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Marin County Real Estate
July 2023 Report

COMPASS

Underlying market and economic dynamics in 2023 have been a mixed bag of often contrary and volatile factors – including downward-trending inflation; interest rates bouncing between 6% and 7%; unceasing uncertainty regarding what the Fed will do next; substantial rebounds in stock markets; bank, commercial real estate and debt-default crises; international political, economic and military conflicts; high-tech layoffs amid generally strong employment statistics; and a robust recovery in buyer demand, sales activity and home prices, but all 3 remaining significantly lower than the peak of the market in spring 2022. Perhaps the biggest wild card has been severely depressed new-listing activity as potential sellers have held back – ascribed to the “mortgage lock-in effect” – which not only artificially constrained the number of sales, but put upward pressure on prices as buyers, once again, competed for an inadequate supply of homes for sale.

Ultimately, the market is defined by neither *just* demand nor supply, but by the *balance* between the two. As we’ve moved deeper into 2023, that balance has tilted increasingly to sellers’ advantage, with homes selling faster, with more offers, for higher prices. Part of this is due to seasonal dynamics – spring is commonly the highest-demand, most active selling season of the year – but the contrast with the 2nd half of 2022, when demand and sales plunged, is more than seasonal. It also reflects a rebound in psychology, with many buyers clearly deciding to move forward with their life plans.

For most Bay Area markets, summer has historically been a slower period after spring – with some regions seeing a relatively short (6 to 8 week) spike up in activity in autumn before the big midwinter slowdown – but typical seasonal trends have been upended a few times in recent years. Certainly, a substantial amount of buying and selling will continue to occur in coming months, as well as variations in underlying economic conditions, which we will cover in detail in future reports.

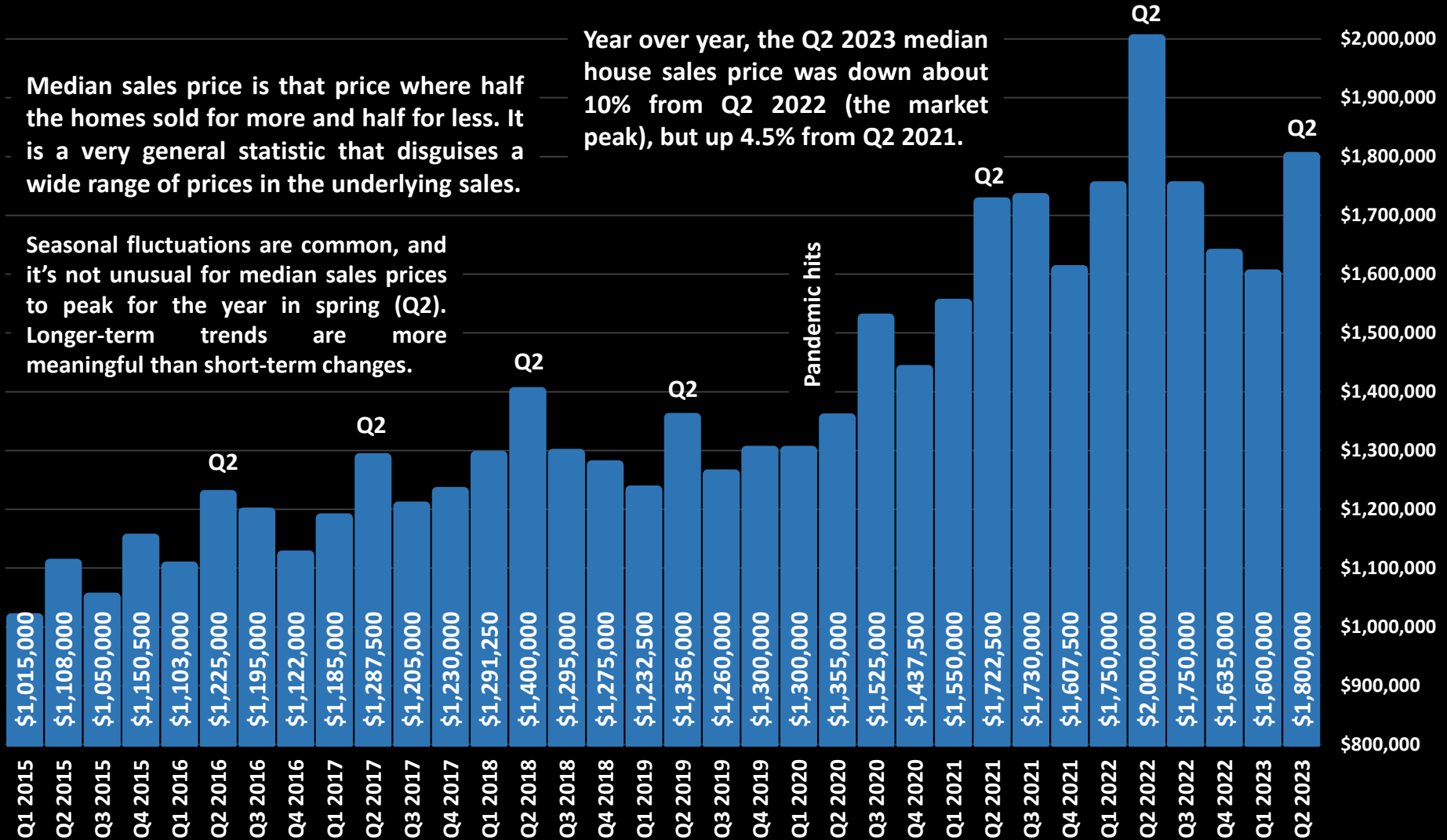
Marin County House Price Appreciation

Median House Sales Prices, 2015 – Present, by Quarter

Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that 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.

Year over year, the Q2 2023 median house sales price was down about 10% from Q2 2022 (the market peak), but up 4.5% from Q2 2021.

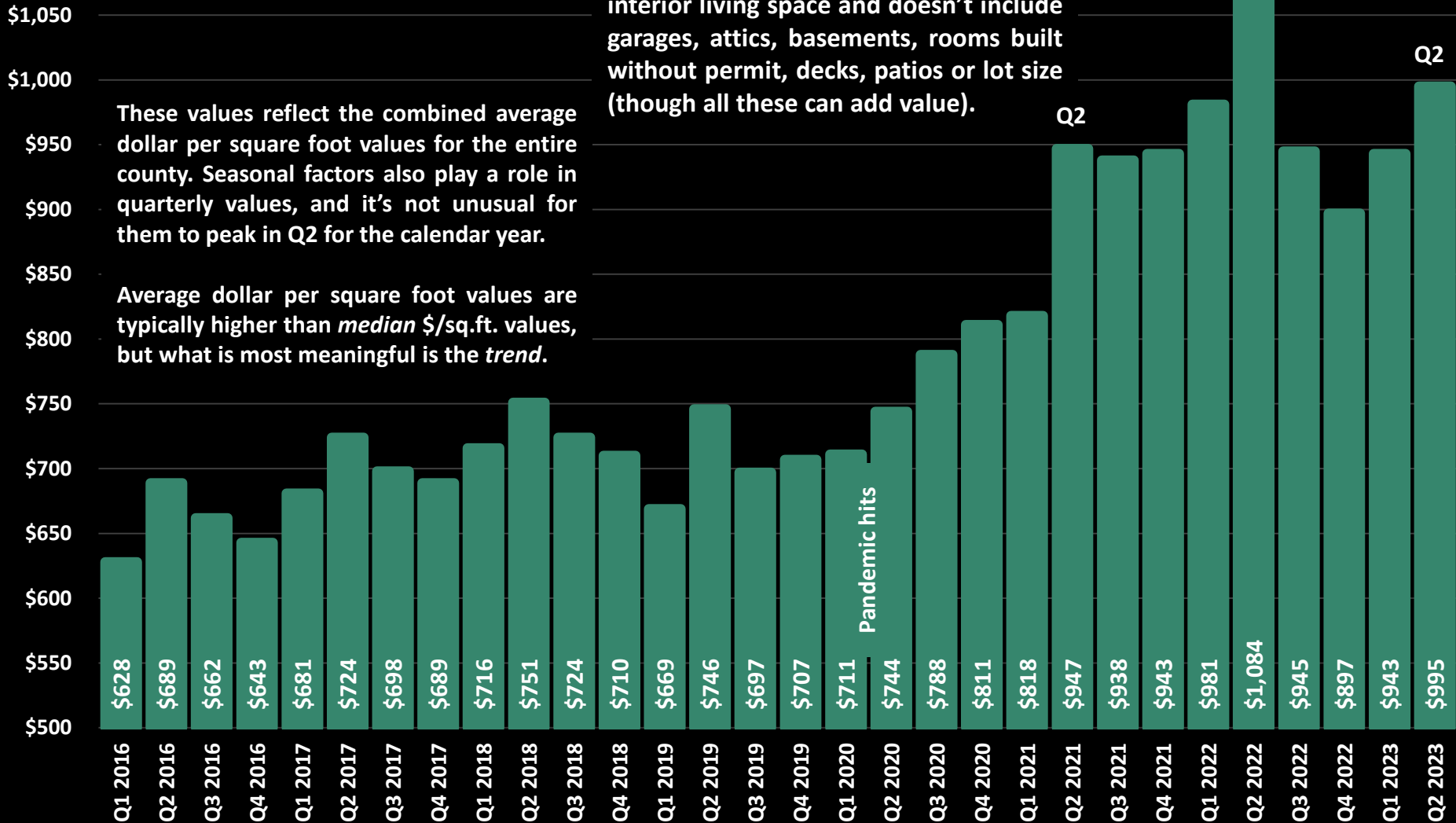


As reported to NorCal MLS Alliance, per Infospartks. Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers approximate and subject to revision. Last period reading may change with late-reported sales.



