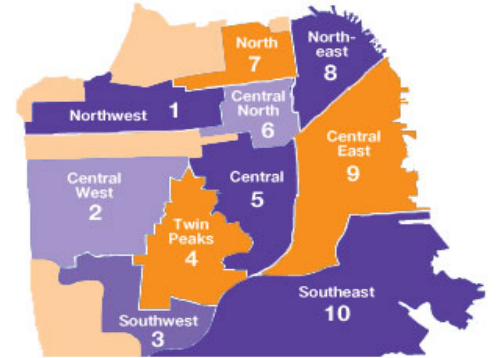


Annual Report on the San Francisco County Housing Market

Residential real estate activity in San Francisco County (Districts 1-10), comprised of single-family properties, townhomes and condominiums.



SAN FRANCISCO
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2016

Annual Report on the San Francisco County Housing Market

Residential real estate activity in San Francisco County (Districts 1-10), comprised of single-family properties, townhomes and condominiums.

With a new U.S. president from a different political party taking office in 2017, few are expecting federal policies to remain as they have under prior leadership. The incoming president has a deep history in real estate development and has shown a strong interest in funding massive infrastructure projects, two points that provide intrigue for the immediate future of residential real estate.

After several years of housing market improvement, 2016, as predicted, was not a pronounced triumph but more of a measured success. Markets took a steady and mostly profitable walk from month to month. Even as supply was short and shrinking, sales and prices were often increasing.

Interest rates were expected to rise throughout 2016, but they did not. Just as happened in 2015, the Federal Reserve waited until December 2016 to make a short-term rate increase. Incremental rate hikes are again expected in 2017. An economy that shows unemployment at a nine-year low coupled with higher wages inspires confidence.

Mortgage rates are not expected to grow by more than .75 percent throughout 2017, which should keep them below 5.0 percent. If they rise above that mark, we could see rate lock, and that could cause homeowners to stay put at locked-in rates instead of trading up for higher-rate properties. Such a situation would put a damper on an already strained inventory environment.

Sales: Pending sales decreased 4.4 percent to 5,005 to close out the year. Closed sales decreased 3.9 percent to 4,992 to close out the year.

Listings: Inventory was lower in year-over-year comparisons. There were 462 active listings at the end of 2016. New listings decreased by 0.7 percent to finish the year at 6,246. Low home supply is expected to continue throughout 2017.

Prices: Home prices rose compared to last year. The overall median sales price was up 3.9 percent to \$1,195,000 for the year. When inventory is low and demand is high, prices will rise. Prices should increase in most areas in 2017 but at a slower growth rate. Single Family homes were up 6.0 percent compared to last year, and Condo/TIC/Co-op were down 0.9 percent. We will likely need years of improved wage growth to account for recent price gains.

List Price Received: Sellers received 107.7 percent of their original list price received at sale, a year-over-year decrease of 3.5 percent.

Millennials continue to command attention as the next wave of home buyers, yet the rate at which this massive population is entering the market has been less than stellar. This may be due to a cultural change away from settling into marriage and parenthood until later in life, high student loan debt, or even reservations about a home being a wise investment in the wake of what the last recession did to their elders. That said, some have suggested that this group is simply willing to wait longer to buy, thus skipping the entry-level purchase altogether to land in their preferred home.

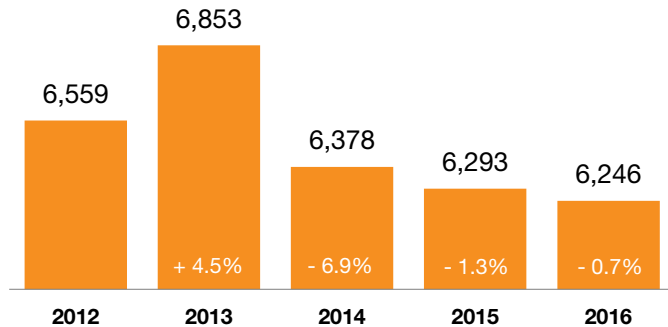
At the other end of the age and price spectrum, baby boomers are expected to make up nearly one-third of all buyers in 2017. By and large, this group is not looking to invest in oversized homes, yet we could see improvement in higher price ranges as a hedge against inflation and risk. Shifting wealth away from the stock market into valuable homes may be seen as a safer bet during a transition of power and a period of pronounced change.

