wide range of prices in the underlying sales.

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



Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision. Last quarter may change with late reported sales.

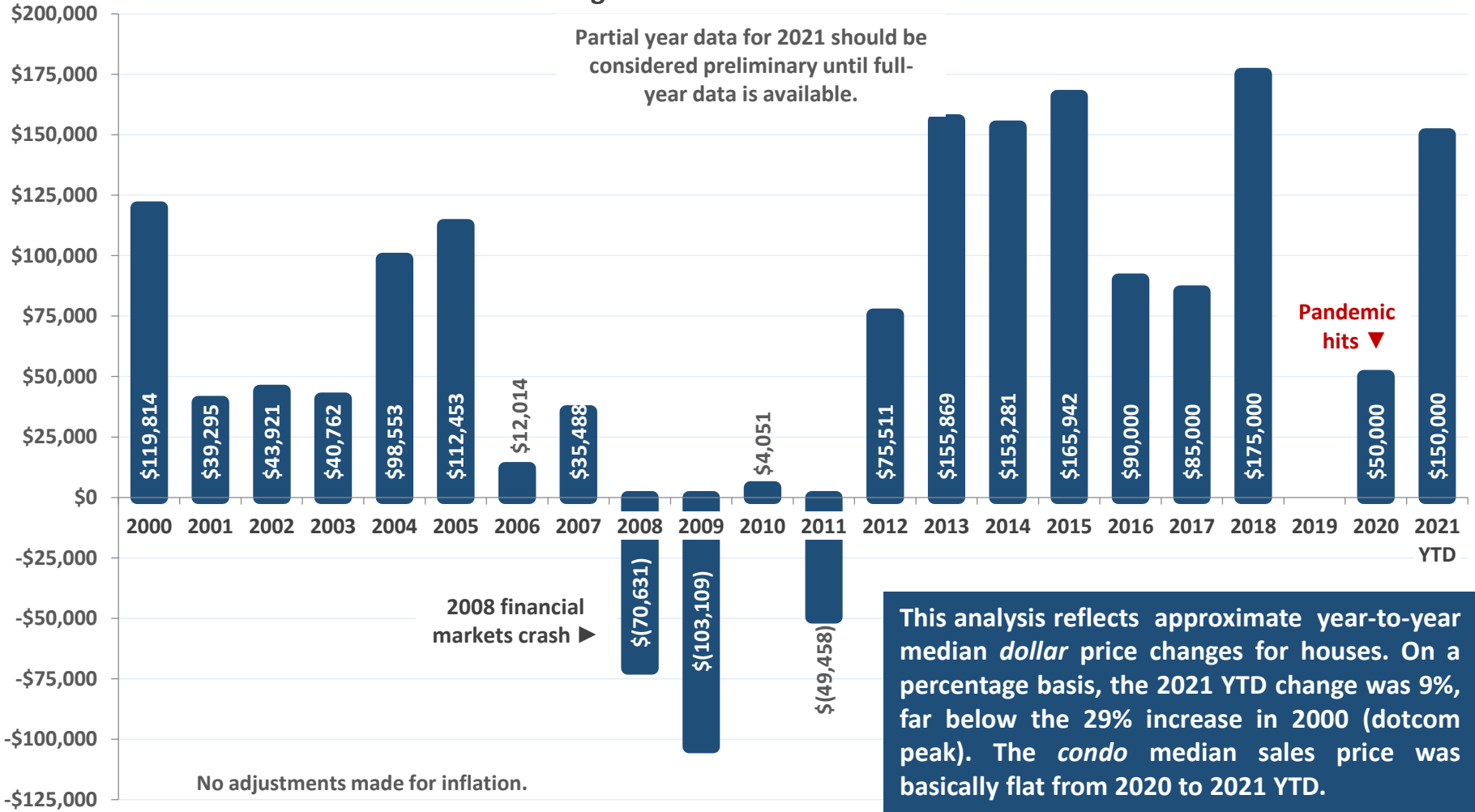


San Francisco Median House Price Changes

Year-over-Year Changes, since 2000

2021 YTD reflects sales through 6/30/21, reported to MLS by 7/3/21

Year-over-Year Change in Annual Median House Sales Price



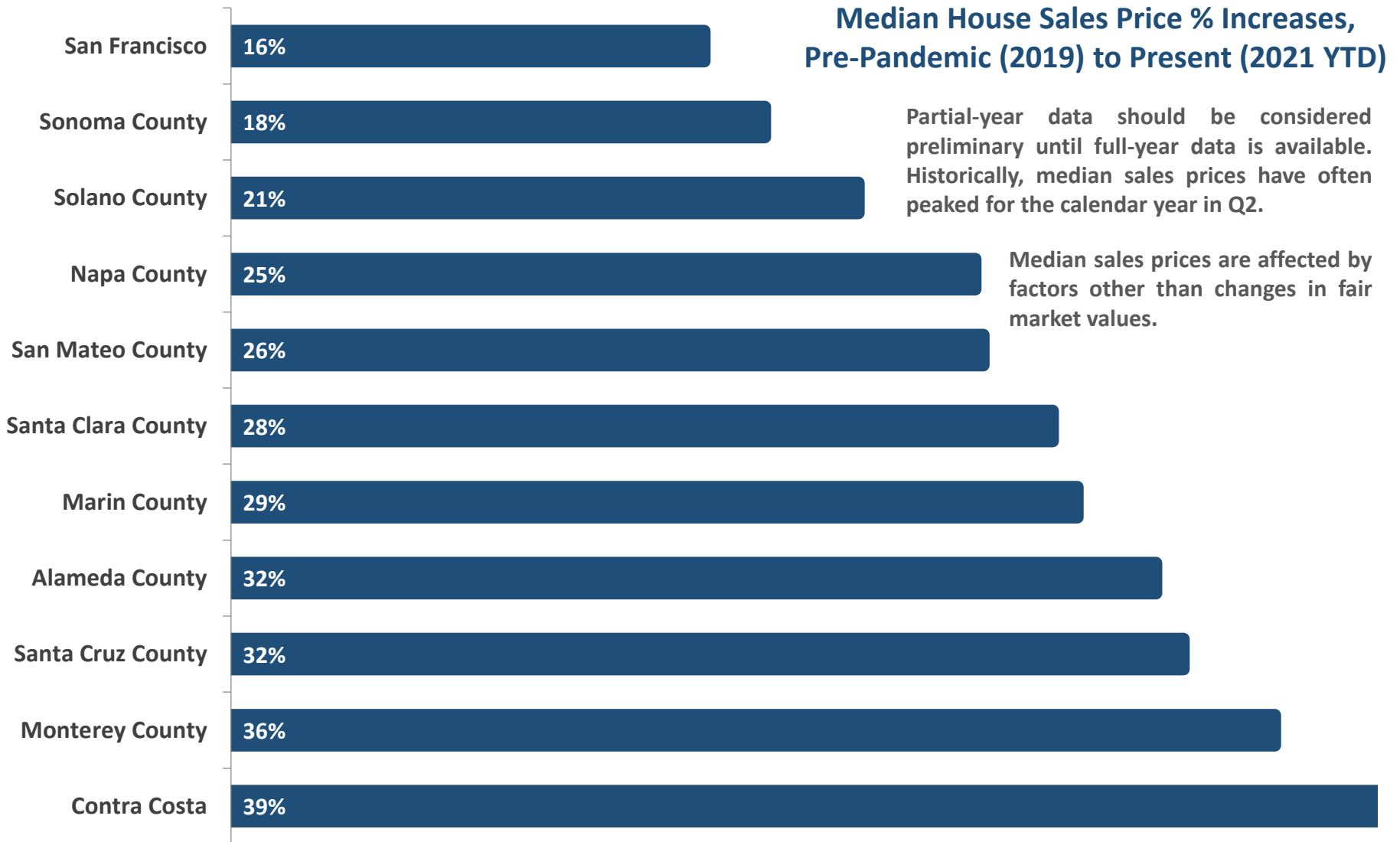
This analysis reflects approximate year-to-year median *dollar* price changes for houses. On a percentage basis, the 2021 YTD change was 9%, far below the 29% increase in 2000 (dotcom peak). The *condo* median sales price was basically flat from 2020 to 2021 YTD.

Data through 2020 per the California Associations of Realtors for existing single family dwellings; 2021 an estimate using NorCal Regional MLS data. Data deemed reliable but may contain errors and subject to revision. All numbers are approximate. **Changes in median sales prices are not perfect reflections of fair market value.**



Bay Area Median House Sales Prices: Percentage Appreciation

2019 (full year) to 2021 YTD (first half): Median Sales Price Change



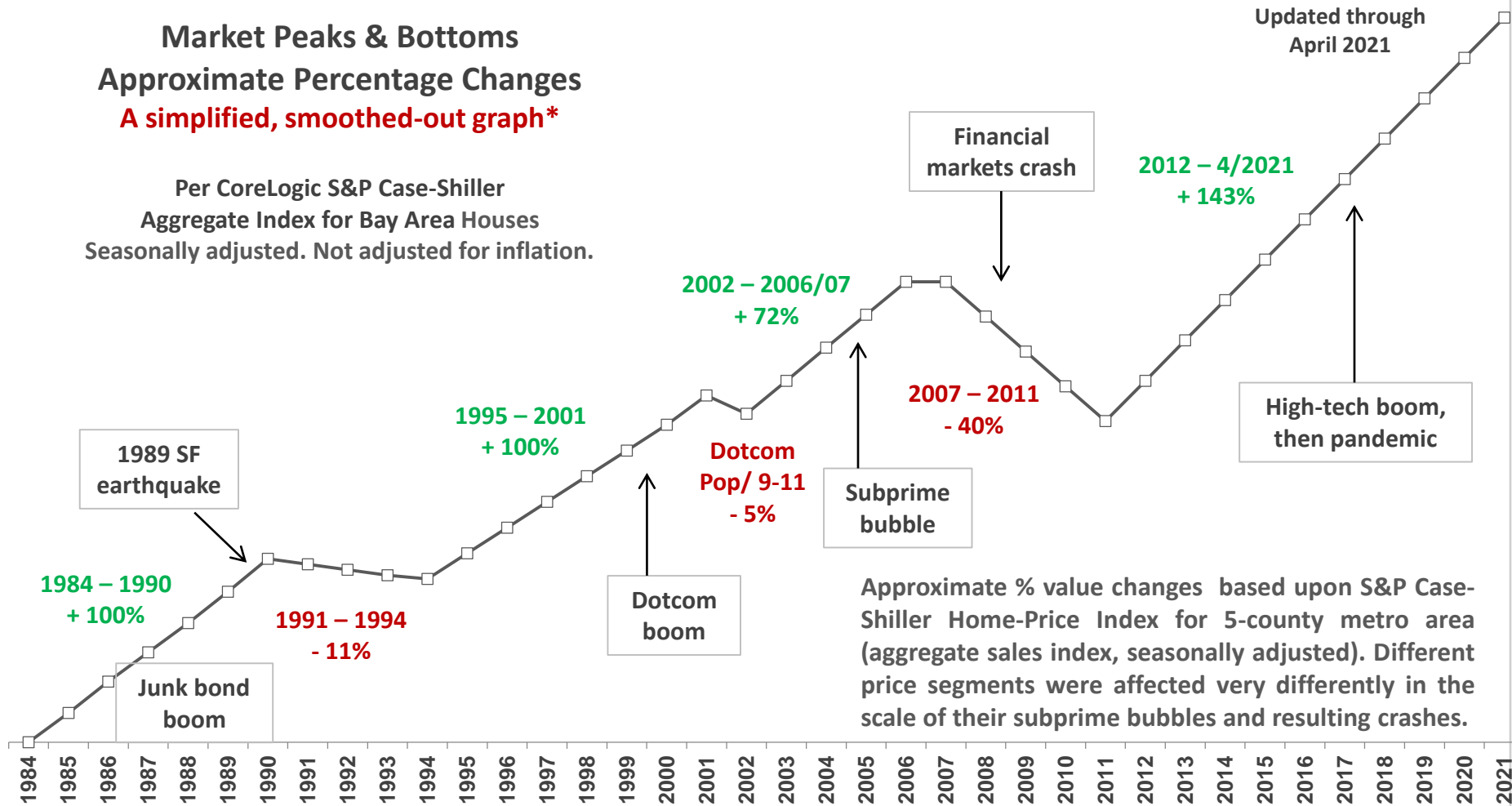
Based on 2019 and 2021 YTD median house sales prices per CA Association of Realtors or NorCal Regional MLS. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



San Francisco Bay Area Real Estate Market Cycles

Home Price Increases & Declines, by Percentage, 1984 – 2021*

<https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-san-francisco-home-price-nsa-index/#overview>



* 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 very approximate and subject to revision.