Marin County House Values

Average Dollar per Square Foot Values, by Quarter

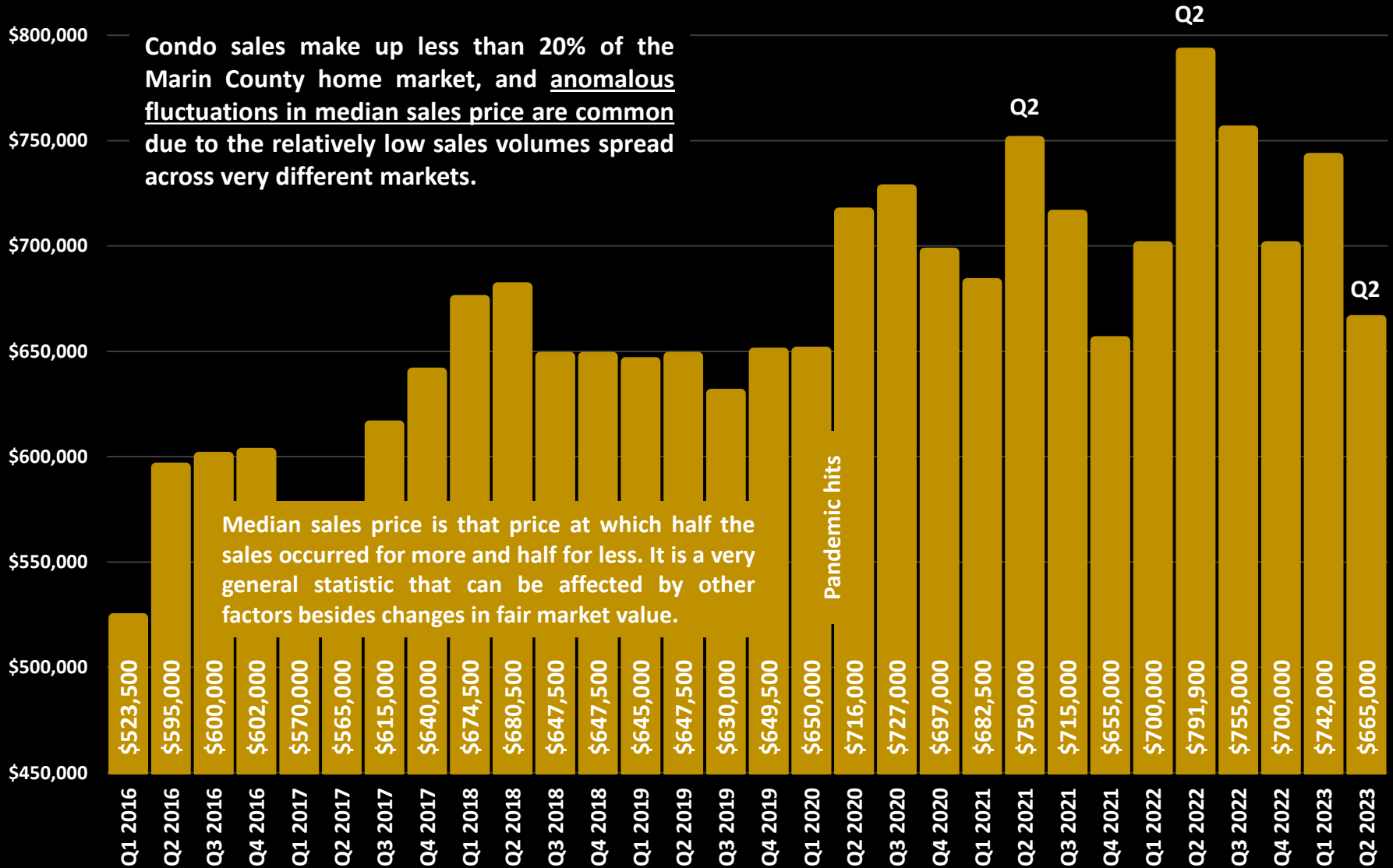


Bareis MLS house sales data per Broker Metrics: deemed reliable but may contain errors and is subject to revision. All numbers approximate, and may change with late-reported sales.



Marin County Condo Price Trend by Quarter

Median Condo Sales Prices since 2016



As reported to NorCal MLS Alliance, per Infosparks. All numbers approximate, subject to revision, and may change with late-reported sales.



Marin County Residential Market: Spring 2023

Comparative Market Dynamics by Price Segment & Property Type

Price segments with strongest demand dynamics highlighted

Price Segment/ Property Type	Spring 2023 - 3 Months Sales*	Year-over-Year % Change*	Supply of Inventory**	Average Days on Market*	% of Sales Over List Price*	Sales Price to List Price %*
Under \$1,000,000	166 sales	- 7%	2.1 months	45 days	31%	99%
\$1,000,000 - \$1,999,999	259 sales	- 29%	1.2 months	24 days	62%	104%
\$2,000,000 - \$2,999,999	117 sales	- 38%	1.4 months	25 days	59%	102.5%
\$3,000,000 - \$4,999,999	65 sales	- 46%	2 months	27 days	54%	100%
\$5,000,000 - \$7,499,999	20 sales	- 46%	1.9 months	30 days	41%	103%
\$7,500,000+	7 sales	- 46%	4.8 months	Insufficient data	0%	97.5%
Houses						
Houses	464 sales	- 33%	1.5 months	27 days	57%	103%
Condos & Townhouses						
Condos & Townhouses	170 sales	- 17%	1.9 months	45 days	36%	100%

*Sales reported to NorCal MLS Alliance, March 1 - May 31, 2023. Y-o-Y change in sales compared to same period of 2022. "Average Days on Market" until acceptance of offer for sold listings. "Avg. Sales Price to LP%": 100% = an average sales price at original list price. **Months Supply of Inventory measures the approximate time required to sell the inventory of listings on market at current rate of sale; lower readings signify higher buyer demand as compared to the supply of homes for sale.

Data calculations per NorCal MLS Alliance Stats function, Broker Metrics or Infosparks - deemed reliable, but may contain errors and subject to revision. Not all listings or sales are posted to MLS. All numbers approximate. Sales statistics can be affected by outlier data and can change quickly.



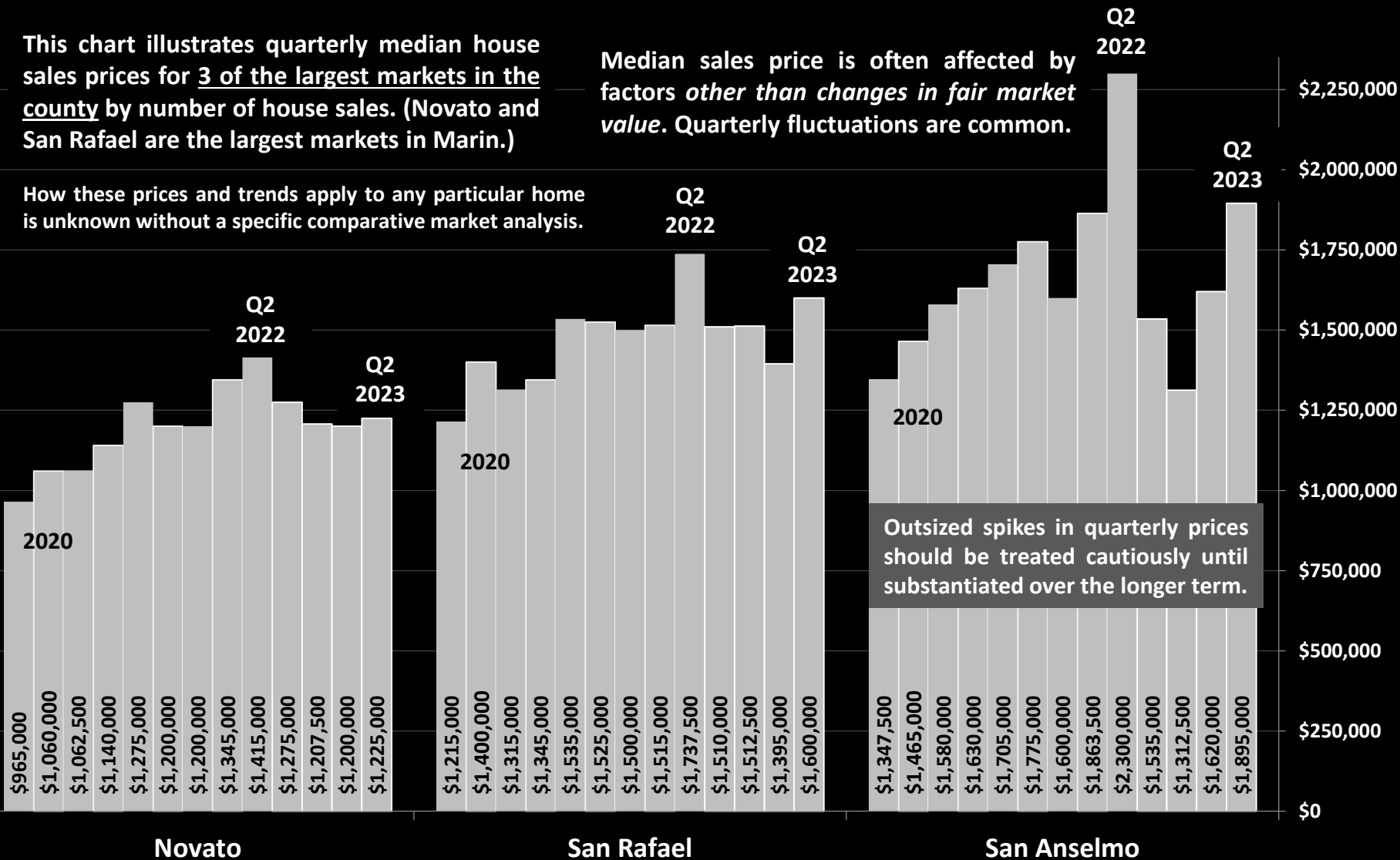
Marin County Home Price Trends – Selected Major Markets

Median House Sales Prices, by Quarter, Q2 2020 – Q2 2023

This chart illustrates quarterly median house sales prices for 3 of the largest markets in the county by number of house sales. (Novato and San Rafael are the largest markets in Marin.)

Median sales price is often affected by factors *other than changes in fair market value*. Quarterly fluctuations are common.

How these prices and trends apply to any particular home is unknown without a specific comparative market analysis.



Sales reported to Bareis MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late reported sales. Quarterly sales volumes can sometimes be low, affecting the reliability of median price calculations.



