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San Francisco Real Estate
December 2024 Report

COMPASS

In late November, Bay Area markets began moving into the mid-winter holiday slowdown, which in December typically results in the lowest counts of the year for new listings coming on market and homes going into contract. Homes are still listed and deals continue to be made, just at a much slower pace, and this is usually the period where buyers can negotiate most aggressively on unsold properties with longer days-on-market.

It is difficult to make definitive determinations about where the market is heading in 2025 from Q4 statistics, but in the last several years, demand rebounded substantially early in the new year and then accelerated into spring. And some agents have reported a significant increase in clients wanting to list their homes next year. As always, much depends on political and macroeconomic factors that can be challenging to predict.

This report will look at supply and demand dynamics in November – but note that many of November’s sales statistics reflect listings that went *into contract* in October – and our January report will review longer-term, annual numbers that will provide greater context to 2024 market conditions and trends.

As of the first week of December, 30-year conforming mortgage interest rates were ticking down again, but still about a half point above early October’s. Stock markets have continued to hit new highs on almost a daily basis; inflation ticked up slightly (11/13/24 reading); the Fed dropped their benchmark rate another quarter percent (11/7/24); the jobs report rebounded (12/6/24); and consumer confidence hit its highest reading in 7 months (12/6/24). These economic indicators may impact different market segments differently depending on whether interest rates or stock values most affect their buyers.

Report created in good faith using data from sources deemed reliable but may contain errors and subject to revision. Last period figures sometimes labeled preliminary. Economic indicators can be volatile even in the short term. All numbers approximate, and may change with late-reported activity.



“We forecast the mortgage market to improve in 2025, based on a decline in mortgage rates throughout the year. That should loosen some of the rate lock-in effect for existing homeowners and offer more inventory in the market, resulting in slightly higher home sales. It should also boost refinance origination volumes. We expect house prices to continue to grow, although at a slower pace.”

Freddie Mac (FHLMC) Research, 12/2/24

“Homebuying momentum is building after nearly two years of suppressed home sales. Even with mortgage rates modestly rising despite the Federal Reserve’s decision to cut the short-term interbank lending rate in September, continuous job additions and more housing inventory are bringing more consumers to the market.”

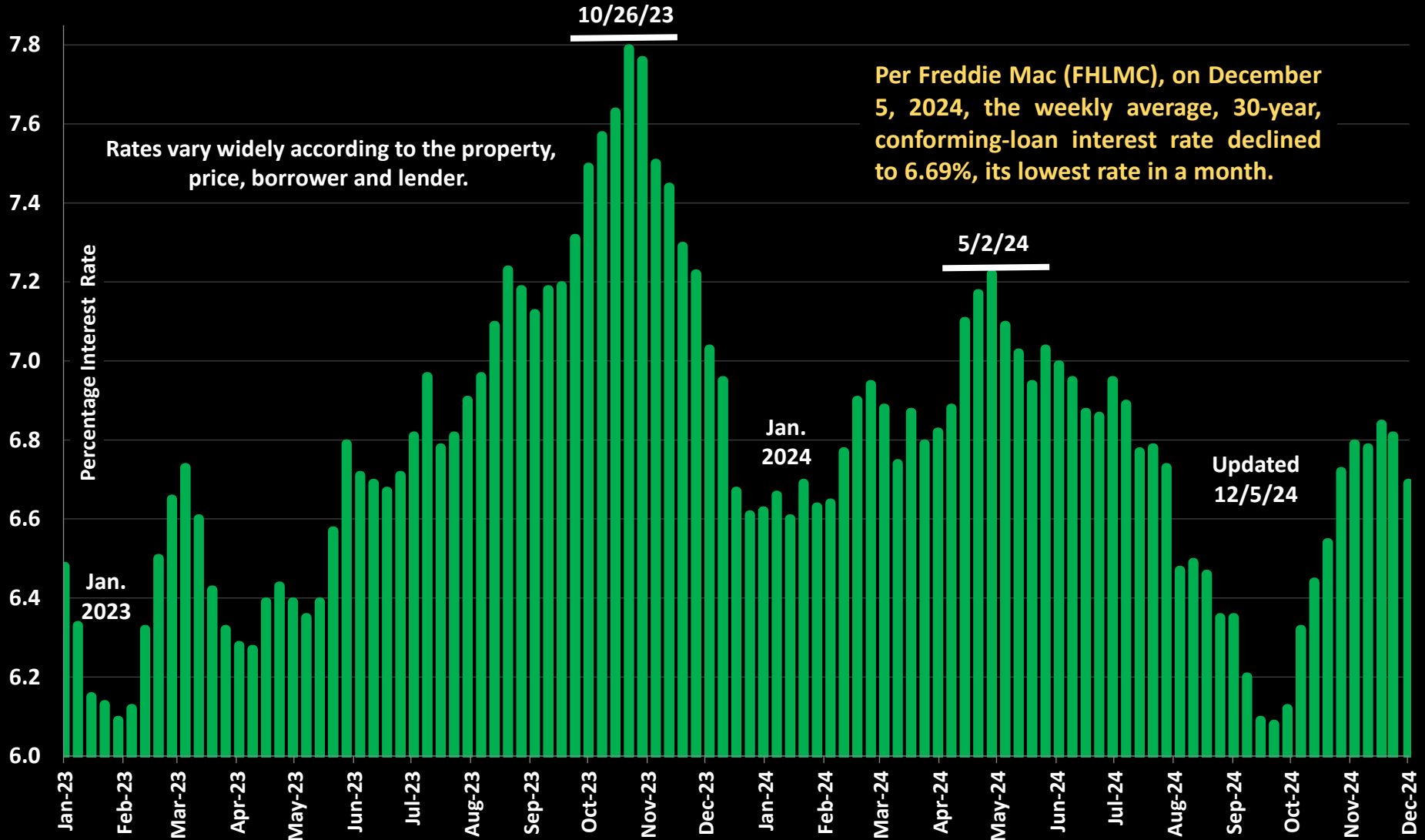
Lawrence Yun, chief economist, National Association of Realtors, 11/21/24

“News on the economy and the housing market last week were mostly positive and encouraging...The Consumer Confidence index which measures the level of optimism increased...[and] There was also good news in the housing market, as conforming loan limits were raised for 2025 and mortgage rates continued to recover [from] their recent peak in early November. And while it was disappointing to see new home sales dropping to the lowest level in October, a separate housing market index suggests that an improvement in buyer traffic and future sales were observed in November.”

California Association of Realtors Research, 12/2/24

Mortgage Interest Rates in 2023-2024

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



*Freddie Mac (FHLMC), 30-Year Fixed Rate Mortgage Weekly Average: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable. Different sources of mortgage data sometimes vary in their determinations of daily and weekly rates. Data from sources deemed reliable but may contain errors. All numbers approximate.



Nasdaq Composite Index

January 1995 to 2024 YTD



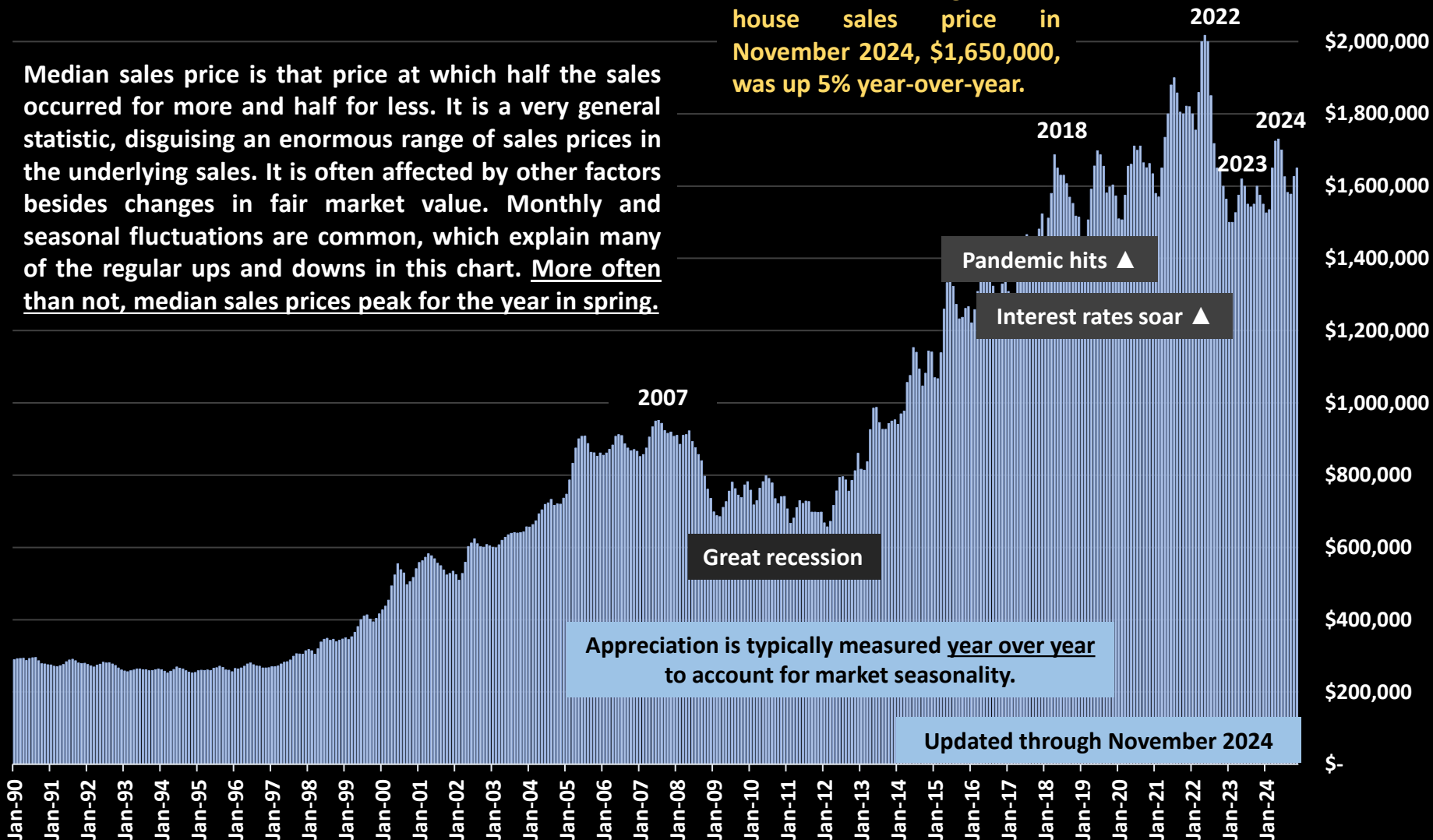
Per <https://fred.stlouisfed.org/series/NASDAQCOM>. Because of number of data points, not every week has a separate column. Data from sources deemed reliable but may contain errors and subject to revision. For general illustration purposes only.