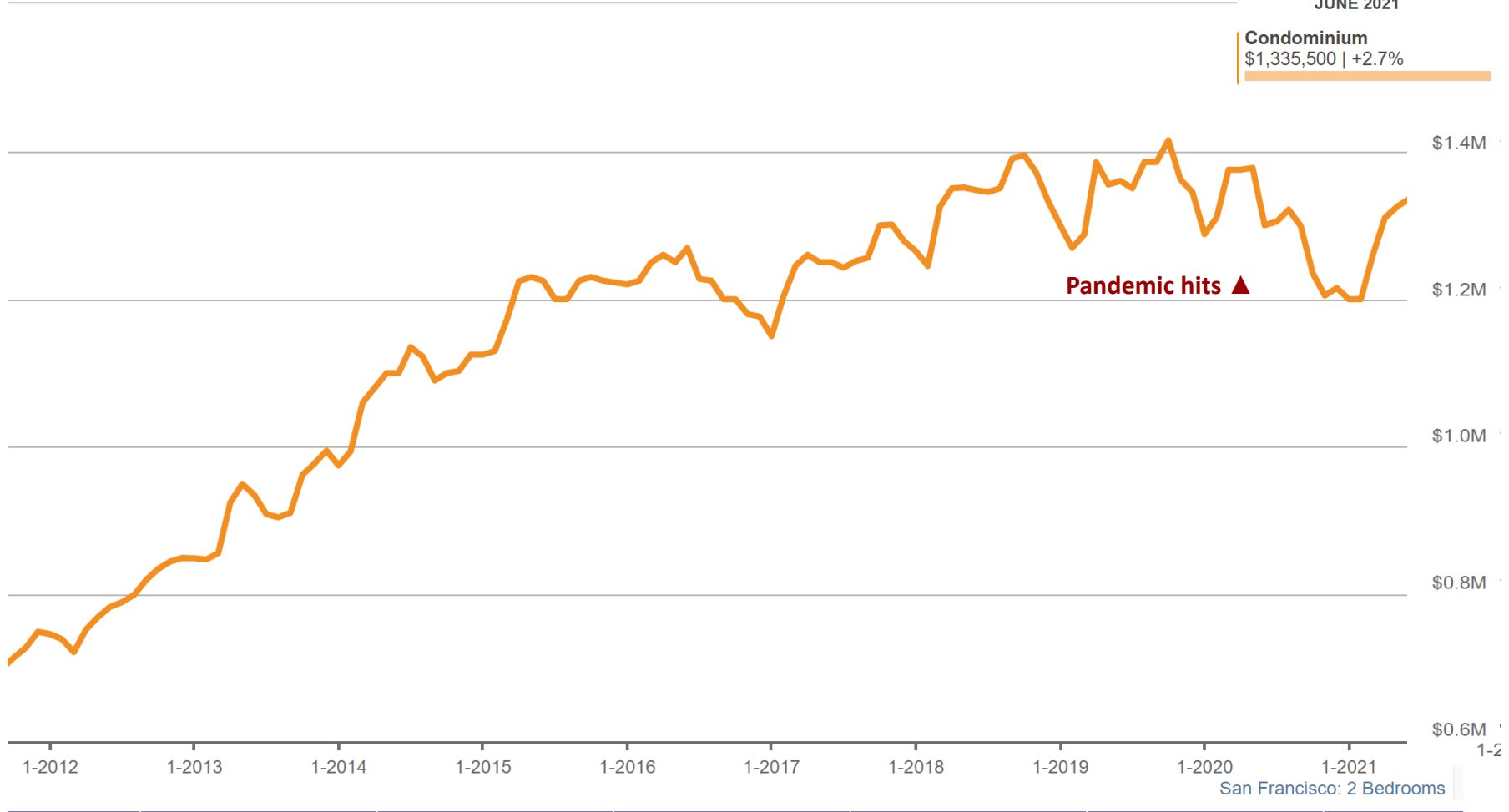
Median Sales Price: San Francisco 2-Bedroom Condos

3-Month Rolling Data, per Infosparks

Condominium

JUNE 2021

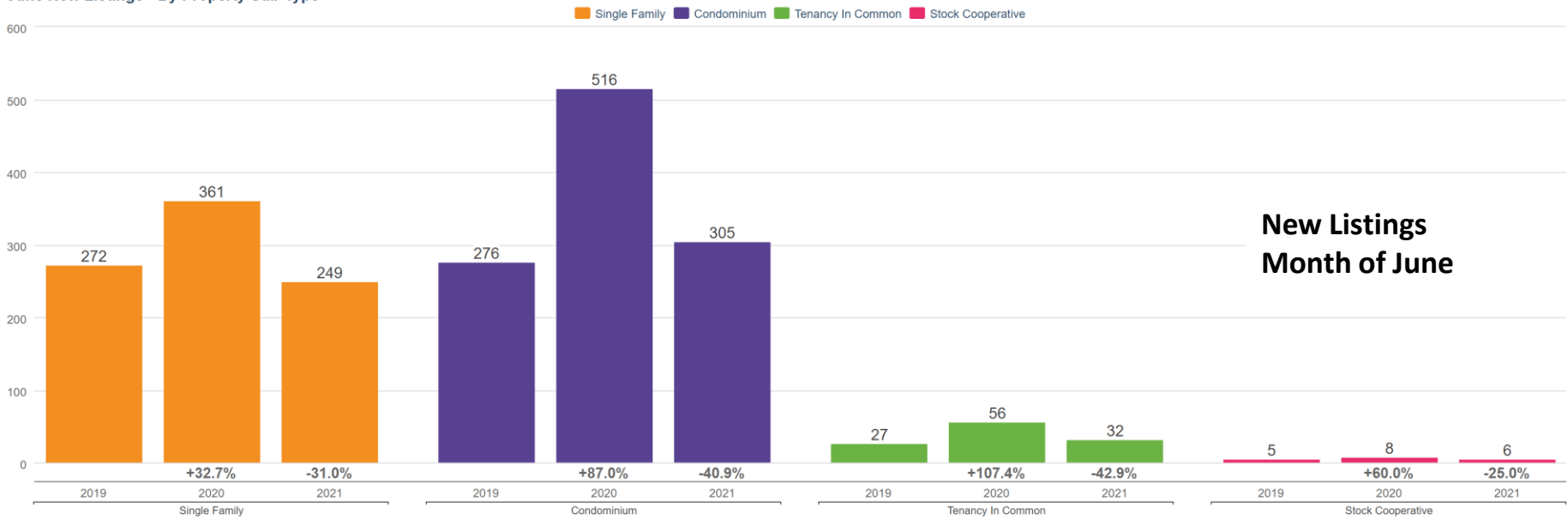
Condominium
\$1,335,500 | +2.7%



San Francisco: 2 Bedrooms

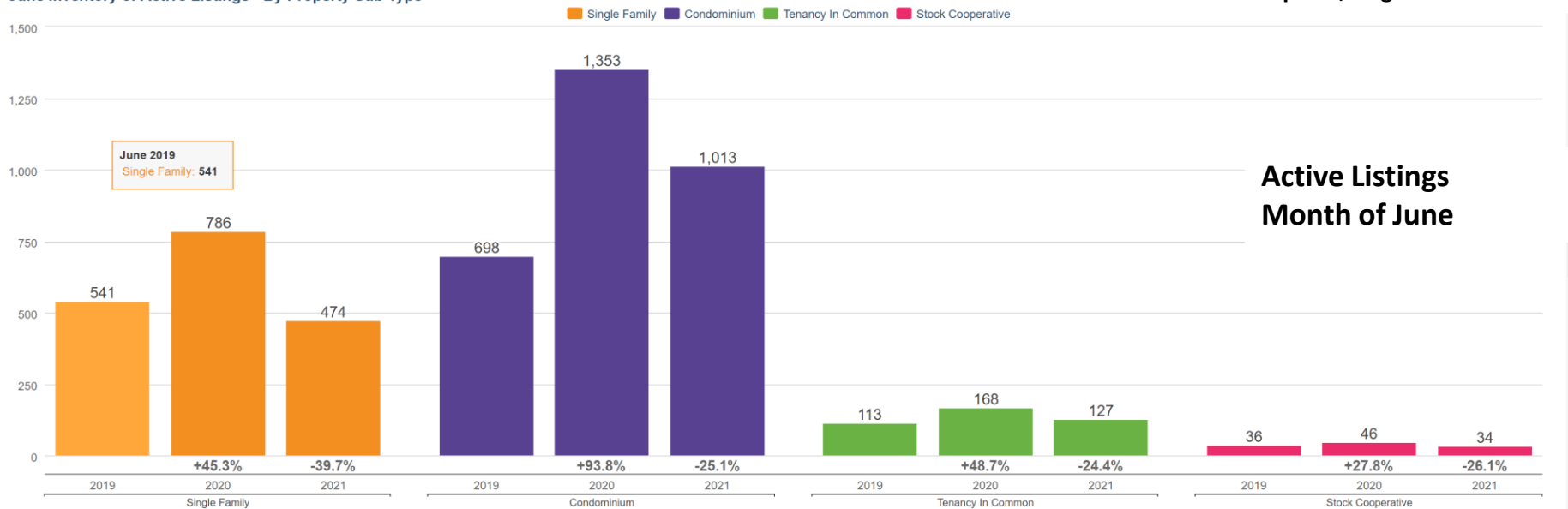
In the following comparisons of June monthly data, 2019-2020-2021, the most useful comparison is between June 2019 and June 2021, as the pandemic significantly distorted the numbers in June 2020.