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Quick Facts

New Listings



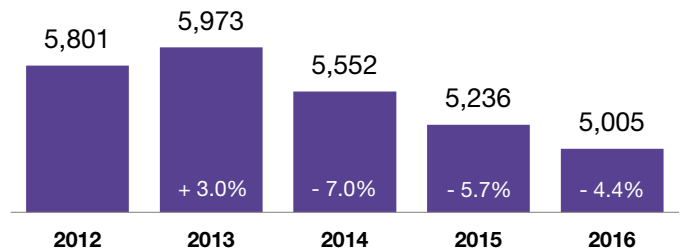
Top 5 Areas: Change in New Listings from 2015

SF District 6	+ 19.5%
SF District 7	+ 11.4%
SF District 8	+ 10.9%
SF District 3	+ 2.6%
SF District 9	+ 0.5%

Bottom 5 Areas: Change in New Listings from 2015

SF District 5	- 2.8%
SF District 1	- 6.2%
SF District 2	- 7.5%
SF District 4	- 8.2%
SF District 10	- 17.9%

Pending Sales



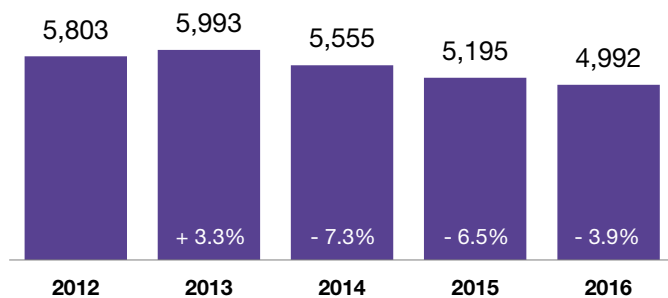
Top 5 Areas: Change in Pending Sales from 2015

SF District 7	+ 9.7%
SF District 6	+ 9.2%
SF District 3	+ 7.6%
SF District 8	- 1.6%
SF District 2	- 2.6%

Bottom 5 Areas: Change in Pending Sales from 2015

SF District 9	- 6.9%
SF District 5	- 7.9%
SF District 1	- 9.1%
SF District 4	- 9.7%
SF District 10	- 13.1%

Sold Listings



Top 5 Areas: Change in Sold Listings from 2015

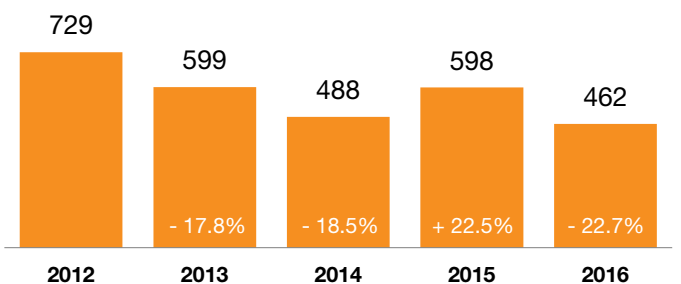
SF District 3	+ 18.8%
SF District 7	+ 14.4%
SF District 6	+ 10.3%
SF District 8	+ 0.6%
SF District 2	- 2.2%

Bottom 5 Areas: Change in Sold Listings from 2015

SF District 1	- 6.9%
SF District 9	- 7.9%
SF District 5	- 8.4%
SF District 4	- 11.9%
SF District 10	- 13.9%

Active Listings

At the end of the year.



Top 5 Areas: Change in Active Listings from 2015

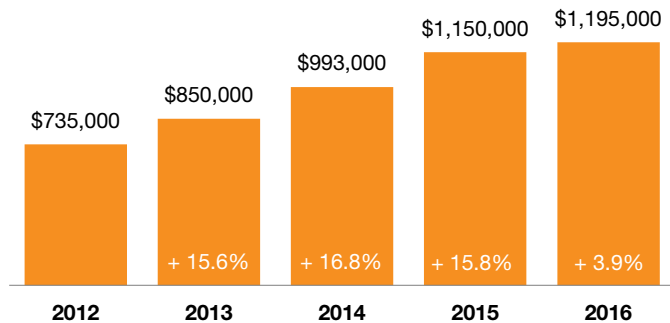
SF District 8	+ 6.7%
SF District 7	- 10.4%
SF District 5	- 14.3%
SF District 1	- 17.2%
SF District 9	- 17.9%

Bottom 5 Areas: Change in Active Listings from 2015

SF District 3	- 20.0%
SF District 10	- 37.0%
SF District 6	- 37.5%
SF District 4	- 37.9%
SF District 2	- 56.5%