San Francisco HOUSE Price Trends since 1990

Monthly Median House Sales Prices, 3-Month Rolling

Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic, disguising an enormous range of sales prices in the underlying sales. It is often affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, which explain many of the regular ups and downs in this chart. More often than not, median sales prices peak for the year in spring.

The 3-month-rolling median house sales price in November 2024, \$1,650,000, was up 5% year-over-year.



3-month rolling average of monthly median sales prices for "existing" houses, per CA Association of Realtors or 3-month rolling median per NorCal MLS Alliance. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

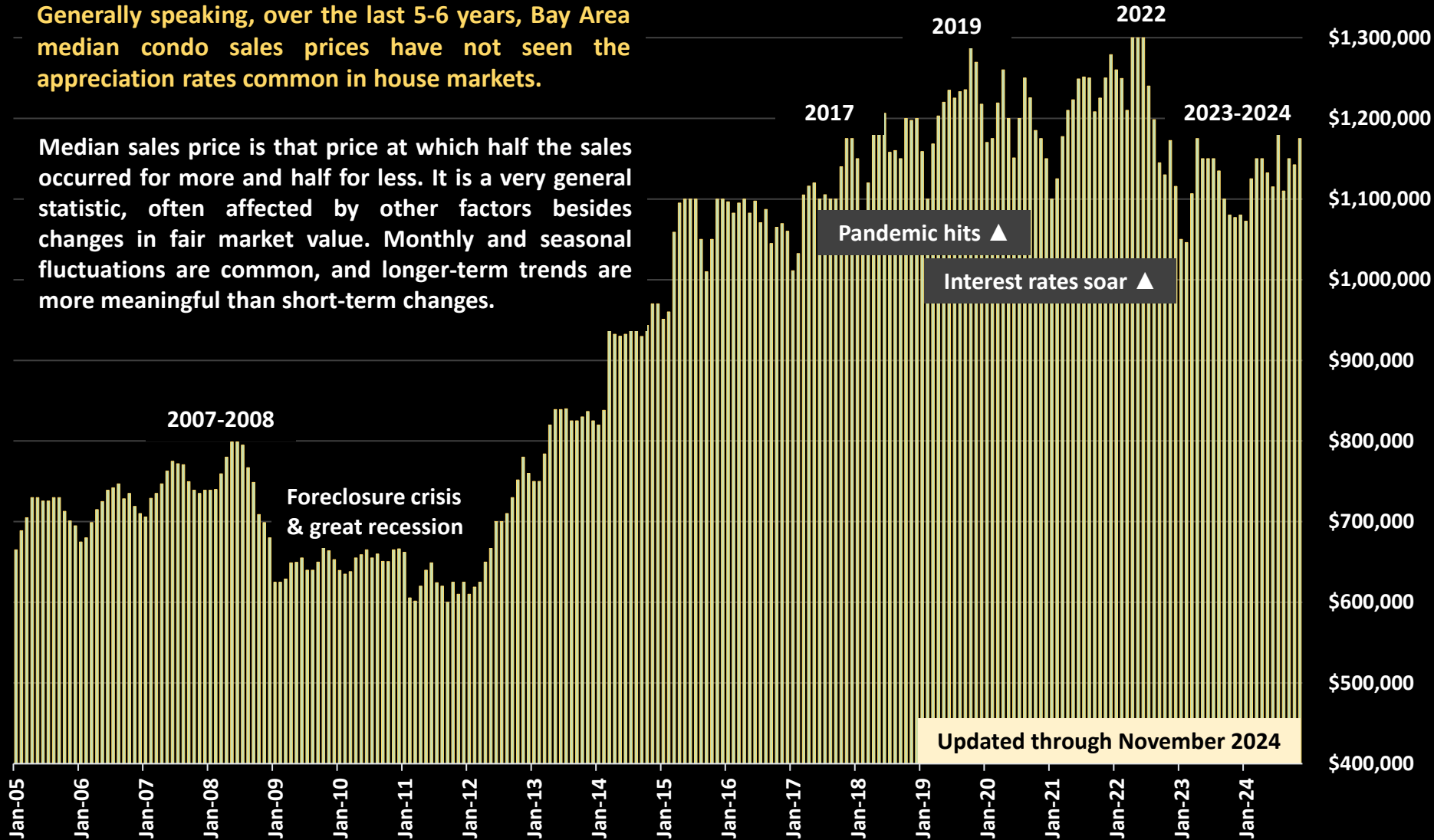
San Francisco CONDO Price Trends since 2005

Median Condo Sales Price, 3-Month Rolling

The 3-month-rolling median condo sales price in November 2024, \$1,150,000, rose 9% year over year, an unusually large increase.

Generally speaking, over the last 5-6 years, Bay Area median condo sales prices have not seen the appreciation rates common in house markets.

Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic, often affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, and longer-term trends are more meaningful than short-term changes.



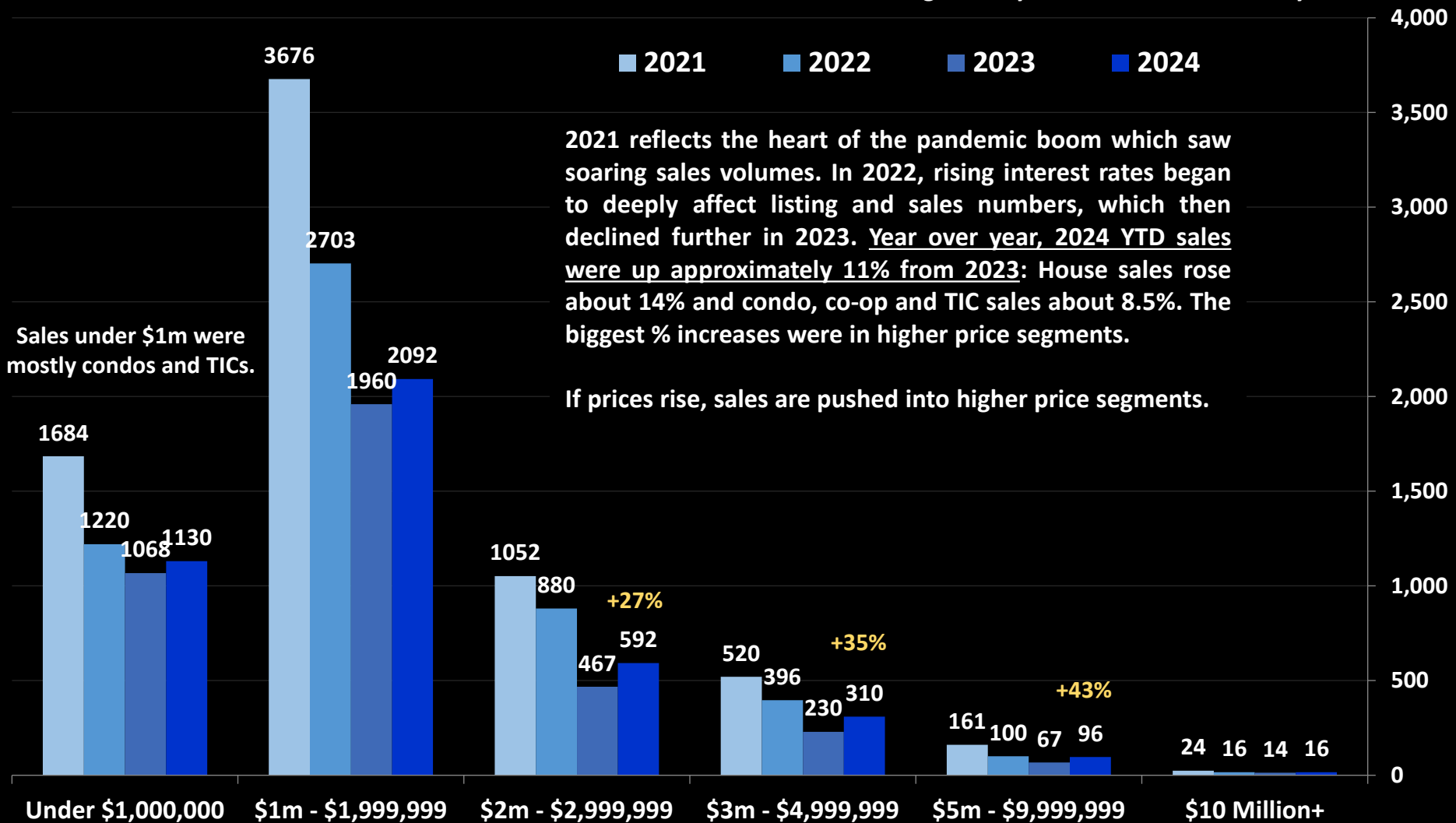
3-month rolling median condo sales prices reported to NorCal MLS Alliance, per Infosparks. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



San Francisco Home Sales Trends, 2021-2024

Year-over-Year, Year-to-Date Sales by Price Segment*

The number of home sales by price segment by November 30th in each year.



