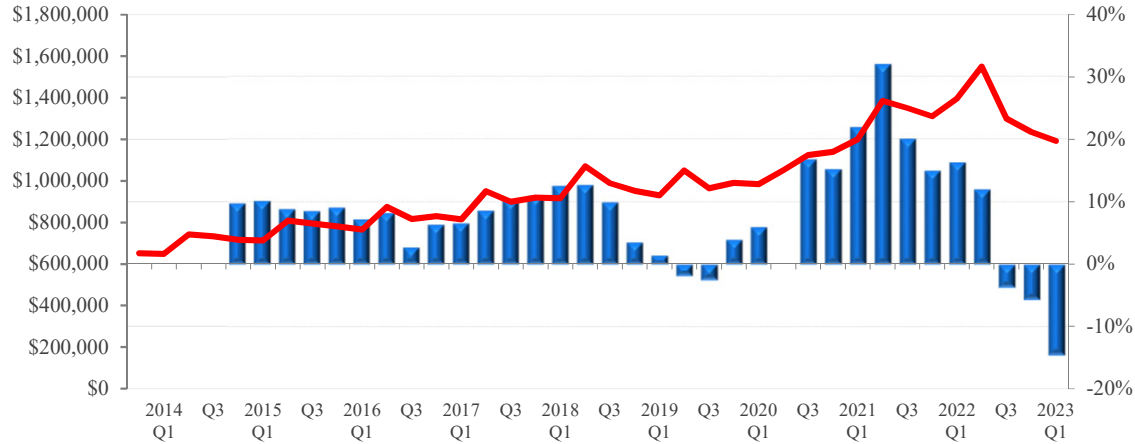


San Francisco-Oakland-Hayward Area

Local Market Report, First Quarter 2023

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	San Francisco	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$1,192,600	\$366,733	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2023 Q1)	-14.5%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	21.1%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$207,600	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$427,600	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$544,200	\$175,733	

*Note: Equity gain reflects price appreciation only

	San Francisco	U.S.	
Conforming Loan Limit**	\$1,089,300	\$1,089,300	Government-backed financing is limited in this market, hampering home sales
FHA Loan Limit	\$1,089,300	\$1,089,300	
Local Median to Conforming Limit Ratio	109%	not comparable	

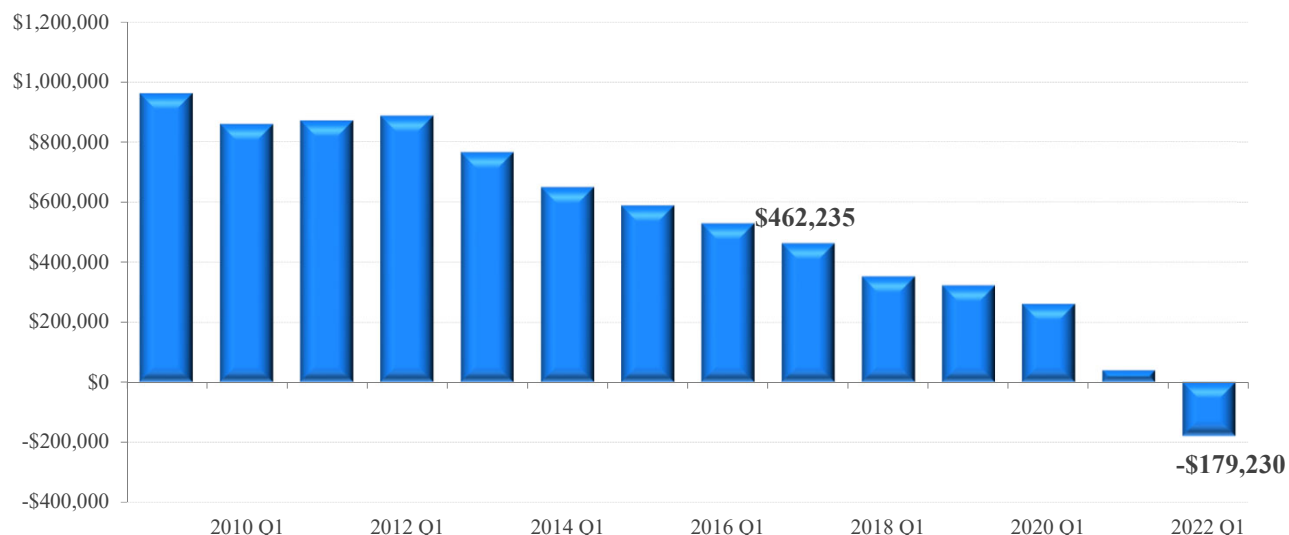
Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The San Francisco-Oakland-Hayward market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2023 NAR Regional Vice President representing region 13 is Shannon King.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2023 Q1 from quarter in which home was of purchased