Quick Facts

Median Sales Price



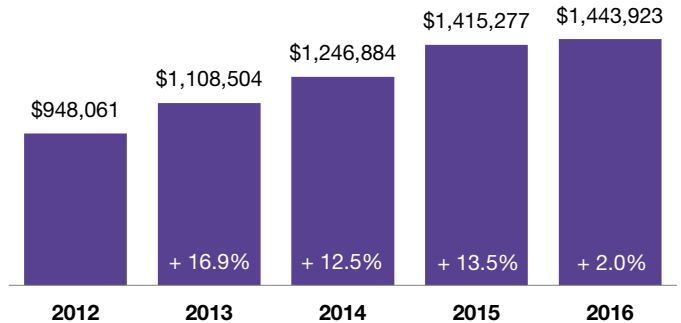
Top 5 Areas: Change in Median Sales Price from 2015

SF District 3	+ 8.7%
SF District 10	+ 4.5%
SF District 2	+ 4.3%
SF District 1	+ 3.6%
SF District 5	+ 3.2%

Bottom 5 Areas: Change in Median Sales Price from 2015

SF District 7	+ 2.8%
SF District 4	+ 2.8%
SF District 6	- 3.0%
SF District 9	- 3.3%
SF District 8	- 6.4%

Average Sales Price



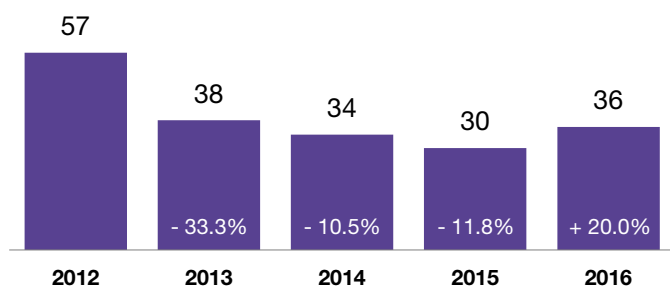
Top 5 Areas: Change in Avg. Sales Price from 2015

SF District 3	+ 10.6%
SF District 1	+ 7.9%
SF District 2	+ 5.5%
SF District 10	+ 4.9%
SF District 5	+ 4.2%

Bottom 5 Areas: Change in Avg. Sales Price from 2015

SF District 4	- 0.0%
SF District 7	- 0.3%
SF District 9	- 2.3%
SF District 6	- 3.5%
SF District 8	- 7.6%

Days on Market Until Sale



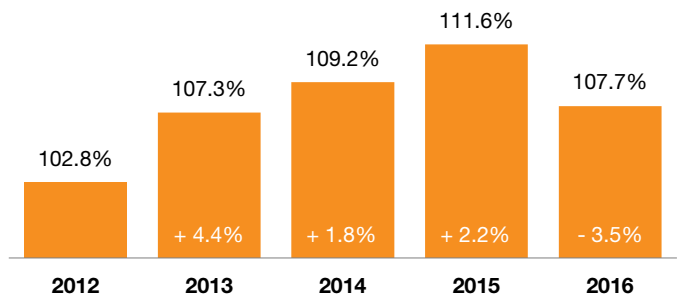
Top 5 Areas: Change in Days on Market from 2015

SF District 7	+ 48.0%
SF District 9	+ 35.5%
SF District 5	+ 29.2%
SF District 6	+ 27.6%
SF District 4	+ 24.0%

Bottom 5 Areas: Change in Days on Market from 2015

SF District 1	+ 22.2%
SF District 2	+ 7.4%
SF District 10	+ 5.3%
SF District 8	+ 2.9%
SF District 3	- 3.1%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2015

SF District 2	- 1.5%
SF District 3	- 1.6%
SF District 10	- 2.2%
SF District 9	- 3.2%
SF District 8	- 3.5%

Bottom 5 Areas: Change in Pct. of List Price Received from 2015

SF District 4	- 3.6%
SF District 1	- 4.0%
SF District 6	- 4.5%
SF District 5	- 5.0%
SF District 7	- 5.1%

