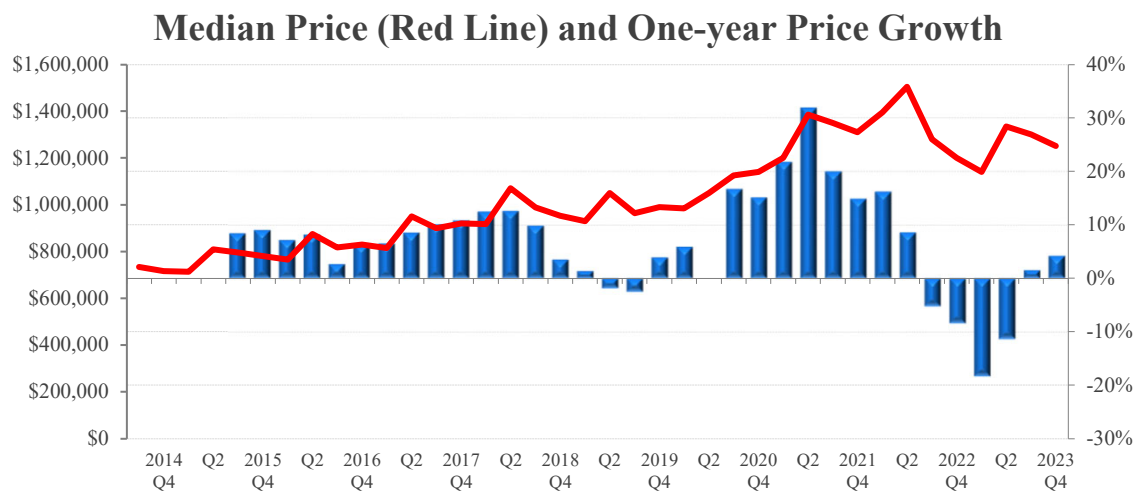


San Francisco-Oakland-Hayward Area

Local Market Report, Fourth Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	San Francisco	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$1,200,000	\$387,300	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q4)	4.3%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	9.7%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$111,000	\$76,300	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$421,000	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$535,300	\$179,667	

*Note: Equity gain reflects price appreciation only

	San Francisco	U.S.	
Conforming Loan Limit**	\$1,149,825	\$1,149,825	Government-backed financing is limited in this market, hampering home sales
FHA Loan Limit	\$1,149,825	\$1,149,825	
Local Median to Conforming Limit Ratio	104%	not comparable	

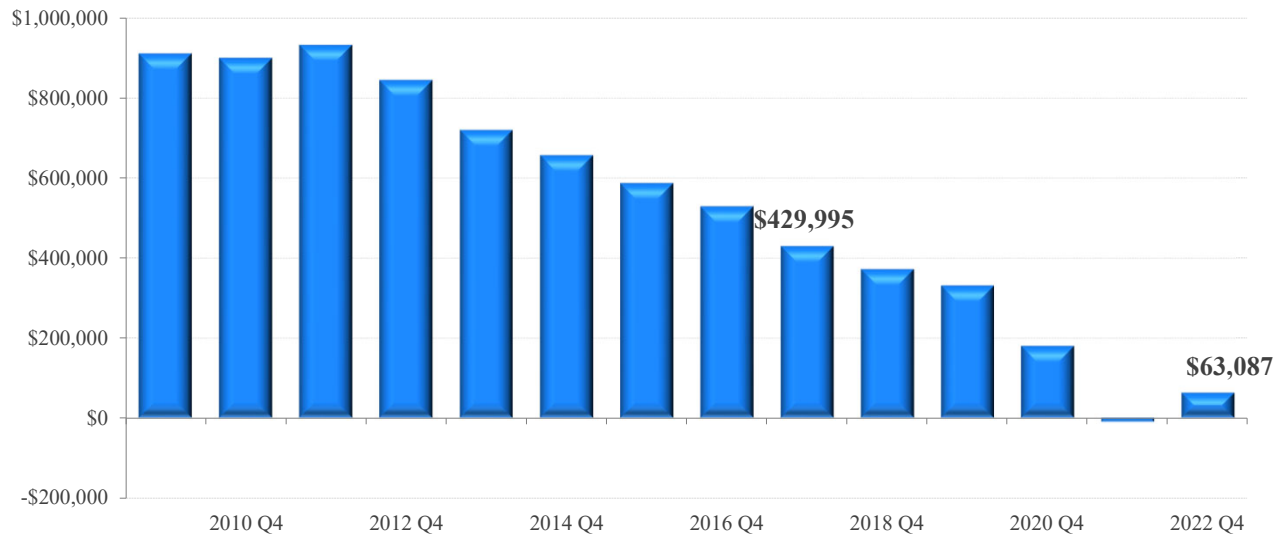
Note: limits are current and include the changes made on January 1st 2024.