June New Listings - By Property Sub Type



New Listings
Month of June

June Inventory of Active Listings - By Property Sub Type

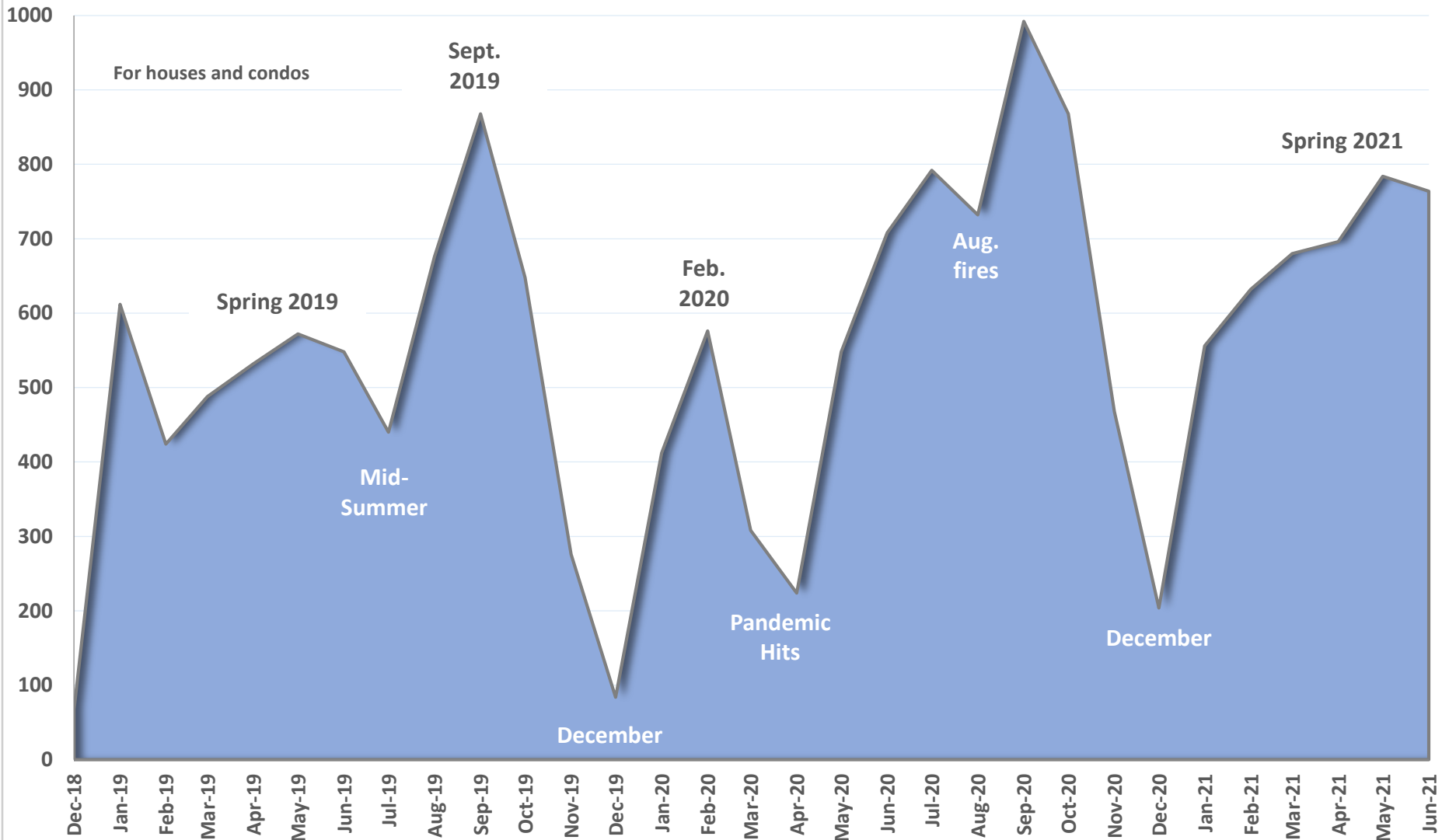


Active Listings
Month of June

New Listings Coming on Market by Month

San Francisco Market Dynamics & Seasonality

Sept.
2020



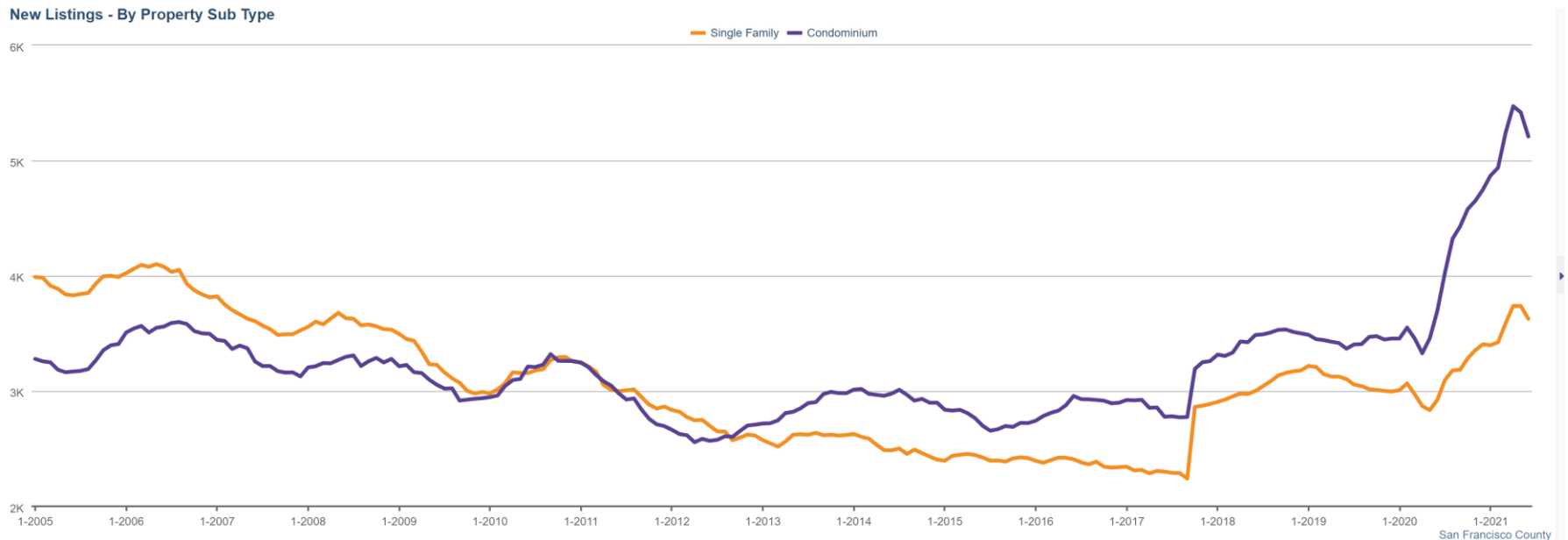
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

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San Francisco New House & Condo Listings Coming on Market

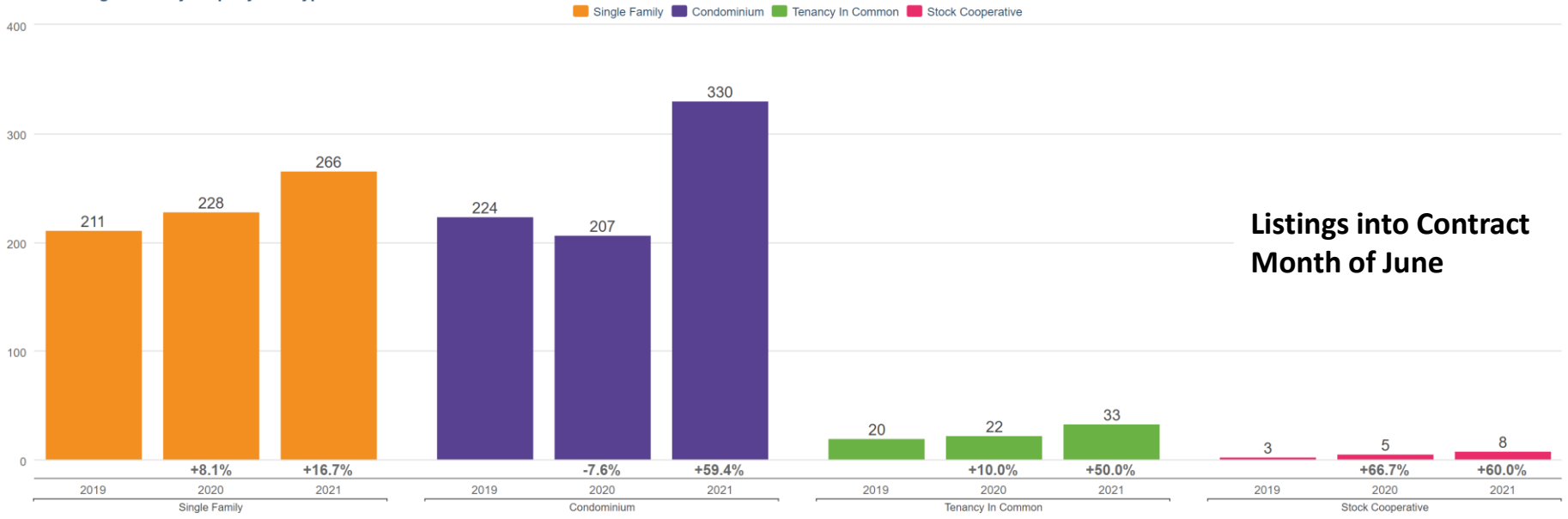
12-Month Rolling Data – a Very Broad Overview

Infosparks, 12-month rolling data



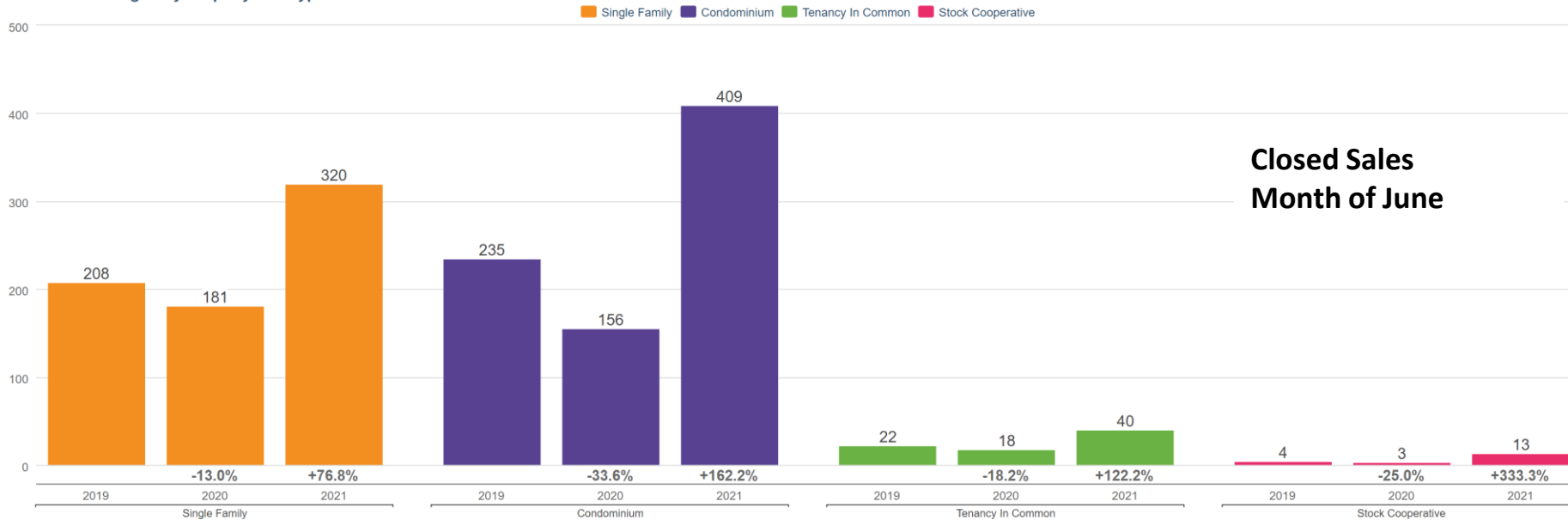
12-month rolling data: Each data point reflects the total of 12 months of new listings. 1/12 of these numbers will equal an average month within each 12 month period. Using 12-month rolling data generally eliminates seasonal fluctuations from the trend line but will disguise and lag shorter term changes.

June Pending Sales - By Property Sub Type



Listings into Contract Month of June

June Sold Listings - By Property Sub Type

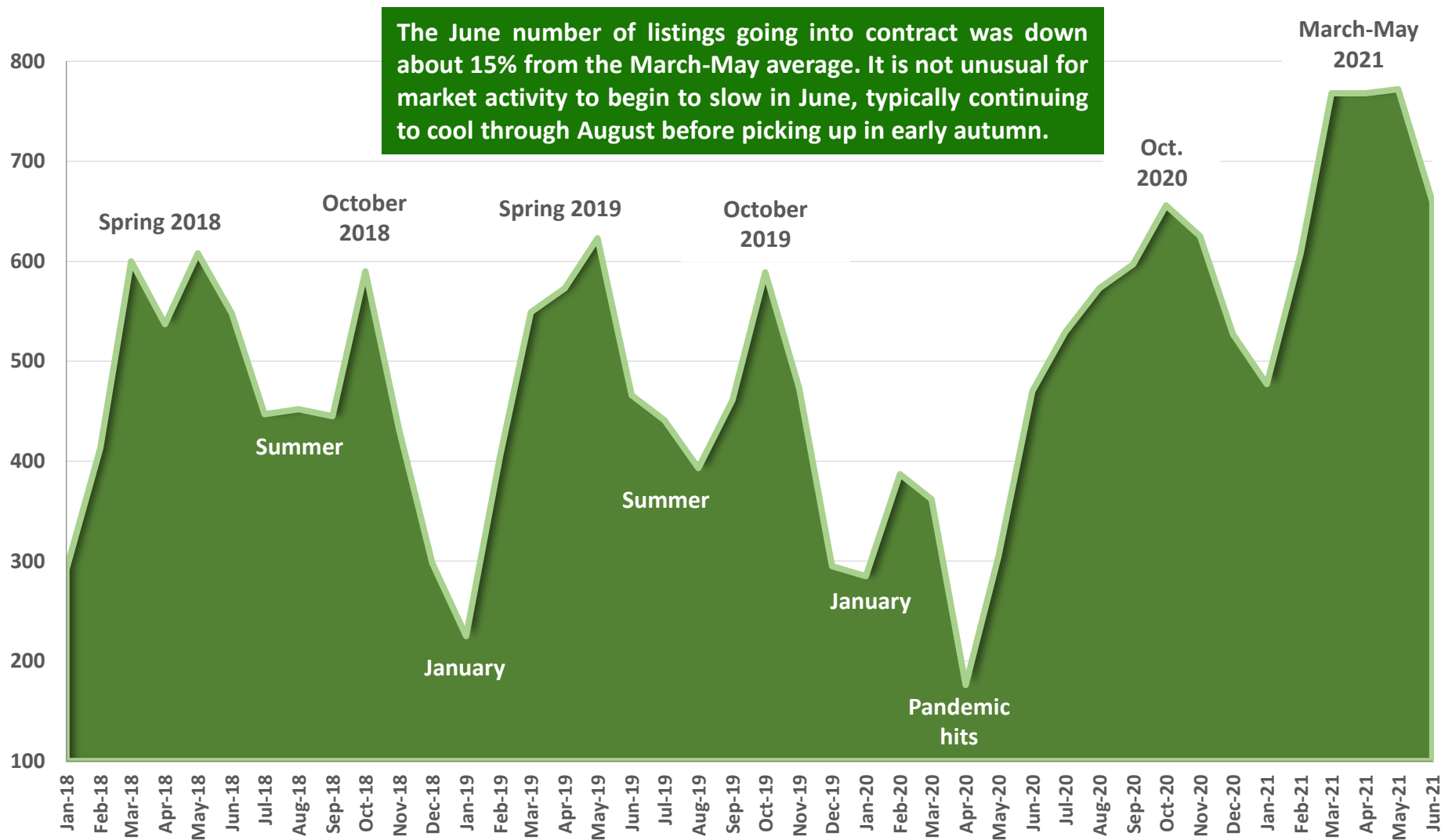


Closed Sales Month of June

San Francisco Market Dynamics & Seasonality

Listings Accepting Offers (Going into Contract) by Month

Houses, condos, co-ops and TICs as listed in NorCal Regional MLS, per Infosparks.