Property Type Review

32

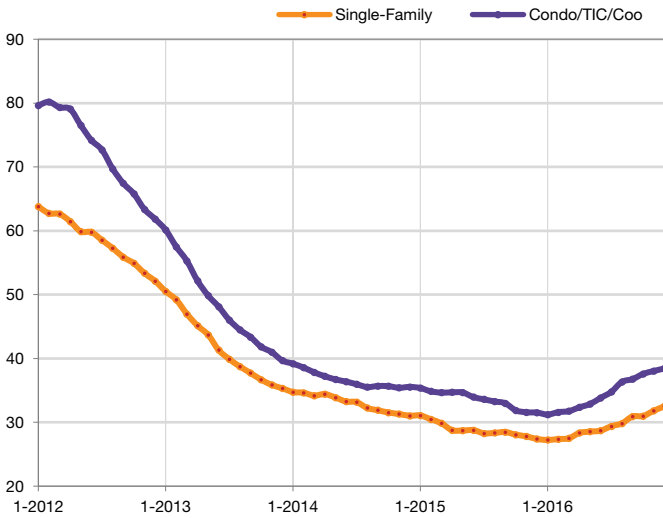
Average Days on Market
Single-Family

38

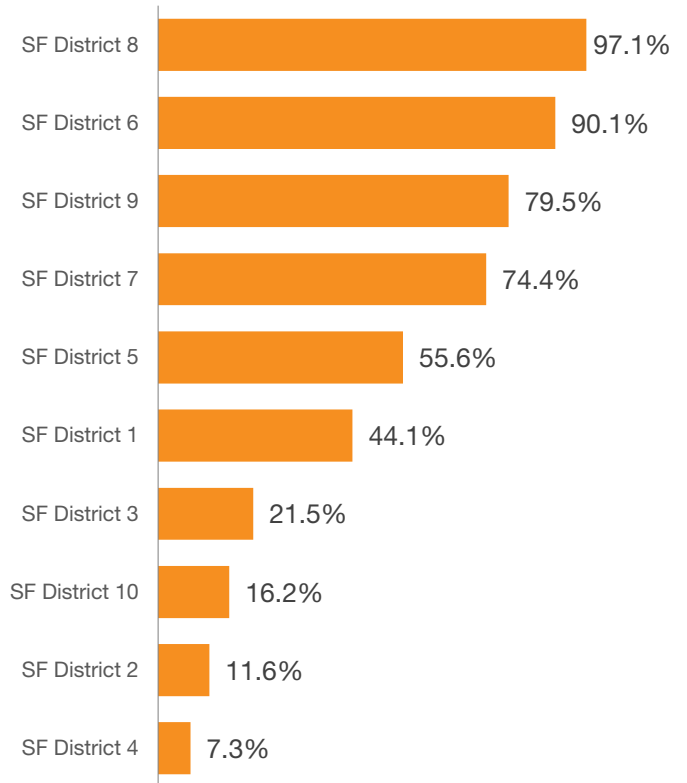
Average Days on Market
Condo/TIC/Coo

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Condo/TIC/Coo Market Share in 2016