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 2024 NAR Regional Vice President representing region 13 is Jennifer Branchini.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained through 2023 Q4 from quarter in which home was of purchased**

Price Activity	San Francisco	U.S.	Local Trend
1-year (4-quarter)	\$63,087	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$180,125	\$95,158	
5-year (20-quarter)*	\$372,301	\$151,356	
7-year (28 quarters)*	\$528,908	\$183,780	
9-year (36 quarters)*	\$657,354	\$215,076	

*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

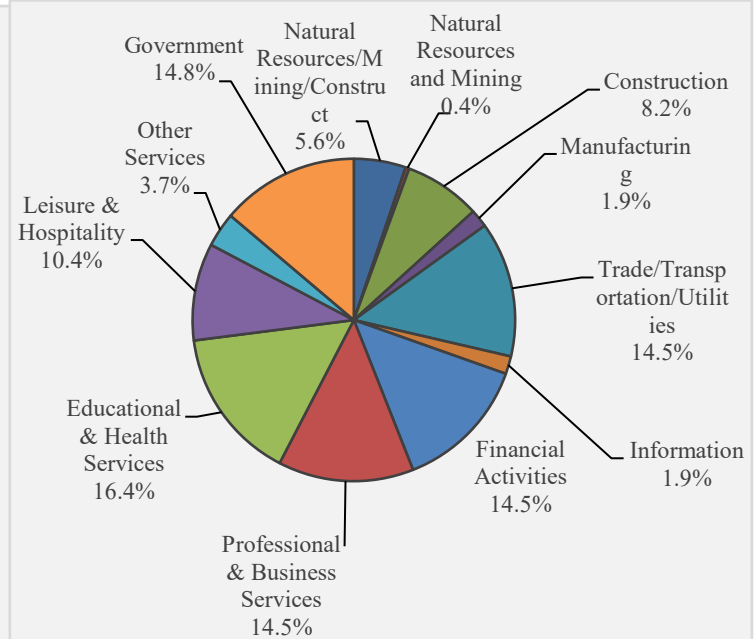
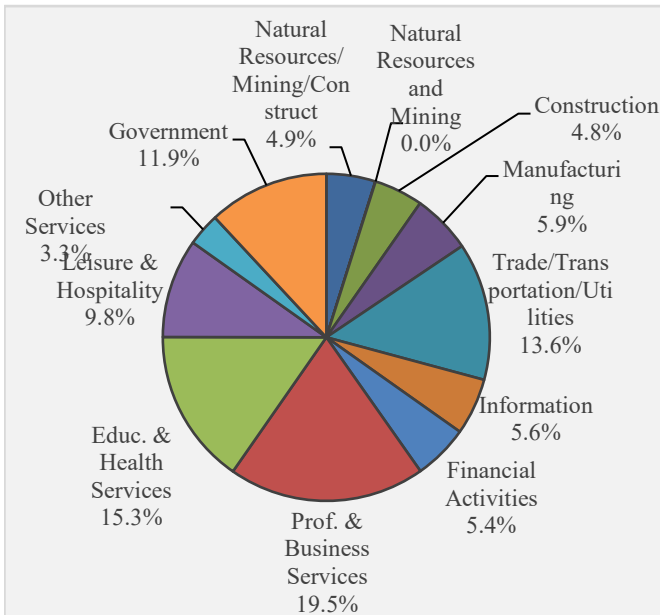
Drivers of Local Supply and Demand...

Local Economic Outlook	San Francisco	U.S.	
12-month Job Change (Dec)	39,900	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Nov)	29,200	Not Comparable	
36-month Job Change (Dec)	283,900	Not Comparable	San Francisco's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Dec)	4.0%	3.7%	
Year-ago Unemployment Rate	2.6%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.6%	2.3%	

Share of Total Employment by Industry

San Francisco-Oakland-Hayward Area

U.S.