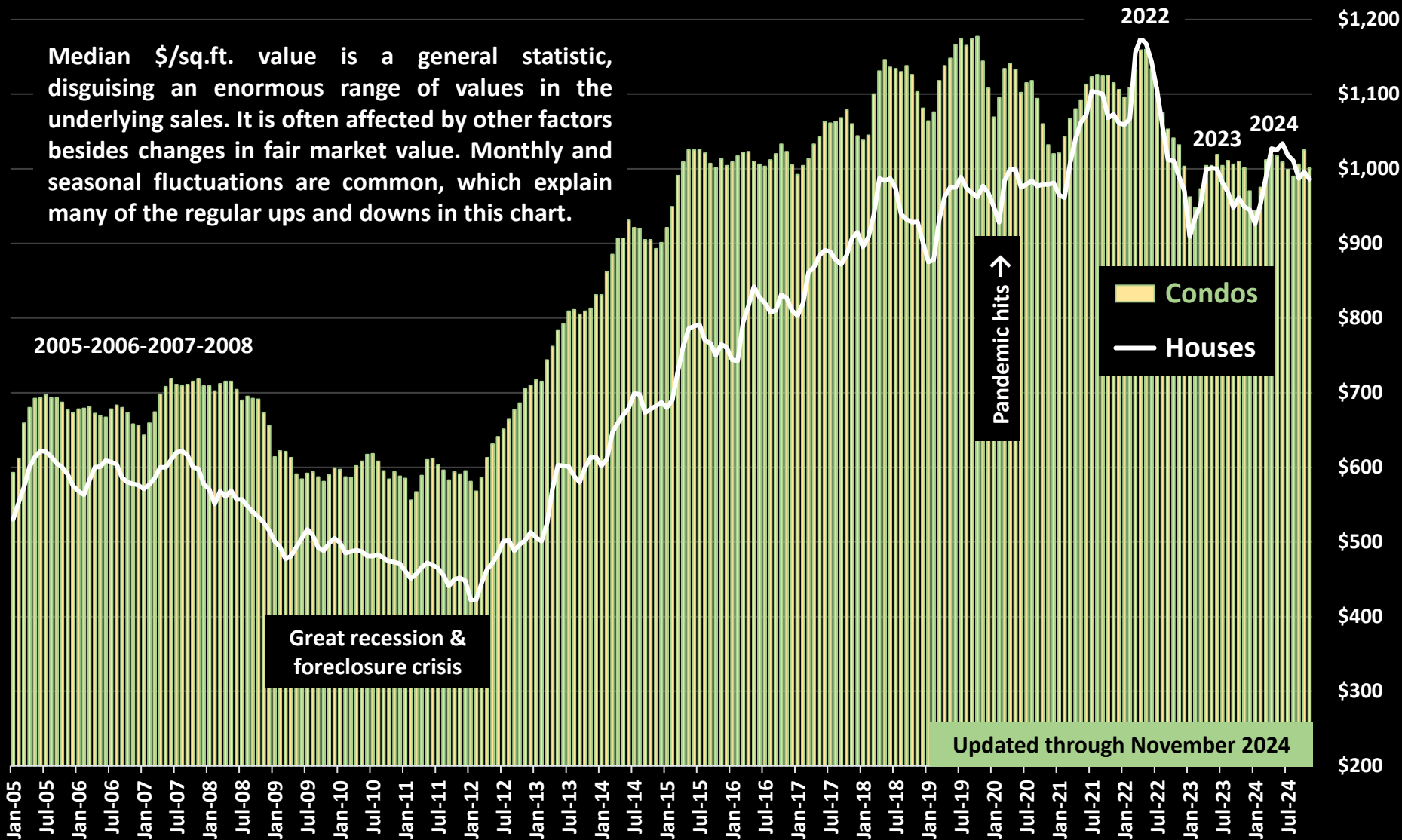
*All attached and detached home sales reported to NorCal MLS Alliance through November 30th of each year, per Infosparks. Not all sales are reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and 2024 YTD numbers may change with late reported sales.

San Francisco Value Trends since 2005

3-Month-Rolling, Median Dollar per Square Foot Values*

Until the pandemic, the median \$/sq.ft. value for condos (green columns) ran substantially higher than for houses (white line), but that is no longer the case.

Median \$/sq.ft. value is a general statistic, disguising an enormous range of values in the underlying sales. It is often affected by other factors besides changes in fair market value. Monthly and seasonal fluctuations are common, which explain many of the regular ups and downs in this chart.



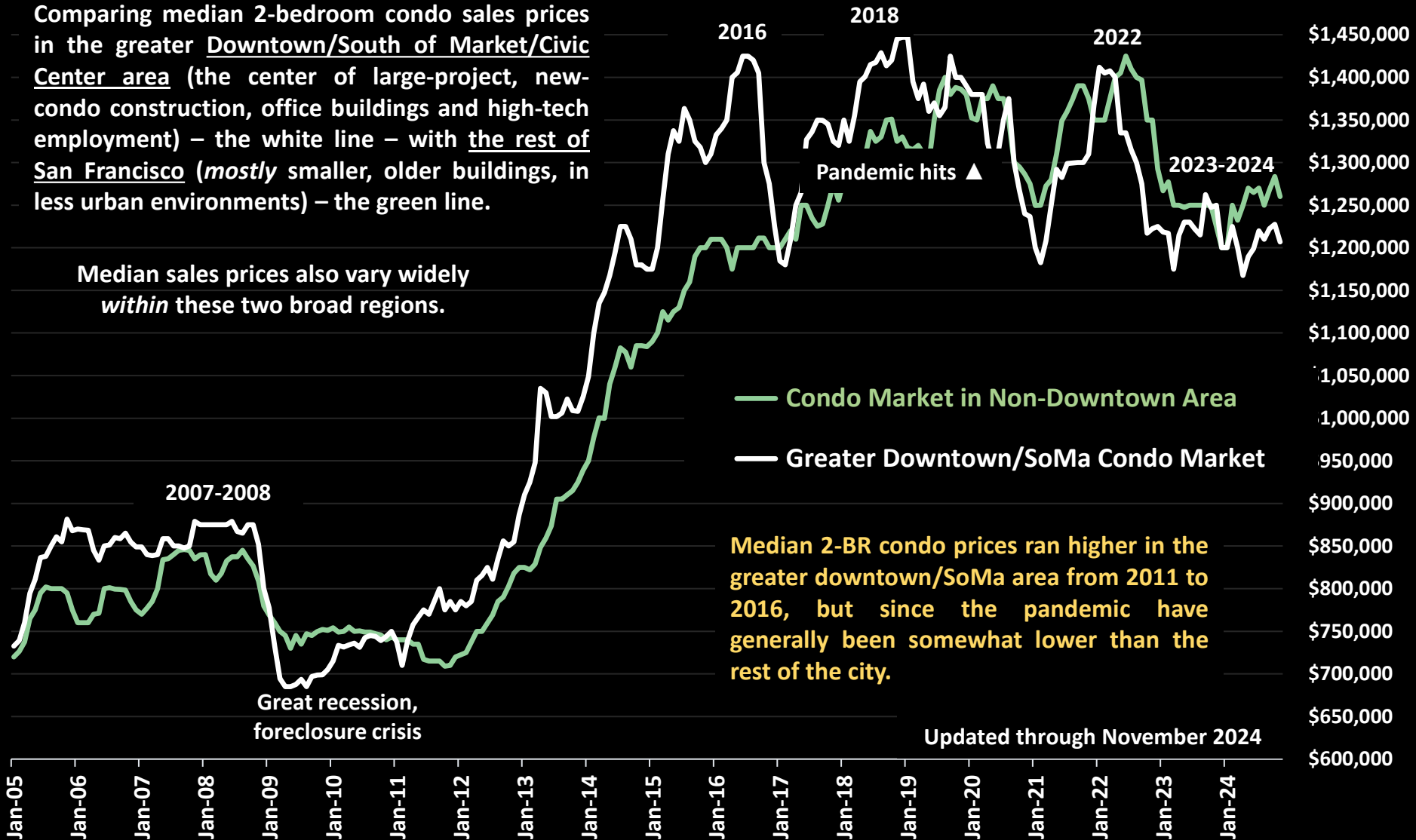
*3-month rolling median house sales values reported to NorCal MLS Alliance, per Infosparks. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

San Francisco CONDO Prices: Downtown vs. Non-Downtown

6-Month-Rolling, Median 2-Bedroom Condo Sales Prices since 2005*

Comparing median 2-bedroom condo sales prices in the greater Downtown/South of Market/Civic Center area (the center of large-project, new-condo construction, office buildings and high-tech employment) – the white line – with the rest of San Francisco (mostly smaller, older buildings, in less urban environments) – the green line.

Median sales prices also vary widely *within* these two broad regions.

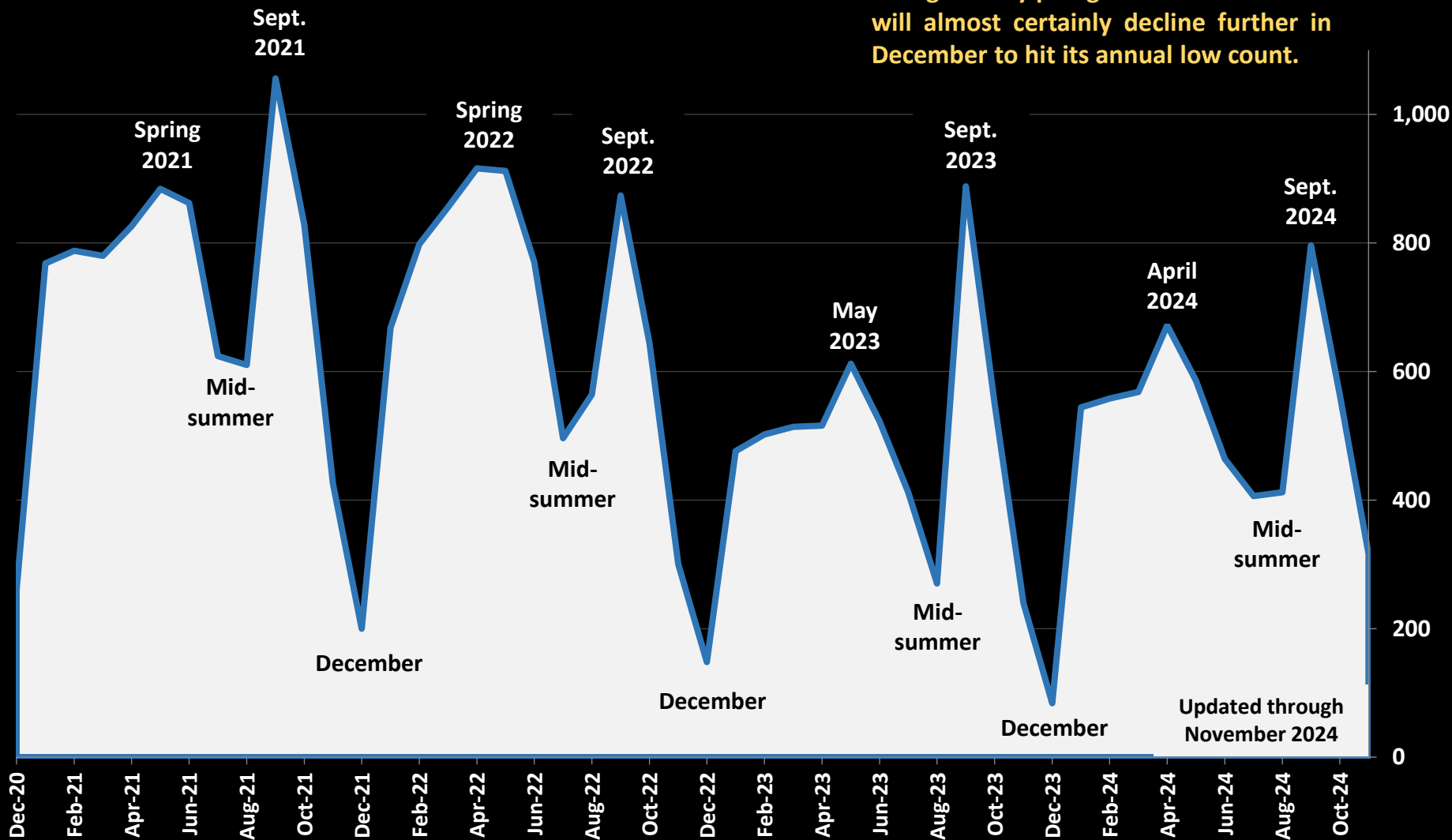


*6-month rolling median condo sales values reported to NorCal MLS Alliance, per Infosparks. Analysis may contain errors and subject to revision. Does not include new-project sales unreported to MLS. All numbers approximate, and may change with late-reported sales.