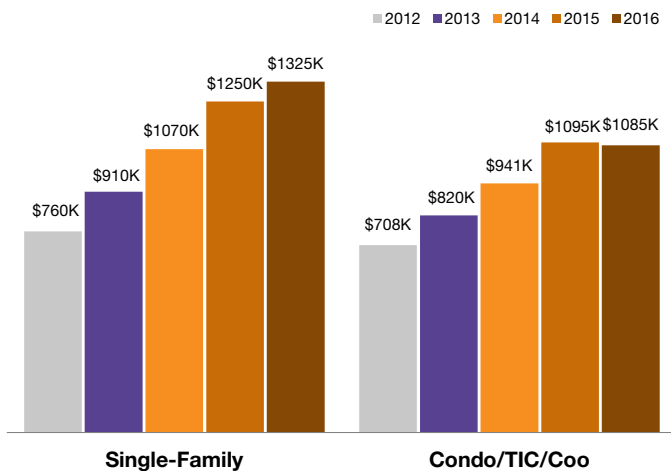
+ 6.0%

One-Year Change in Price
Single-Family

- 0.9%

One-Year Change in Price
Condo/TIC/Coo

Median Sales Price



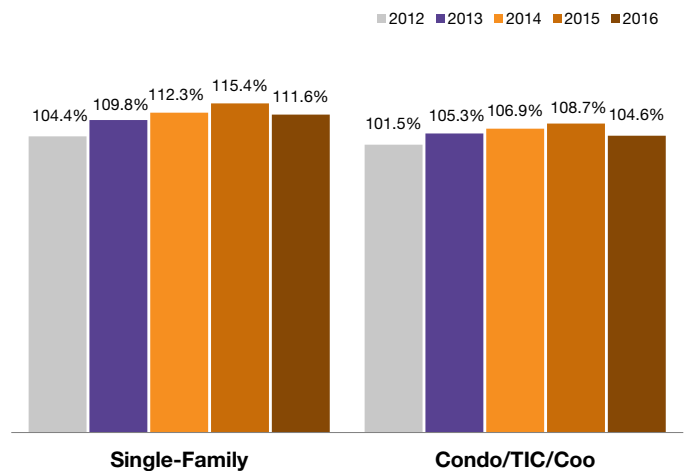
111.6%

Pct. of List Price Received
Single-Family

104.6%

Pct. of List Price Received
Condo/TIC/Coo

Percent of List Price Received



Bedroom Count Review

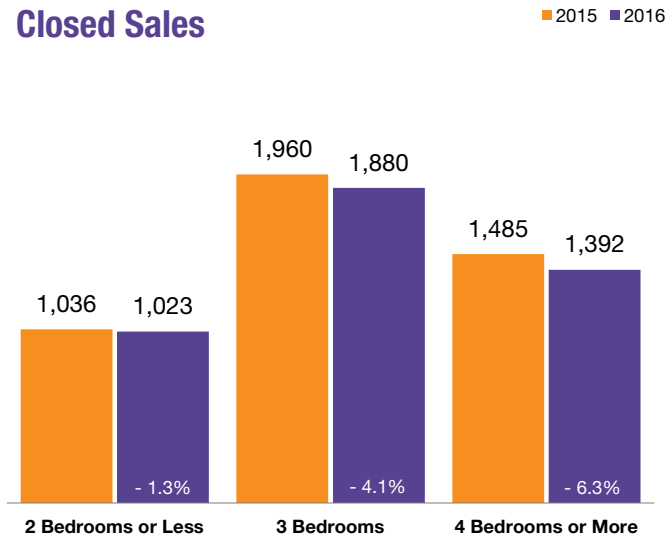
- 1.3%

Reduction in Closed Sales
2 Bedrooms or Less

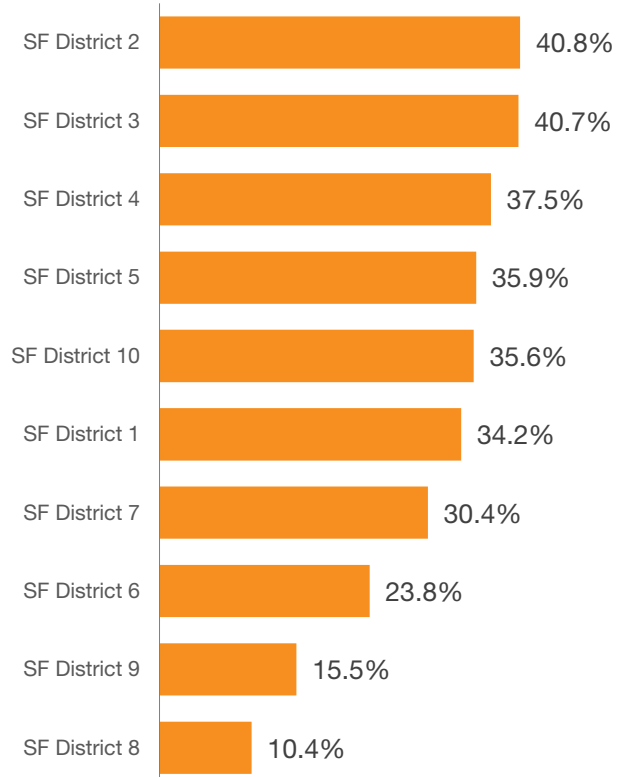
- 6.3%