Price Activity	San Francisco	U.S.	Local Trend
1-year (4-quarter)	\$179,230	\$7,042	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$260,832	\$108,992	
5-year (20-quarter)*	\$352,224	\$143,305	
7-year (28 quarters)*	\$528,051	\$179,328	
9-year (36 quarters)*	\$649,441	\$206,734	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

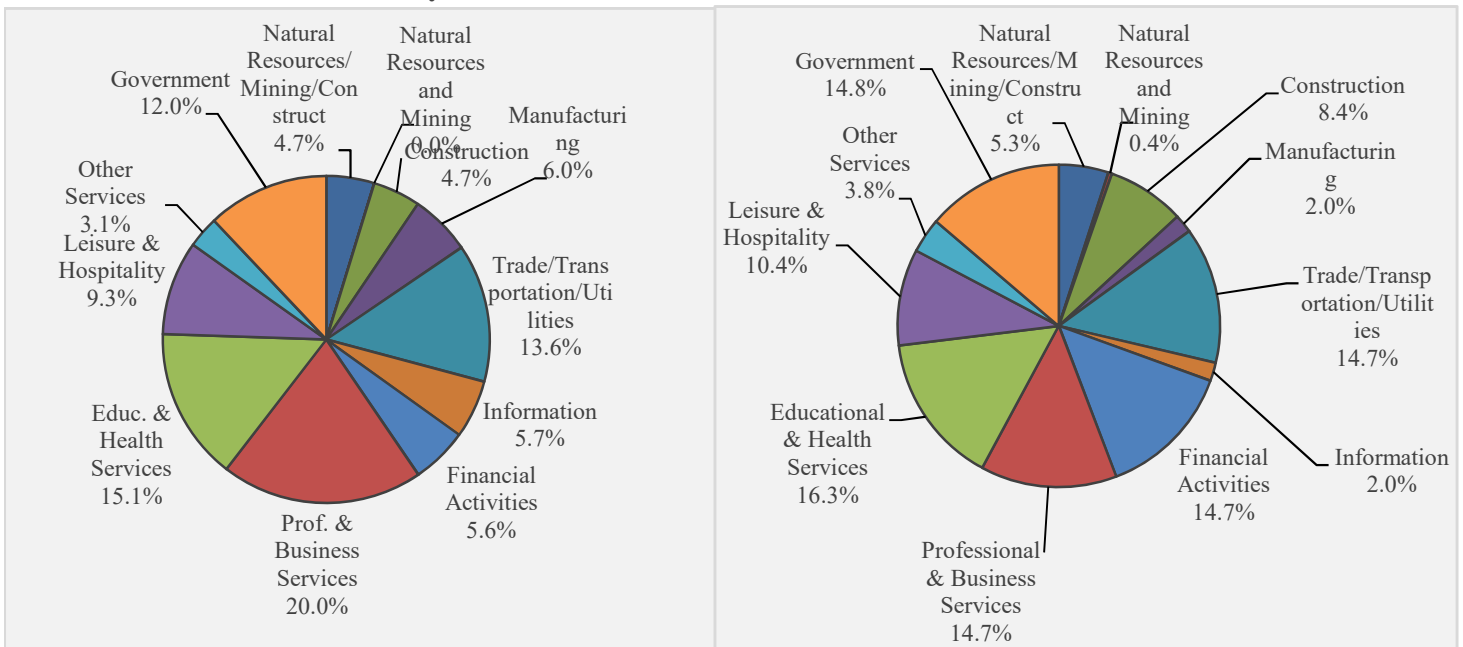


Local Economic Outlook	San Francisco	U.S.	
12-month Job Change (Mar)	52,000	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	65,100	Not Comparable	
36-month Job Change (Mar)	10,300	Not Comparable	Unemployment has risen since the same period last year, but San Francisco's labor market has been more resilient than the national average
Current Unemployment Rate (Mar)	3.4%	3.5%	
Year-ago Unemployment Rate	3.2%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.1%	3.8%	

Share of Total Employment by Industry

San Francisco-Oakland-Hayward Area

U.S.



12-month Employment Change by Industry (Mar - 2023)

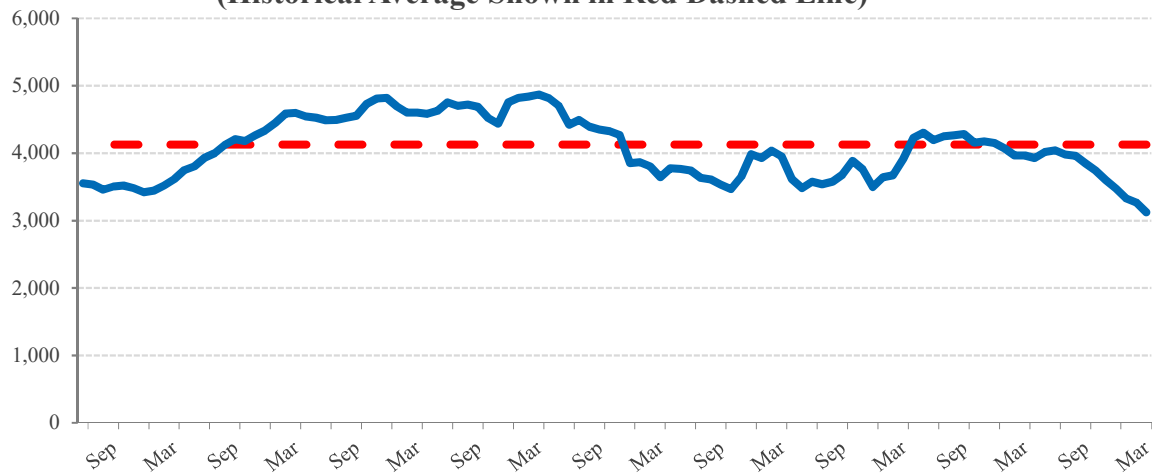
Goods Producing	NA	Information	2,400
Natural Resources/Mining/Construction	3,200	Financial Activities	2,300
Natural Resources and Mining	0	Prof. & Business Services	4,500
Construction	3,200	Educ. & Health Services	17,100
Manufacturing	5,500	Leisure & Hospitality	22,400
Service Providing Excluding Government	NA	Other Services	700
Trade/Transportation/Utilities	4,300	Government	2,700

State Economic Activity Index	California	U.S.	
12-month change (2023 - Mar)	3.3%	3.8%	California's economy is growing, but decelerated from last month's 3.92% change and lags the rest of the nation
36-month change (2023 - Mar)	11.6%	6.7%	

