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Marin County Real Estate

June 2023 Report

COMPASS

Recapping the Spring 2023 Market

Median home sales prices have been climbing rapidly from mid-winter lows, though remaining well below peak prices hit in spring 2022.

The number of new listings coming on market over the past 12 months was the lowest in over 20 years (and almost certainly much longer): This is commonly ascribed to the “mortgage lock-in” effect. As buyer demand rebounded in 2023, this has contributed to upward pressure on home prices. Sales volume over the period was the lowest since the post-2008 recession. New listing and sales volumes have risen from their nadirs in mid-winter, but remain historically low.

Average days on market – the speed at which sold listings went into contract – have plunged in 2023. The percentage of home sales closing over asking price has rapidly increased, and the average home sale is once again selling above its original asking price.

Luxury home sales remain well down from spectacular peaks seen at the height of the pandemic boom, but have been rebounding since late 2022. May saw a large jump in luxury sales.

With bank crises, fed actions, inflation readings, and U.S. debt-default fears, interest rates have been volatile in 2023, with significant ups and downs. As of early June, 30-year, fixed-rate mortgages are running about a quarter percent below 7% (but rates can change quickly).

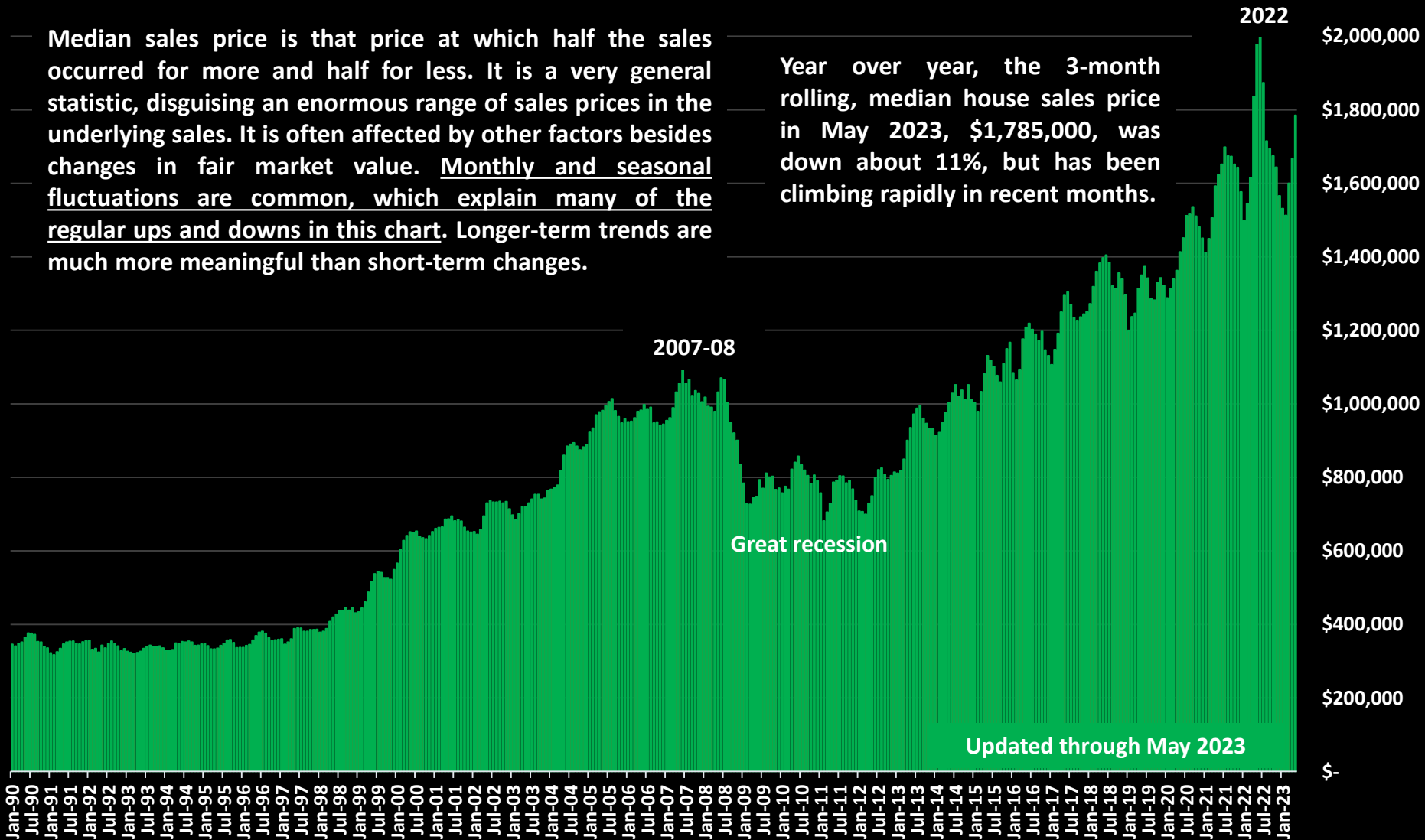
The 1st and 4th largest insurers of CA homes, State Farm and Allstate, have announced they will no longer write new policies in the state due to rising claims costs. It is too early to quantify the exact financial, political and market effects of their actions, or if other insurers will follow suit. Similar issues have come up in other states, such as Florida and Louisiana, and occurred with earthquake insurance in CA in the mid-1990’s, leading to the creation of CA Earthquake Authority.

Marin County Home Price Trends since 1990

Monthly Median House Sales Prices, 3-Month Rolling Average

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

Year over year, the 3-month rolling, median house sales price in May 2023, \$1,785,000, was down about 11%, but has been climbing rapidly in recent months.



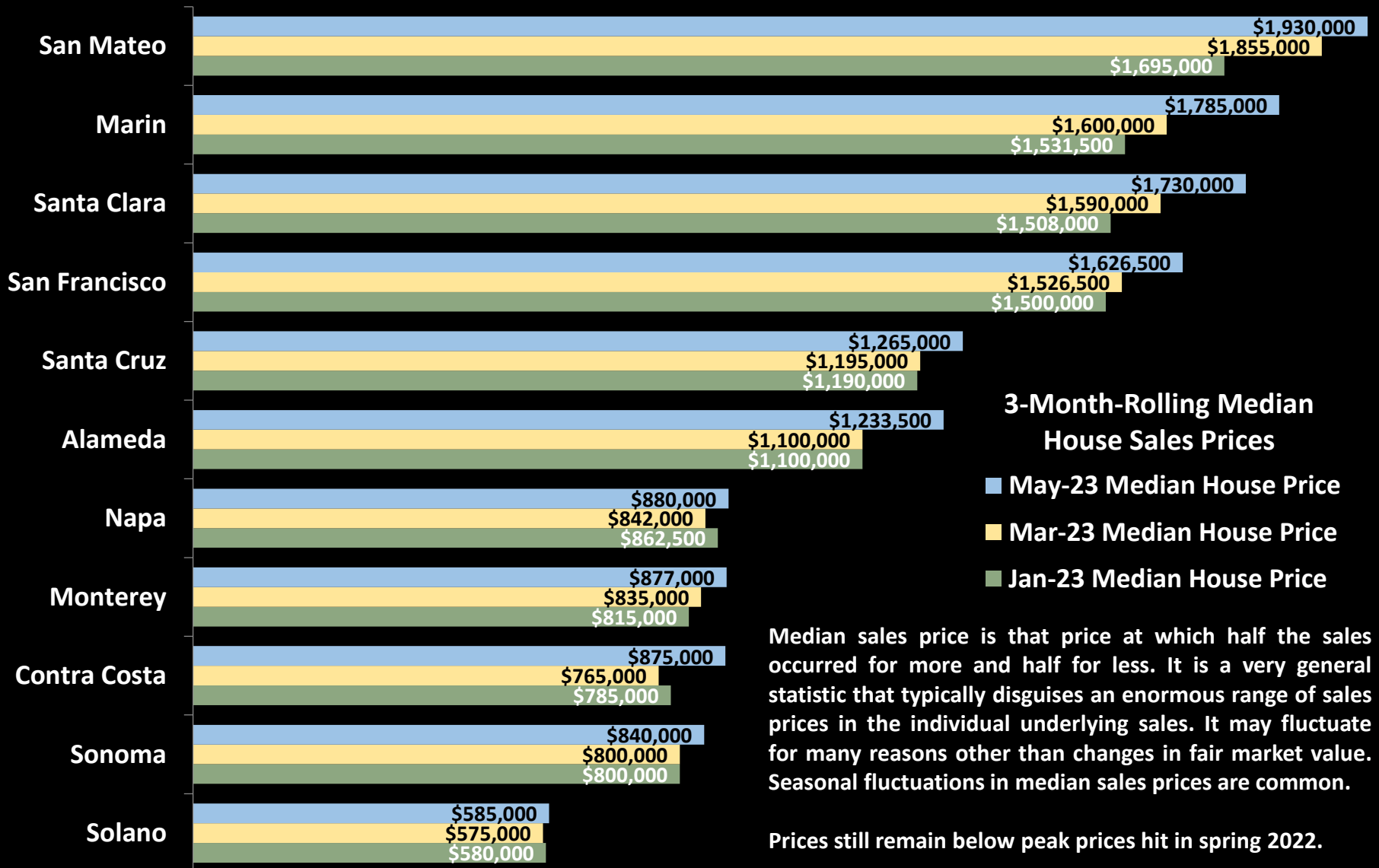
Updated through May 2023

3-month rolling average of monthly median sales prices for "existing" houses, per CA Association of Realtors or NorCal MLS Alliance. 2-period moving trend line. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



2023 Bay Area Median Home Prices by County

3-Month-Rolling, Median House Sales Prices in January, March & May 2023



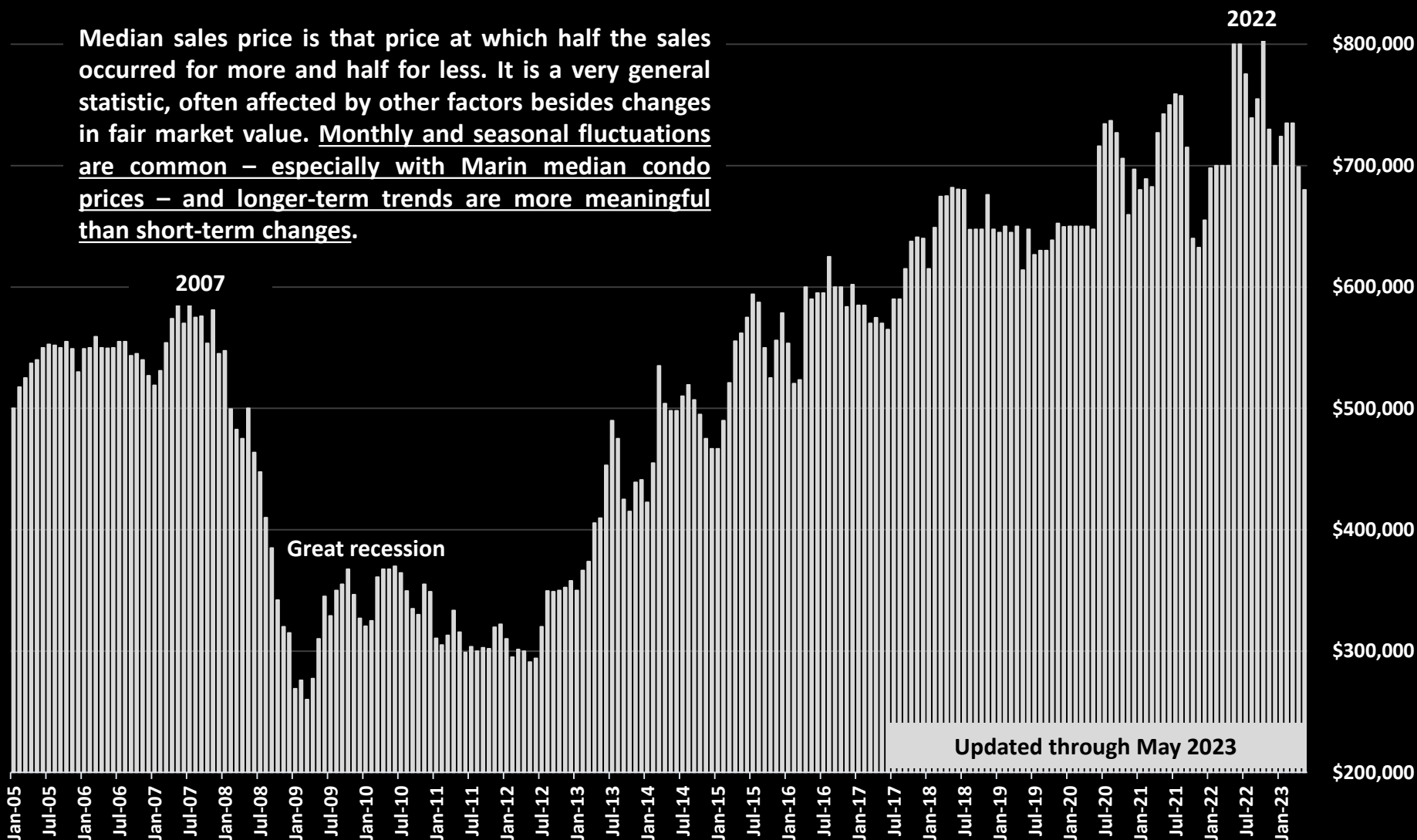
*3-month rolling sales reported to NorCal MLS Alliance. Deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales. Different sources sometimes calculate median sales price differently.