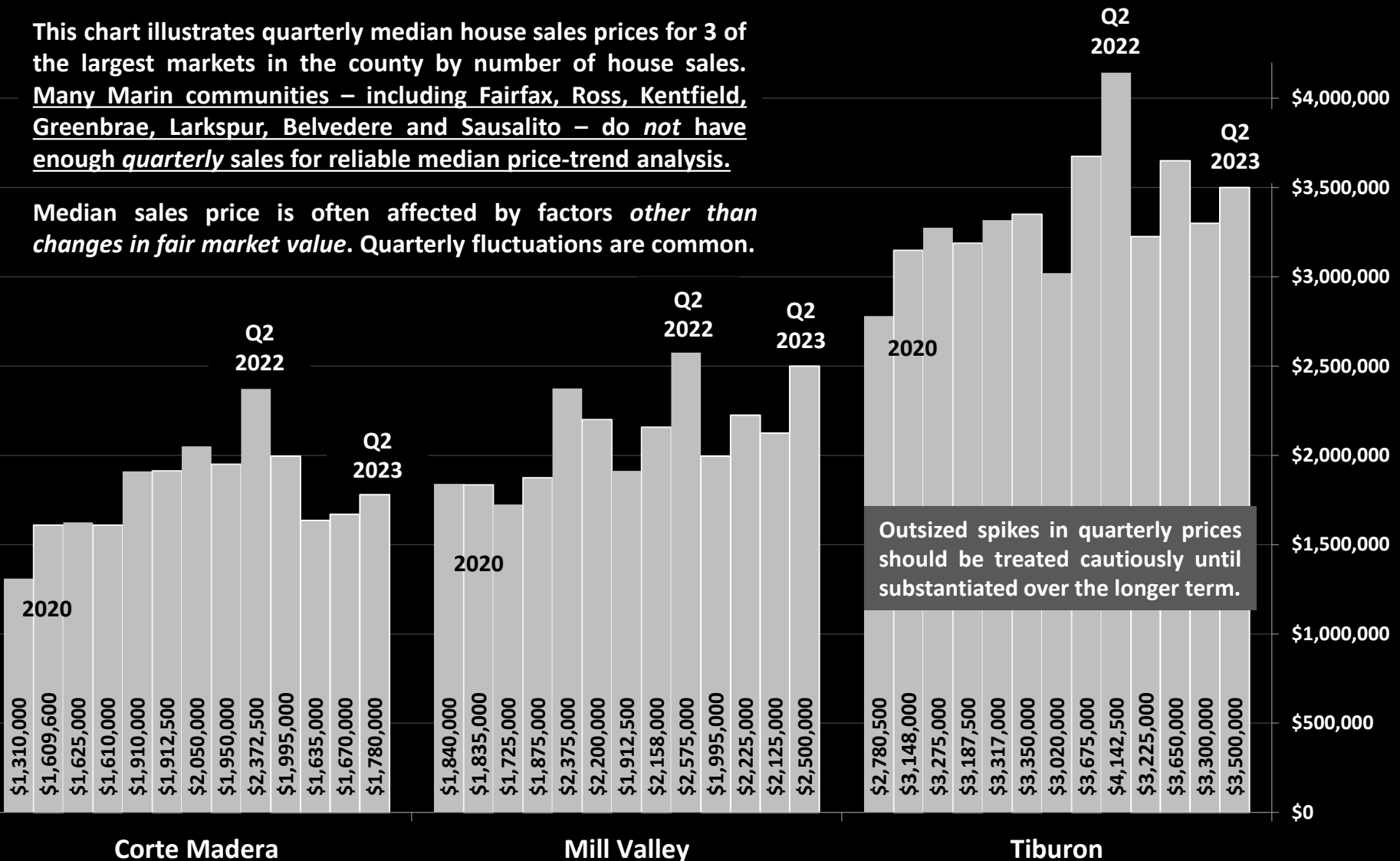
Marin County Home Price Trends – Selected Major Markets

Median House Sales Prices, by Quarter, Q2 2020 – Q2 2023

This chart illustrates quarterly median house sales prices for 3 of the largest markets in the county by number of house sales.

Many Marin communities – including Fairfax, Ross, Kentfield, Greenbrae, Larkspur, Belvedere and Sausalito – do not have enough quarterly sales for reliable median price-trend analysis.

Median sales price is often affected by factors *other than changes in fair market value*. Quarterly fluctuations are common.

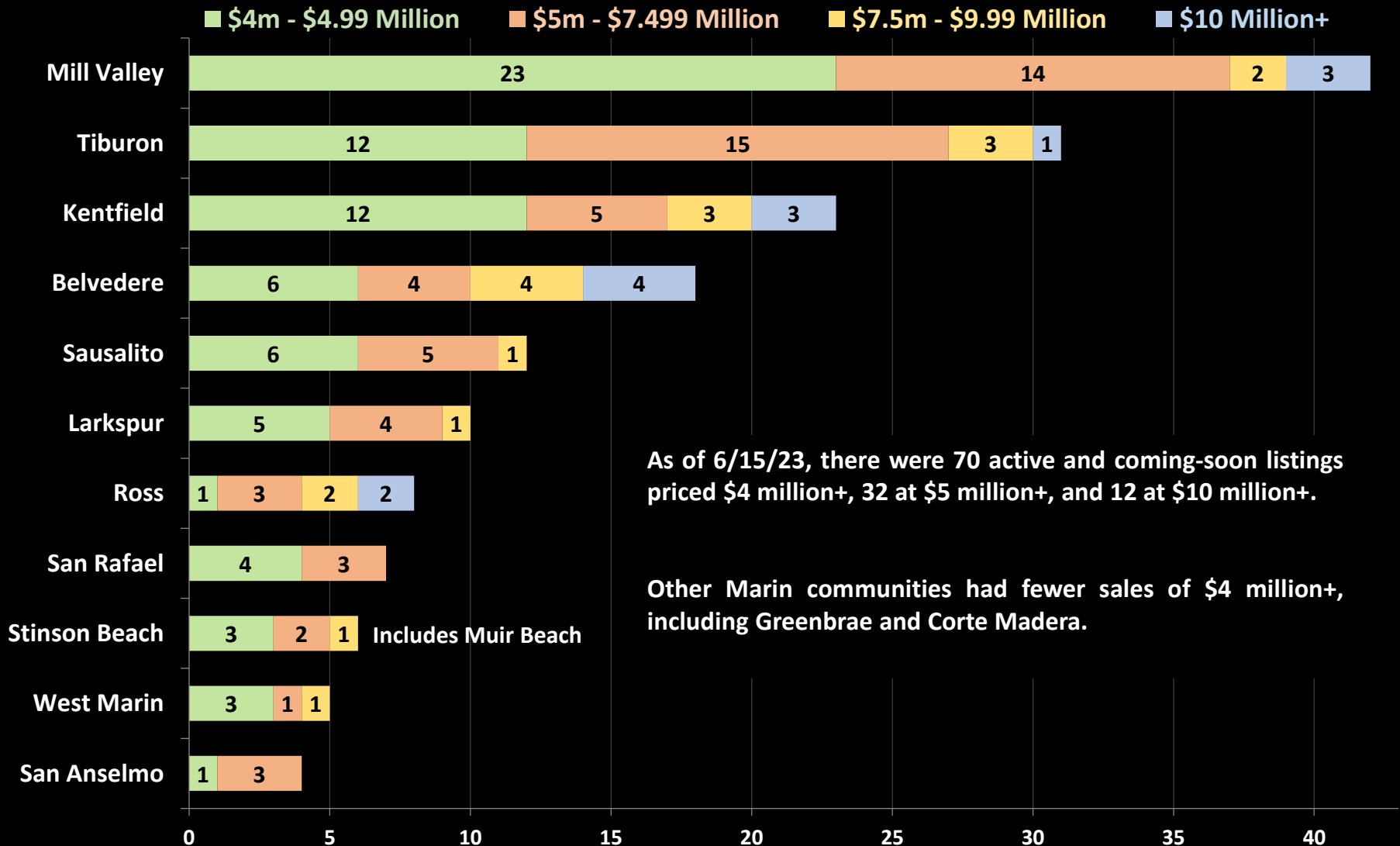


Median sales price is that price at which half the sales occurred for more and half for less, and it typically disguises a huge variety of prices in the individual underlying sales. It is often affected by factors other than changes in fair market value. Sales reported to Bareis MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late reported sales.



Marin Luxury Home Market

Homes Selling for \$4,000,000+, 12 Months Sales*



As of 6/15/23, there were 70 active and coming-soon listings priced \$4 million+, 32 at \$5 million+, and 12 at \$10 million+.

Other Marin communities had fewer sales of \$4 million+, including Greenbrae and Corte Madera.



Marin County Population

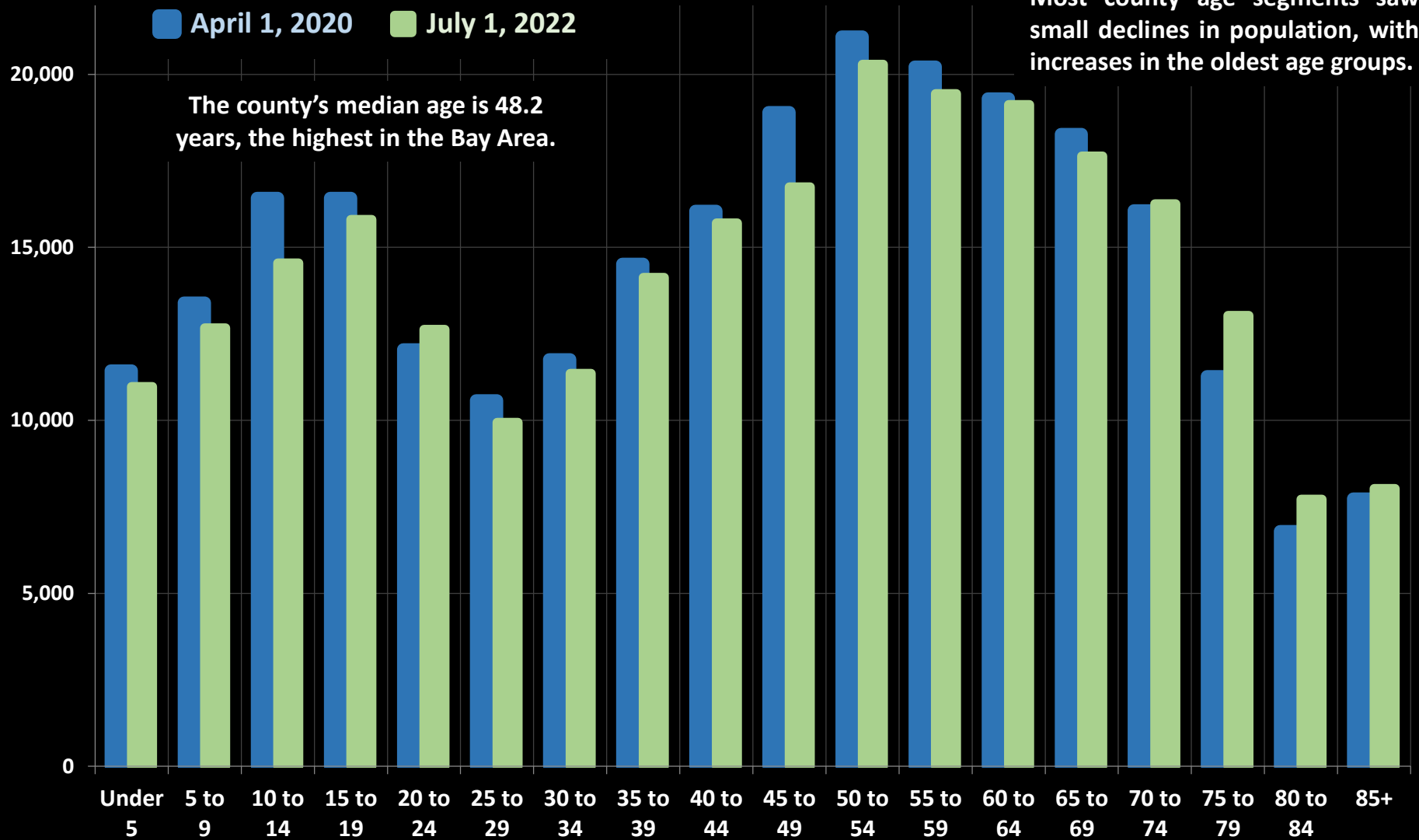
By Age Distribution, U.S. Census Estimates*

From April 2020 to July 1, 2022, the county's population dropped by an estimated 2.4%. Population changes are driven by domestic and foreign migration, and by natural causes (births & deaths).