New Listings Coming on Market

San Francisco Market Dynamics & Seasonality

As is the typical seasonal trend, new-listing activity plunged in November and will almost certainly decline further in December to hit its annual low count.



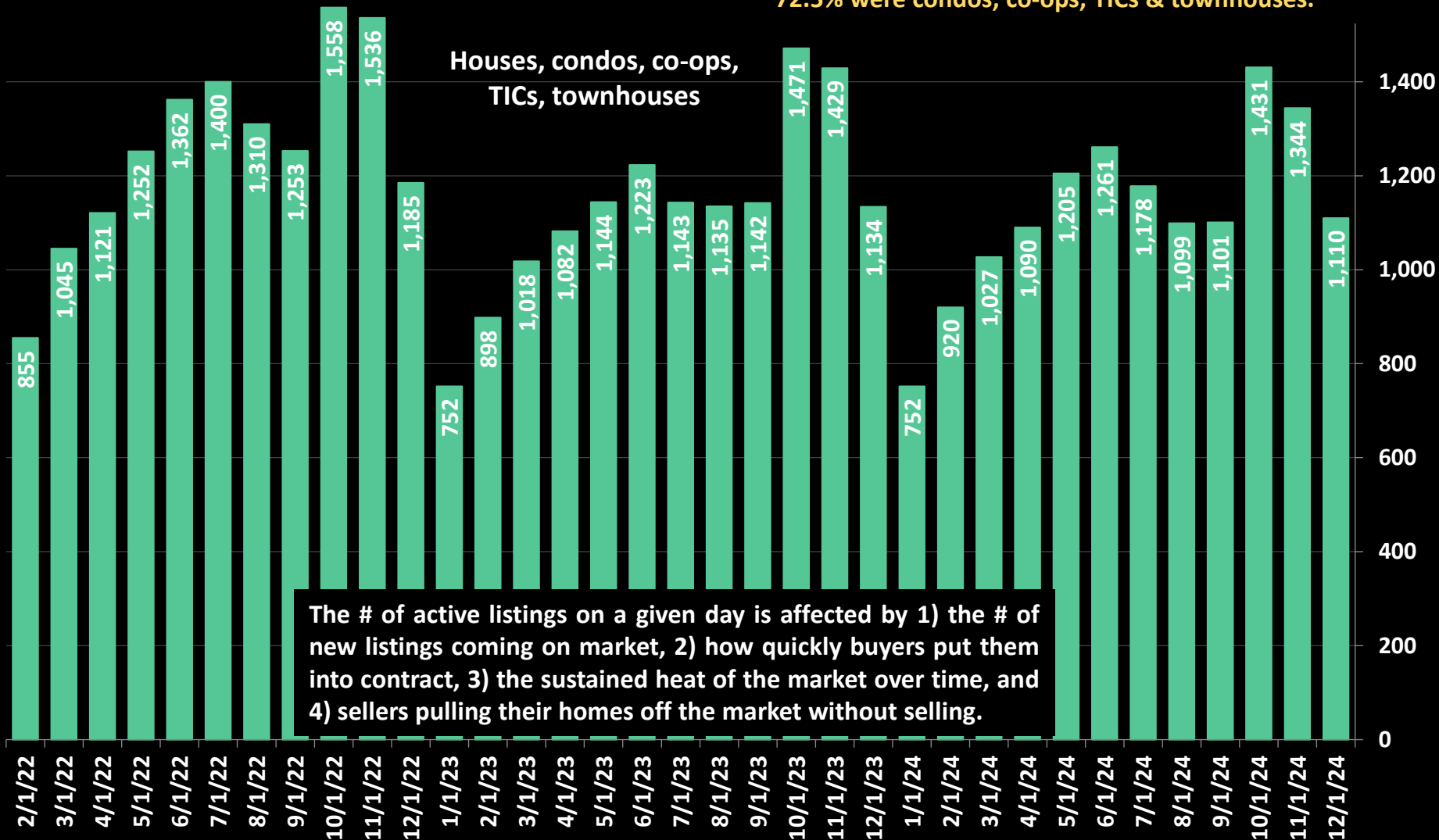
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. May not include "coming-soon" listings. All numbers should be considered approximate.



San Francisco Homes Market

Active & Coming-Soon Listings on 1st of Month*

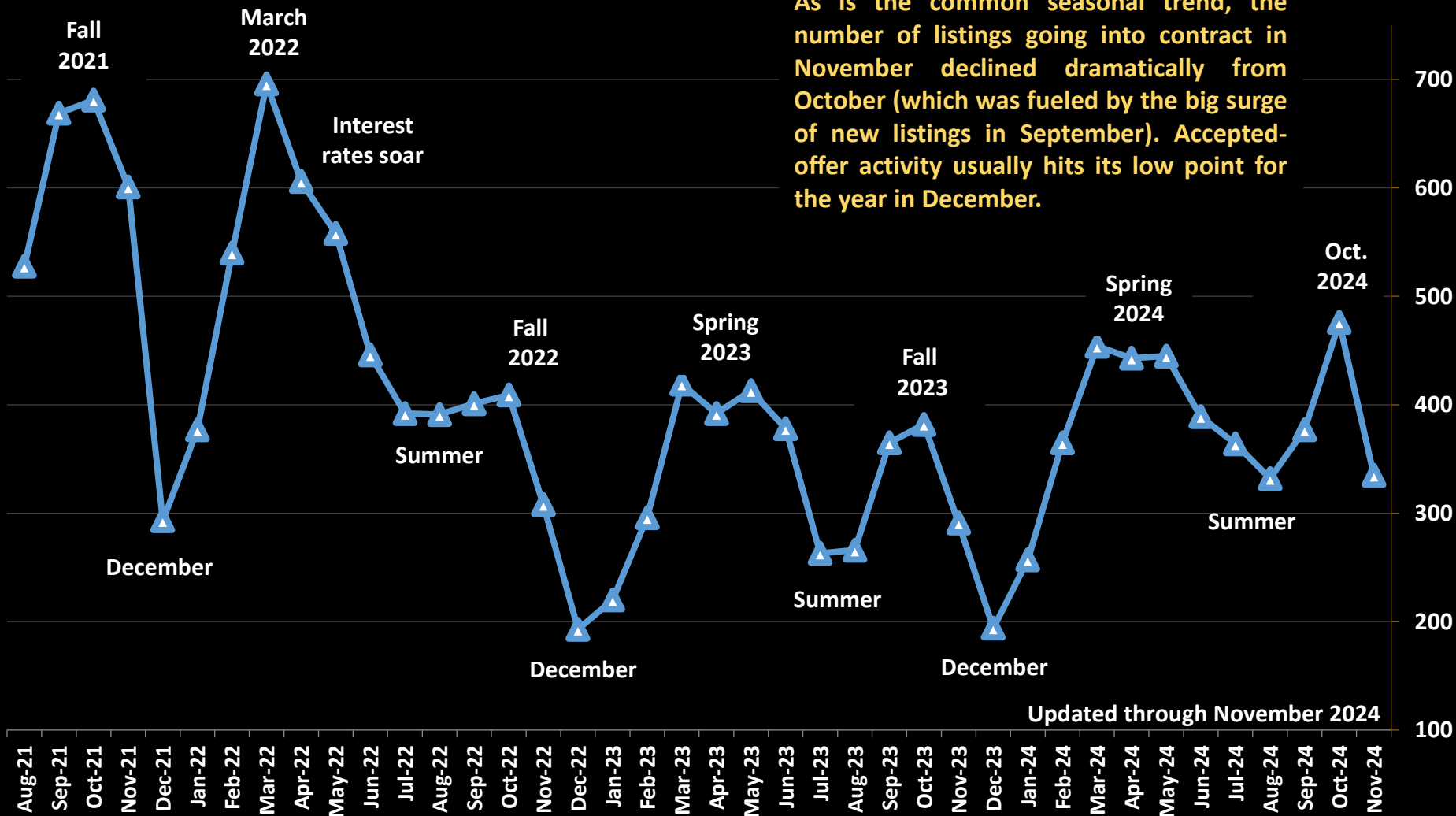
The number of active/coming-soon listings on December 1, 2024 declined substantially from the previous month, and were slightly down year-over-year. Of listings for sale, 27.5% were houses, and 72.5% were condos, co-ops, TICs & townhouses.*



* Houses, condos, co-ops, TICs, townhouses: Active/Coming-Soon listings posted to NorCal MLS Alliance. Does not include new-project condos not listed on MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. The # of active listings changes constantly.

Listings Accepting Offers (Going into Contract)

San Francisco Market Dynamics & Seasonality



Residential activity reported to MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.