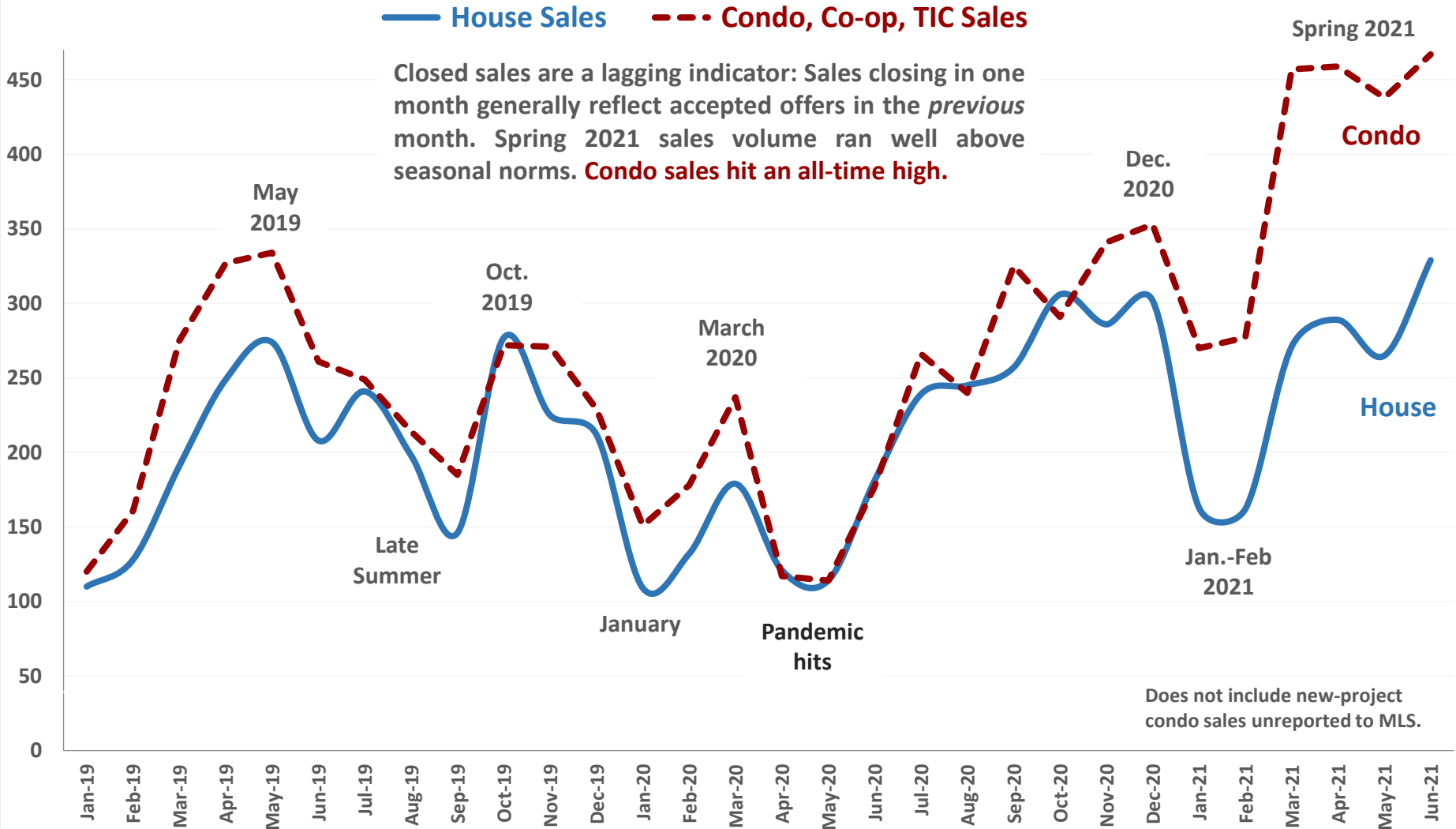
Does not include many new-project condo listings and sales not reported to MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last month estimated based on available data: Late reported activity may change this number.



Unit HOUSE Sales by Month since 2018

San Francisco Market Dynamics & Seasonality

Sales reported to NorCal Regional MLS, per Infosparks



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

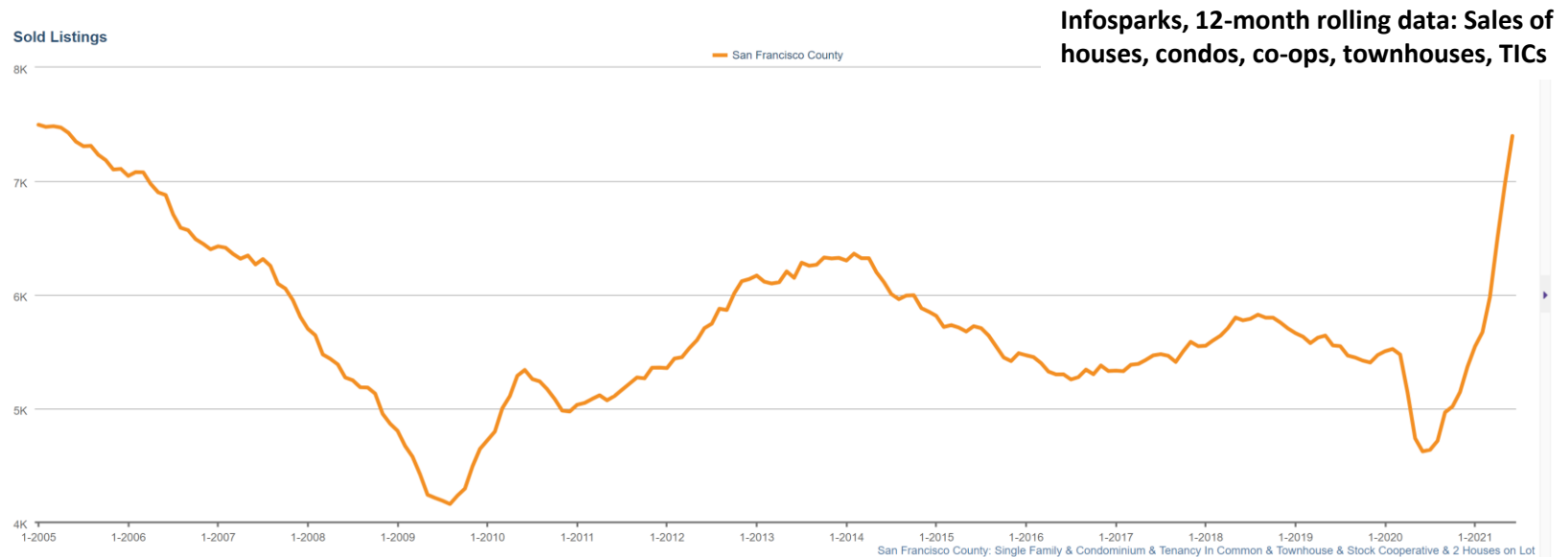
Activity reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last month numbers estimated based on available data.



San Francisco Residential Sales since 2005

12-Month Rolling Data

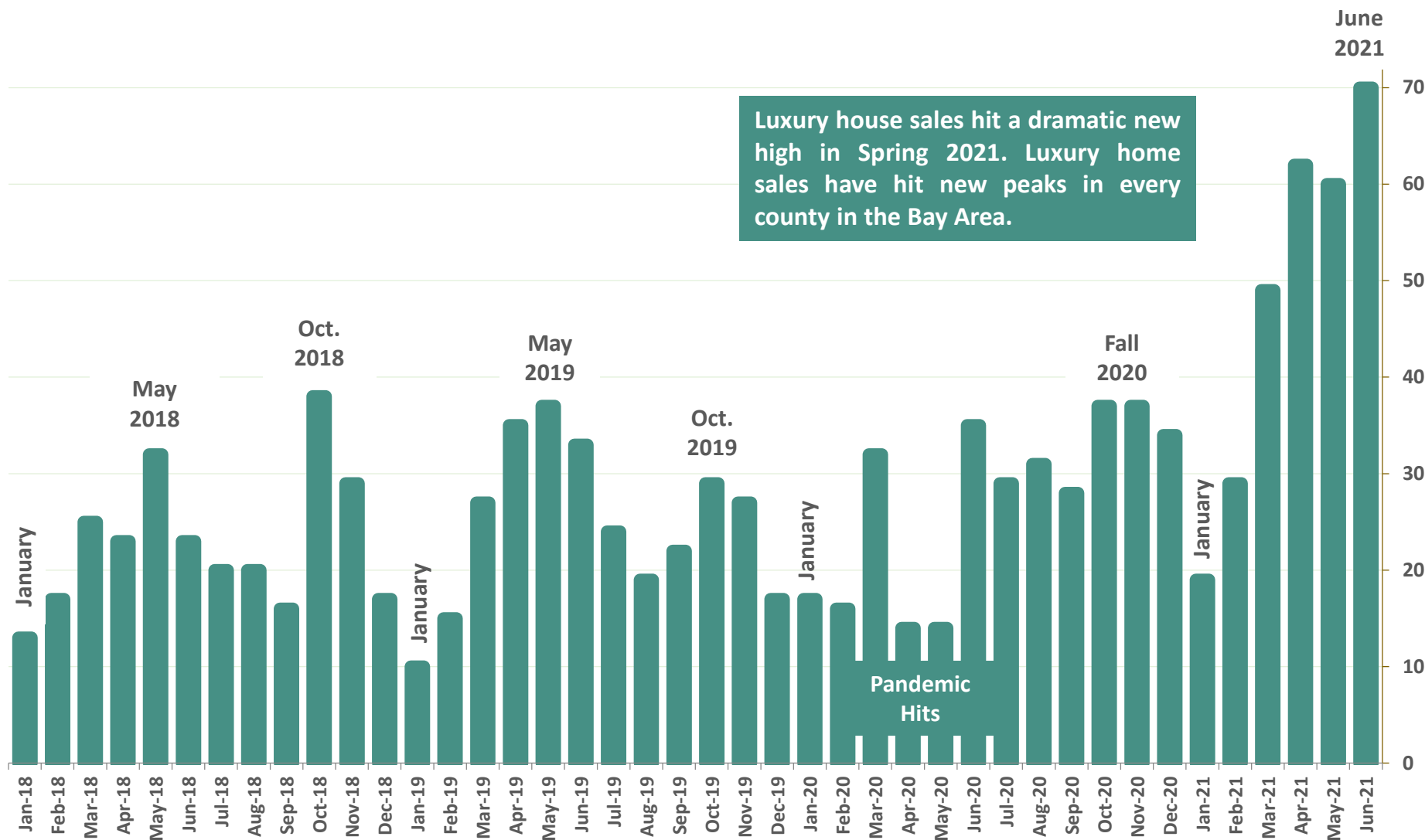
Highest 12-Month Sales Volume since 2005



12-month rolling data: Each data point reflects the total of 12 months of new listings. 1/12 of these numbers will equal an average month within each 12 month period. Using 12-month rolling data generally eliminates seasonal fluctuations from the trend line but will disguise and lag shorter term changes.