Marin County Condo Price Trends since 2005

3-Month Rolling Median Condo Sales Prices

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 – especially with Marin median condo prices – and longer-term trends are more meaningful than short-term changes.



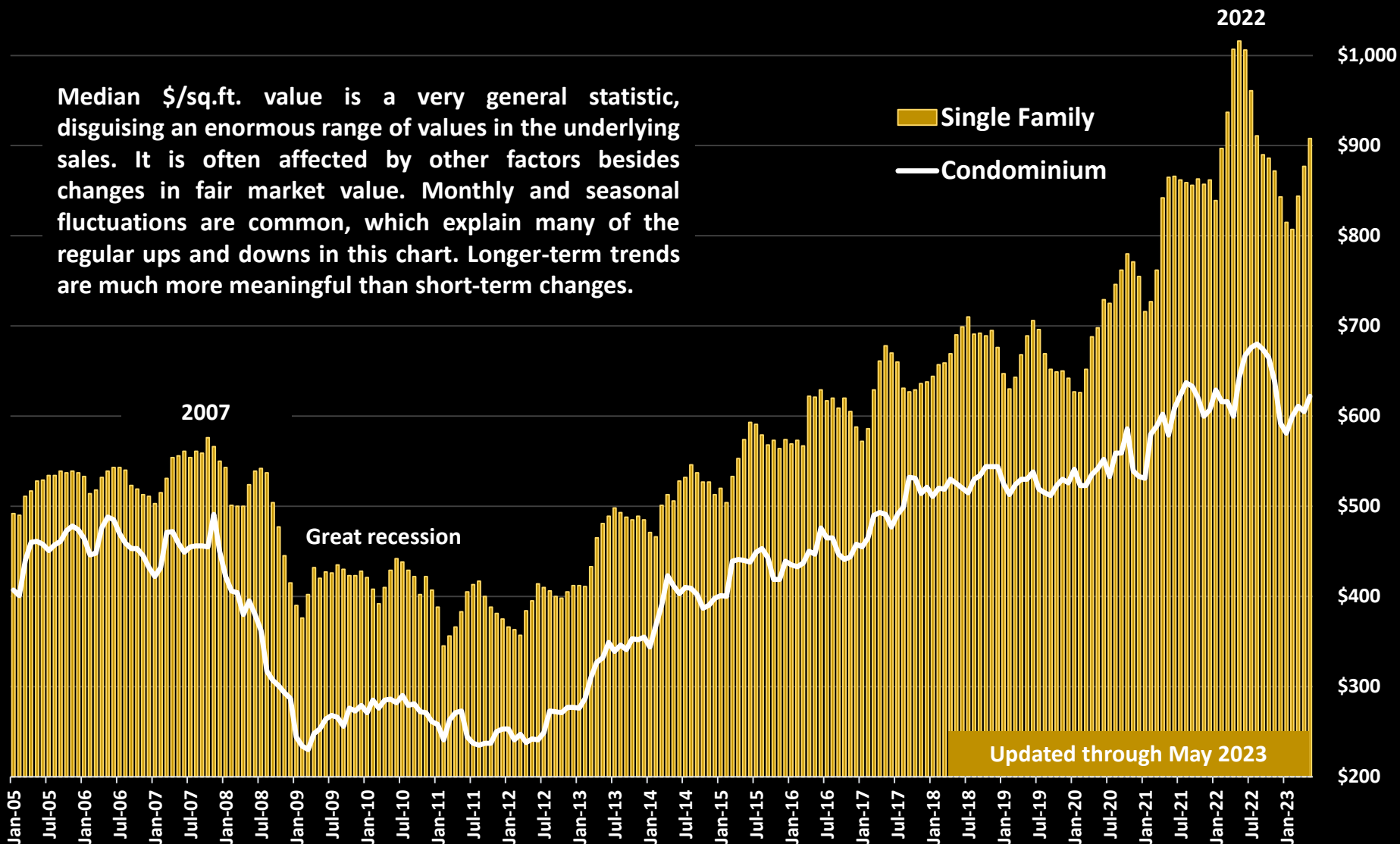
3-month rolling median condo sales prices reported to NorCal MLS Alliance, per Infosparks. 2-period moving trend line. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



Marin County Home Value Trends since 2005

3-Month Rolling Median Dollar per Square Foot Values*

Median \$/sq.ft. value is a very 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. Longer-term trends are much more meaningful than short-term changes.

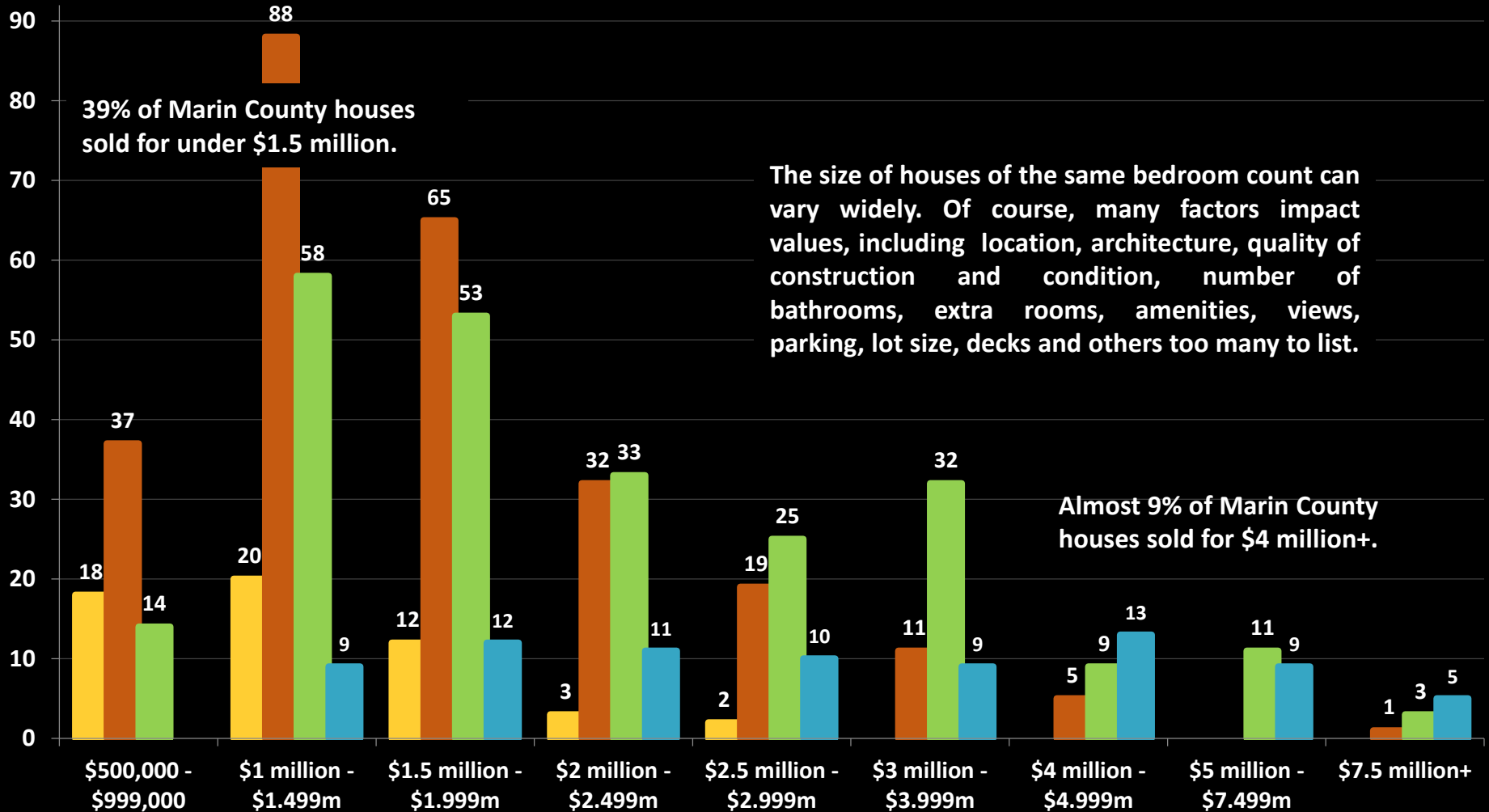


*3-month rolling median sales values reported to NorCal MLS Alliance, per Infosparks. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

Marin County House Sales

6 Months Sales by Bedroom Count & Price Segment

■ 2 Bedrooms
 ■ 3 Bedrooms
 ■ 4 Bedrooms
 ■ 5+ Bedrooms



6 months house sales reported to Bareis & SFAR MLS through late May 2023, per Broker Metrics. Not all sales are reported. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



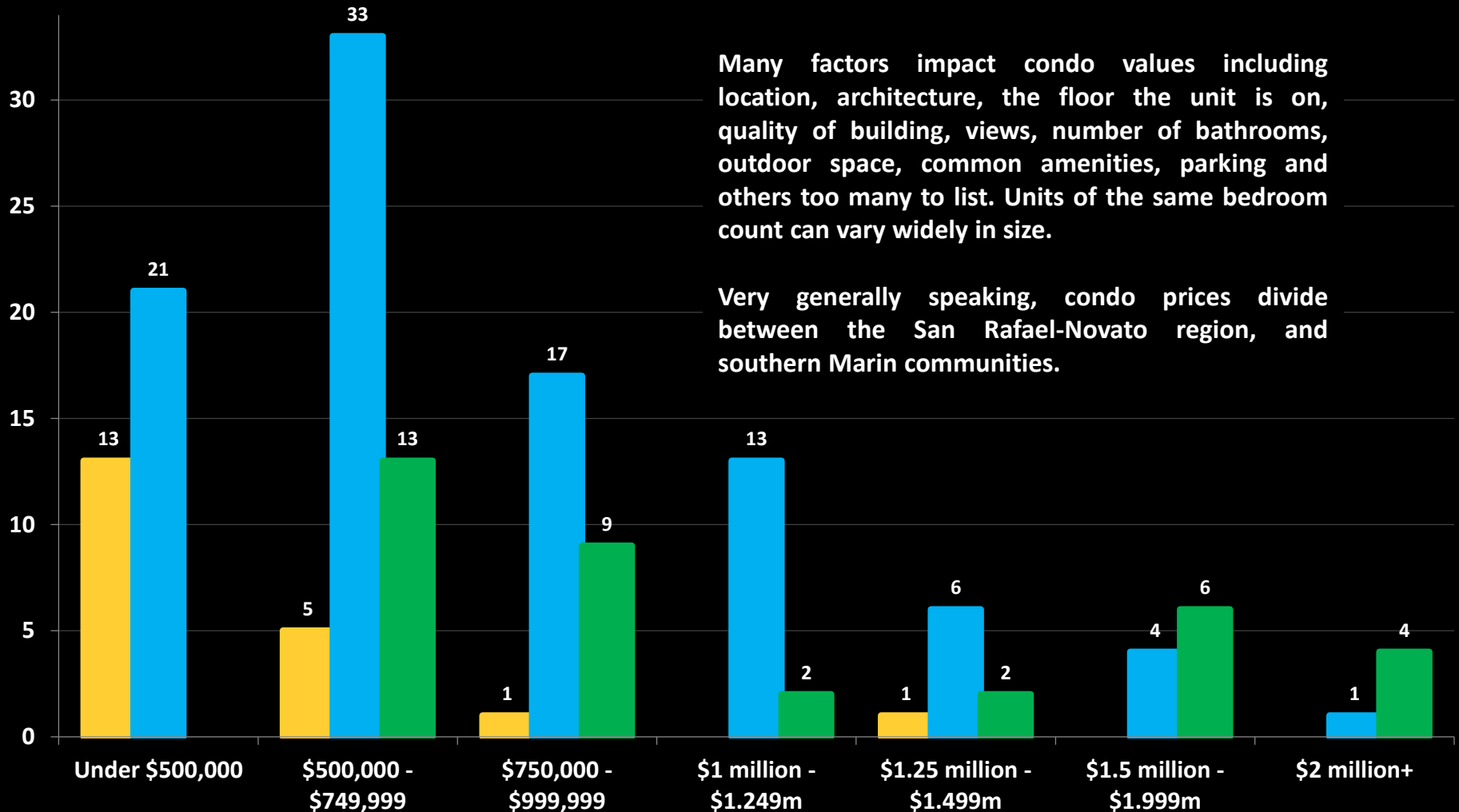
Marin County Condo Sales

6 Months Sales by Bedroom Count & Price Segment

■ Studio-1BR

■ 2 Bedrooms

■ 3 Bedrooms



Many factors impact condo values including location, architecture, the floor the unit is on, quality of building, views, number of bathrooms, outdoor space, common amenities, parking and others too many to list. Units of the same bedroom count can vary widely in size.