Most county age segments saw small declines in population, with increases in the oldest age groups.

■ April 1, 2020 ■ July 1, 2022

The county's median age is 48.2 years, the highest in the Bay Area.



*U.S. Census Vintage 2022 Estimates, published June 22, 2023. Data from sources deemed reliable, but may contain errors and subject to revision. These estimates are published with margins of error.

Marin County Housing*

Total Housing Units: 111,963

Occupancy Rate: 92.5%

Housing Units by Bedroom Count

No bedroom	4%
1 bedroom	13%
2-3 bedrooms	56%
4+ bedrooms	27%

Household Size

1-person	30%
2-person	37%
3-person	14%
4+ person	19%

25% of households have children under the age of 18, and 75% of households include no children.

*"Total Housing Units" census estimate as of 7/1/22. Other data per U.S. census 2021, ACS 1-year estimates for occupied housing. Percentages usually rounded to nearest half or full percentage point. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Units by Building Type

Single family dwellings	69%
2-4 unit buildings	8%
5-9 unit buildings	6%
10+ unit buildings	15%
Other (mobile homes, etc.)	2%

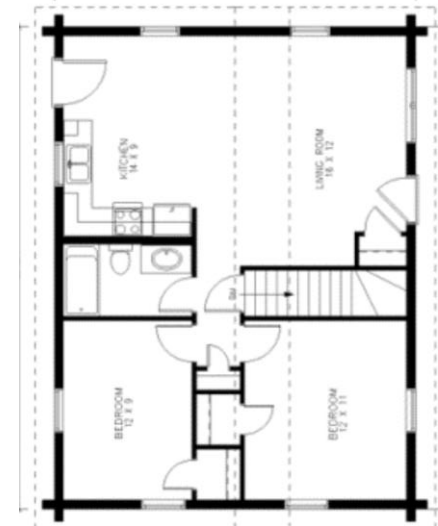
Multi-unit buildings include condos, rental apartments and social housing.

64% of housing units are owner-occupied and 36% are tenant occupied.

Era of Construction

1939 or earlier	13.5%
1940-1959	22%
1960-1979	38%
1980-1999	19%
2000-2021	7.5%

Except for San Francisco, most of the Bay Area was relatively empty before WWII. For Marin, the completion of the GG Bridge in 1937 was a critical turning point.



In the Bay Area, Marin has the lowest % of homes built since 2000.

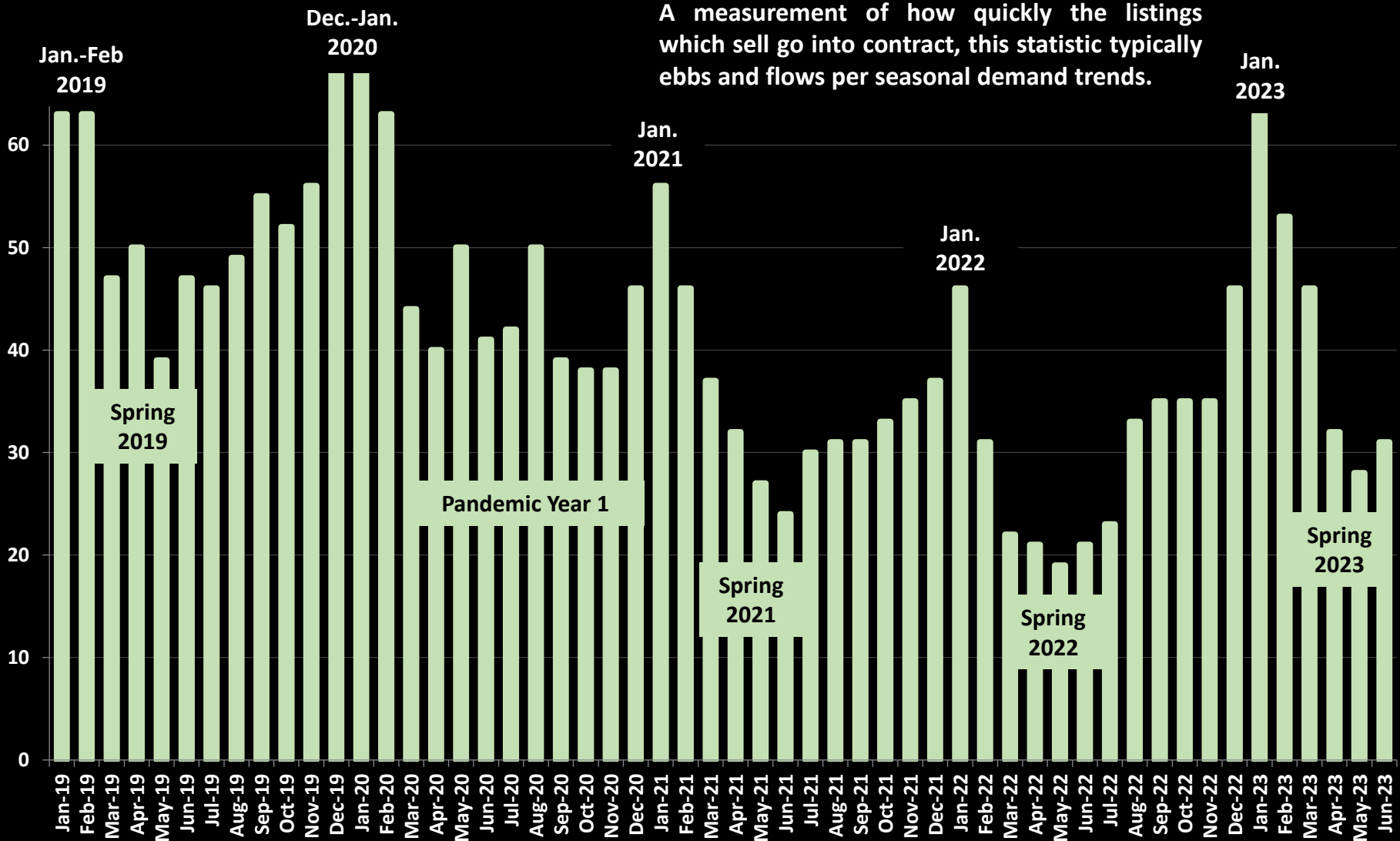


All numbers are U.S. Census estimates, and should be considered approximate.

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.



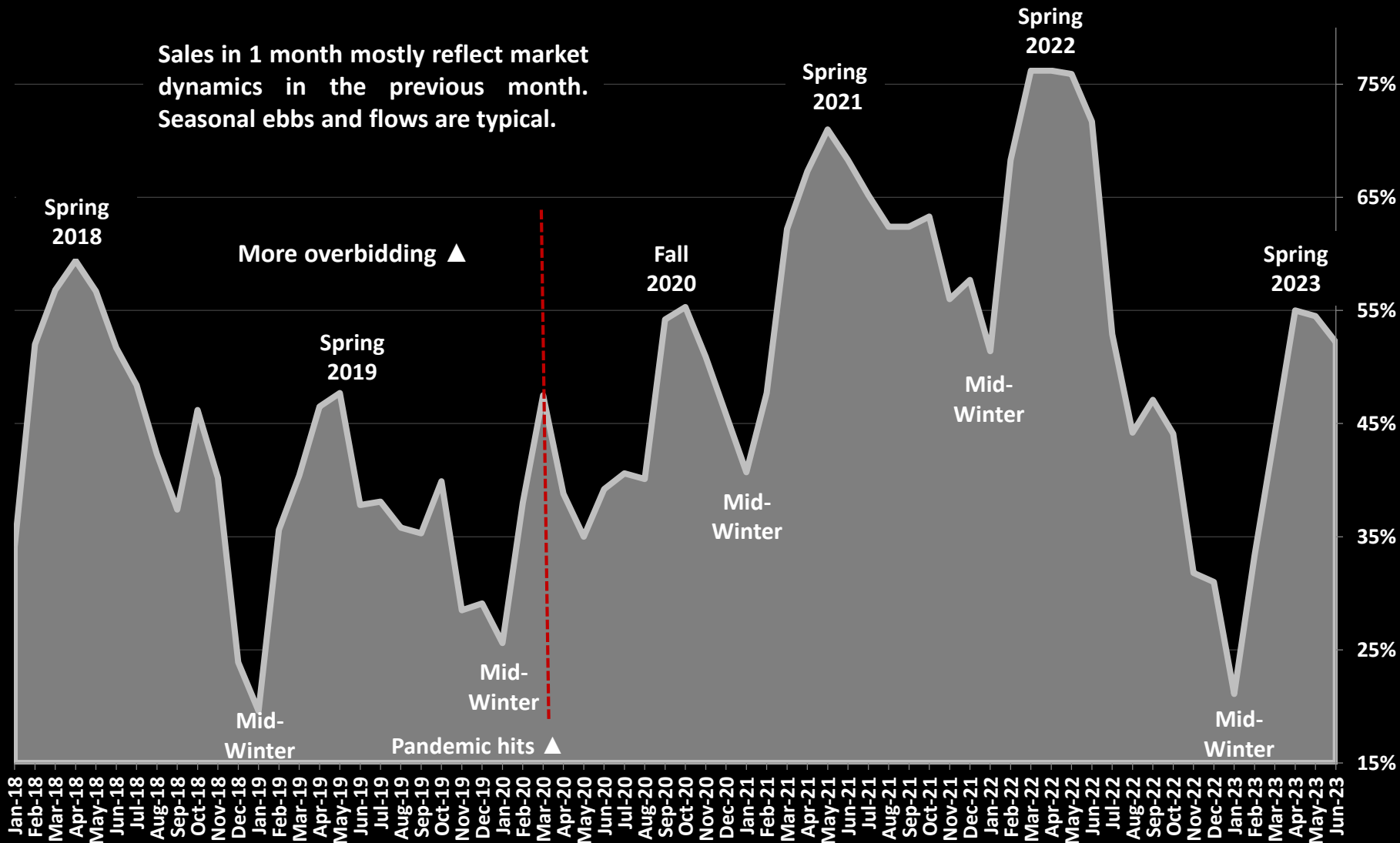
Sales of houses, condos, townhouses reported to NorCal MLS Alliance, per Infosparks, or per Broker Metrics Bareis MLS data. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



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.