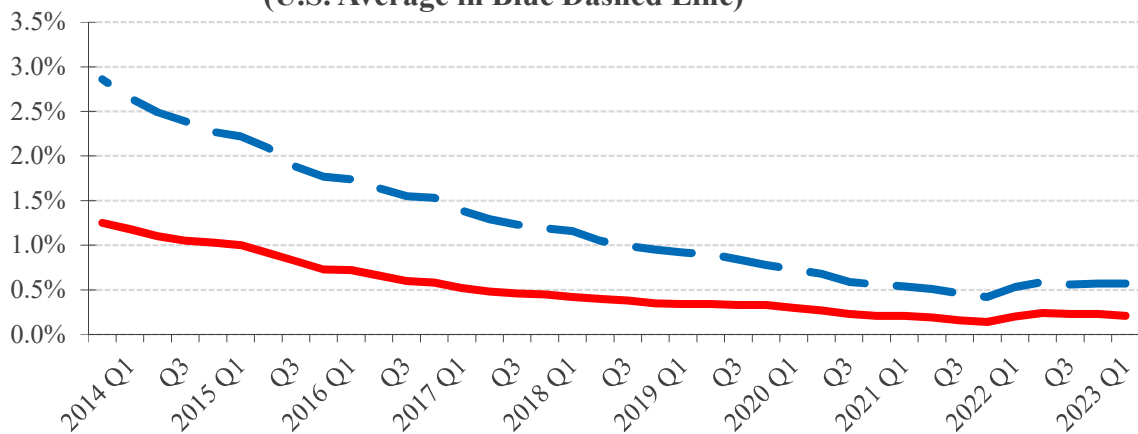
New Housing Construction

Local Fundamentals	San Francisco	U.S.	
12-month Sum of 1-unit Building Permits through Mar	3,124	not comparable	The current level of construction is 24.3% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,128	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-21.3%	-21.2%	Construction continues to decline from last year

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)