Very generally speaking, condo prices divide between the San Rafael-Novato region, and southern Marin communities.

6 months sales reported to Bareis MLS through late May 2023, per Broker Metrics. Not all sales are reported. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.





[Click Here for Marin County Home Price Map](#)

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Map reflects 2023 YTD sales

Long-Term, 12-Month-Rolling, Overview of Supply & Demand

Ultimately, it always boils down to supply & demand: When buyers compete for too few listings, home prices rise; when sellers compete for too few buyers, prices drop. The next chart reviews *broad, long-term* trends in new listings and sales: Each monthly reading reflects activity over a 1-year period. (Note that 12-month-rolling data = clearer trend lines, but can disguise and lag shorter term changes).

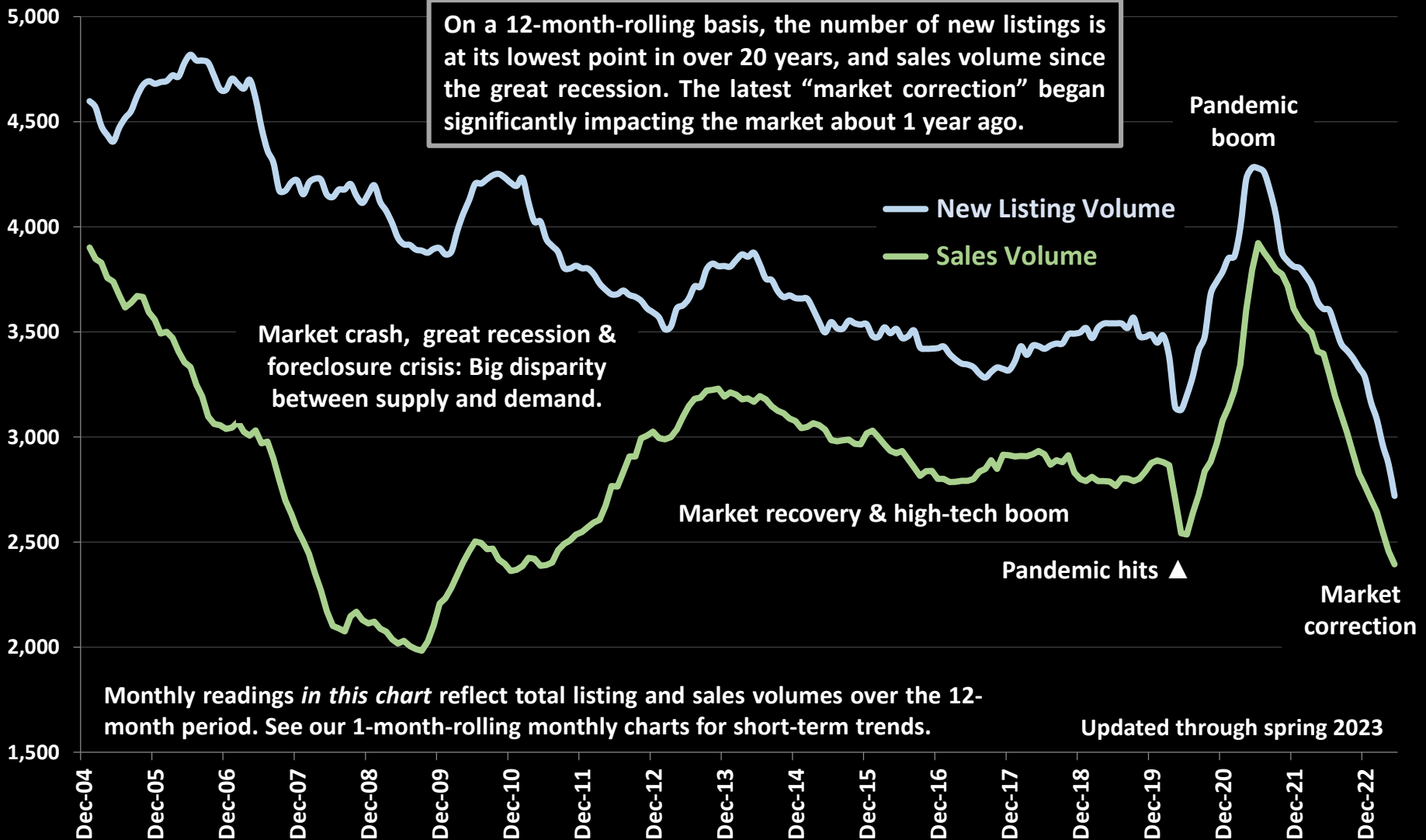
One critical factor missing from the following chart is speed of sale: As a market heats up, new listings sell more quickly: During the pandemic boom, homes typically sold at their fastest rates ever. When demand declines during a downturn, listings take *longer* to sell: During the 2008-2011 market recession, days-on-market often doubled or tripled from historical norms – the average listing could take months to sell. Even if the new-listing count stays the same, the inventory of *active listings available to purchase* can climb or fall considerably depending on speed of sale, and how long the boom or slowdown lasts.

After the 2007-08 housing & stock market crash, buyer demand plunged, foreclosures and inventory soared, home prices cratered. Once the crisis passed, the quantity of listings coming on market dropped – no more flood of foreclosures, homeowners were moving less often, less new-home construction – just as buyer demand jumped with the high-tech hiring, population and wealth boom. Increasing demand vs. decreasing supply created strong upward pressure on prices. When the pandemic hit, a number of factors – interest rates, stock markets, contagion, work from home, increased migration, family care, etc. – came together, and the number of new listings quickly escalated, but *did not keep pace with the tremendous rise in demand*, leading to enormous median home price increases over a 2-year period.

Reverses in economic conditions led to the 2022 market correction. Due to the “mortgage lock-in effect” – a reluctance of homeowners with very low interest rate mortgages to sell – the number of new listings sank, but housing costs increased with rising interest rates, consumer confidence slumped with inflation and stock market declines, buyer demand fell, days-on-market rose, and prices declined. In 2023, demand rebounded while new listing activity remained severely depressed, and prices started to rise again as buyers competed once more for scarce listings. (2023 changes do not yet stand out in the 12-month-rolling data. See 1-month-rolling charts later in this report for more recent, shorter-term trends.)

New Listing & Home Sales Volumes: Broad, Longer-Term Trends

Marin County, 12-Month-Rolling Data since 2004*

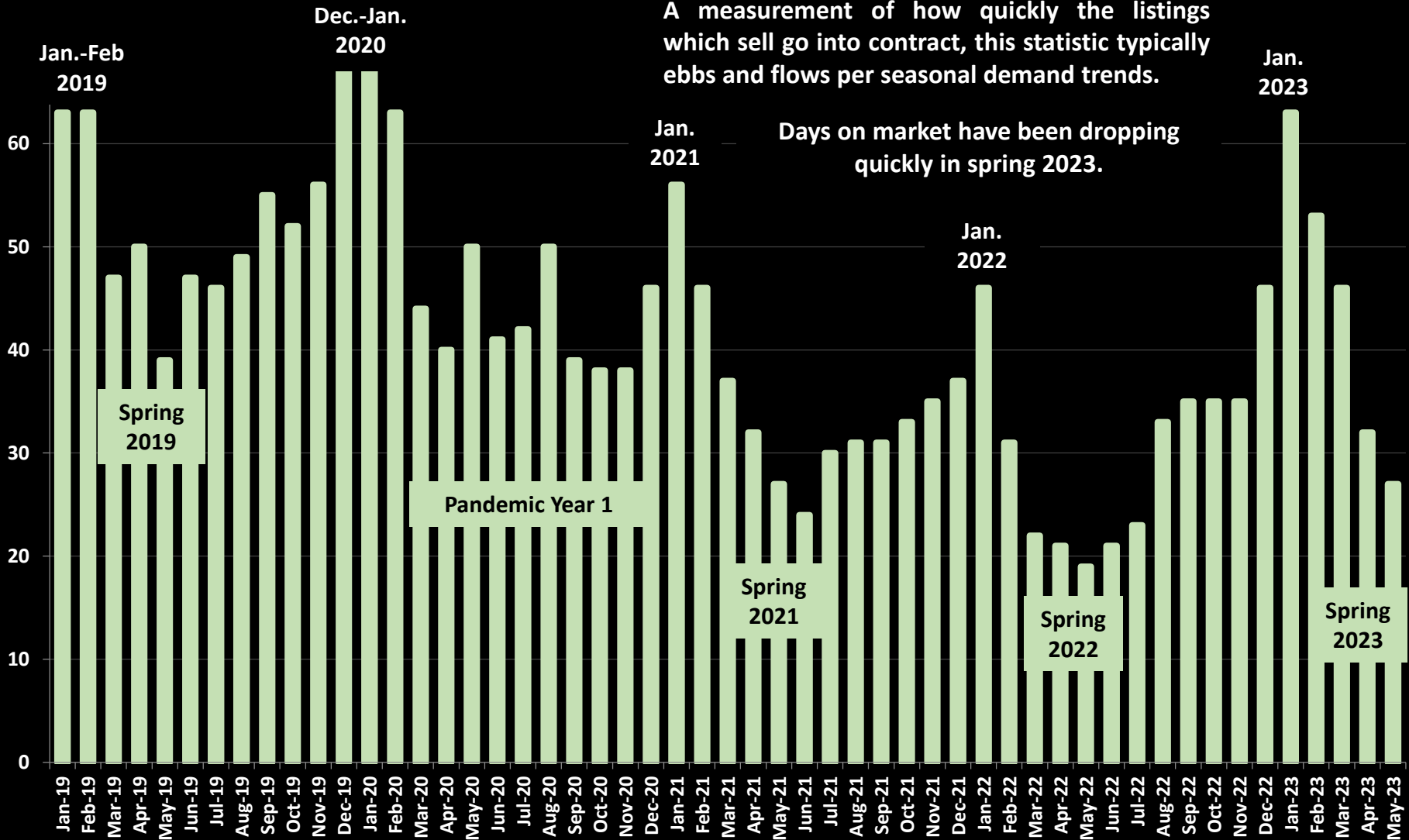


* Each data point reflects total of 12 months of residential activity reported to NORCAL MLS® ALLIANCE, per Infosparks. 1/12 of these numbers = an average month within the 12 month period. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Average Days on Market: Speed of Sale

Marin County: Market Dynamics & Seasonality

A measurement of how quickly the listings which sell go into contract, this statistic typically ebbs and flows per seasonal demand trends.



Days on market have been dropping quickly in spring 2023.