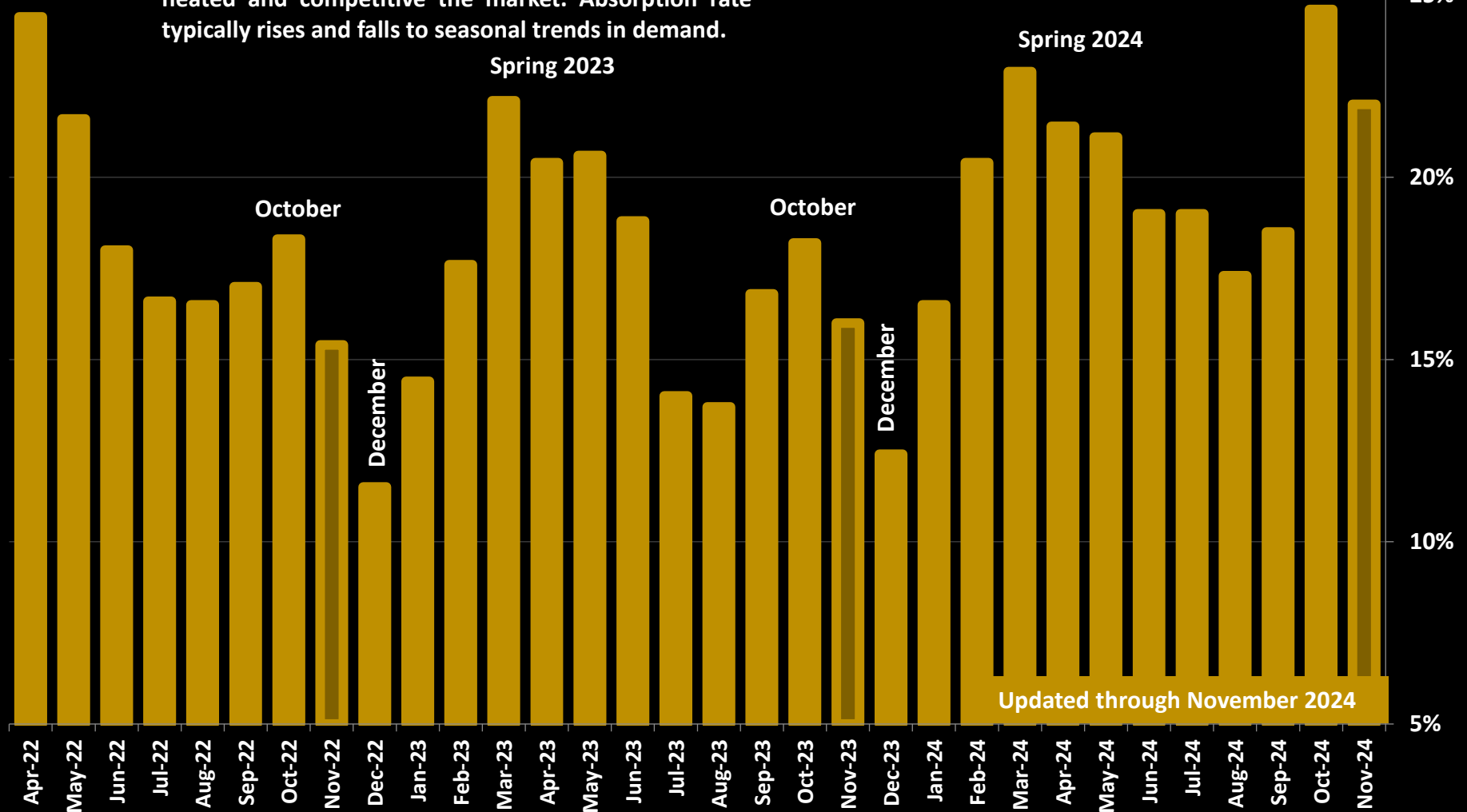
Percentage of Listings Accepting Offers

San Francisco: Absorption Rate by Month

Absorption rate measures buyer demand vs. the supply of listings for sale: The higher the percentage, the more heated and competitive the market. Absorption rate typically rises and falls to seasonal trends in demand.

In November 2024, the absorption rate dropped back from October's high, but was much higher year-over-year. For houses alone, the rate was 32%, and for condos, 17%, reflecting their respective supply and demand dynamics.

Spring 2022



Updated through November 2024

*SFARMLS reported data, per Broker Metrics. Not all new-condo project activity is reported to MLS. Last month's data estimated using available data, may change with late reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.

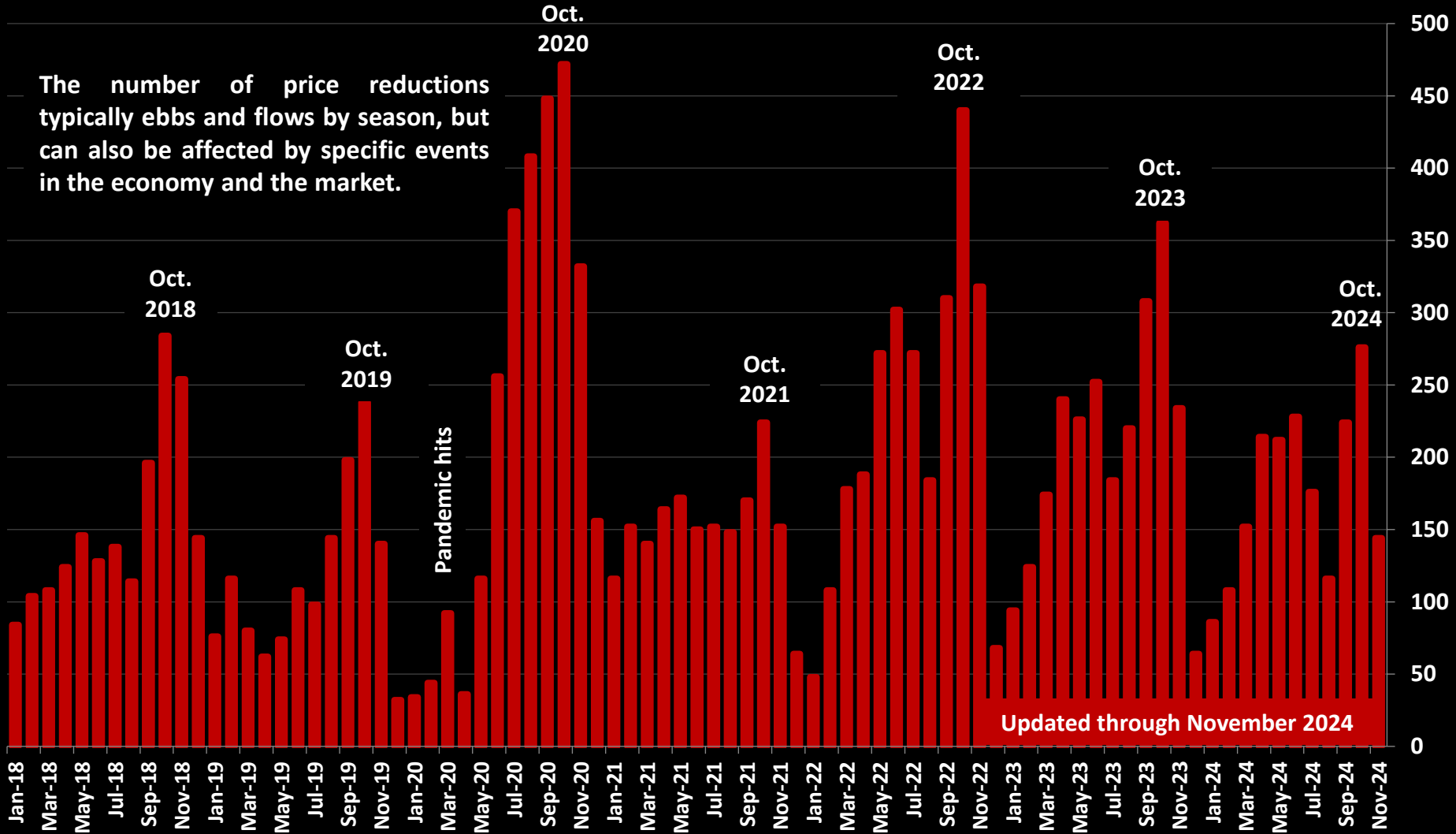


Price Reductions on Active Listings

San Francisco Market Dynamics & Seasonality

The number of price reductions in October 2024 climbed to its highest count of the year, but, as usual, dropped back down in November.

The number of price reductions typically ebbs and flows by season, but can also be affected by specific events in the economy and the market.

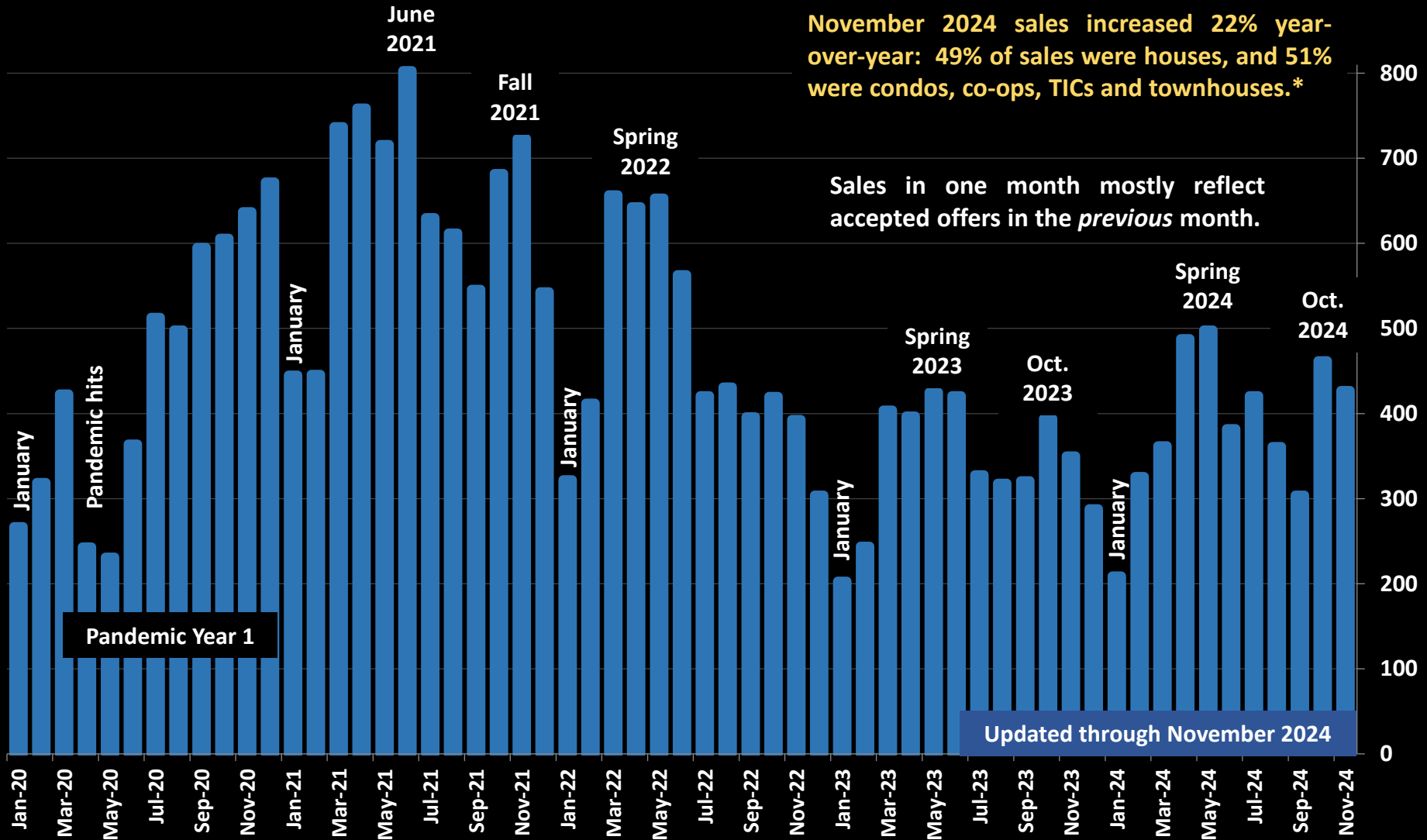


Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted to site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