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

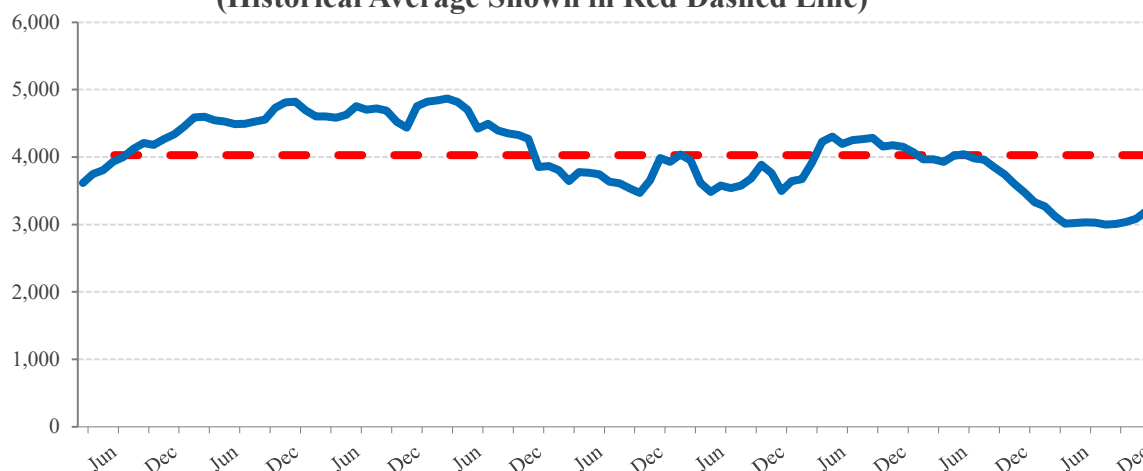
Goods Producing	NA	Information	-6,600
Natural Resources/Mining/Construction	5,800	Financial Activities	-1,500
Natural Resources and Mining	0	Prof. & Business Services	-11,200
Construction	5,800	Educ. & Health Services	20,700
Manufacturing	0	Leisure & Hospitality	16,400
Service Providing Excluding Government	NA	Other Services	4,400
Trade/Transportation/Utilities	-1,200	Government	2,400

State Economic Activity Index	California	U.S.	
12-month change (2023 - Dec)	1.4%	3.0%	California's economy is growing, but decelerated from last month's 1.63% change and lags the rest of the nation
36-month change (2023 - Dec)	19.2%	14.3%	

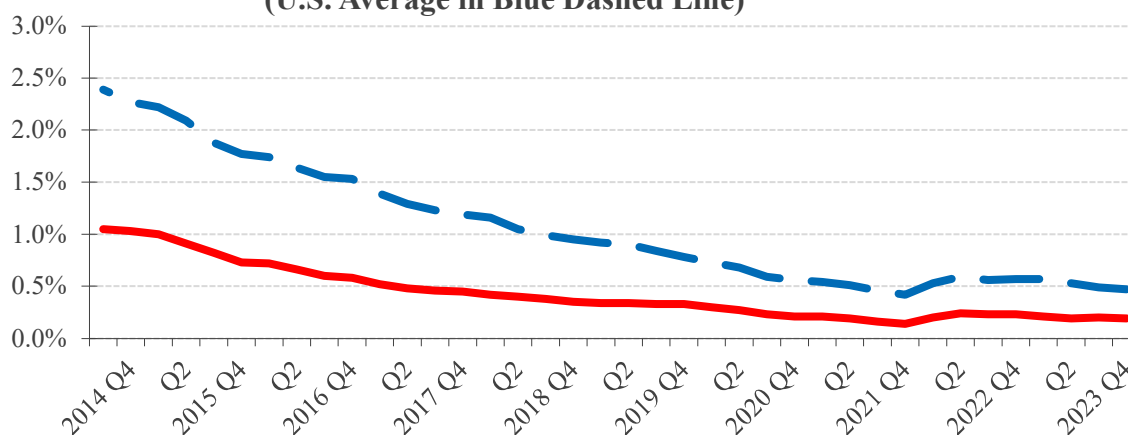
New Housing Construction

Local Fundamentals	San Francisco	U.S.	
12-month Sum of 1-unit Building Permits through Dec	3,197	not comparable	The current level of construction is 20.7% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,032	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-7.9%	-6.1%	Construction is down from last year, but appears to have bottomed.