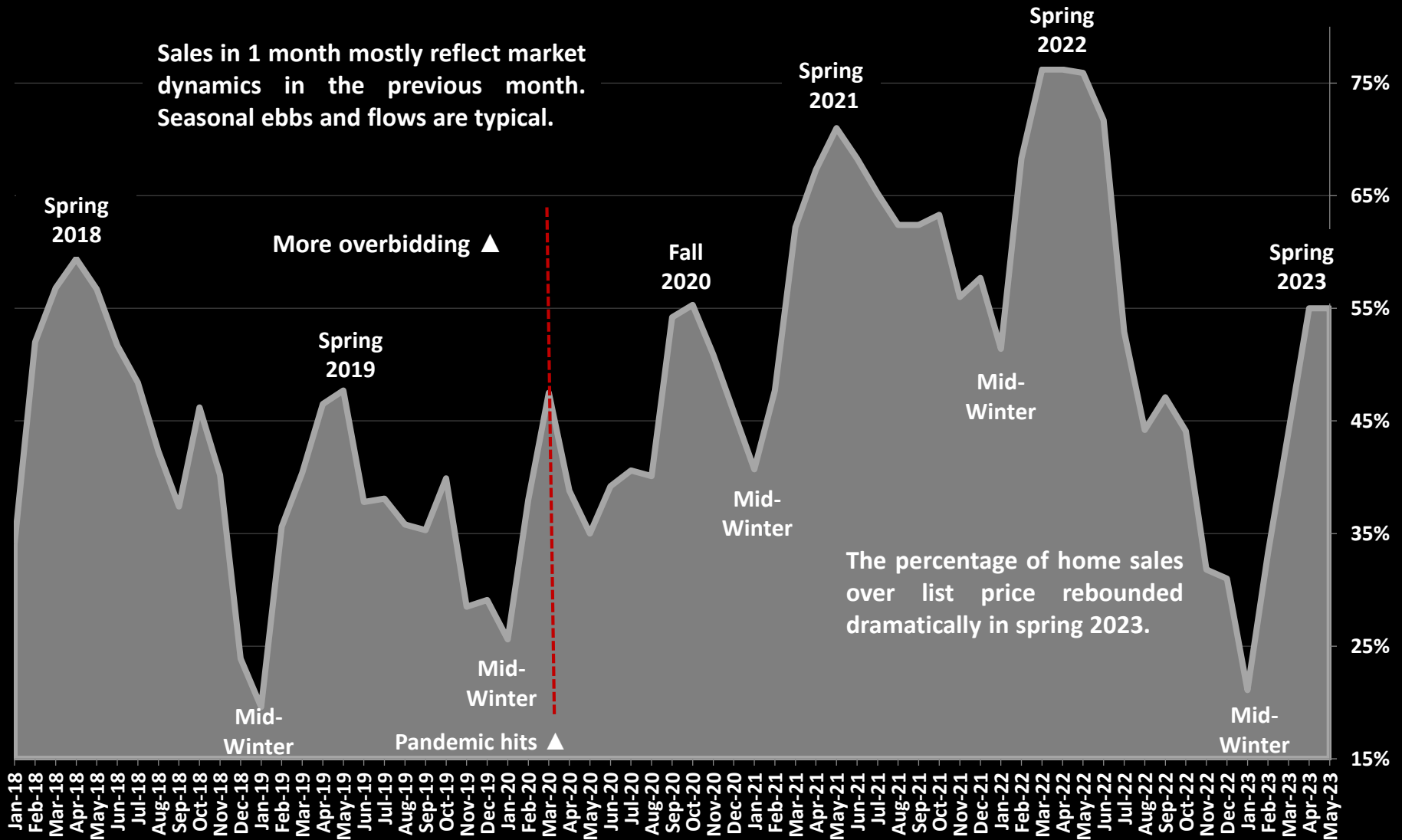
Sales of houses, condos, townhouses reported to NorCal MLS Alliance, per Infosparks, or per Broker Metrics Bareis MLS data. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



Overbidding List Prices in Marin County

Percentage of Home Sales Closing over List Price, since 2018

Sales in 1 month mostly reflect market dynamics in the previous month. Seasonal ebbs and flows are typical.



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.

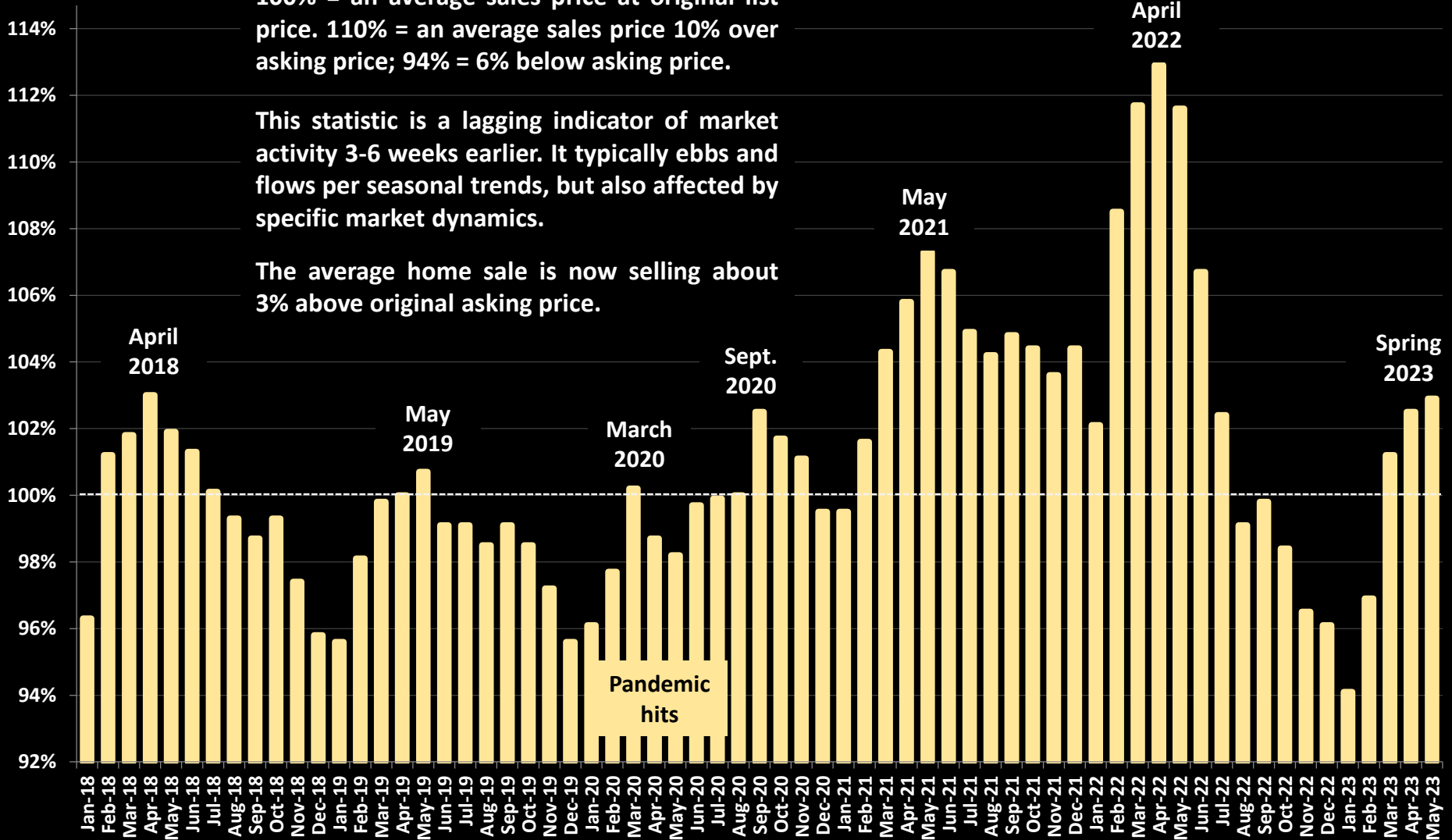
Average Sales Price to Original List Price Percentage

Marin County Over/Under Bidding: Market Dynamics & Seasonality

100% = an average sales price at original list price. 110% = an average sales price 10% over asking price; 94% = 6% below asking price.

This statistic is a lagging indicator of market activity 3-6 weeks earlier. It typically ebbs and flows per seasonal trends, but also affected by specific market dynamics.

The average home sale is now selling about 3% above original asking price.



Sales of houses, condos, townhouses 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.

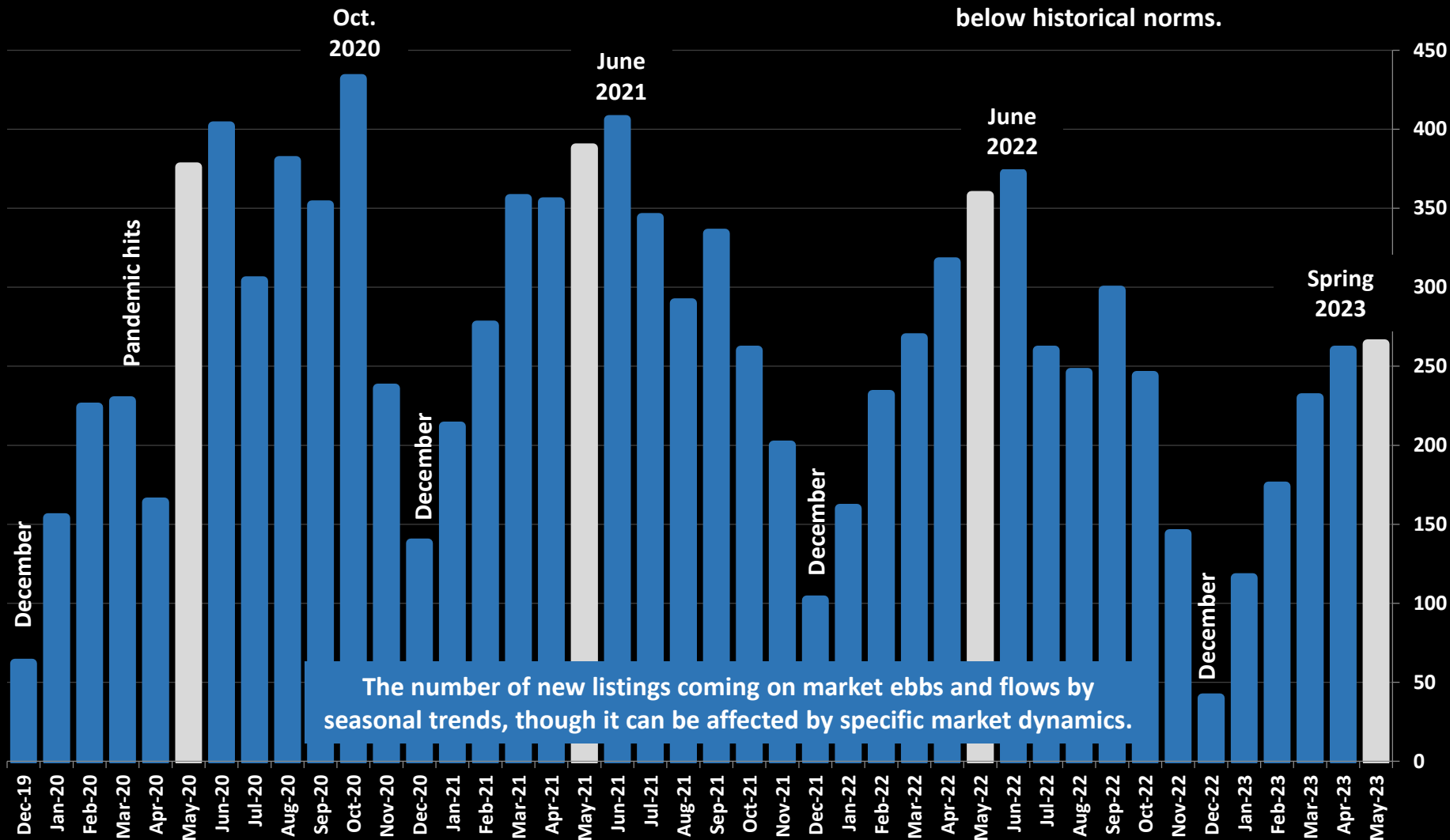


New Listings Coming on Market

Marin County Market Dynamics & Seasonality

May columns highlighted for year-over-year comparisons

The new listing count remains well below historical norms.