San Francisco Luxury HOUSE Sales

Closed Sales Priced \$3 Million+, by Month



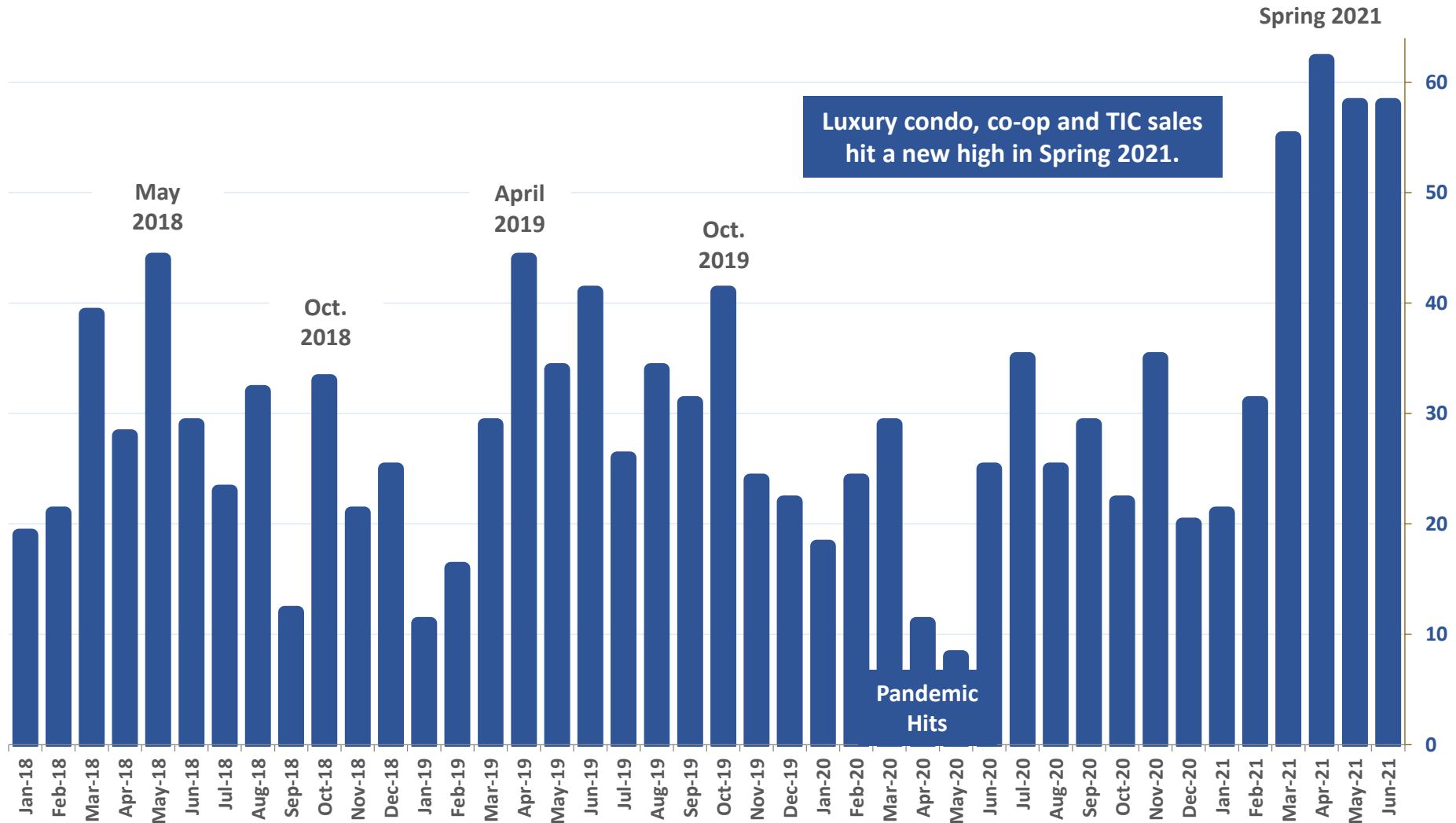
As reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Last month data estimated using available data.



San Francisco Luxury CONDO Sales*

Closed Sales Priced \$2 Million & Above, by Month

*Condos, co-ops & TICs as reported to NorCal Regional MLS, per Infosparks

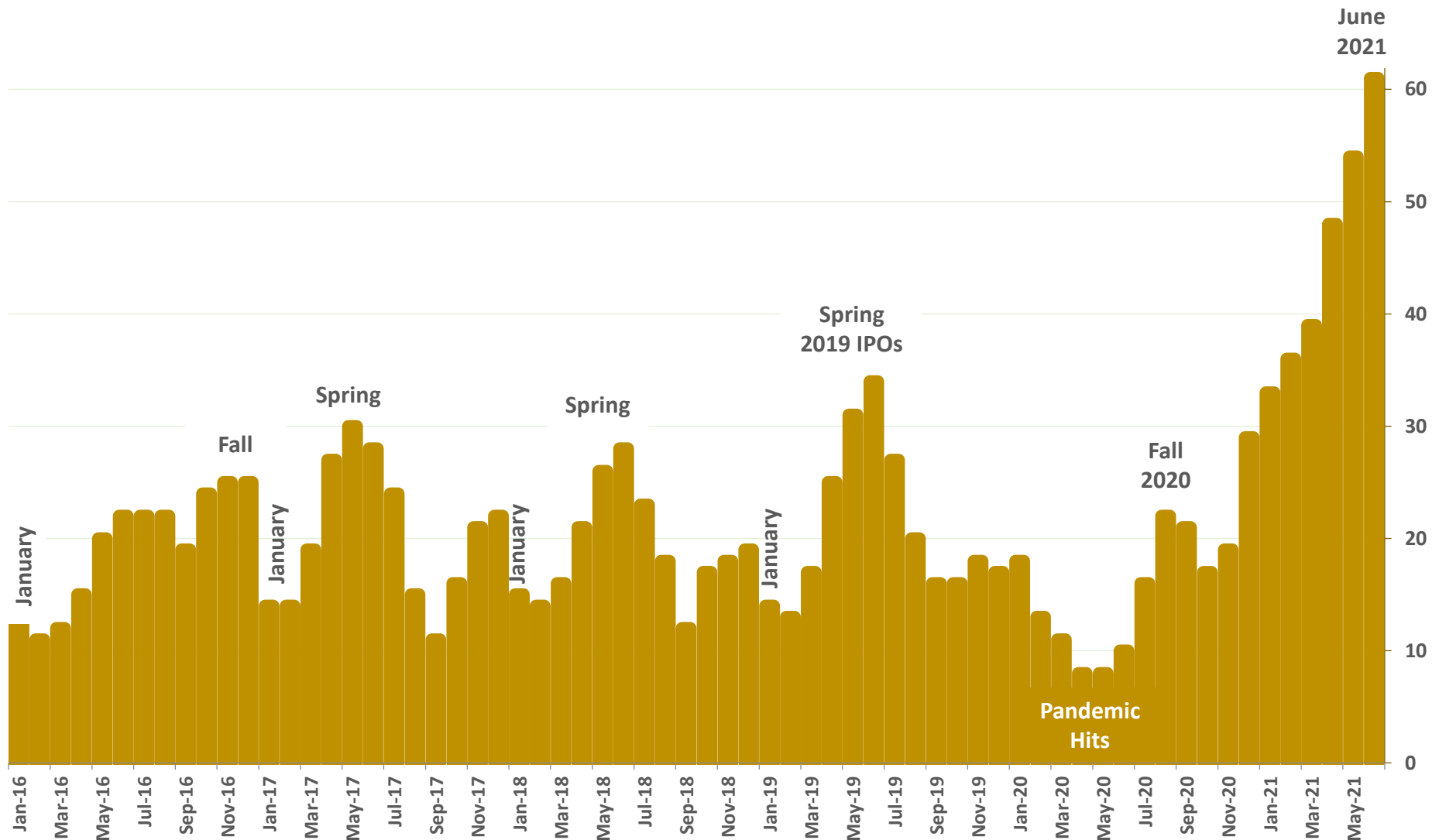


As reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Last month data estimated using available data.



San Francisco Home Sales - \$5 Million+

Closed Sales, 3-Month Rolling Data, since 2016

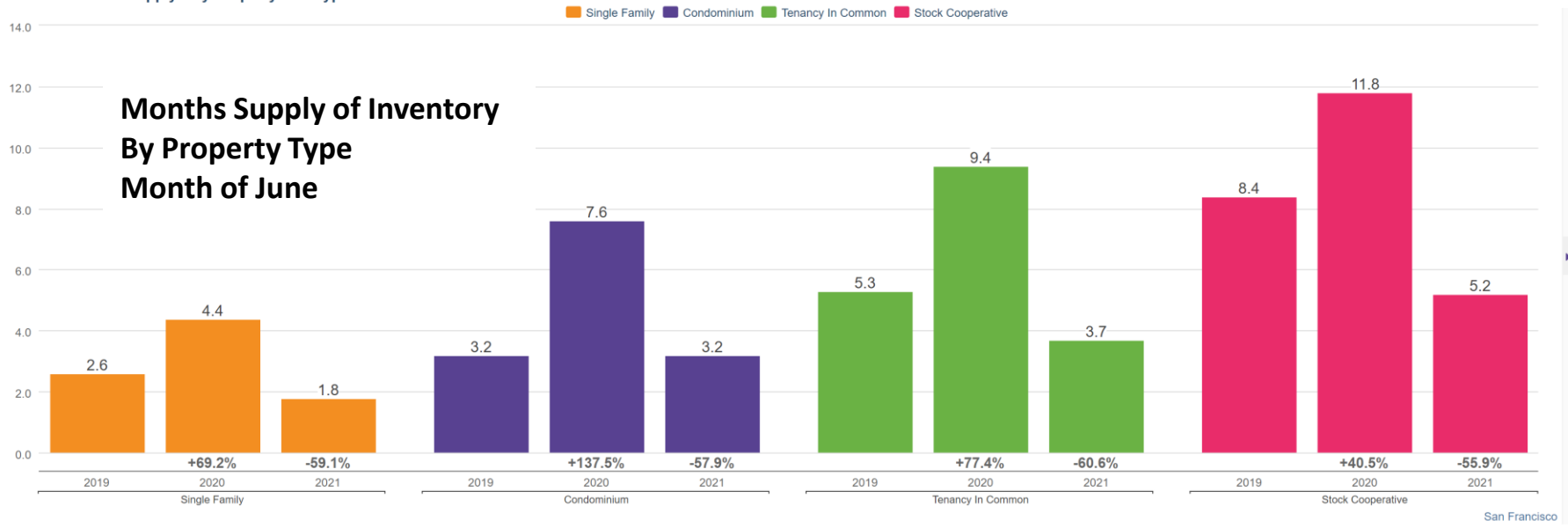


All residential property types, as reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



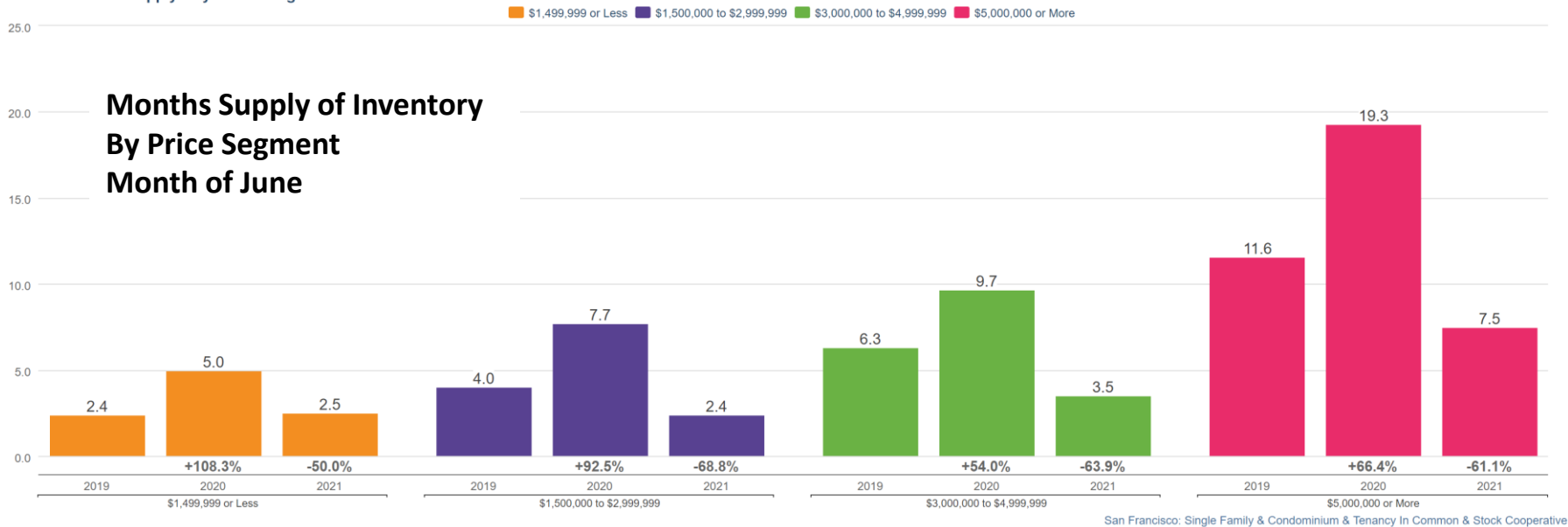
June Months of Supply - By Property Sub Type