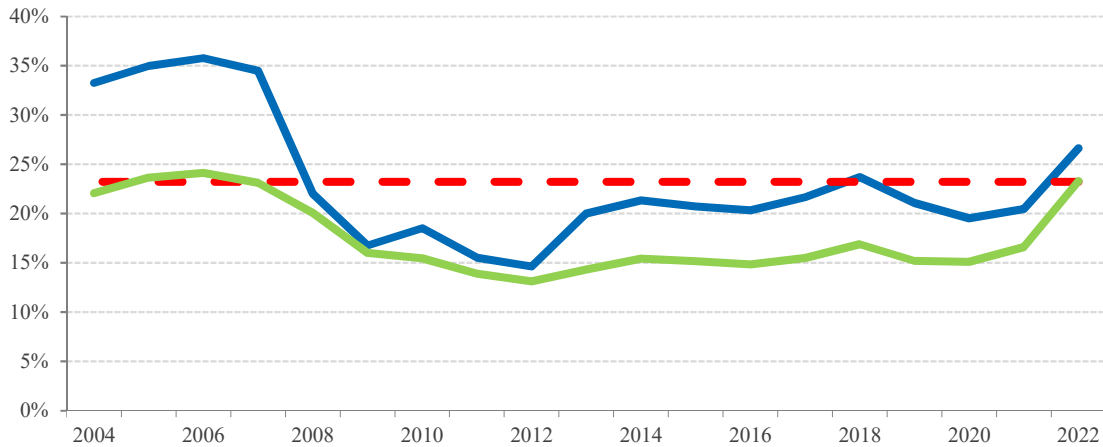


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



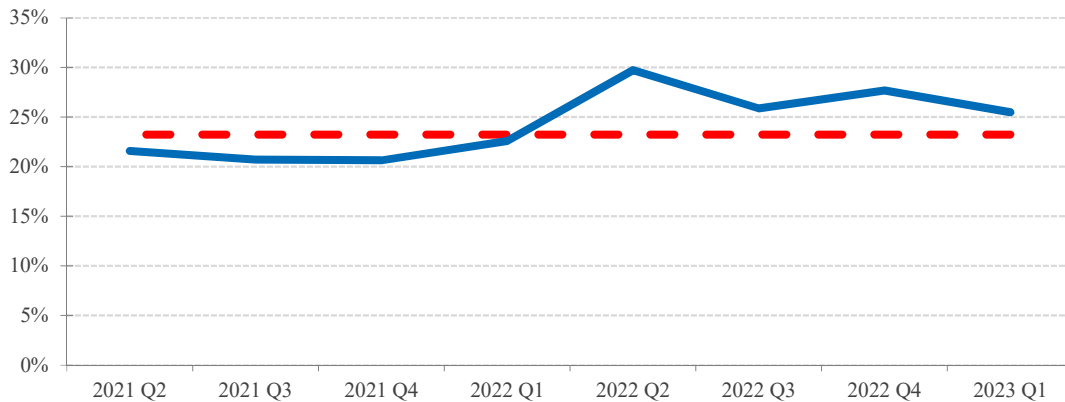
Affordability

Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

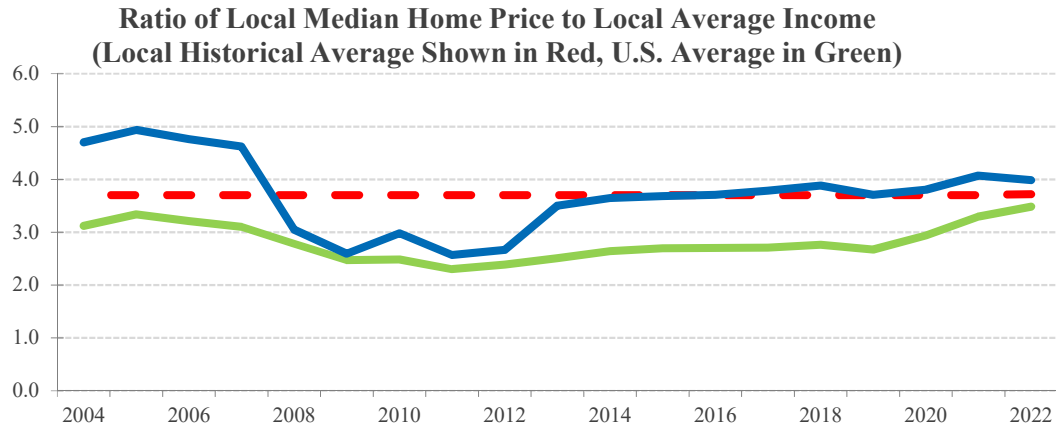


Monthly Mortgage Payment to Income	San Francisco	U.S.	
Ratio for 2022	26.6%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	25.5%	23.3%	
Historical Average	23.2%	17.8%	Weaker affordability than most markets

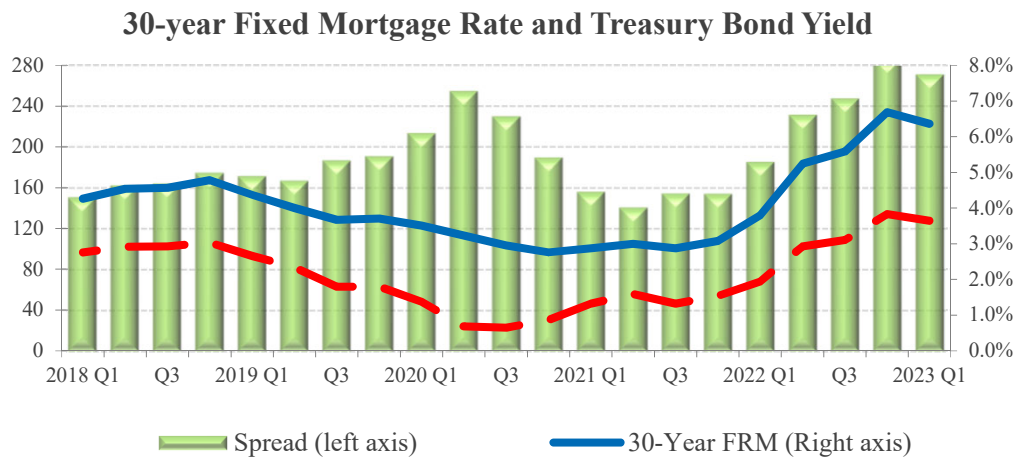
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	San Francisco	U.S.	
Ratio for 2022	4.0	3.5	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q1	3.4	3.1	
Historical Average	3.7	2.8	Less affordable than most markets



The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

Geographic Coverage for this Report

The San Francisco area referred to in this report covers the geographic area of the San Francisco-Oakland-Hayward metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

[Alameda County, Contra Costa County, Marin County, San Francisco County, and San Mateo County](#)

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins_default/