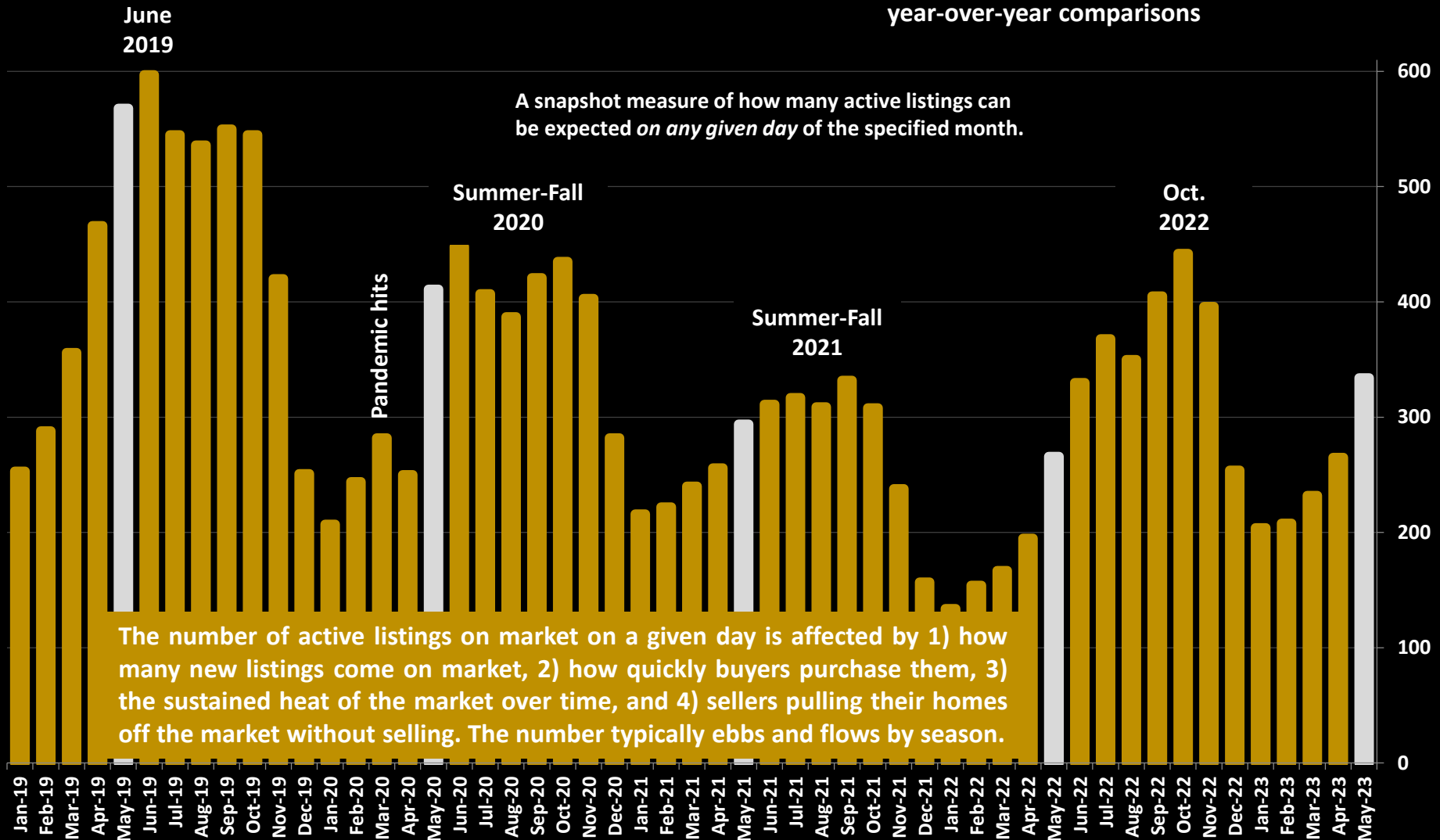
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. May not include "coming-soon" listings. All numbers should be considered approximate.



Active Listings on Market – Longer-Term Trends

Marin County Market Dynamics & Seasonality

May columns highlighted for year-over-year comparisons

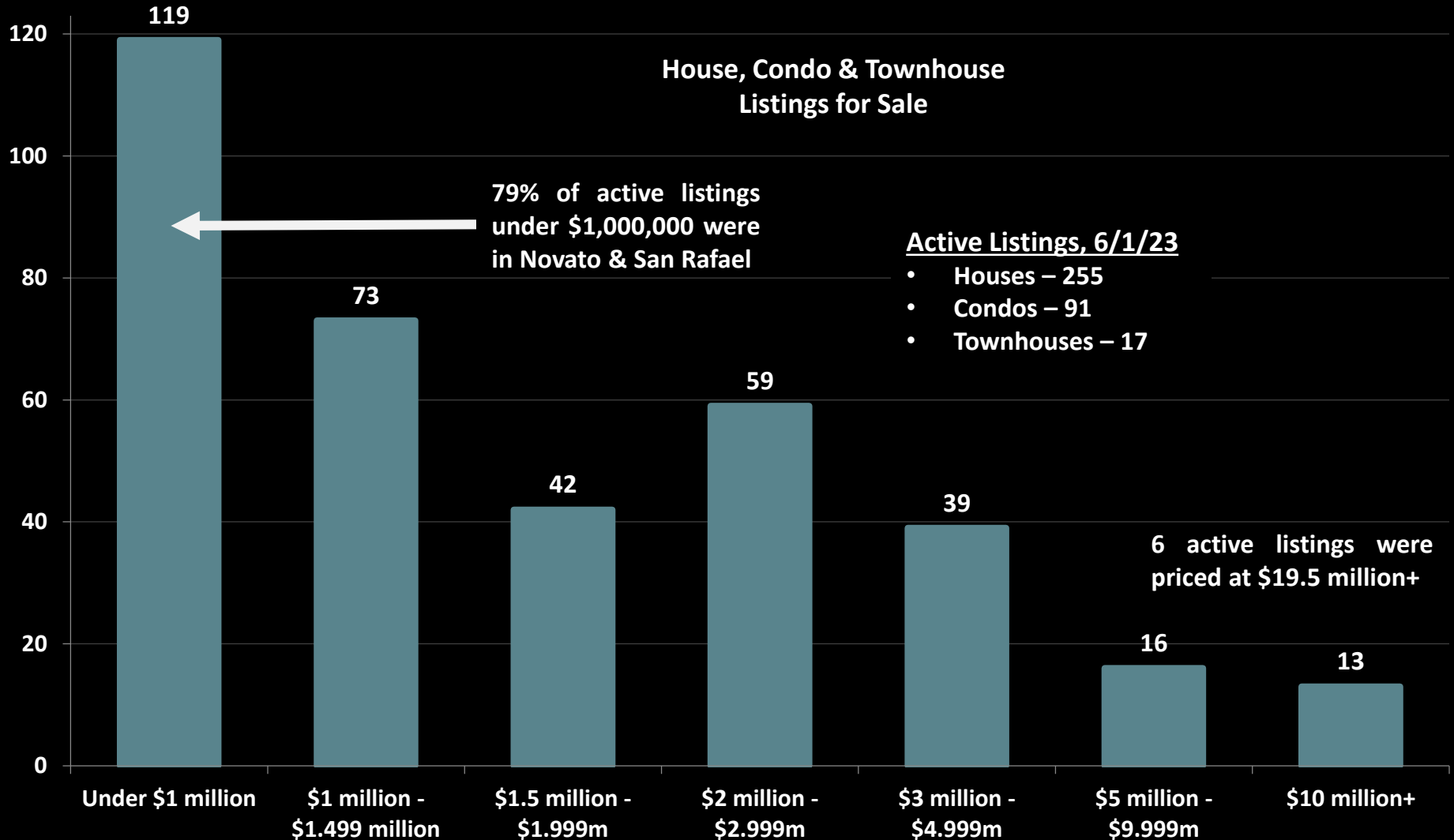


Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.



Marin County: Homes for Sale by Price Segment

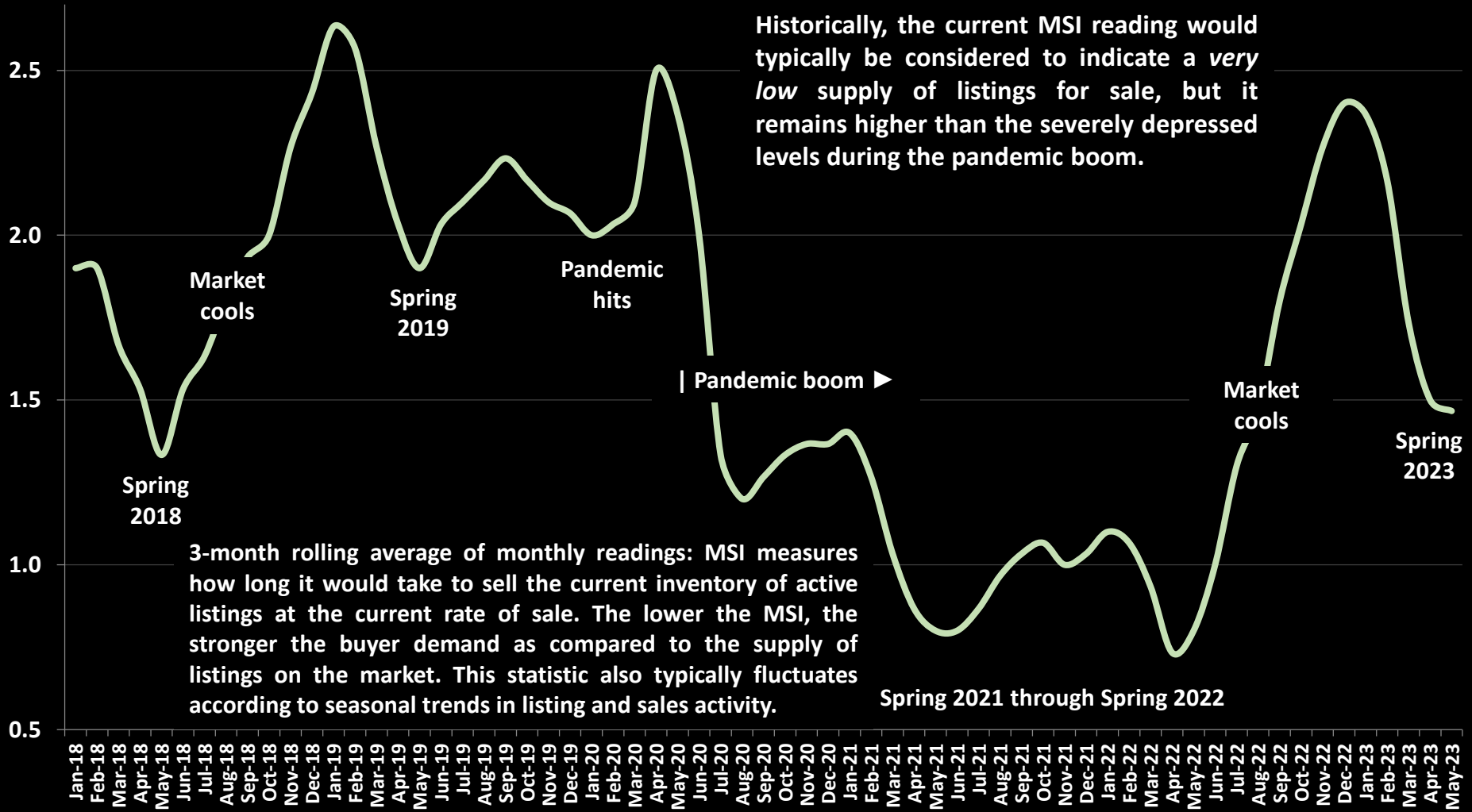
Active Listings on Market, as of 6/1/2023*



*Active & coming-soon listings posted to NorCal MLS Alliance. Not all listings are posted. Listing numbers change constantly. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Months Supply of Inventory (MSI) – of Active Listings on Market