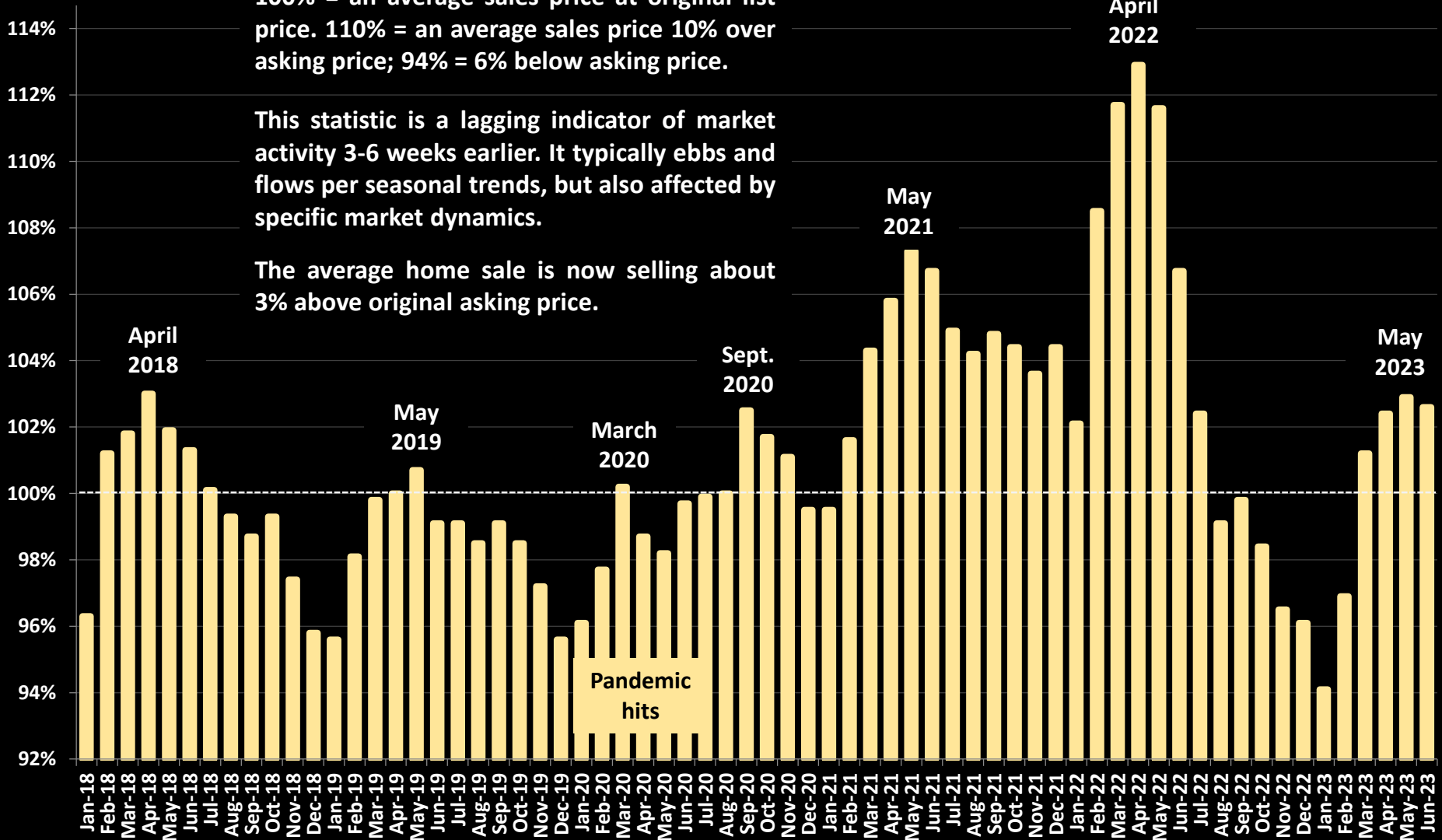
Average Sales Price to Original List Price Percentage

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.

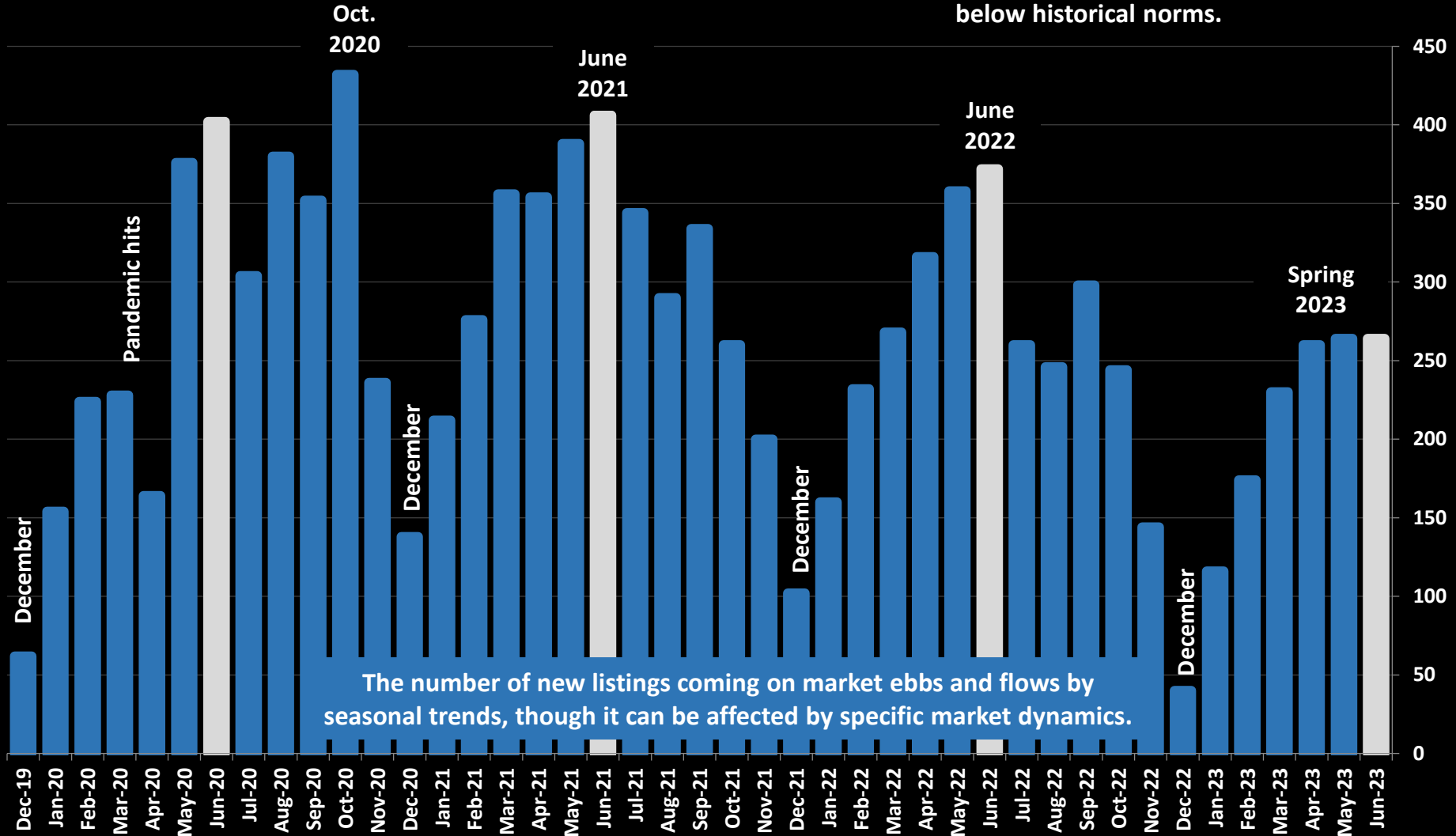


New Listings Coming on Market

Marin County Market Dynamics & Seasonality

June columns highlighted for year-over-year comparisons

The new listing count remains well below historical norms.



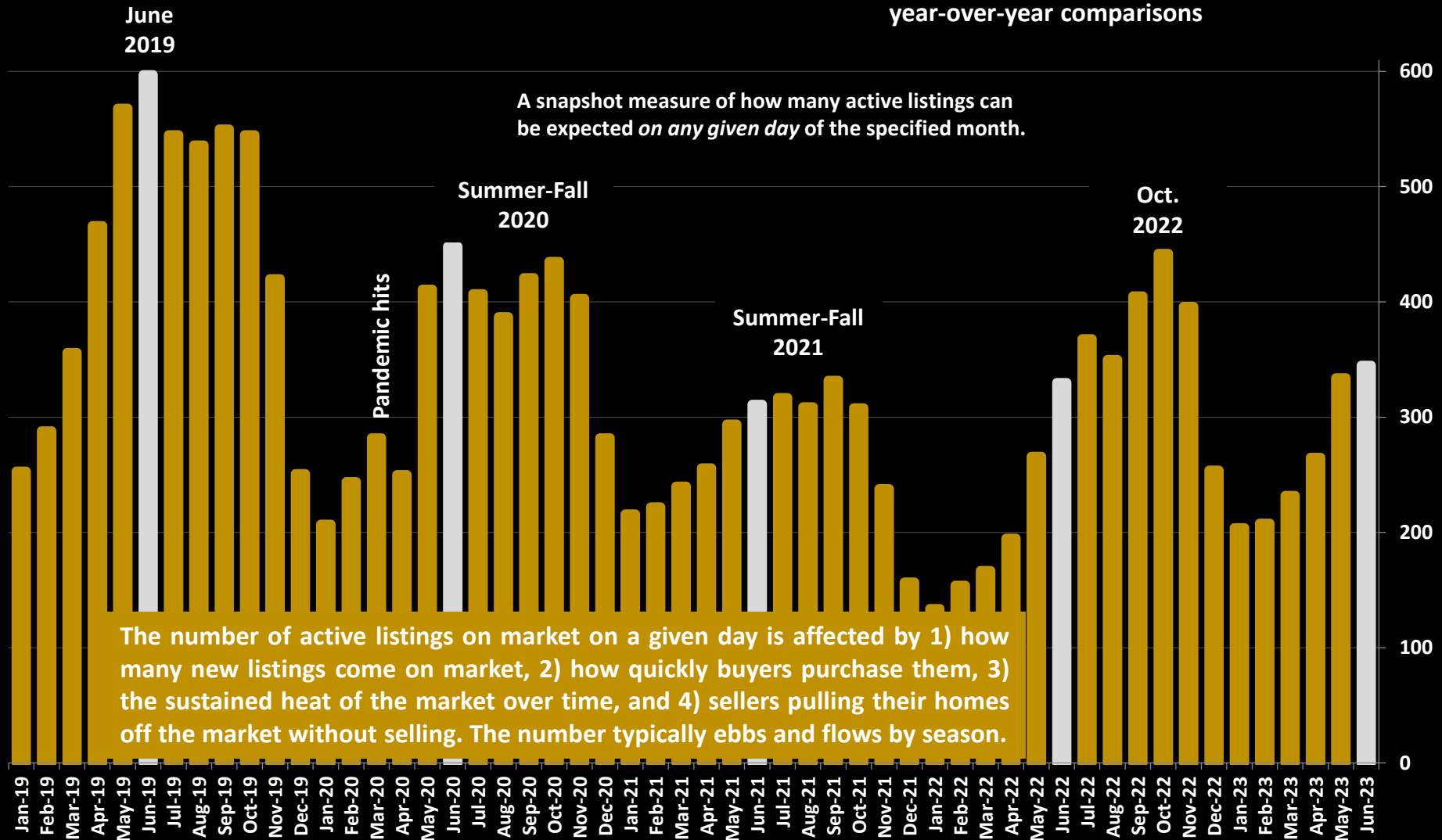
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. May not include "coming-soon" listings. All numbers should be considered approximate.