Infosparks, single month data



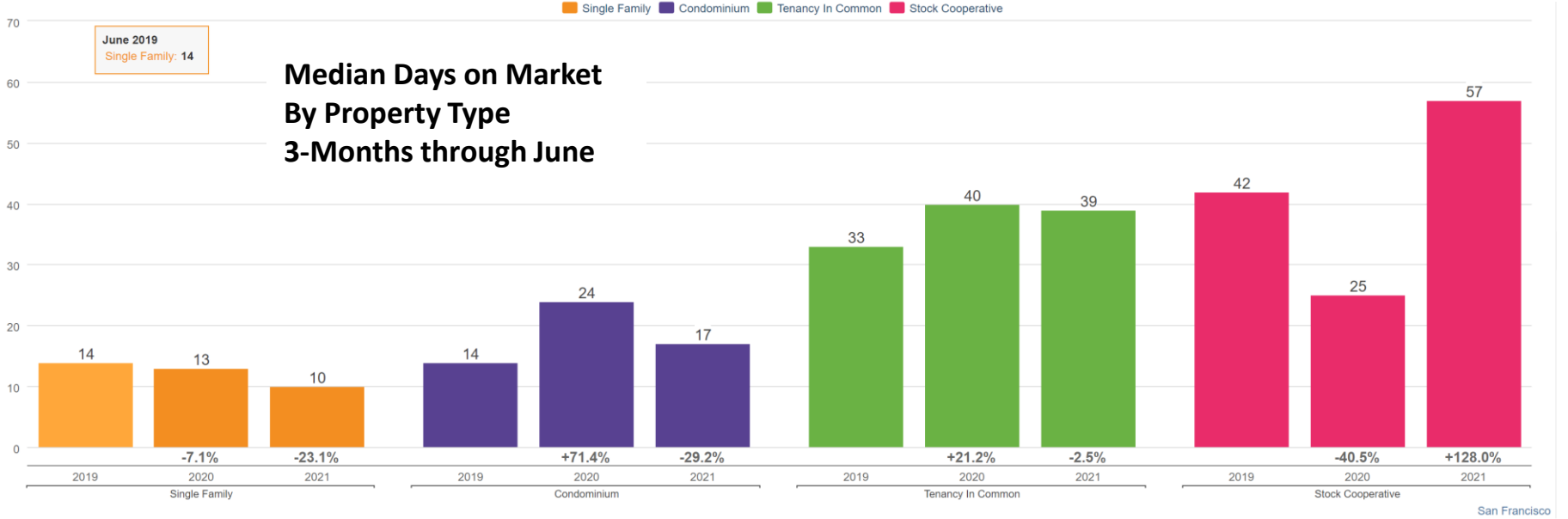
June Months of Supply - By Price Range

Infosparks, single month data



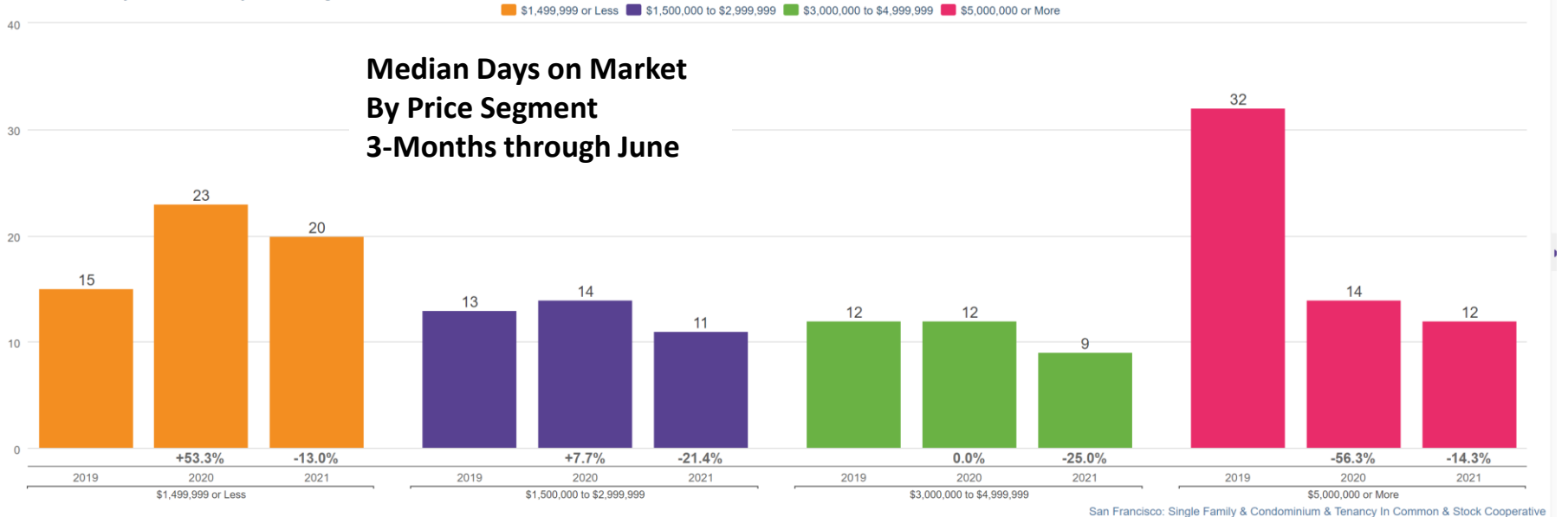
June Median Days on Market - By Property Sub Type

Infosparks, 3-month rolling data



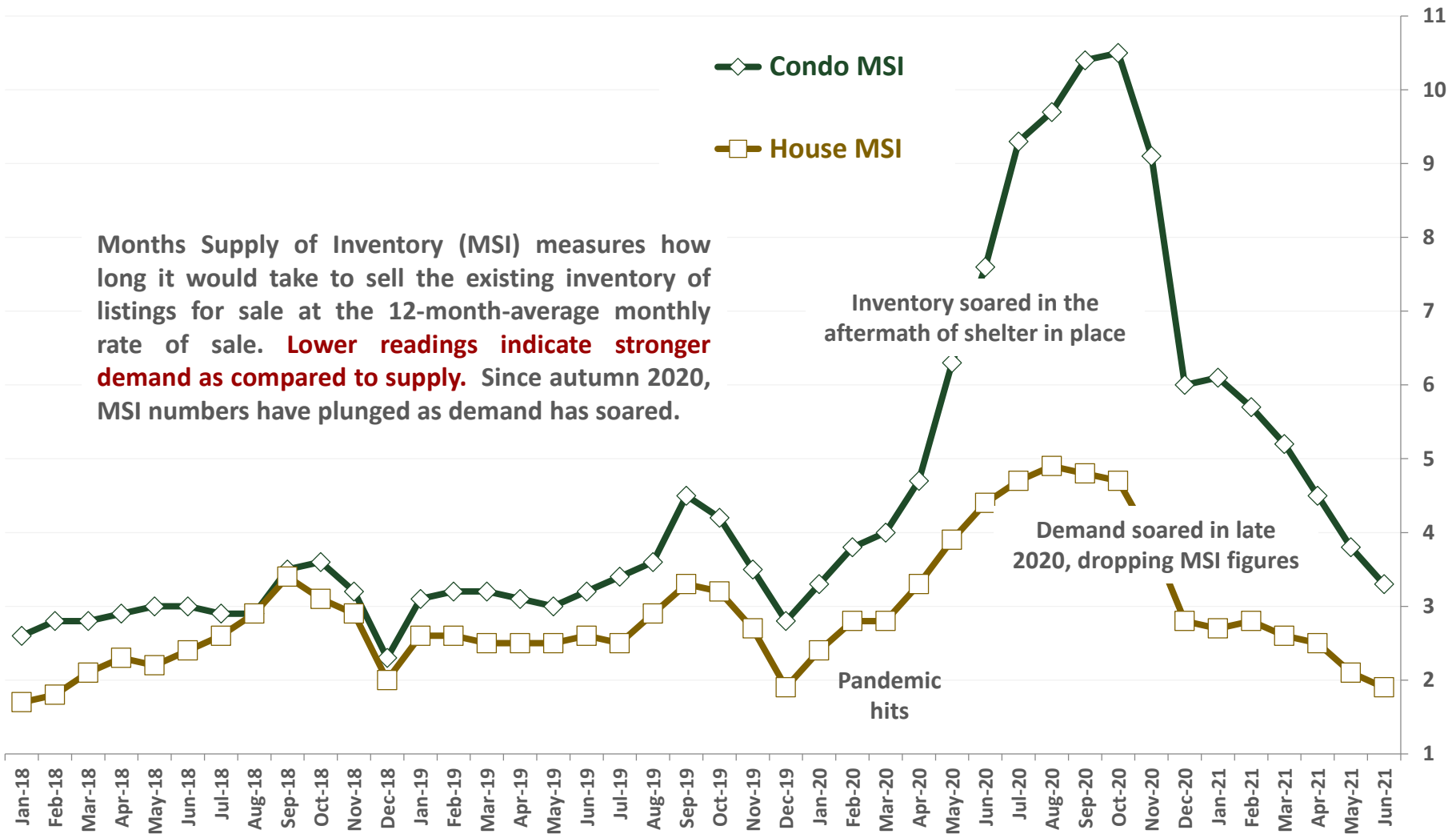
June Median Days on Market - By Price Range

Infosparks, 3-month rolling data



San Francisco Market Supply & Demand

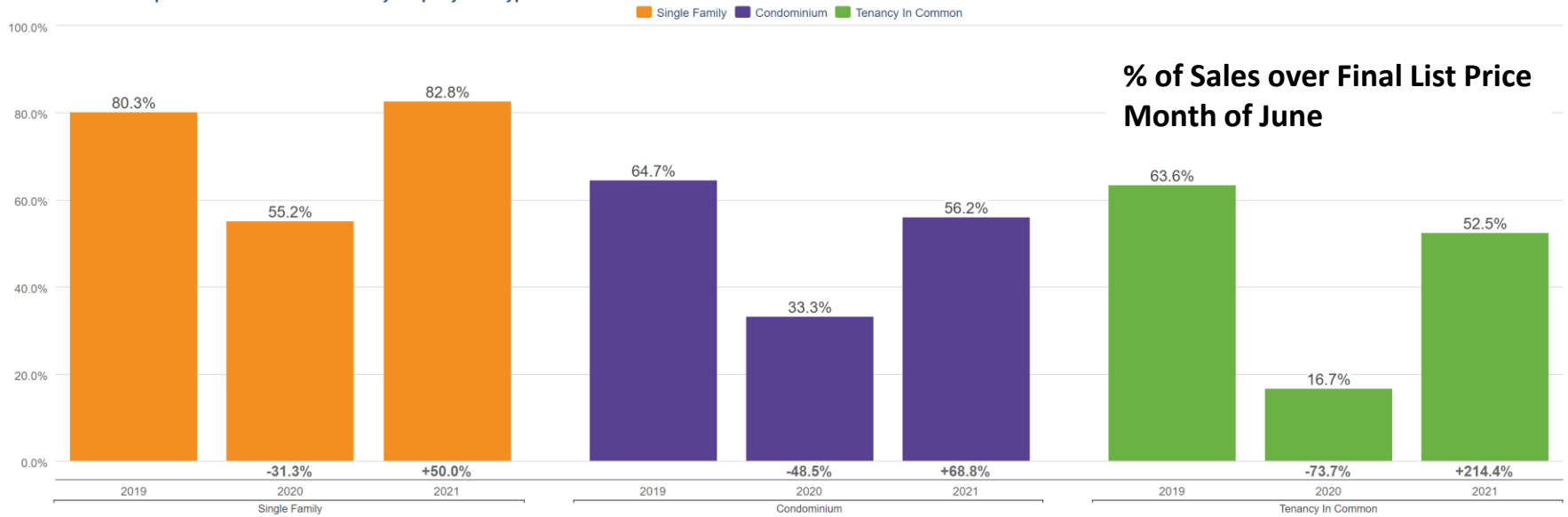
Months Supply of Inventory (MSI), January 2018 – Present



MLS data per Infosparks. Last reading may change with late reported activity. Does not include new-project condo activity unreported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Different analytics programs sometimes define this statistic differently.