Marin County Real Estate Market since 2018, 3-Month Rolling Average



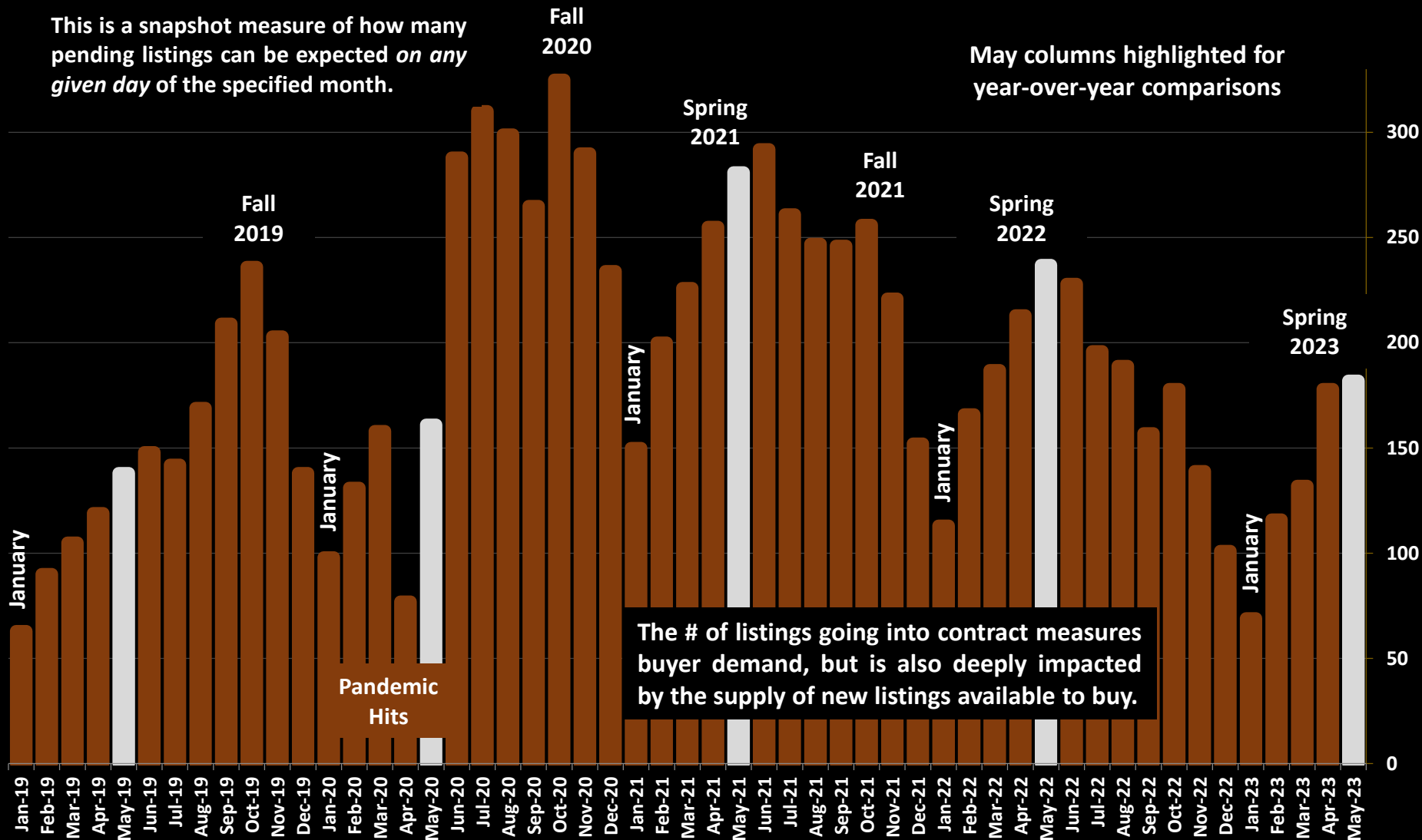
3-month rolling average monthly data for residential transactions reported to Bareis MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

Listings Pending Sale (in Contract, Offer Accepted)

Marin County Market Dynamics & Seasonality

This is a snapshot measure of how many pending listings can be expected *on any given day* of the specified month.

May columns highlighted for year-over-year comparisons



The # of listings going into contract measures buyer demand, but is also deeply impacted by the supply of new listings available to buy.

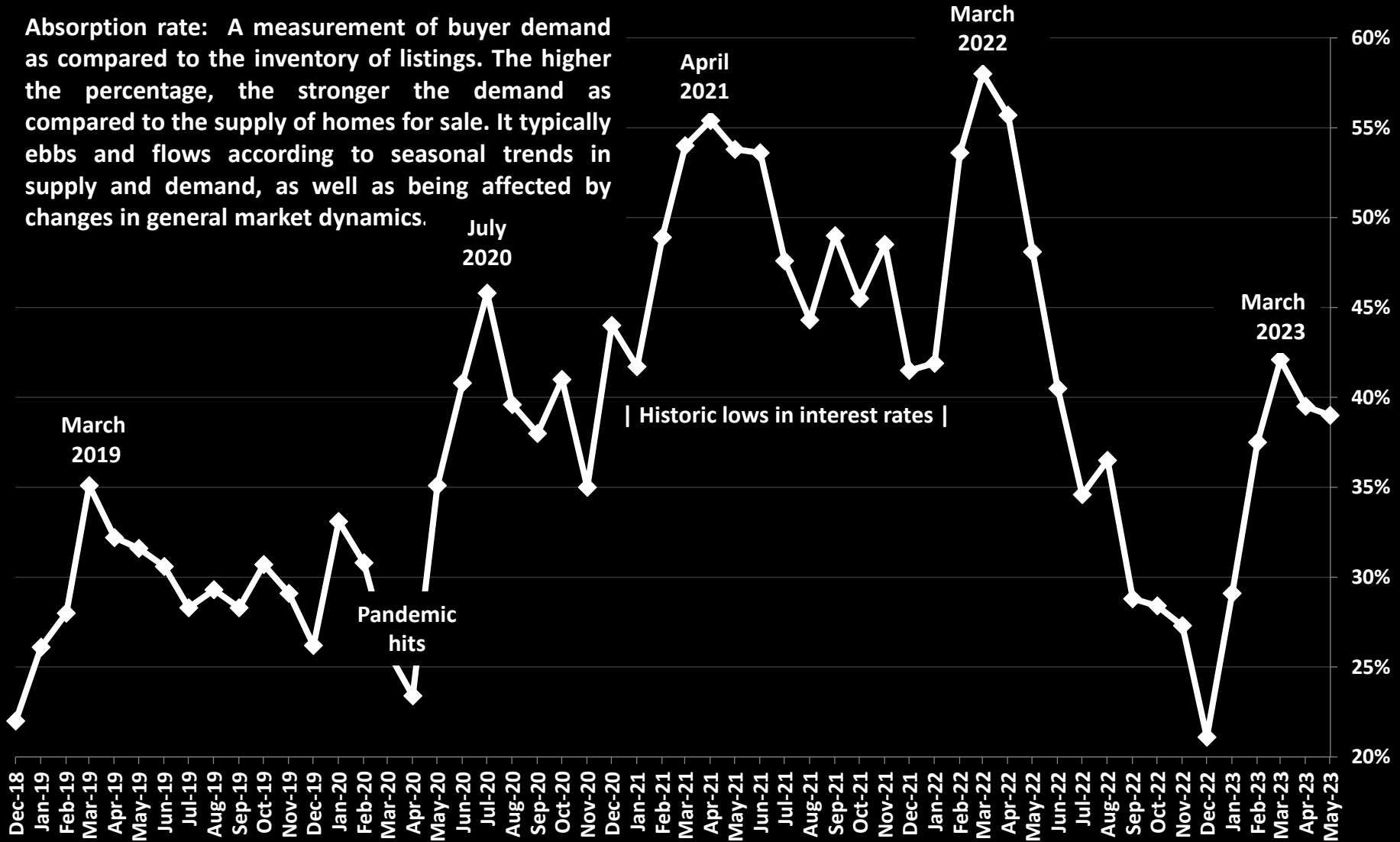
Per Realtor.com Research: <https://www.realtor.com/research/data/>, house and condo listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



Percentage of Listings Accepting Offers

Marin County: Listings Going into Contract by Month

Absorption rate: A measurement of buyer demand as compared to the inventory of listings. The higher the percentage, the stronger the demand as compared to the supply of homes for sale. It typically ebbs and flows according to seasonal trends in supply and demand, as well as being affected by changes in general market dynamics.



* Bareis MLS reported data for houses, condos and townhouses, per Broker Metrics. 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.

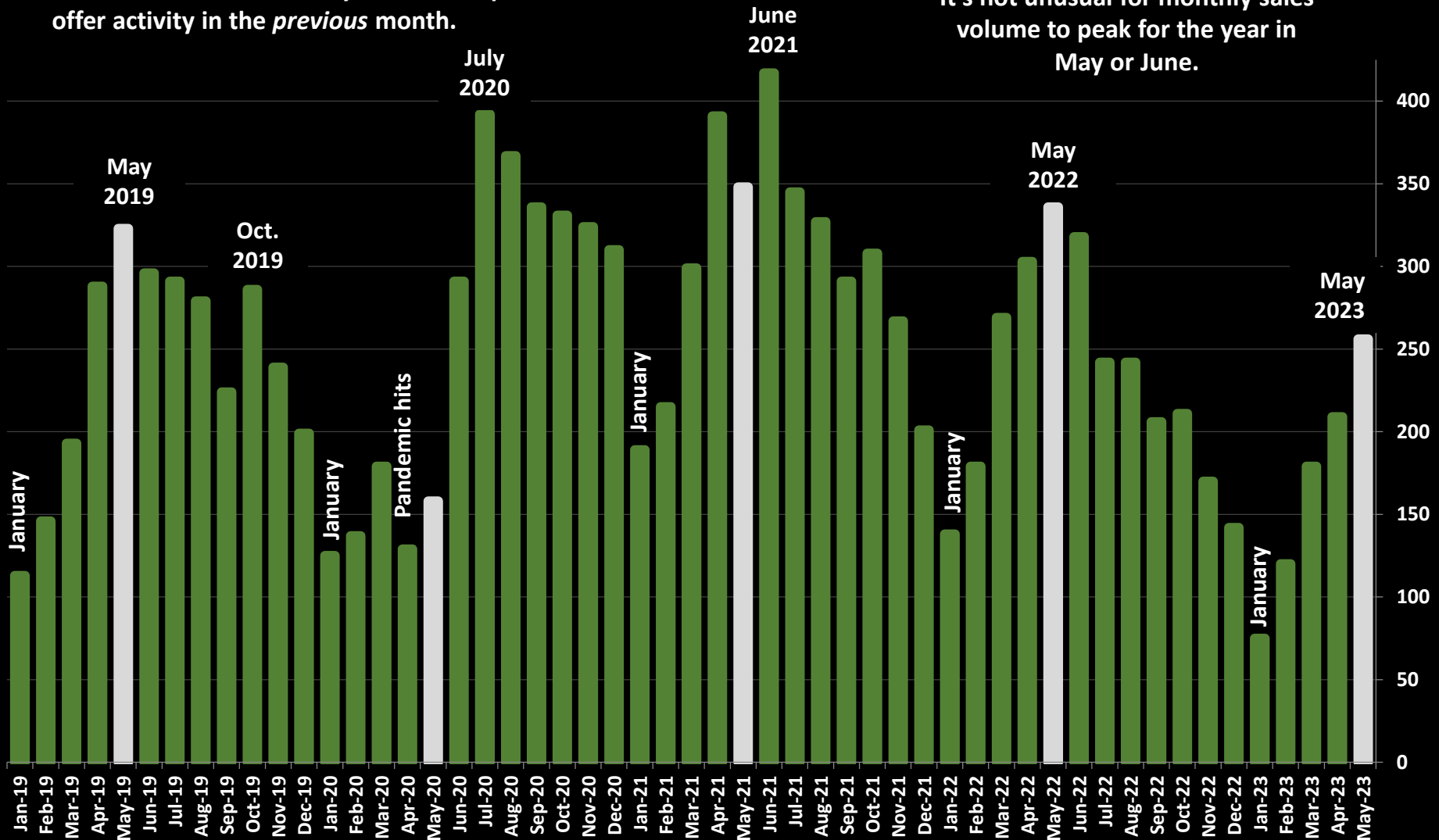
Monthly Sales Volume

Marin County Market Dynamics & Seasonality

Sales in one month mostly reflect accepted-offer activity in the *previous* month.

May columns highlighted for year-over-year comparisons

It's not unusual for monthly sales volume to peak for the year in May or June.



Sales of houses, condos, townhouses reported to NorCal MLS Alliance, per Infosparks. 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.