Active Listings on Market – Longer-Term Trends

Marin County Market Dynamics & Seasonality

June columns highlighted for year-over-year comparisons

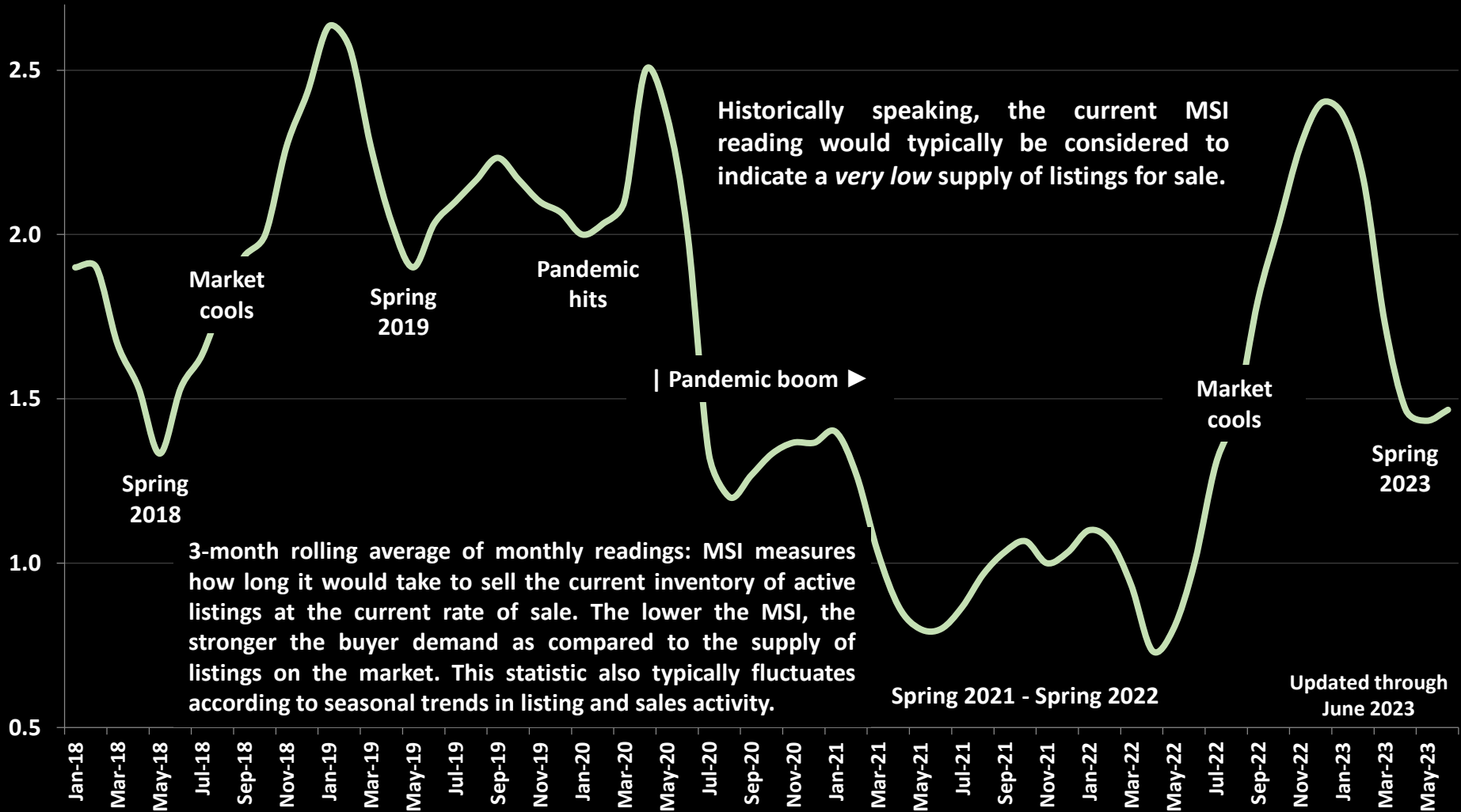


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Months Supply of Inventory (MSI) – of Active Listings on Market

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

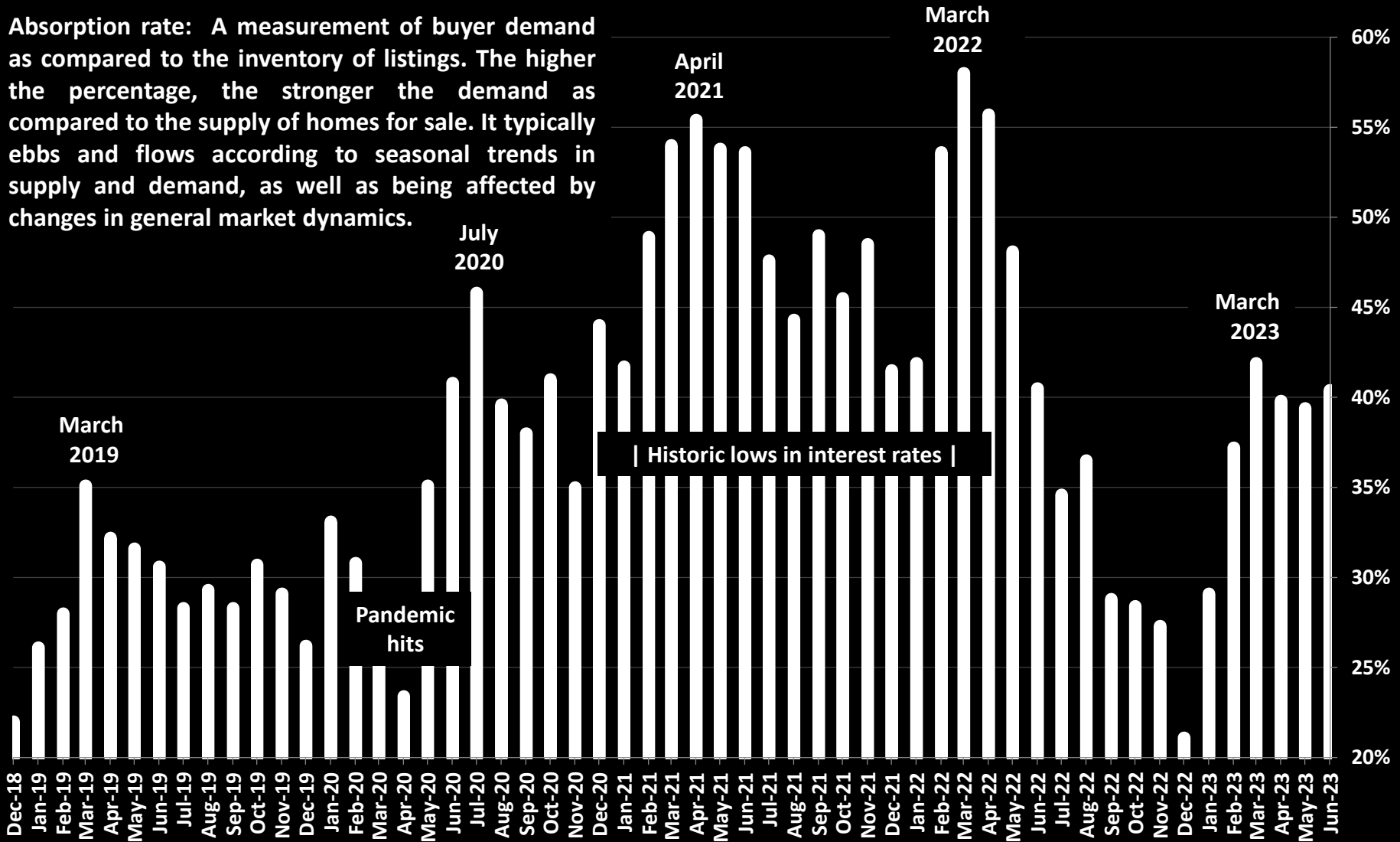


3-month rolling average monthly data for residential transactions reported to Bareis MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

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.

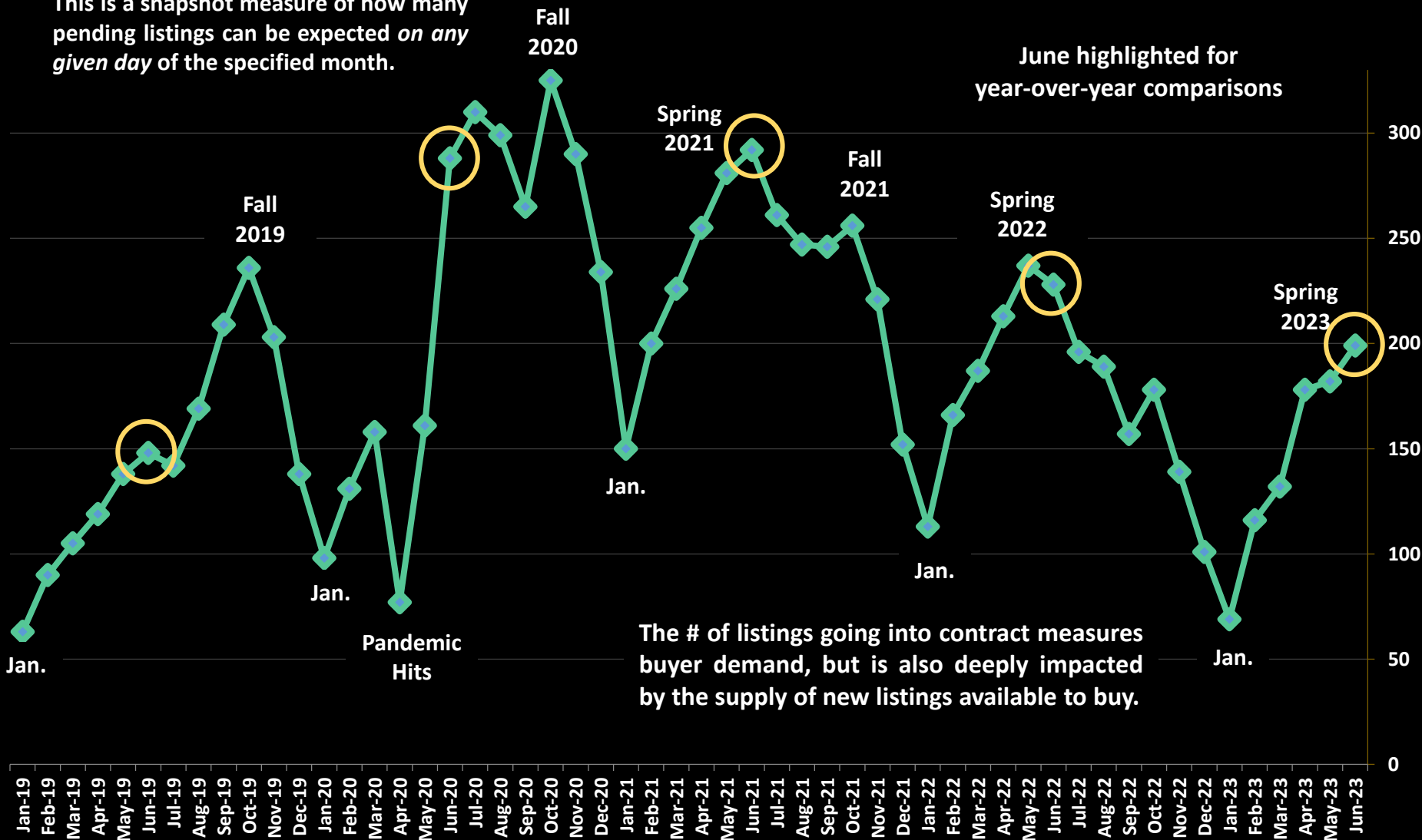


* Bareis MLS reported data for houses, condos and townhouses, per Broker Metrics. Last month's data estimated using available data, may change with late reported activity. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate.