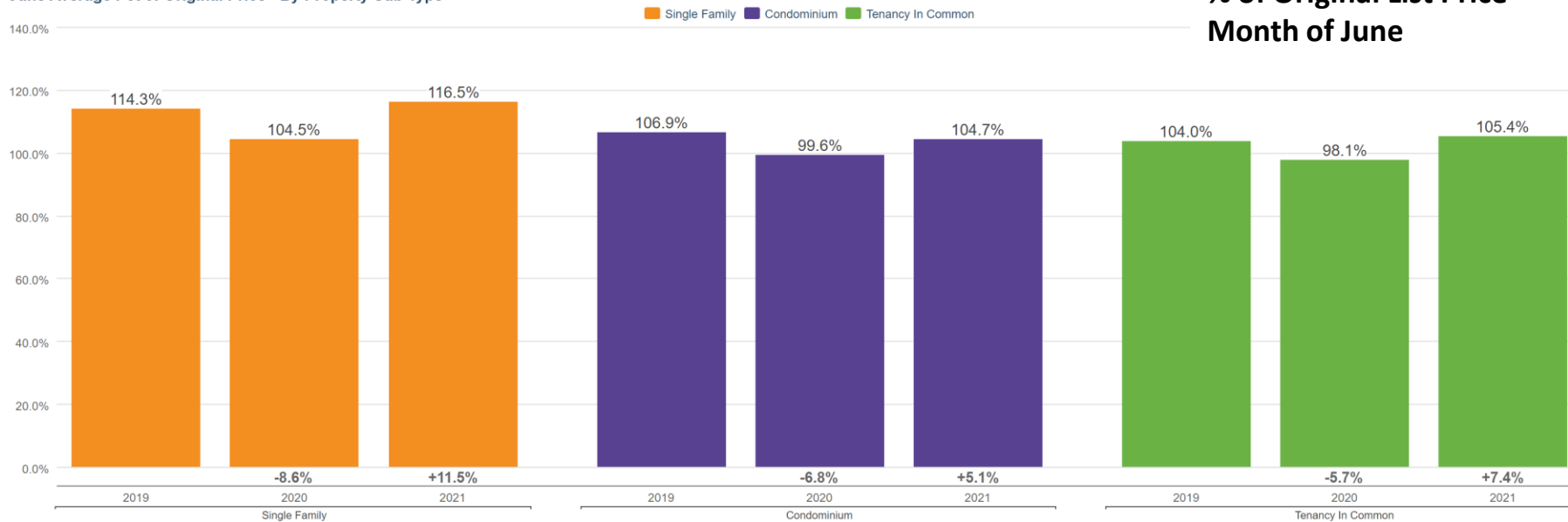
June Percent of Properties Sold Over List Price - By Property Sub Type



% of Sales over Final List Price Month of June

San Francisco

June Average Pct of Original Price - By Property Sub Type



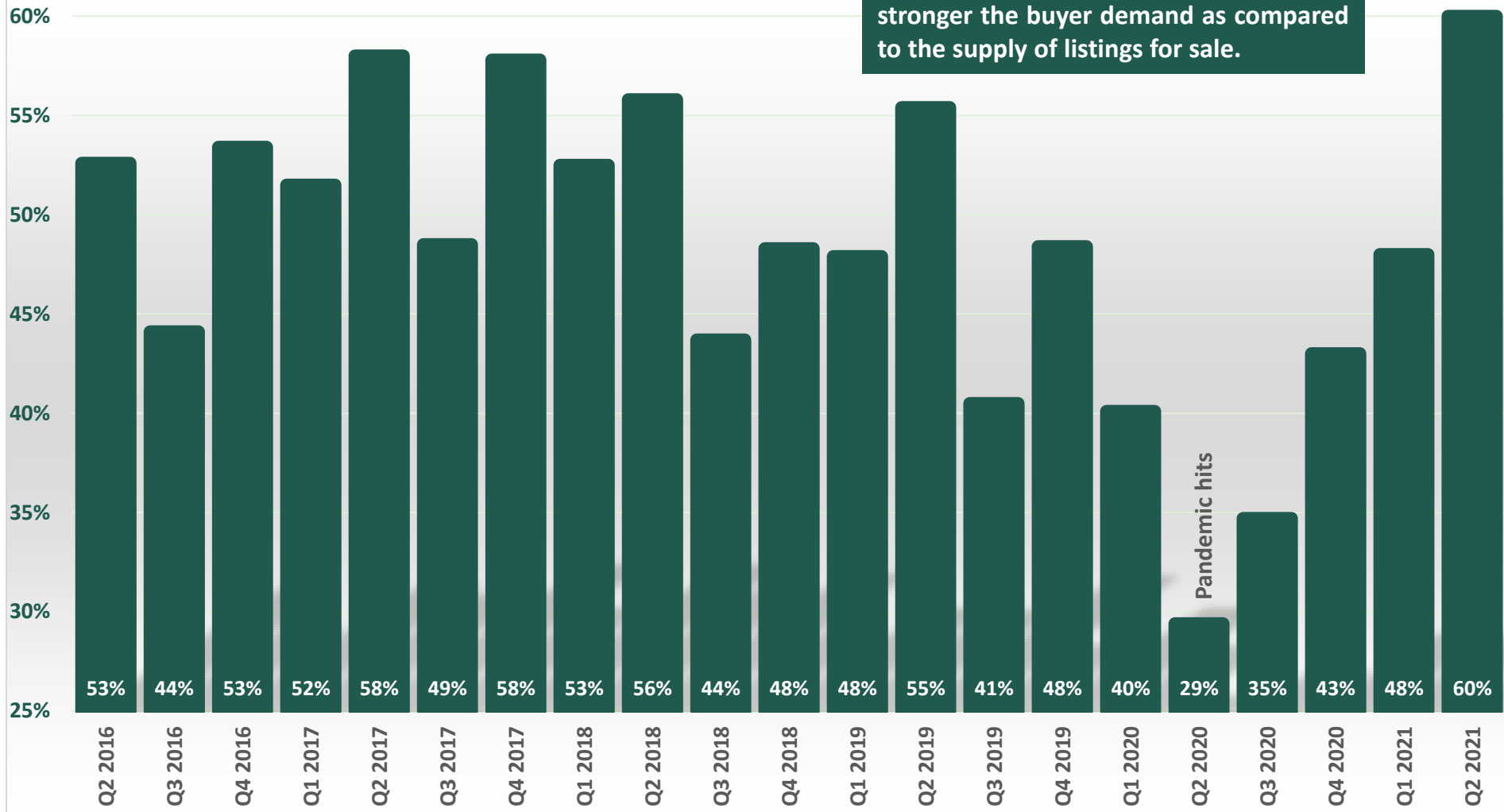
% of Original List Price Month of June

San Francisco

Percentage of Listings Accepting Offers by Quarter

San Francisco Market Dynamics since 2016

The higher the percentage of listings accepting offers (going into contract), the stronger the buyer demand as compared to the supply of listings for sale.



Residential market activity reported to SFARMLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Late reported activity may alter the number of the last period.



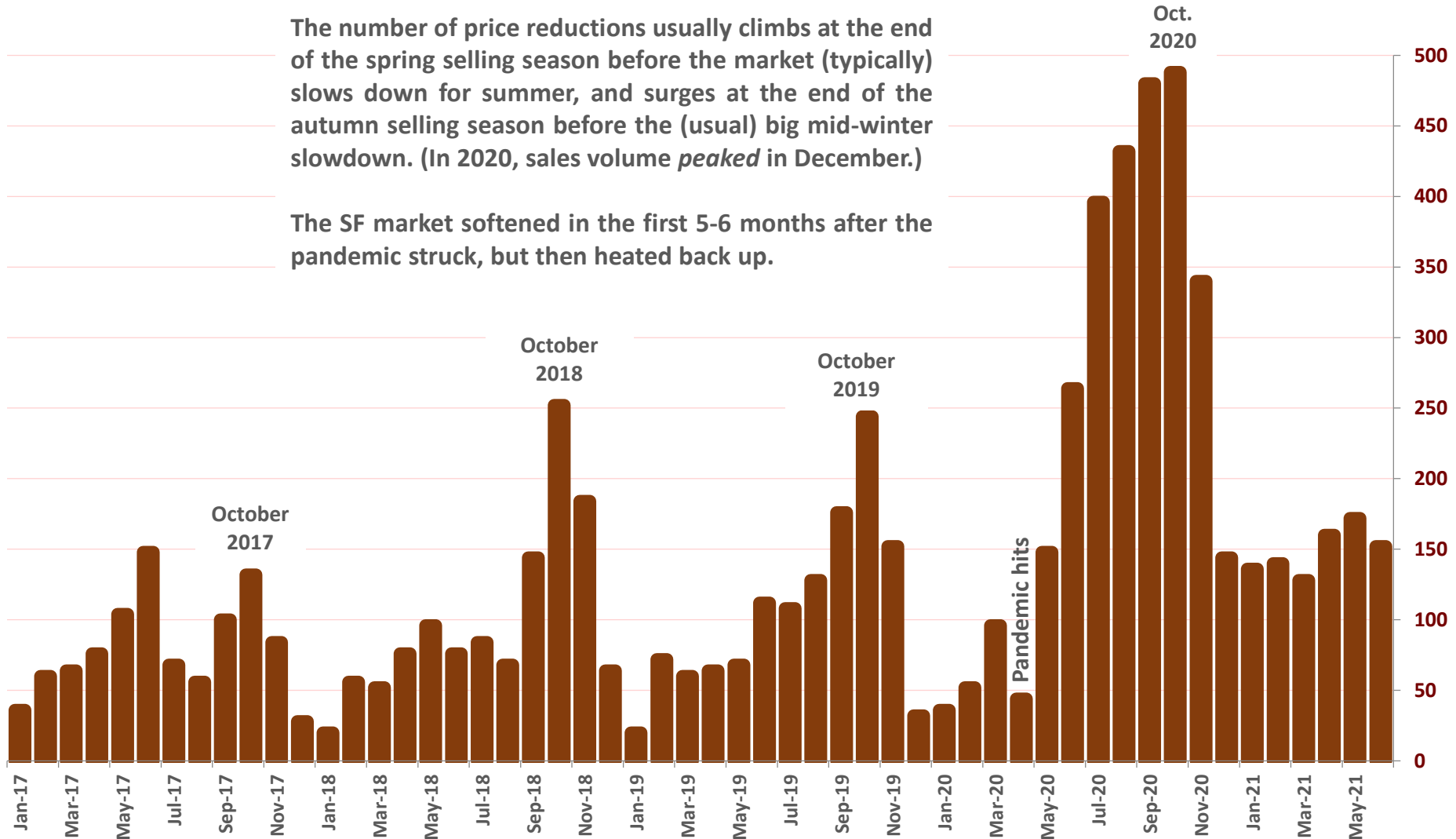
Price Reductions on Active Listings

San Francisco Real Estate Market Dynamics & Seasonality

For houses and condos

The number of price reductions usually climbs at the end of the spring selling season before the market (typically) slows down for summer, and surges at the end of the autumn selling season before the (usual) big mid-winter slowdown. (In 2020, sales volume *peaked* in December.)

The SF market softened in the first 5-6 months after the pandemic struck, but then heated back up.



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



Excerpts from the report, **“Status of the Re-Opening of the San Francisco Economy”**
issued on June 24, 2021 by the Office of the Controller & the Office of Economic Analysis of the City & County
of San Francisco; Lead authors Ted Egan, Ph.D., Chief Economist & Asim Khan, Ph.D., Senior Economist

More than 45% of small businesses in SF remain closed.