Monthly Home Sales Volume*

San Francisco Market Dynamics & Seasonality



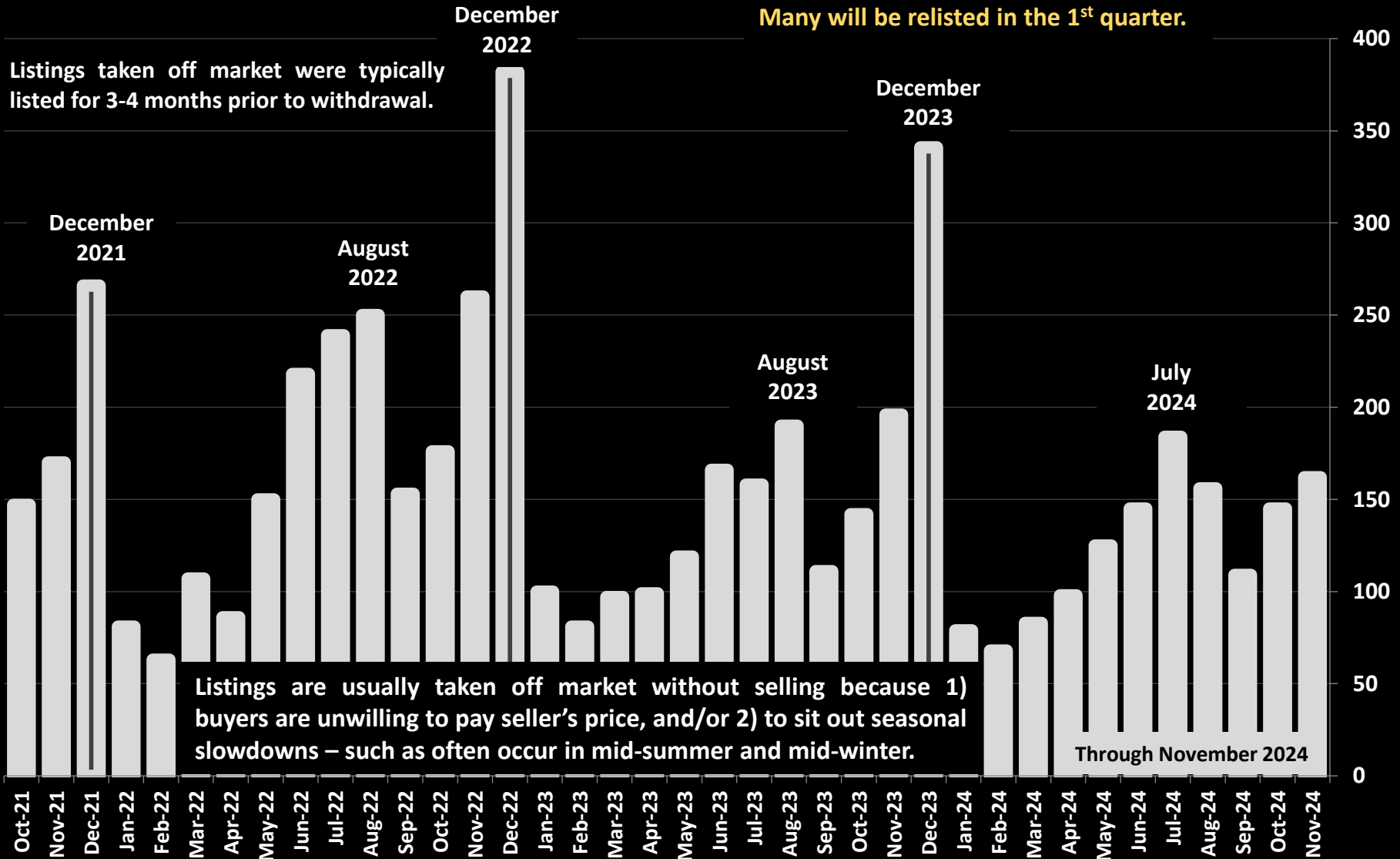
*Sales of houses, condos, townhouses reported to NorCal MLS Alliance, per Infosparks. Does not include new-project condo sales unreported to MLS. Data from sources deemed reliable but may contain errors and subject to revision. Last month estimated based on available information and may change with late reported sales. All numbers approximate.



San Francisco: Not Every Home Sells

Listings Taken Off Market Without Selling*

The number of listings taken off the market typically soars in December, especially in higher price segments. Many will be relisted in the 1st quarter.

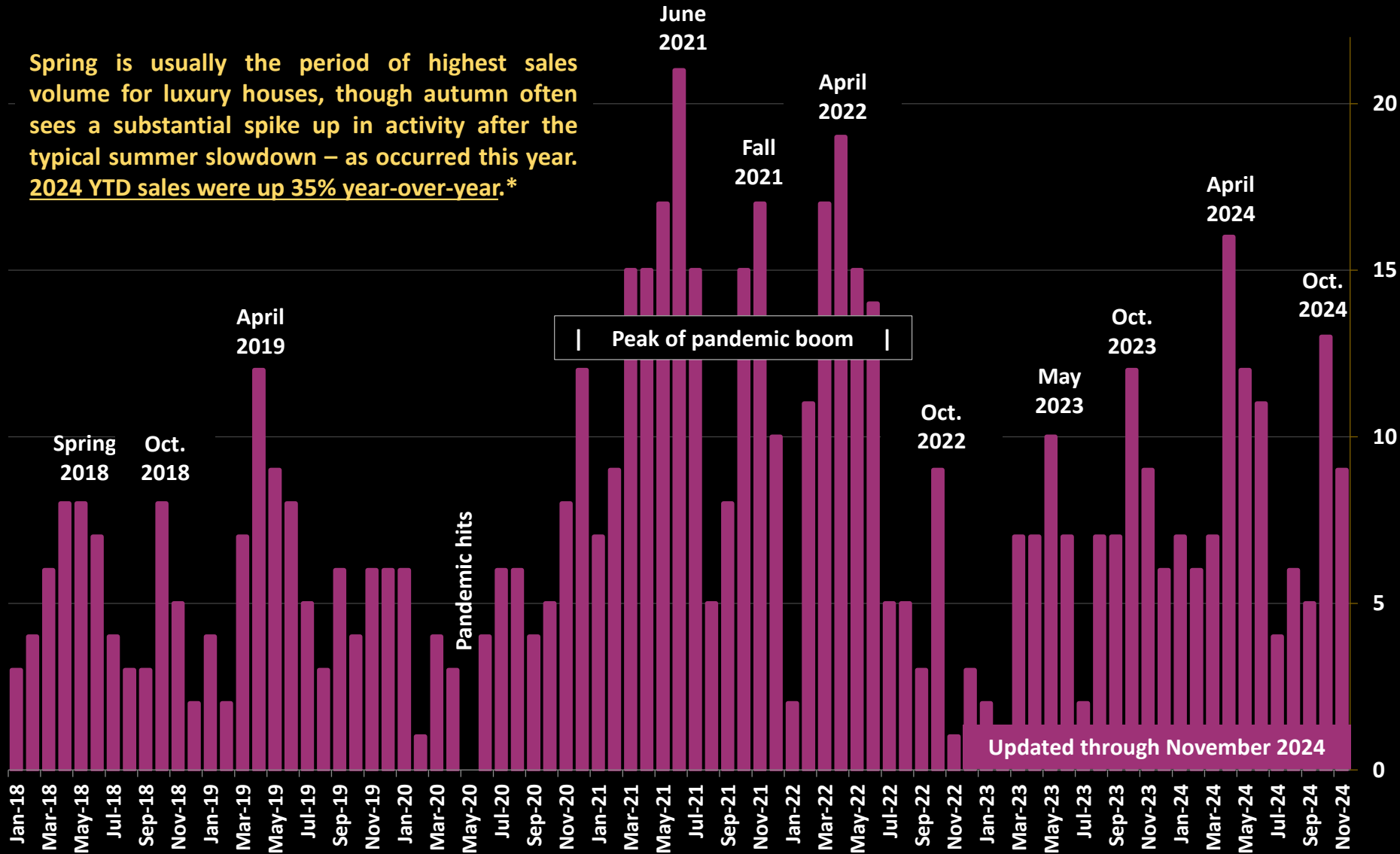


* Expired & withdrawn listings, as reported to the SFAR MLS for houses, condos, TICs, co-ops and townhouses, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.

San Francisco Luxury House Sales*

Houses Selling for \$5 Million+ since 2018

Spring is usually the period of highest sales volume for luxury houses, though autumn often sees a substantial spike up in activity after the typical summer slowdown – as occurred this year. 2024 YTD sales were up 35% year-over-year.*