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.



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.

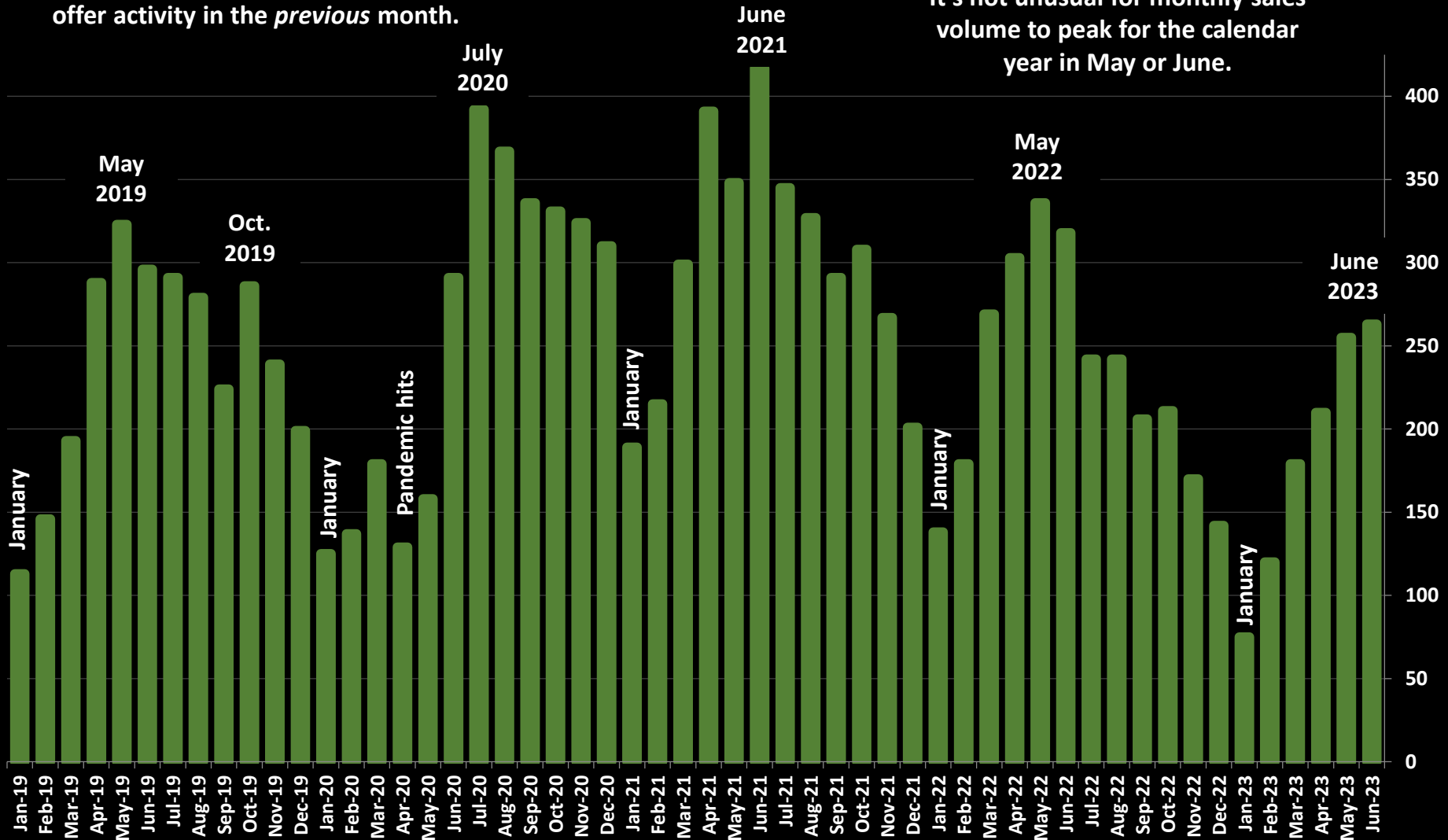


Monthly Sales Volume

Marin County Market Dynamics & Seasonality

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

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



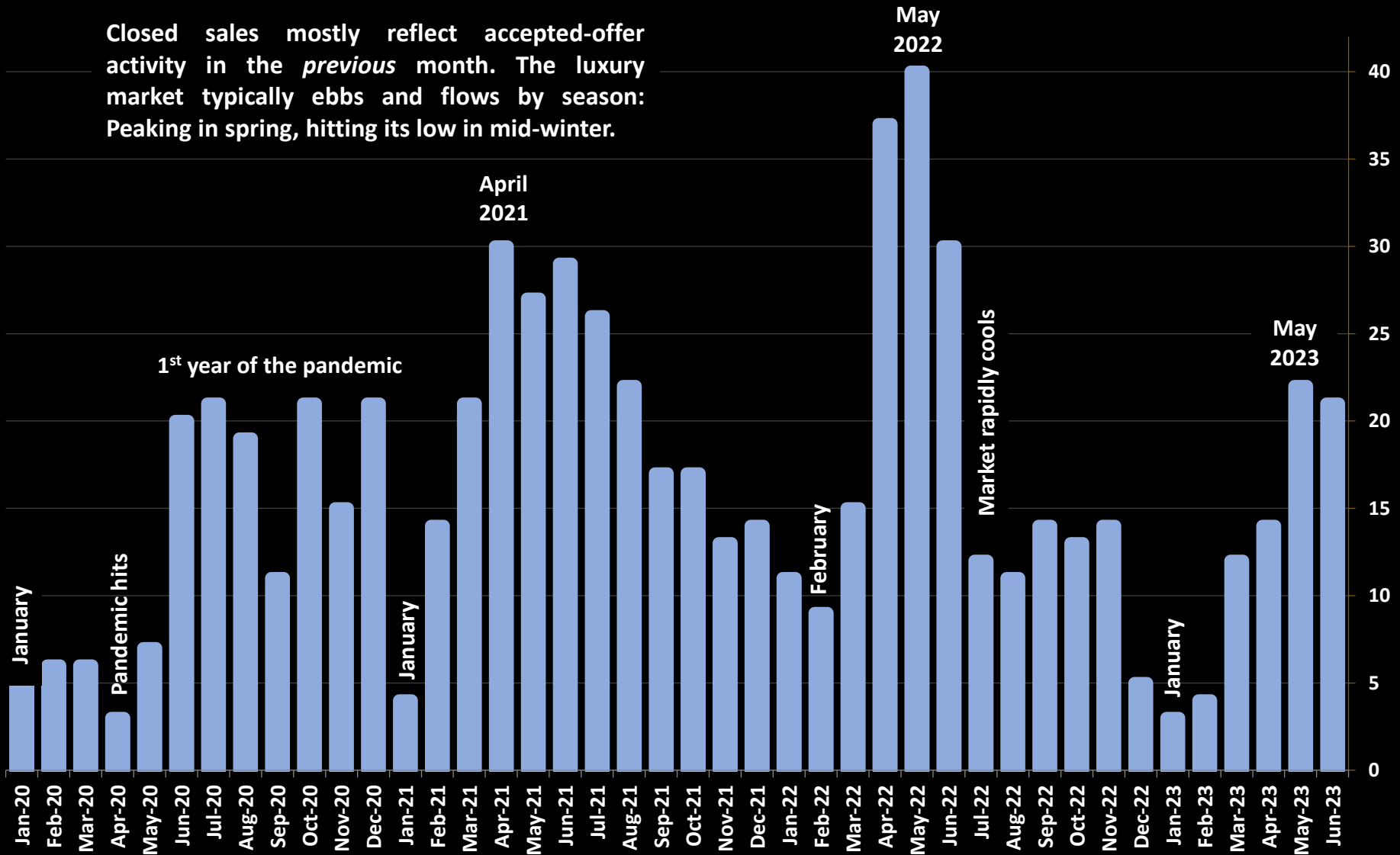
Sales of houses, condos, townhouses reported to NorCal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. Last month estimated based on available information and may change with late reported sales. All numbers approximate.



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.