Reduction in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2016



107.7%

Percent of Original List Price
Received in 2016 for
All Properties

103.3%

Percent of Original List Price
Received in 2016 for
2 Bedrooms or Less

107.6%

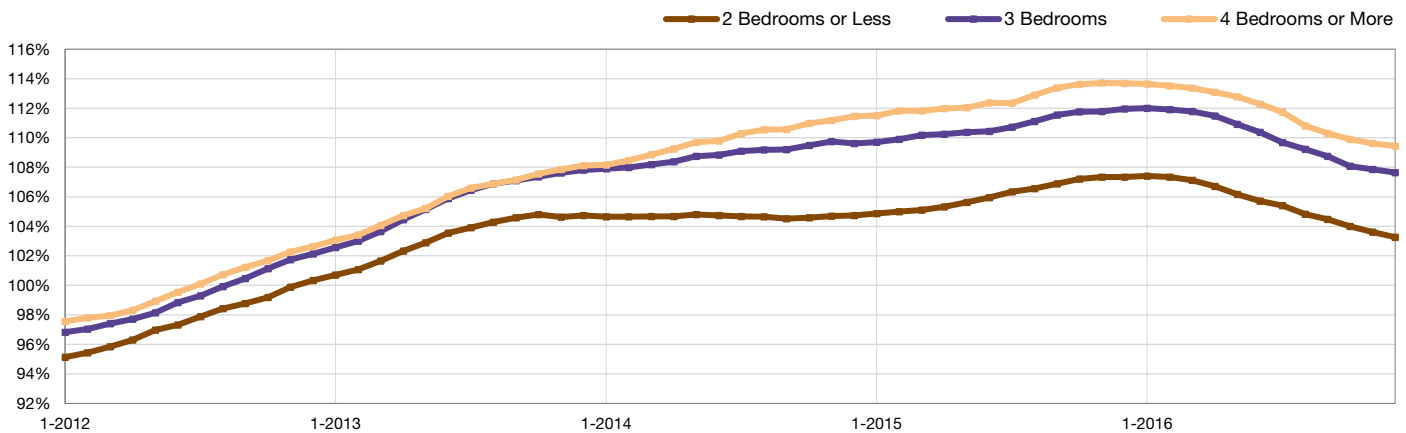
Percent of Original List Price
Received in 2016 for
3 Bedrooms

109.5%

Percent of Original List Price
Received in 2016 for
4 Bedrooms or More

Percent of Original List Price Received

This chart uses a rolling 12-month average for each data point.