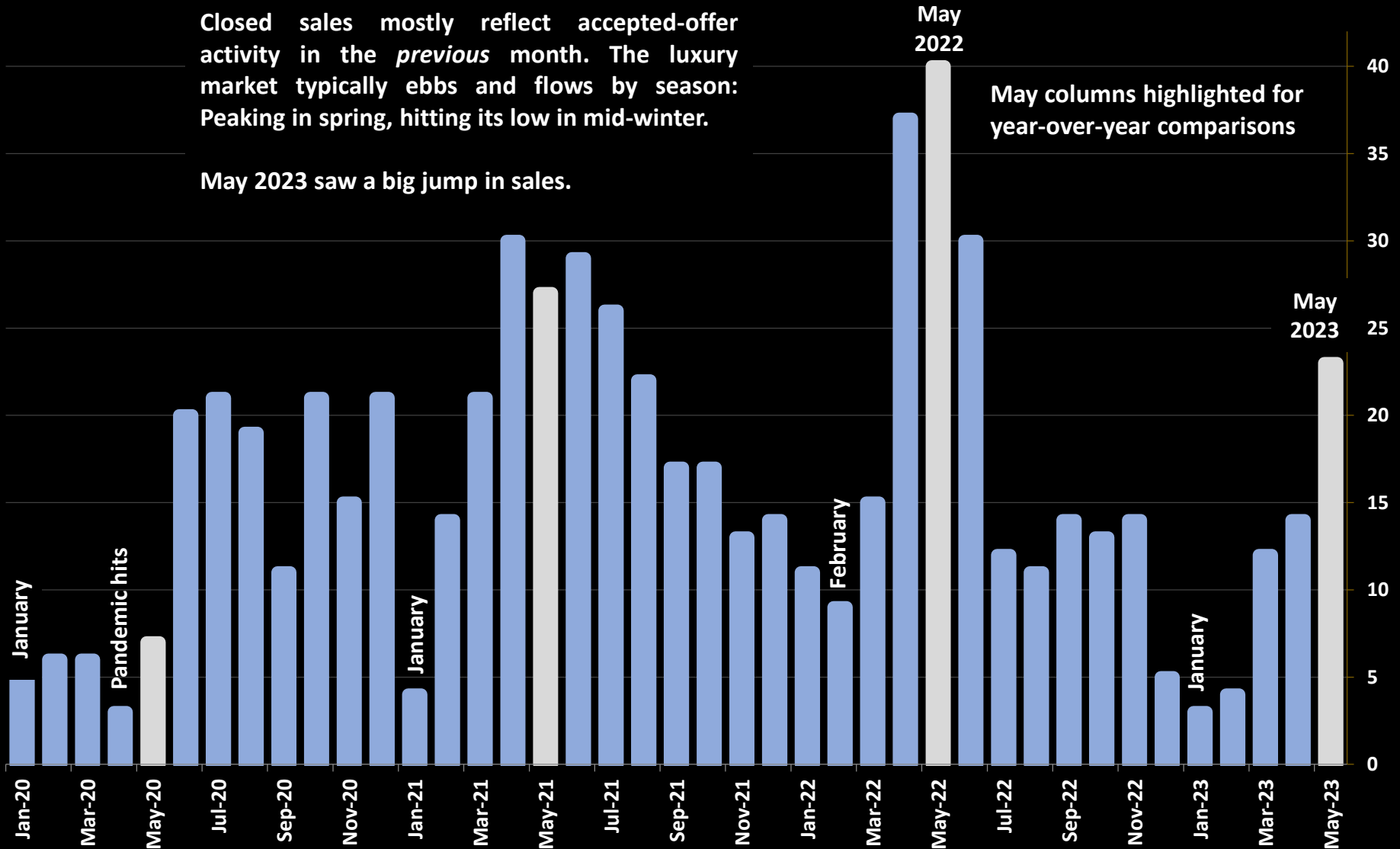
Marin County Luxury Home Sales by Month

Homes Selling for \$4 Million+ since January 2020

Closed sales mostly reflect accepted-offer activity in the *previous* month. The luxury market typically ebbs and flows by season: Peaking in spring, hitting its low in mid-winter.

May 2023 saw a big jump in sales.

May columns highlighted for year-over-year comparisons



Home sales reported to Norcal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. Last month estimated from available data, and may change with late-reported sales. All numbers approximate.



Photo by Spencer Means, Creative Commons License



San Francisco Bay Area Luxury Home Market

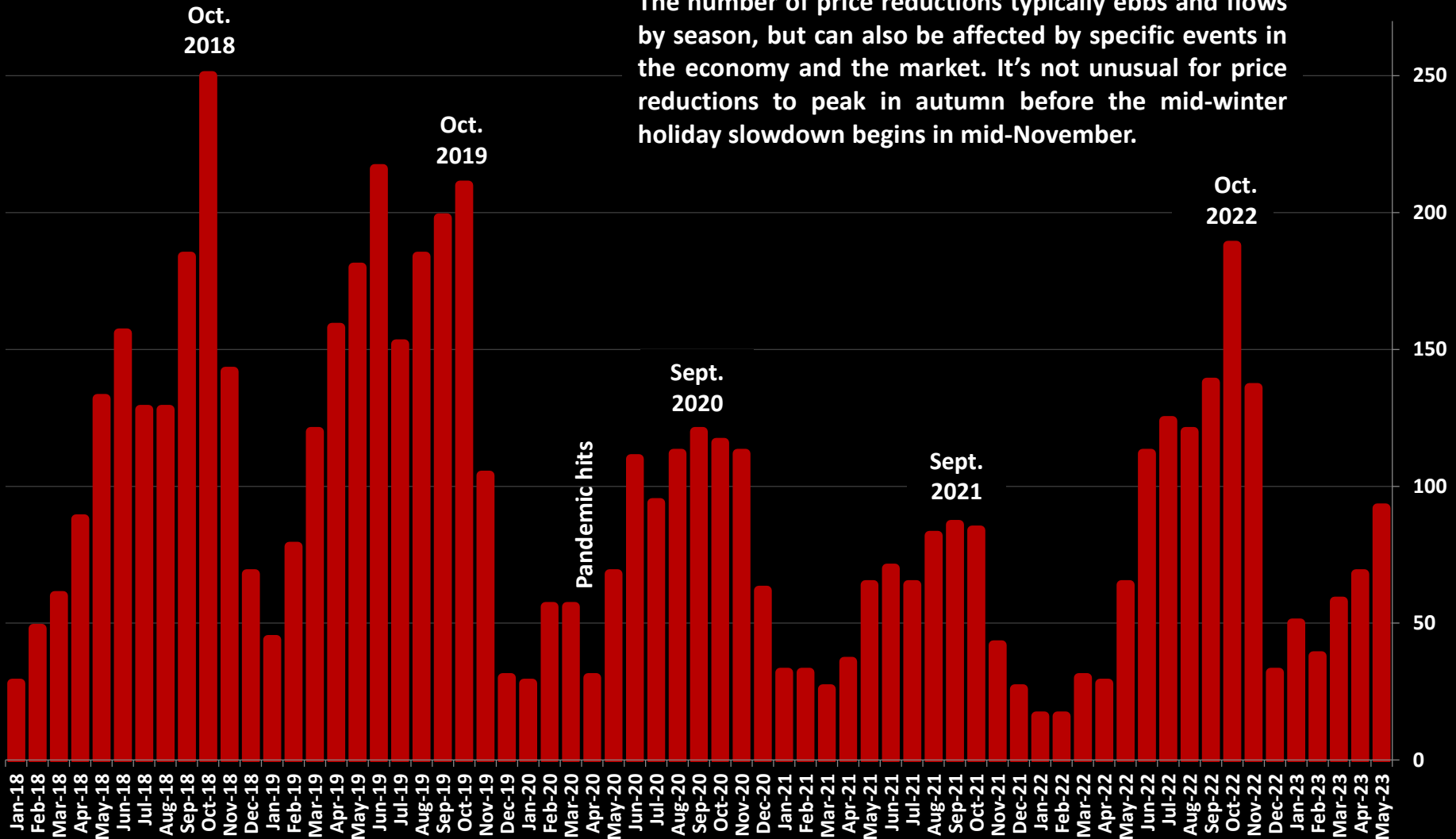
[Click Here to Access Report](#)

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Price Reductions on Active Listings

Marin County Market Dynamics & Seasonality

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. It's not unusual for price reductions to peak in autumn before the mid-winter holiday slowdown begins in mid-November.

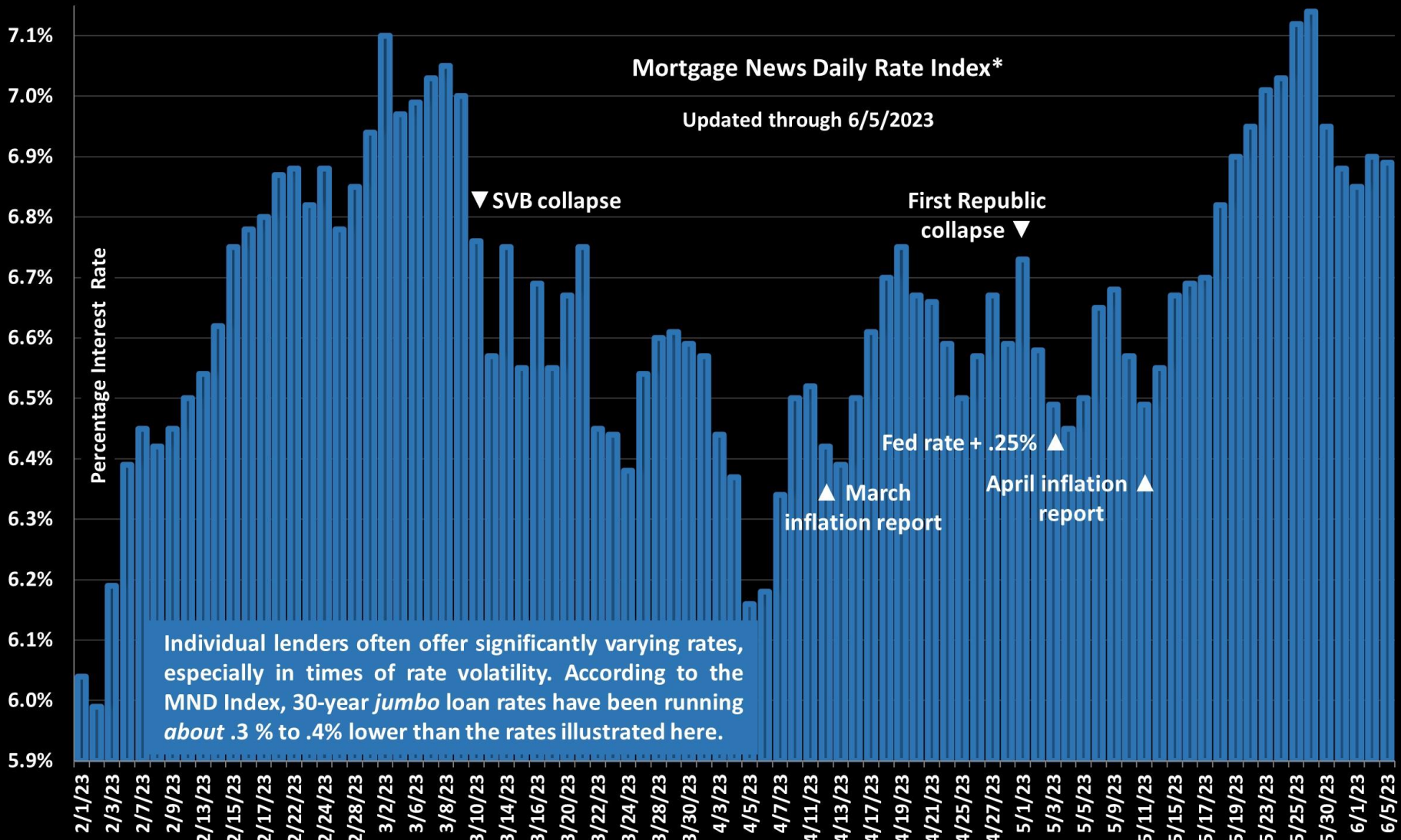


Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted to site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Mortgage Interest Rates since February 2023