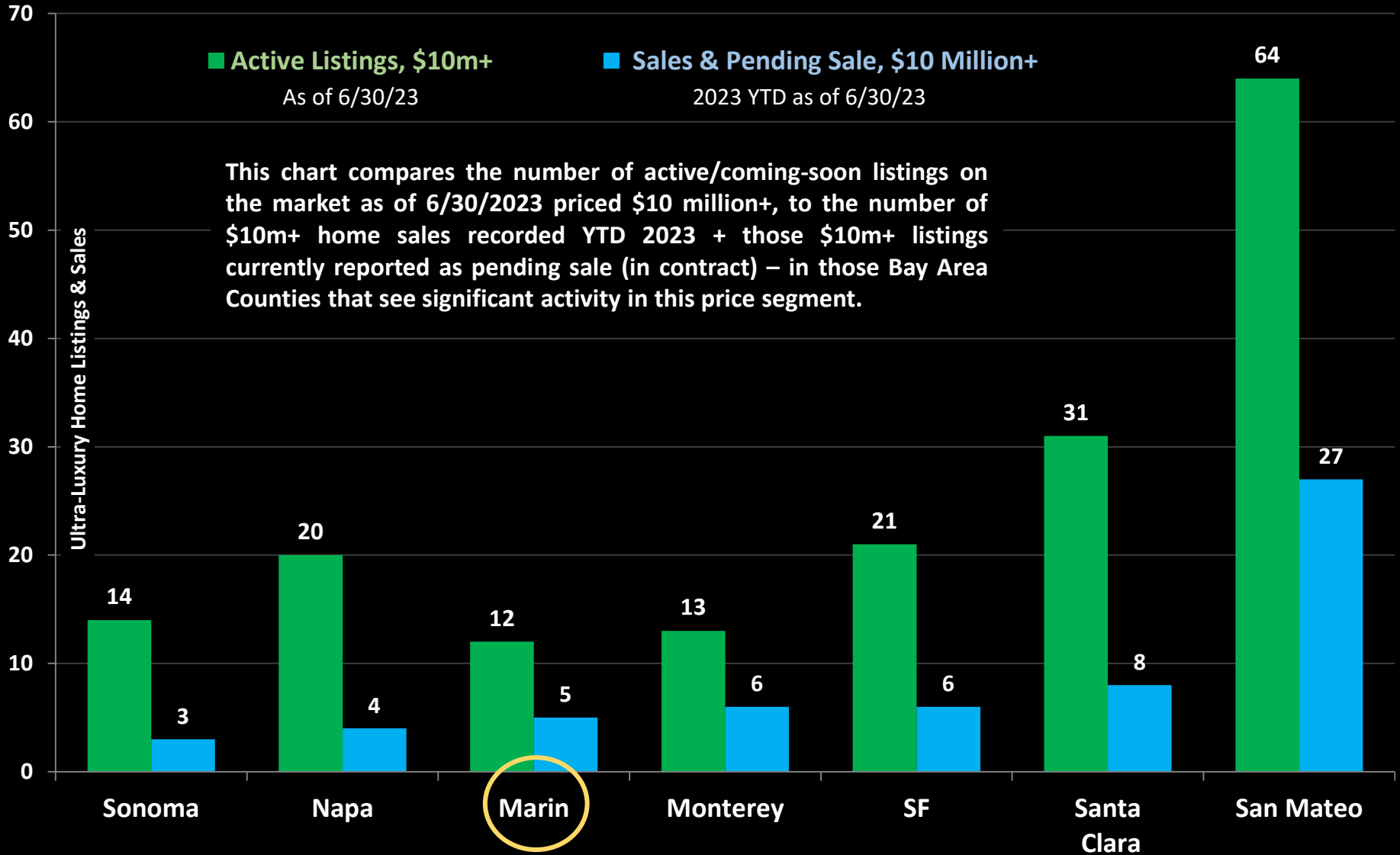


Home sales reported to Norcal MLS Alliance, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. Last month estimated from available data, and may change with late-reported sales. All numbers approximate.



Bay Area Ultra-Luxury Market: Homes of \$10 Million+

by Bay Area County, 1st Half 2023: Listings, Sales & Listings *Pending Sale**

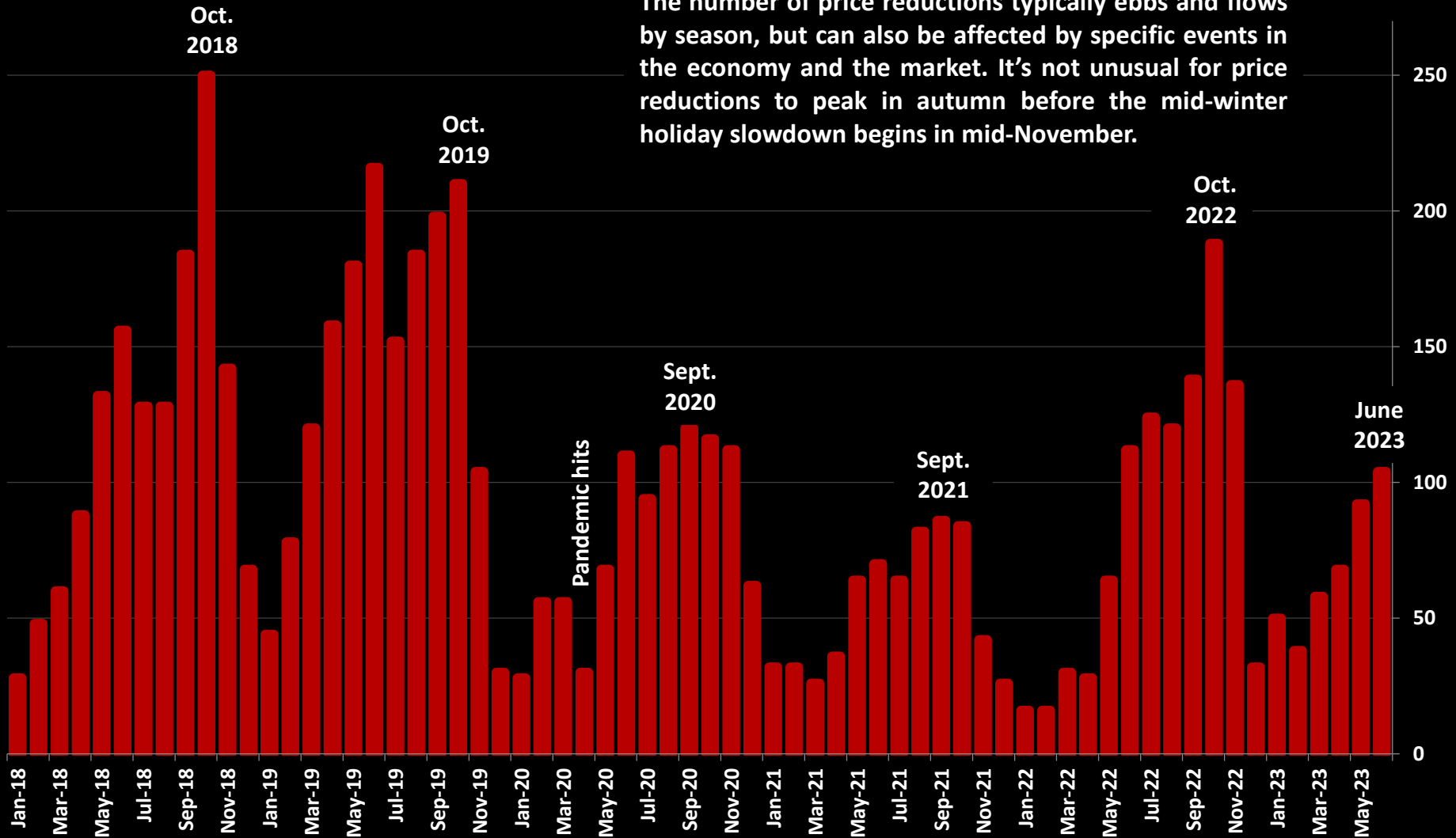


* 2023 active/coming-soon listings, residential sales + listings *pending sale* reported to NorCal MLS Alliance by 6/30/23. Not all luxury listings and sales are posted to or reported to MLS. Numbers may change with late reported sales. Some pending sale listings may not close sale. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

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.



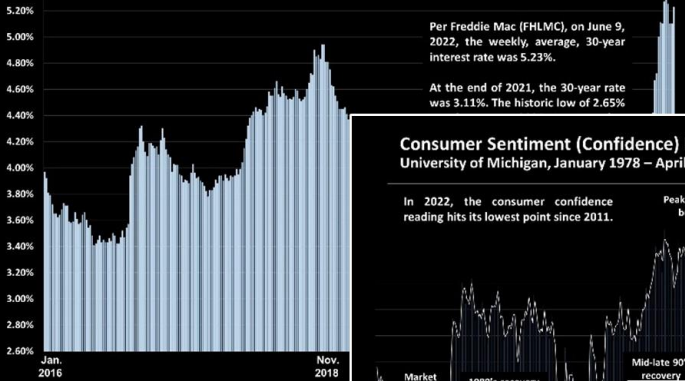
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted to site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



Mortgage Interest Rate Trends, 2016 – Present

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

Rates published by the FHLMC



Per Freddie Mac (FHLMC), on June 9, 2022, the weekly, average, 30-year interest rate was 5.23%.

At the end of 2021, the 30-year rate was 3.11%. The historic low of 2.65%

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

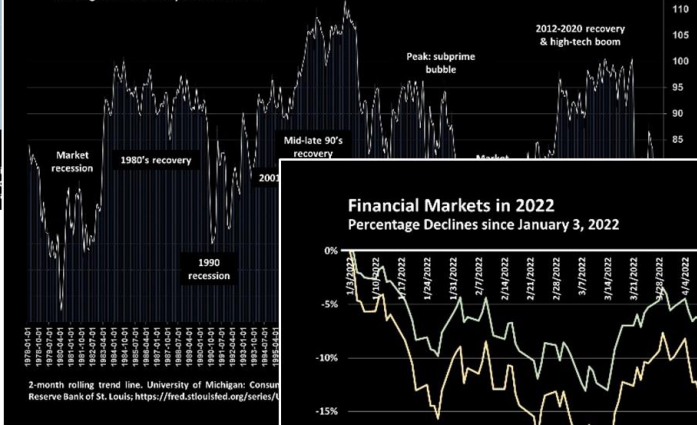
University of Michigan, January 1978 – April 2022

As published by the Federal Reserve Bank of St. Louis

In 2022, the consumer confidence reading hits its lowest point since 2011.

Peak: dotcom bubble

2012-2020 recovery & high-tech boom

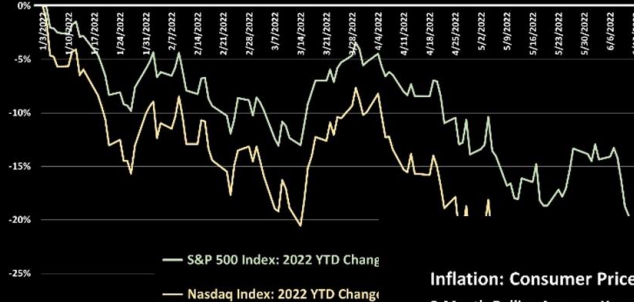


2-month rolling trend line. University of Michigan. Consumer Sentiment Index. Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/>

Click Here for Review of Selected Macroeconomic Trends

Financial Markets in 2022

Percentage Declines since January 3, 2022



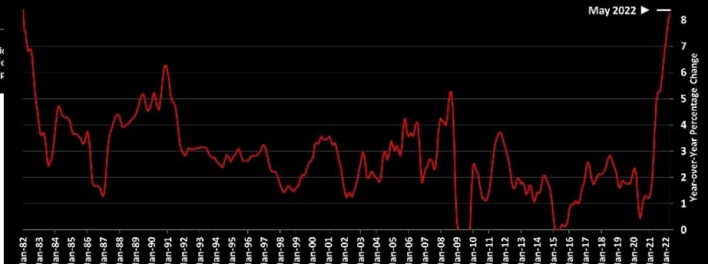
— S&P 500 Index: 2022 YTD Change

— Nasdaq Index: 2022 YTD Change

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, gov't. 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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