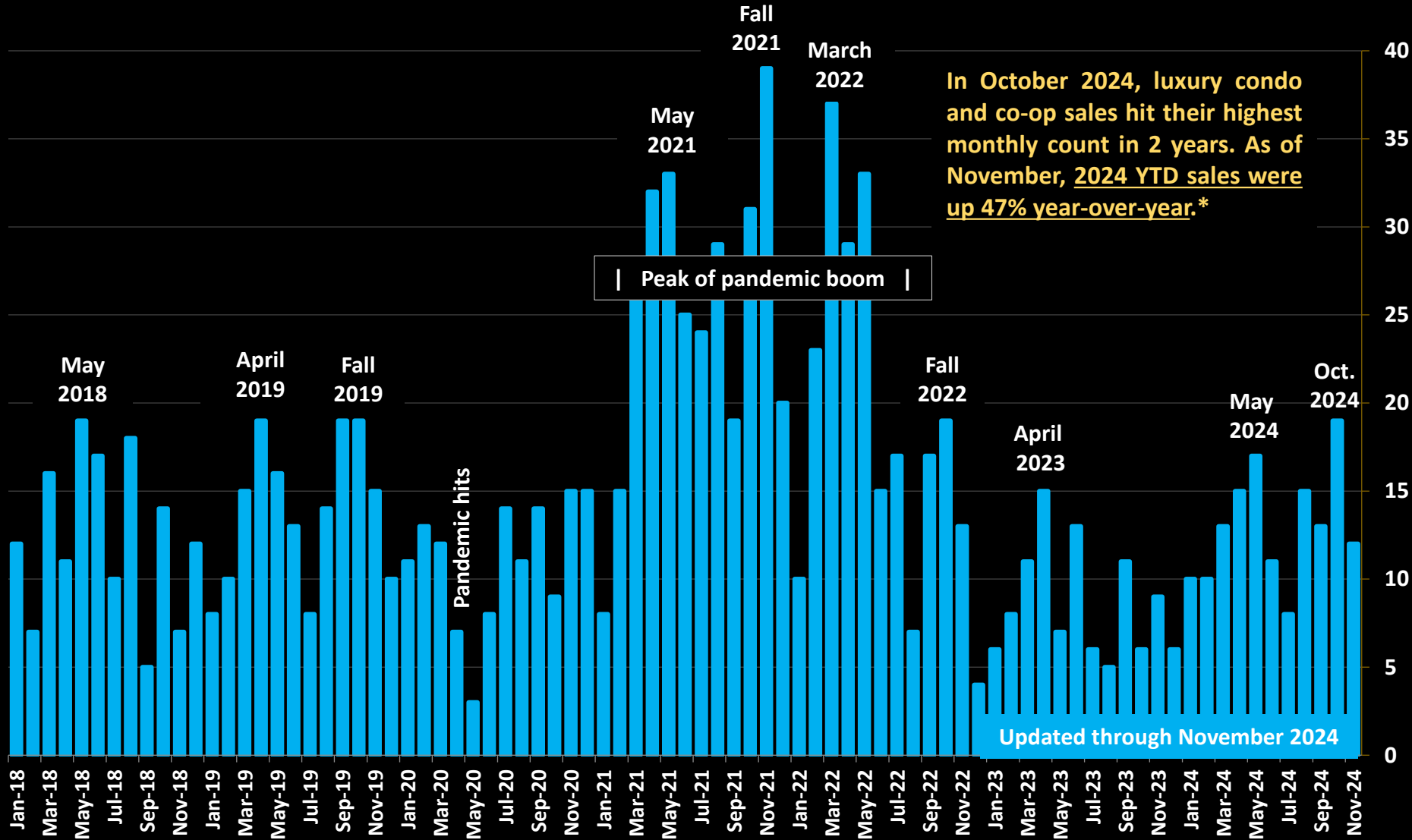


*House sales reported to NorCal MLS Alliance, per Infosparks. Does not generally include listings and sales unreported to MLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.



San Francisco Luxury Condo & Co-op Sales*

Units Selling for \$2.5 Million+ since 2018



*Includes sales of condos, co-ops, townhouses, TICs reported to NorCal MLS Alliance, per Infosparks. Does not include sales unreported to MLS, such as some new-project condos. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

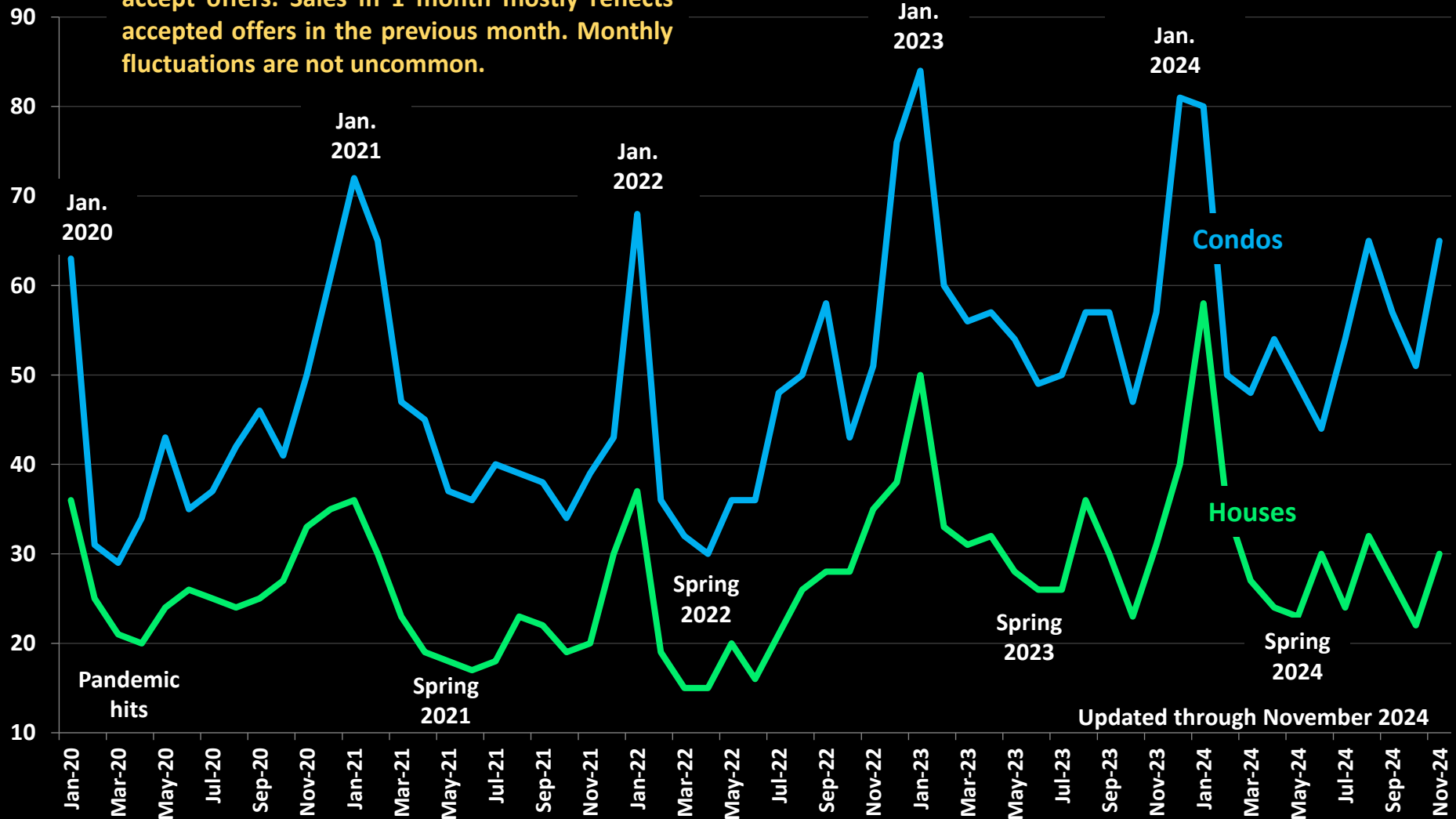


Average Days on Market – Speed of Sale

San Francisco Market Dynamics & Seasonality

Measuring how long it takes for sold listings to accept offers. Sales in 1 month mostly reflects accepted offers in the previous month. Monthly fluctuations are not uncommon.

Houses (green line) continue to sell much faster than condos (blue line). Homes typically sell most quickly in spring and early autumn.



Updated through November 2024

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

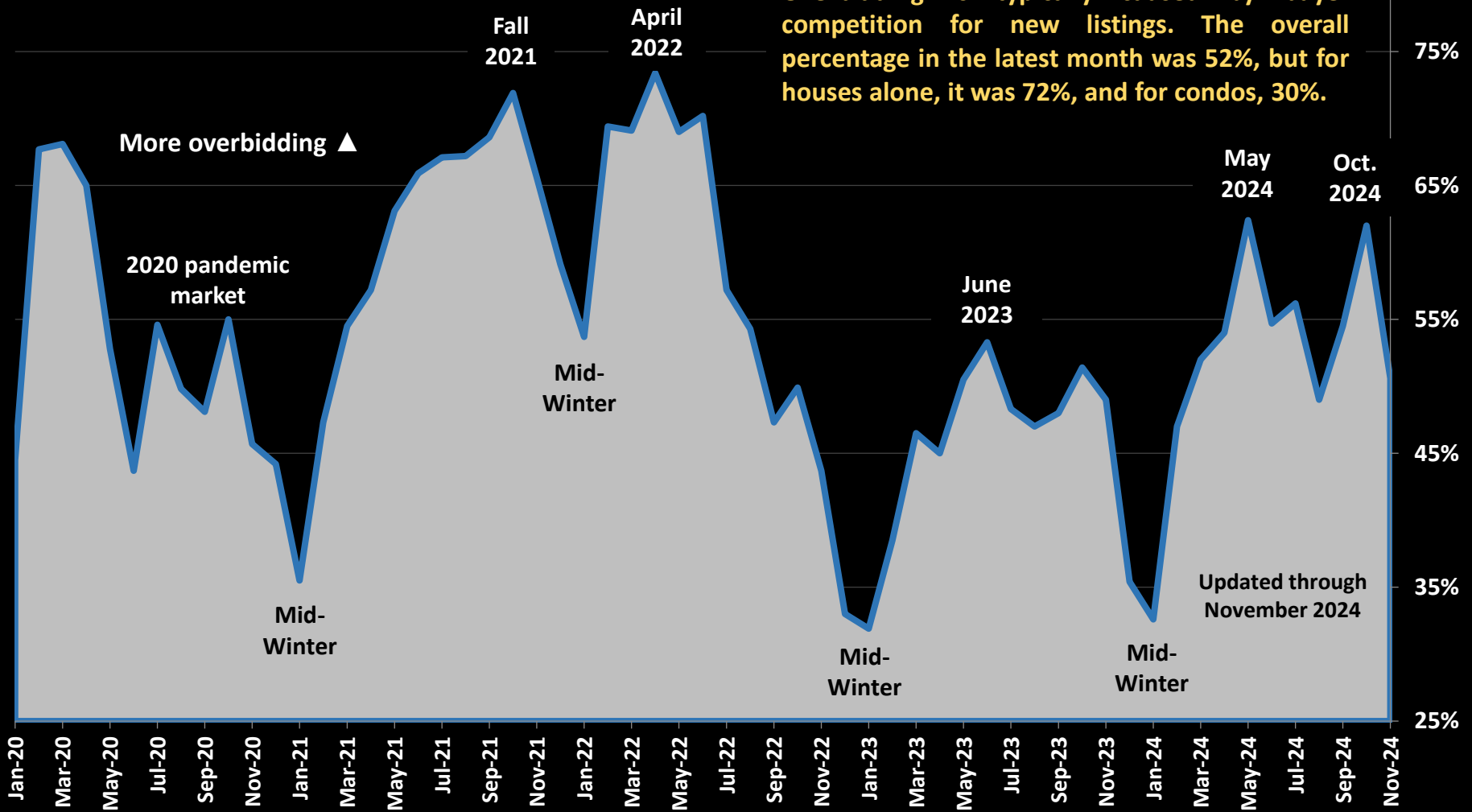


Overbidding List Prices in San Francisco

Percentage of Home Sales Closing over List Price

This statistic fluctuates according to seasonal demand trends, and is a lagging indicator of market activity 3-6 weeks earlier. This statistic can be distorted by strategic *underpricing* strategies by listing agents.