The five-county San Francisco metro area continues to lag comparable metro areas in office attendance, with a weekly office attendance rate below 20%.

As of Q1 2021, the commercial office vacancy rate remains very high at over 16%. The pre-pandemic average was below 6%.

At about 35%, the hotel occupancy rate, though recovering, remains well below the pre-pandemic average, which was close to 80%.

Travel at SF International Airport, though recovering, is still almost 70% down from 2019.

There are signs of recovery in apartment rents in San Francisco. However, average asking rents remain approximately 19% below pre-pandemic rates.

These excerpts were compiled and edited in good faith, but may contain errors and subject to revision. Readers are encouraged to review the complete report, which also includes other statistics and insights.

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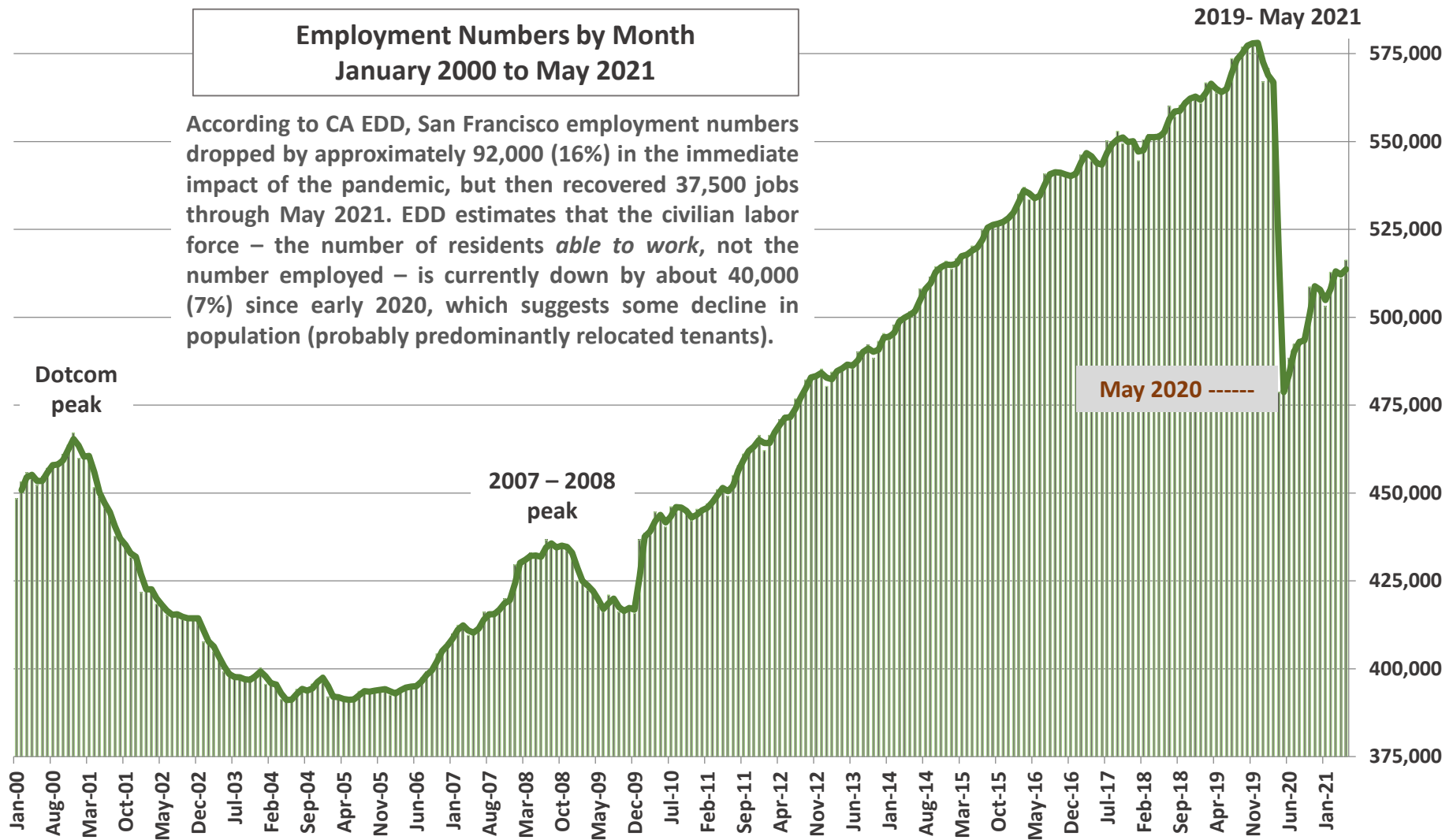
San Francisco Employment Trends

Number of Employed Residents since 2000

Per California Employment
Development Dept. (EDD)

Employment Numbers by Month January 2000 to May 2021

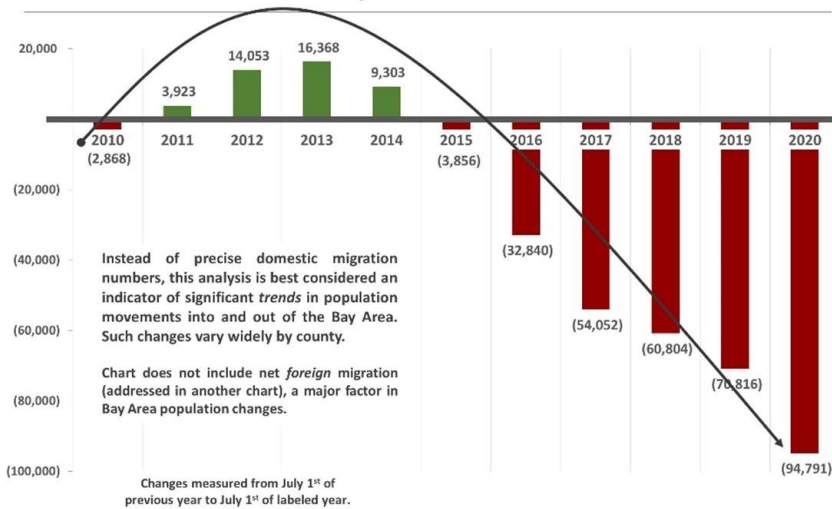
According to CA EDD, San Francisco employment numbers dropped by approximately 92,000 (16%) in the immediate impact of the pandemic, but then recovered 37,500 jobs through May 2021. EDD estimates that the civilian labor force – the number of residents *able to work*, not the number employed – is currently down by about 40,000 (7%) since early 2020, which suggests some decline in population (probably predominantly relocated tenants).



EDD data. 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. All numbers should be considered approximate.

Bay Area Net DOMESTIC Migration, 2010 – 2020

Resident Movement between the Bay Area & Other U.S. Locations

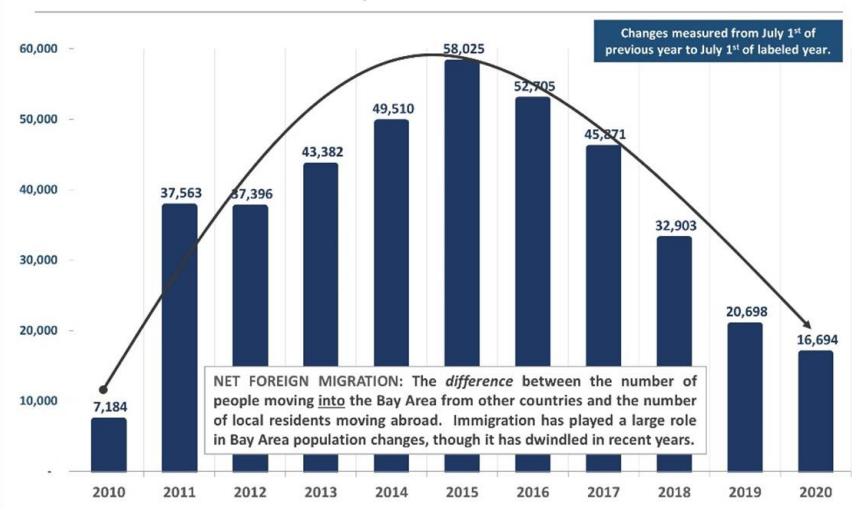


U.S. Census estimates for 11 Bay Area Counties, as published on May 4, 2021. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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Bay Area Net FOREIGN Migration, 2010 – 2020

Resident Movement between 11 Bay Area Counties & Other Countries



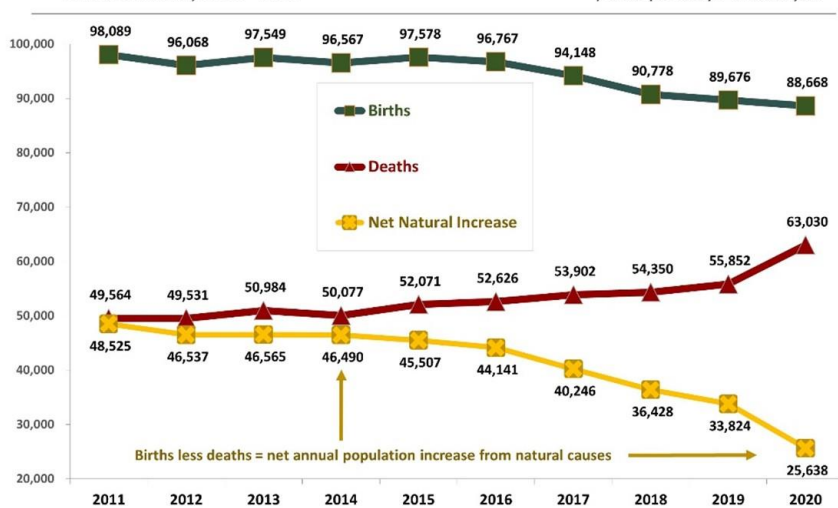
U.S. Census estimates 11 Bay Area Counties, as published on May 4, 2021. As of July 1st of each year. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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“Natural Cause” Effects on Bay Area Population

Births & Deaths, 2011 – 2020

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



U.S. Census estimates 11 Bay Area Counties, as published on May 4, 2021. As of July 1st of each year. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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These charts reflect general trends through 7/1/20: The increasing out-migration of Bay Area residents and declining foreign immigration; a decline in births and increase in deaths (esp. in 2020). However, specifics vary by county, and some changes may reverse themselves.

Per the CA Dept. of Finance, CA’s population dropped by 182,000 in calendar-year 2020, its first decline since 1850, suggesting a pandemic-caused increase in out-migration in the 2nd half of the year.

Factors behind migration include lost employment, work from home, housing costs, taxes, family care, ecological disasters; local, state and national politics; and issues pertaining to quality of life.

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Migration of Bay Area Households in 2020

Below household numbers are *estimates* extrapolated from *The Wall Street Journal* article, “Americans Up & Moved During the Pandemic,” based on permanent, change-of-address filings in 2020. The term “household” can signify one or many persons. Calculations do not appear to include *foreign immigration*. The general dynamic in the Bay Area was net out-migration from more urban regions, and net in-migration into more suburban/rural areas. Of counties seeing negative changes, relocating tenants (paying very high rents) – the newly unemployed, office employees changed to work-from-home, or students at closed universities – were almost certainly the dominant component in out-migration. Of course, as seen in heated market conditions, homeowner moves also occurred in quantity. Trends may change with the opening of offices, universities, urban amenities. Even in non-pandemic years, significant population movements are normal.

Bay Area County	# Households Moving In (2020)	# Households Moving Out (2020)	Change in # Households	Total # of Households	% Change in Households
Alameda	50,000	67,000	- 17,000	577,177	- 2.9%
Contra Costa	35,000	32,000	+ 3,000	394,769	+ .8%
Marin	9,050	7,000	+ 2,050	105,432	+ 1.9%
Monterey	5,400	5,050	+ 350	127,155	+ .3%
Napa	3,300	2,550	+ 750	48,705	+ 1.5%
San Francisco	27,500	68,000	- 40,500	362,354	- 11%
San Mateo	24,000	34,000	- 10,000	263,543	- 3.8%
Santa Clara	42,000	67,000	- 25,000	640,215	- 3.9%
Santa Cruz	6,050	6,000	+ 50	95,818	-
Solano	12,000	10,650	+ 1,350	149,865	+ .9%
Sonoma	10,900	8,800	+ 2,100	189,374	+ 1.1%

All numbers are approximate. WSJ article published 5/11/21: Methodology/data not validated by Compass. Other sources have published different conclusions on migration. Total household data per U.S. Census 2019 ACS survey estimates. Compiled in good faith, but may contain errors, and subject to revision.

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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