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

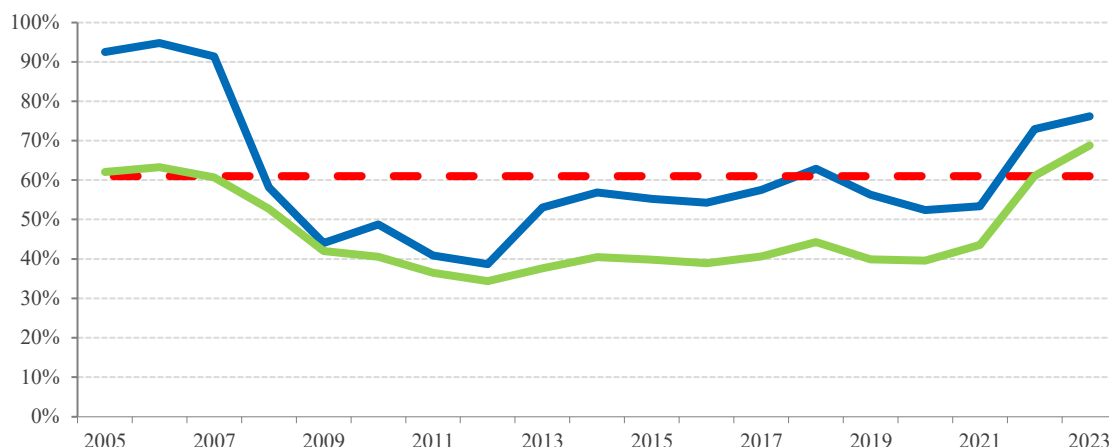


State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



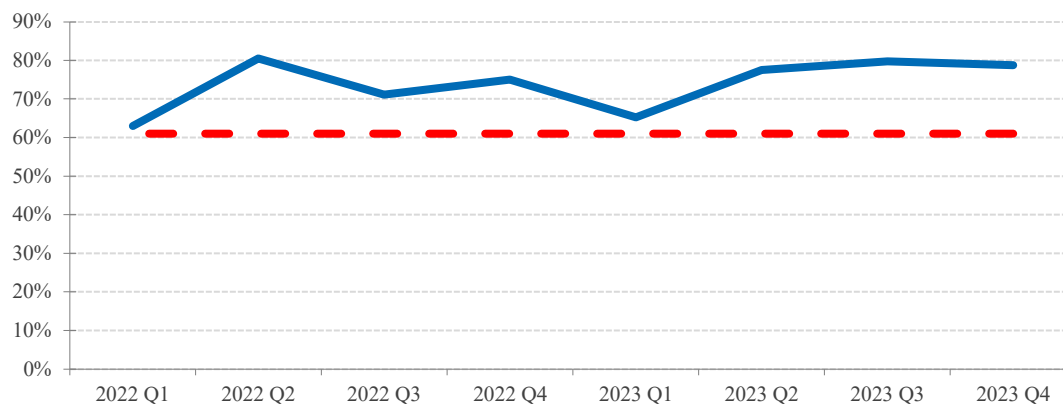
Affordability

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

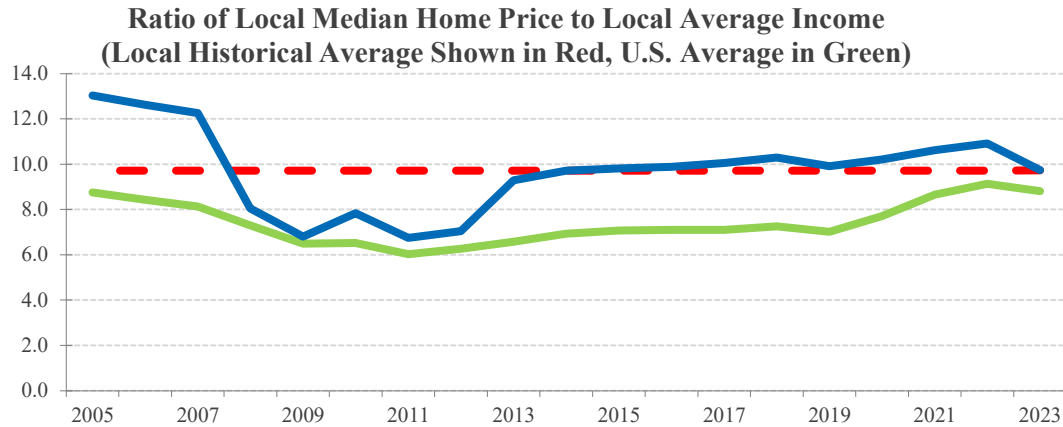


Monthly Mortgage Payment to Income	San Francisco	U.S.	
Ratio for 2023	76.2%	68.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	78.8%	68.3%	
Historical Average	61.1%	47.0%	Weaker affordability than most markets

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 2023	9.7	8.8	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q4	9.6	8.3	
Historical Average	9.7	7.4	Less affordable than most markets



The Mortgage Market



Throughout much of the final quarter of the year, mortgage rates remained elevated near 7.5 percent. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.3 percent in the fourth quarter of 2023 from 6.7 percent the previous year. Nevertheless, rates fell below 7 percent at the end of year as the Federal Reserve continued to halt its interest rates hikes. With lower interest rates on the horizon, mortgage rates are expected to continue their downward trend in 2024, thereby enhancing affordability for potential homebuyers. NAR forecasts the 30-year fixed mortgage rate to average 6.8 percent in the first quarter of 2024, with a further decline expected to bring them below 6.6% by the end of the first half.

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/