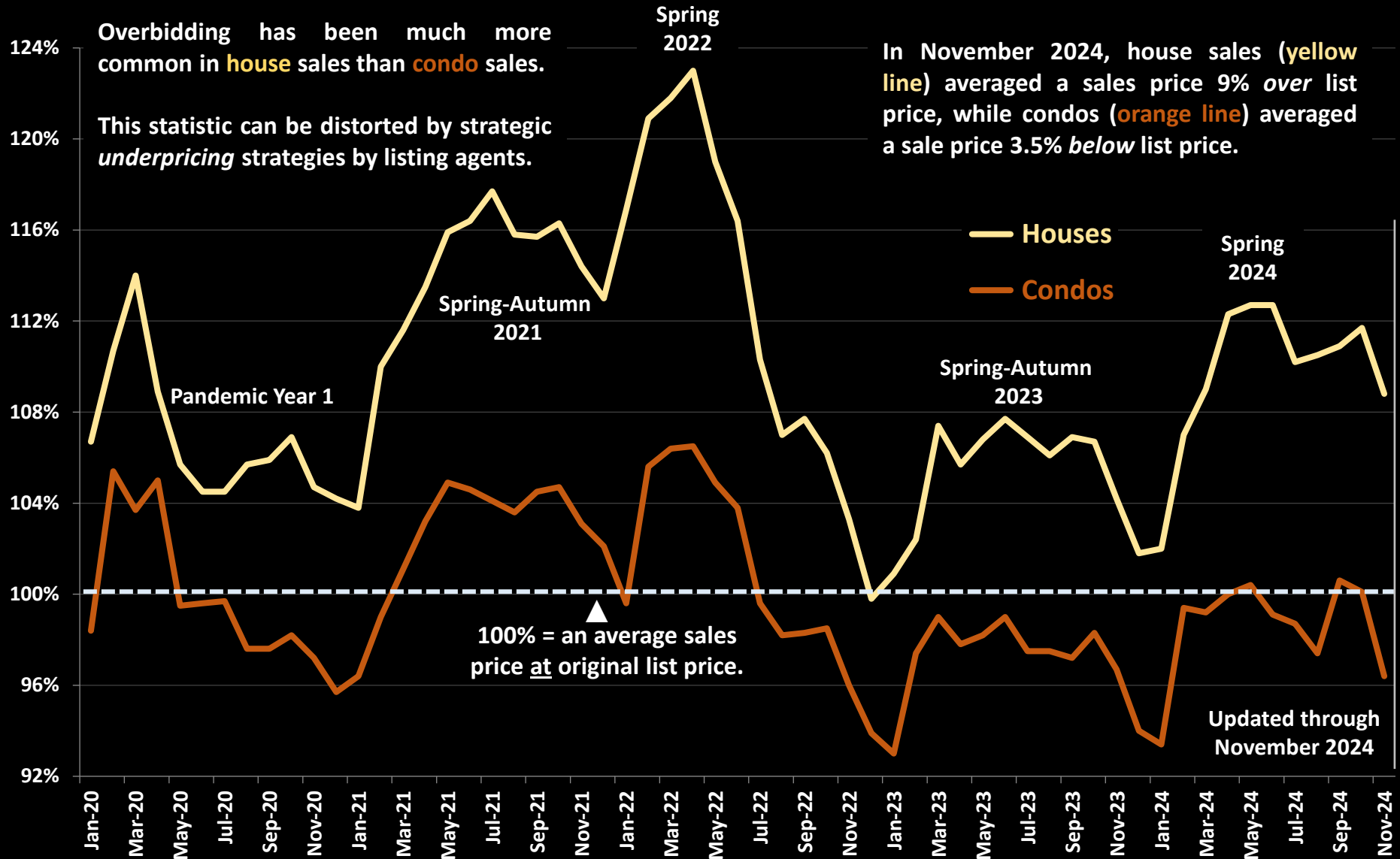
Overbidding is typically caused by buyer competition for new listings. The overall percentage in the latest month was 52%, but for houses alone, it was 72%, and for condos, 30%.



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

Average Sales Price to Original List Price Percentage

San Francisco Over/Under Bidding: Market Dynamics & Seasonality



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



Highlights from the “2024 Profile of Home Buyers and Sellers”

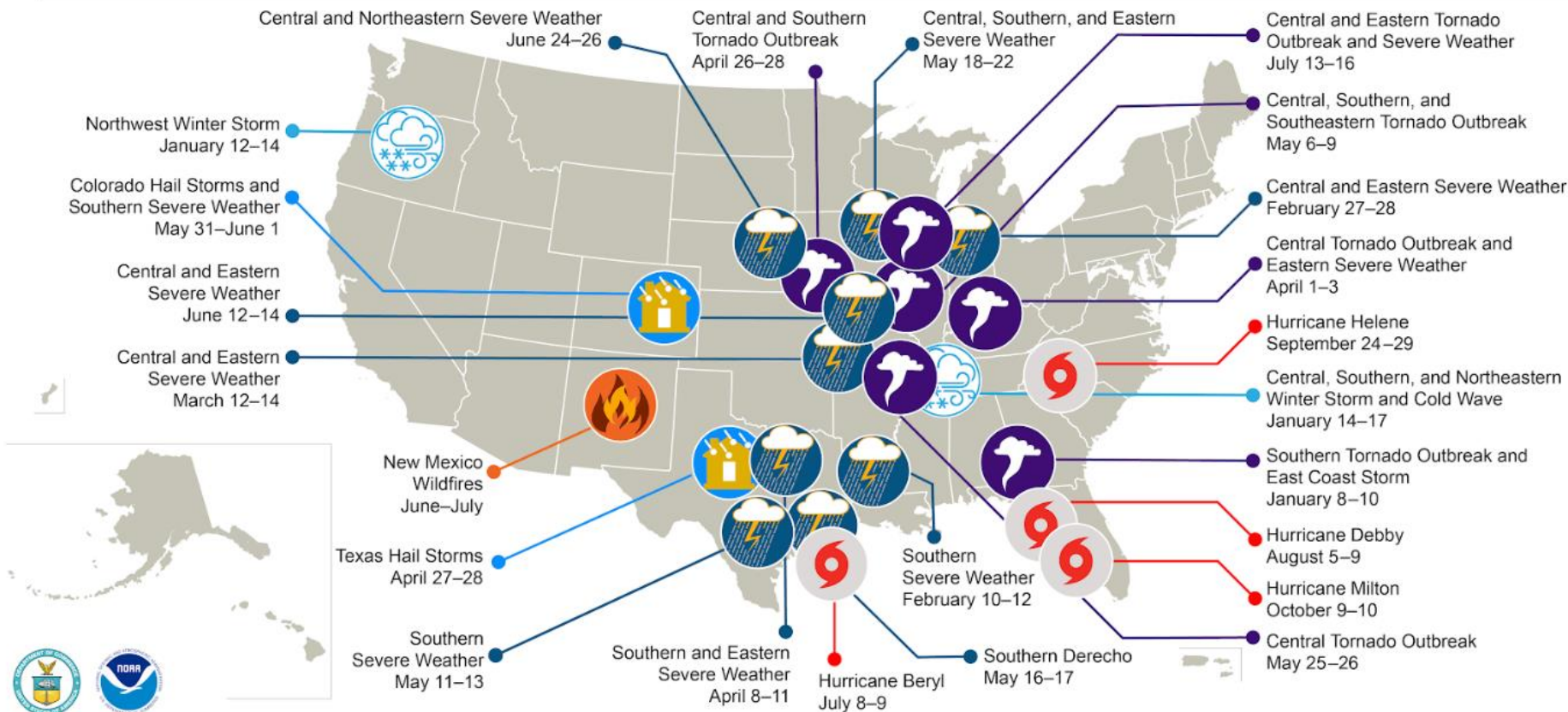
Published by the National Association of Realtors®*

Purchasing a home is commonly one of the largest financial transactions of a buyer’s life. Homes are purchased because buyers want to *own* their own home, due to changes in employment and family situations, the desire for a smaller or larger living space, to change one’s state or neighborhood, as a way to build household wealth, and a hundred other personal and economic reasons. The U.S. homeownership rate is approximately 66%.

- ❑ The typical first-time buyer was 38 years old; the typical repeat buyer was 61 (both historic highs).
- ❑ 62% of buyers were married couples, 20% single females, 8% single males, and 6% were unmarried couples. First-time buyers made up only 24% of home purchases, an all-time low.
- ❑ 27% of buyers had a child under 18 in their home (down from 58% in 1985).
- ❑ 15% of buyers purchased a new-construction home; 85% bought a previously-owned home.
- ❑ Buyers typically searched for 10 weeks before purchasing.
- ❑ 17% bought a multi-generational home – for care of aging parents (25%), cost savings (36%), and/or to accommodate children aged 18+ years moving back in or who never left home (41%).
- ❑ Senior-related housing constituted 19% of purchases (involving buyers over the age of 60). 58% of seniors purchased a detached single-family home (vs. 75% of all buyers).
- ❑ The median distance between the home purchased and the home moved from was 20 miles.
- ❑ 59% of buyers cited quality of neighborhood, 45% proximity to friends and family, and 36% housing affordability as the most important factors in choosing a neighborhood.
- ❑ 74% of buyers financed their purchase, and 26% paid all cash (an all-time high).
- ❑ The typical home seller was 63 years old (highest age ever), and had lived in their home for 10 years before selling. Most common reason for selling was to be closer to friends & family. 36% bought a larger home, 32% a smaller home, and 30% a home of similar size.
- ❑ Homes sold were on market for a median 3 weeks, selling at a median of 100% of final list price.
- ❑ 90% of buyers and sellers worked with a real estate agent; 6% of sales were for-sale-by-owner. (38% of FSBO sales were to relatives, friends or neighbors, i.e. parties already known to seller.)

U.S. 2024 Billion-Dollar Weather and Climate Disasters

-  Drought/Heat Wave
-  Flooding
-  Hail
-  Severe Weather
-  Tornado Outbreak
-  Tropical Cyclone
-  Wildfire
-  Winter Storm/Cold Wave



This map denotes the approximate location for each of the 24 separate billion-dollar weather and climate disasters that impacted the United States through October 2024.

Through October 2024

Through October 2024, none of the YTD “billion dollar” weather & climate disasters occurred in CA.

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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