Square Foot Range Review

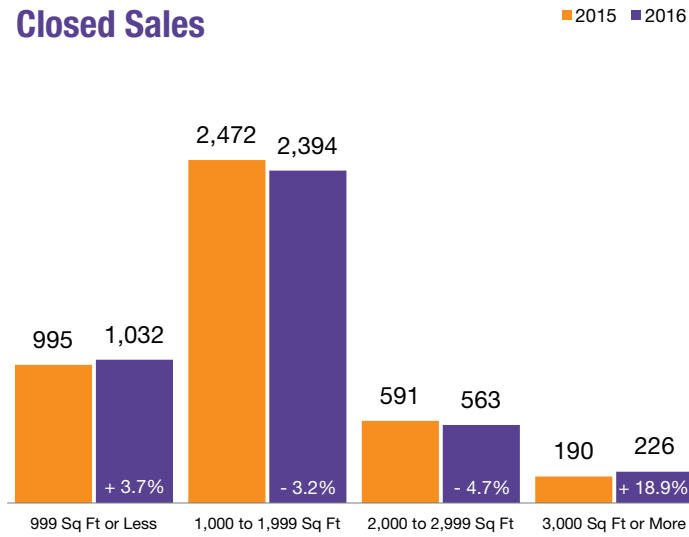
+ 3.7%

Growth in Closed Sales
999 Sq Ft or Less

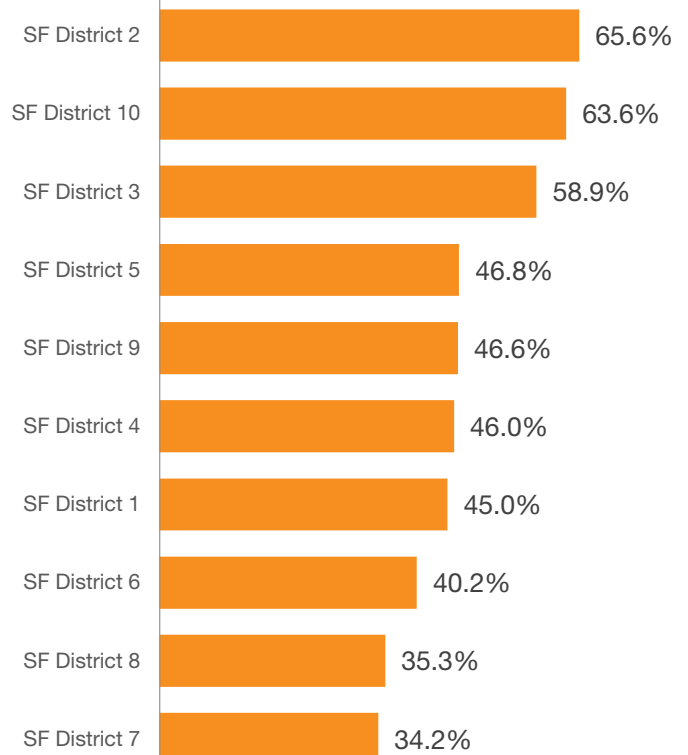
- 3.2%

Reduction in Closed Sales
1,000 to 1,999 Sq Ft

Closed Sales



Top Areas: 1,000 to 1,999 Sq Ft Market Share in 2016



104.2%

Percent of Original List Price
Received in 2016 for
999 Sq Ft or Less

108.9%

Percent of Original List Price
Received in 2016 for
1,000 to 1,999 Sq Ft

106.8%

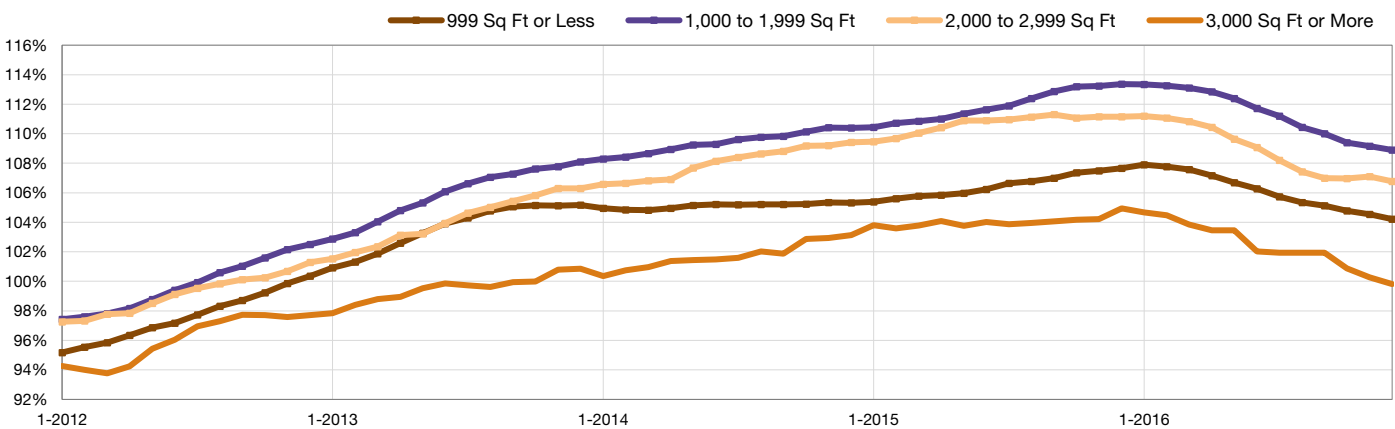
Percent of Original List Price
Received in 2016 for
2,000 to 2,999 Sq Ft

99.8%

Percent of Original List Price
Received in 2016 for
3,000 Sq Ft or More

Percent of Original List Price Received

This chart uses a rolling 12-month average for each data point.