30-Year Fixed-Rate Loans, Daily Average Readings*

U.S. debt default fears
rise and fall ▼ ▼ ▼



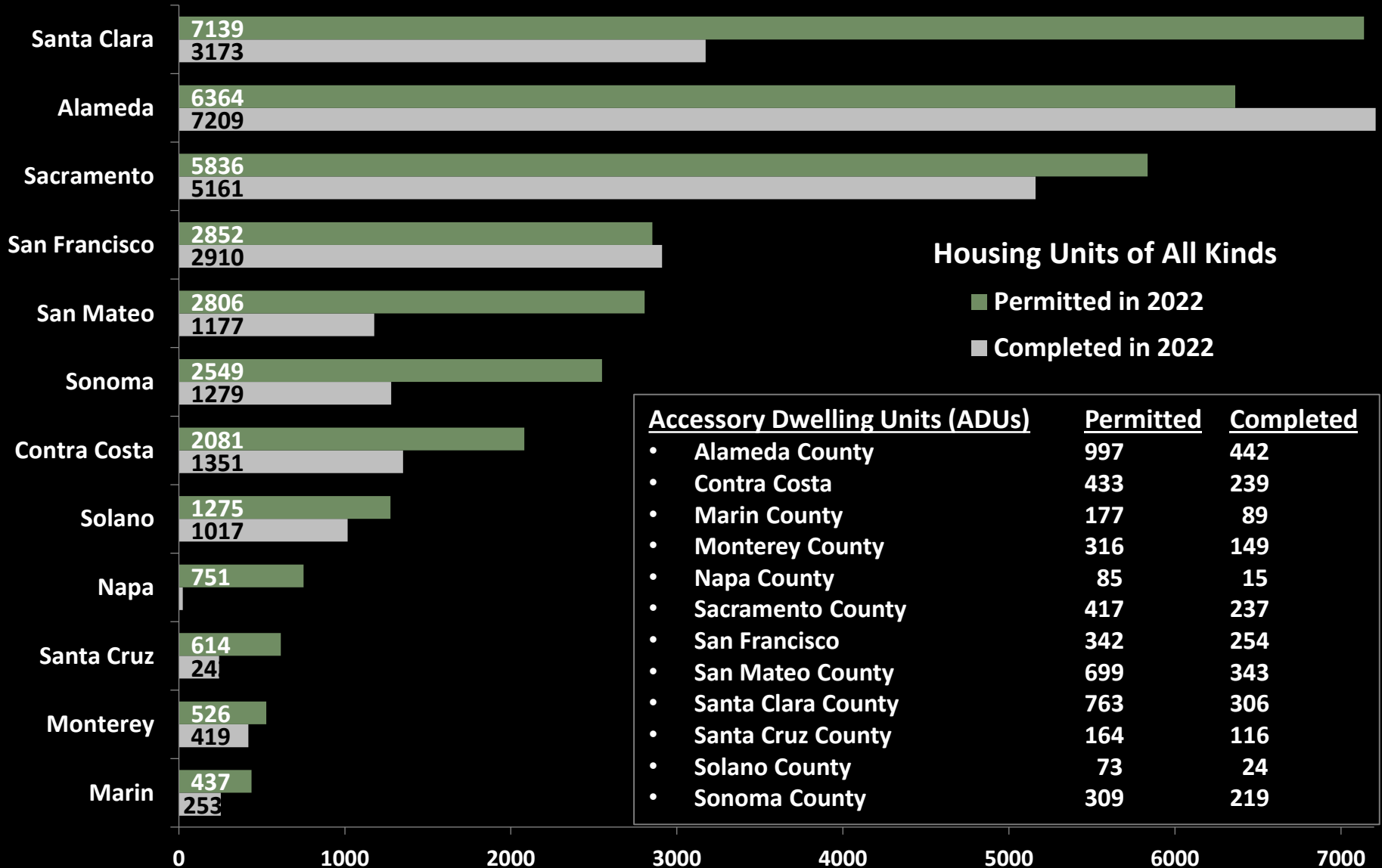
* Per <https://www.mortgagenewsdaily.com/>: "Rate offerings vary—sometimes substantially—from lender to lender... The index is expressed as an average." Data from sources deemed reliable, but not guaranteed. Different sources of mortgage data vary in their determinations of daily and weekly rates. All numbers approximate.



Housing Units Permitted or Completed in 2022

By County, per CA Dept. of Housing & Community Development*

Bay Area Counties +
Sacramento



Housing Units of All Kinds

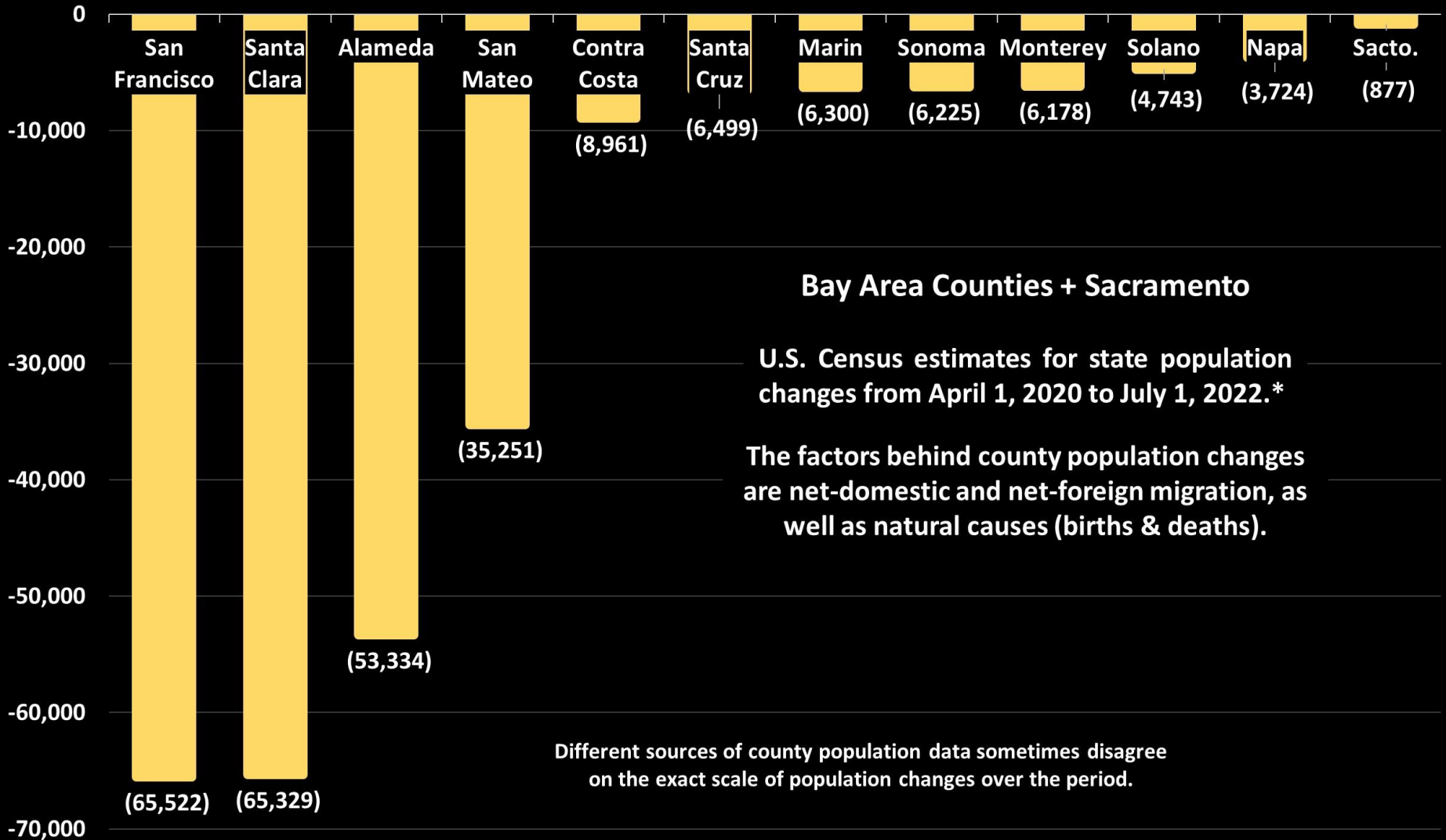
- Permitted in 2022
- Completed in 2022

Accessory Dwelling Units (ADUs)		Permitted	Completed
•	Alameda County	997	442
•	Contra Costa	433	239
•	Marin County	177	89
•	Monterey County	316	149
•	Napa County	85	15
•	Sacramento County	417	237
•	San Francisco	342	254
•	San Mateo County	699	343
•	Santa Clara County	763	306
•	Santa Cruz County	164	116
•	Solano County	73	24
•	Sonoma County	309	219

*<https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>. All numbers approximate, may contain errors and subject to revision.

County Population Changes since the Pandemic Hit

U.S. Census Estimates: April 2020 to July 1, 2022*

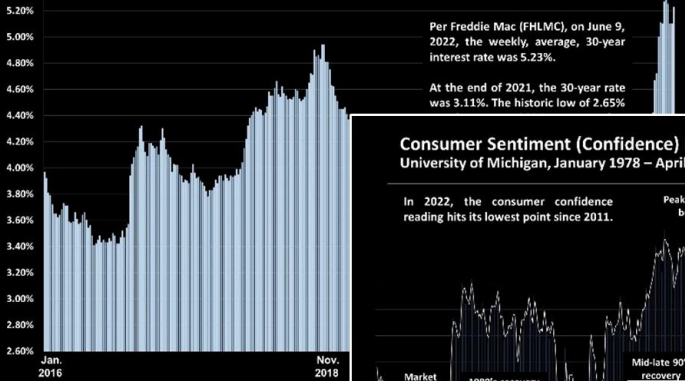


* U.S. Census Annual Estimates of Resident Population Change for CA Counties: April 1, 2020 to July 1, 2022: <https://www.census.gov/data/tables/time-series/demo/popest/2020s-national-total.html>. Published by Census on 5/18/2023. Data from sources deemed reliable, but may contain errors and subject to revision.

Mortgage Interest Rate Trends, 2016 – Present

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

Rates published by the FHLMC

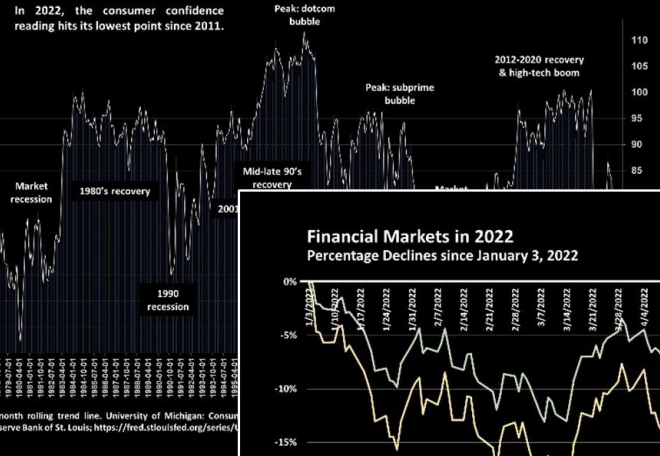


Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

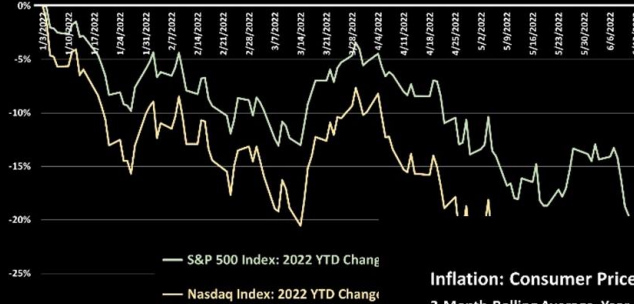
As published by the Federal Reserve Bank of St. Louis



Click Here for Review of Selected Macroeconomic Trends

Financial Markets in 2022

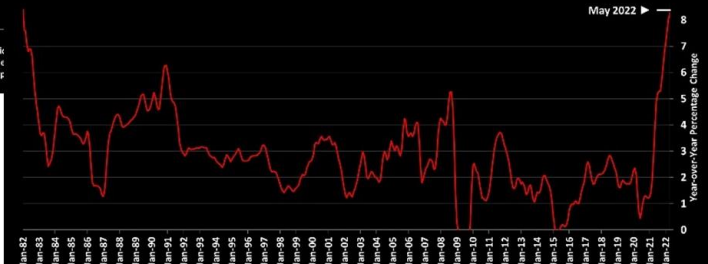
Percentage Declines since January 3, 2022



Last reading as of 6/13/22 AM. Data per MarketWatch.com, daily closing price reading. Data from source deemed reliable, but may contain errors and subject to revision. Financial markets change constantly and all numbers should be considered as approximate.

Inflation: Consumer Price Index, 1982 – 2022*

3-Month-Rolling Average, Year-over-Year % Change



*3 month rolling average of Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL), retrieved from FRED, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/CPIAUCSL>, June 2022. Data from U.S. Bureau of Labor Statistics. All Items (CPIAUCSL) is a price index of a basket of goods and services paid for by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Factors in Bay Area Real Estate Markets

Many of these factors can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.

Interest rates Stock markets Inflation Consumer confidence

Household wealth; personal, corporate, govt. debt levels Massive, governmental economic interventions (including by the Fed); post 9/11/2001, post 9/2008, post 3/2020

Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought

Domestic & foreign migration; federal immigration policy; demographic changes

Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation Rental market dynamics State income tax disparities

International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash

Local, state & national politics Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.

Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance

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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