Price Range Review

\$1,098,000 or More

Price Range with Shortest Average Market Time

\$564,999 or Less

Price Range with Longest Average Market Time

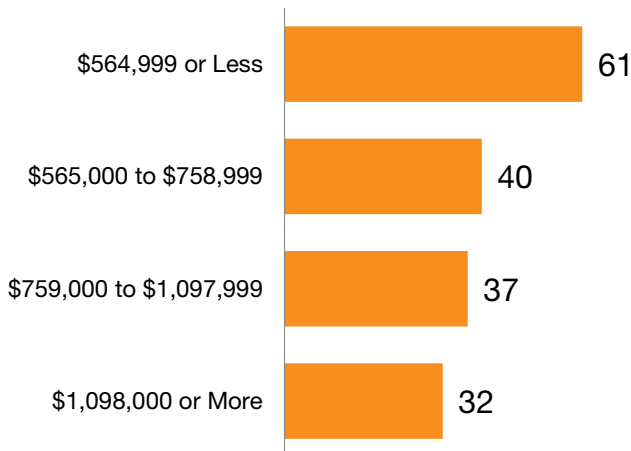
10.4%

of Homes for Sale at Year End Priced \$564,999 or Less

+ 9.1%

One-Year Change in Homes for Sale Priced \$564,999 or Less

Days on Market Until Sale by Price Range



Share of Homes for Sale \$564,999 or Less



\$1,098,000 or More

Price Range with the Most Closed Sales

+ 0.5%

Price Range with Strongest One-Year Change in Sales: \$1,098,000 or More

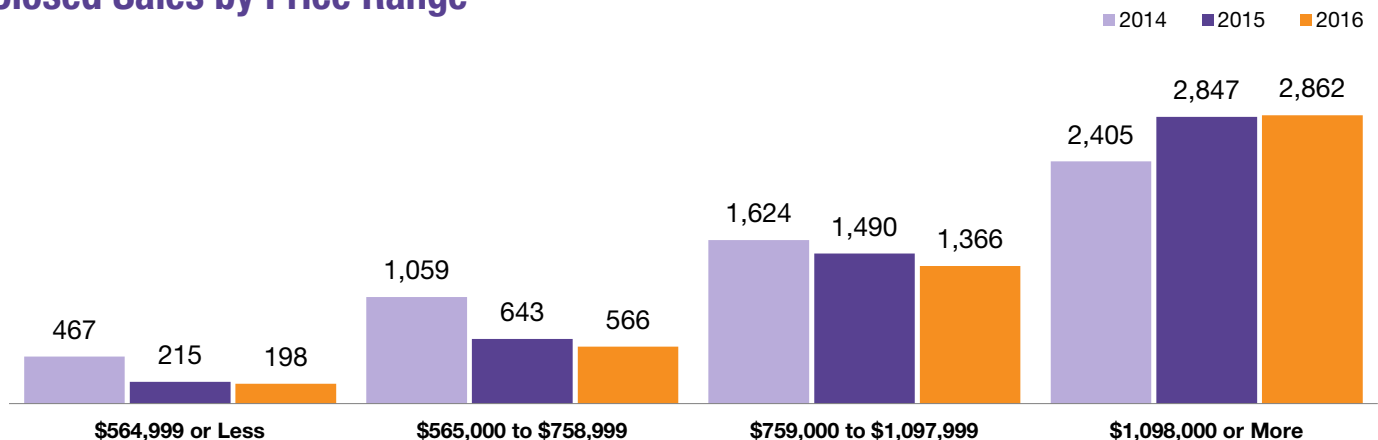
\$564,999 or Less

Price Range with the Fewest Closed Sales

- 12.0%

Price Range with Weakest One-Year Change in Sales: \$565,000 to \$758,999

Closed Sales by Price Range



Area Overviews

	Total Closed Sales	Change from 2015	Percent Single- Family	Percent Townhouse- Condo	Months Supply of Inventory	Days on Market	Pct. of Orig. Price Received
SF District 1	322	- 6.9%	55.9%	44.1%	0.9	33	108.7%
SF District 2	448	- 2.2%	88.4%	11.6%	0.5	29	117.2%
SF District 3	246	+ 18.8%	78.5%	21.5%	1.0	31	110.7%
SF District 4	341	- 11.9%	92.7%	7.3%	0.6	31	110.3%
SF District 5	711	- 8.4%	44.4%	55.6%	0.8	31	107.8%
SF District 6	353	+ 10.3%	9.9%	90.1%	0.8	37	104.6%
SF District 7	398	+ 14.4%	25.6%	74.4%	1.3	37	102.3%
SF District 8	479	+ 0.6%	2.9%	97.1%	1.6	36	101.8%
SF District 9	1,205	- 7.9%	20.5%	79.5%	1.4	42	104.3%
SF District 10	489	- 13.9%	83.8%	16.2%	1.4	40	108.6%

Area Historical Median Prices

	2012	2013	2014	2015	2016	Change From 2015	Change From 2012
SF District 1	\$832,250	\$1,000,000	\$1,219,000	\$1,372,500	\$1,422,500	+ 3.6%	+ 70.9%
SF District 2	\$729,000	\$835,000	\$950,000	\$1,150,000	\$1,200,000	+ 4.3%	+ 64.6%
SF District 3	\$503,000	\$657,500	\$715,000	\$863,000	\$938,000	+ 8.7%	+ 86.5%
SF District 4	\$854,000	\$985,000	\$1,115,000	\$1,350,000	\$1,388,000	+ 2.8%	+ 62.5%
SF District 5	\$1,007,000	\$1,188,500	\$1,350,000	\$1,458,500	\$1,505,000	+ 3.2%	+ 49.5%
SF District 6	\$731,000	\$805,000	\$947,000	\$1,172,500	\$1,137,500	- 3.0%	+ 55.6%
SF District 7	\$1,239,000	\$1,450,500	\$1,732,500	\$1,808,500	\$1,860,000	+ 2.8%	+ 50.1%
SF District 8	\$699,000	\$820,000	\$910,000	\$1,095,000	\$1,025,000	- 6.4%	+ 46.6%
SF District 9	\$702,036	\$825,000	\$952,444	\$1,138,000	\$1,100,000	- 3.3%	+ 56.7%
SF District 10	\$470,000	\$575,000	\$676,500	\$775,000	\$810,000	+ 4.5%	+ 72.3%