



Marin County Real Estate
June 2021 Report

COMPASS



June 2021 Report: Table of Contents

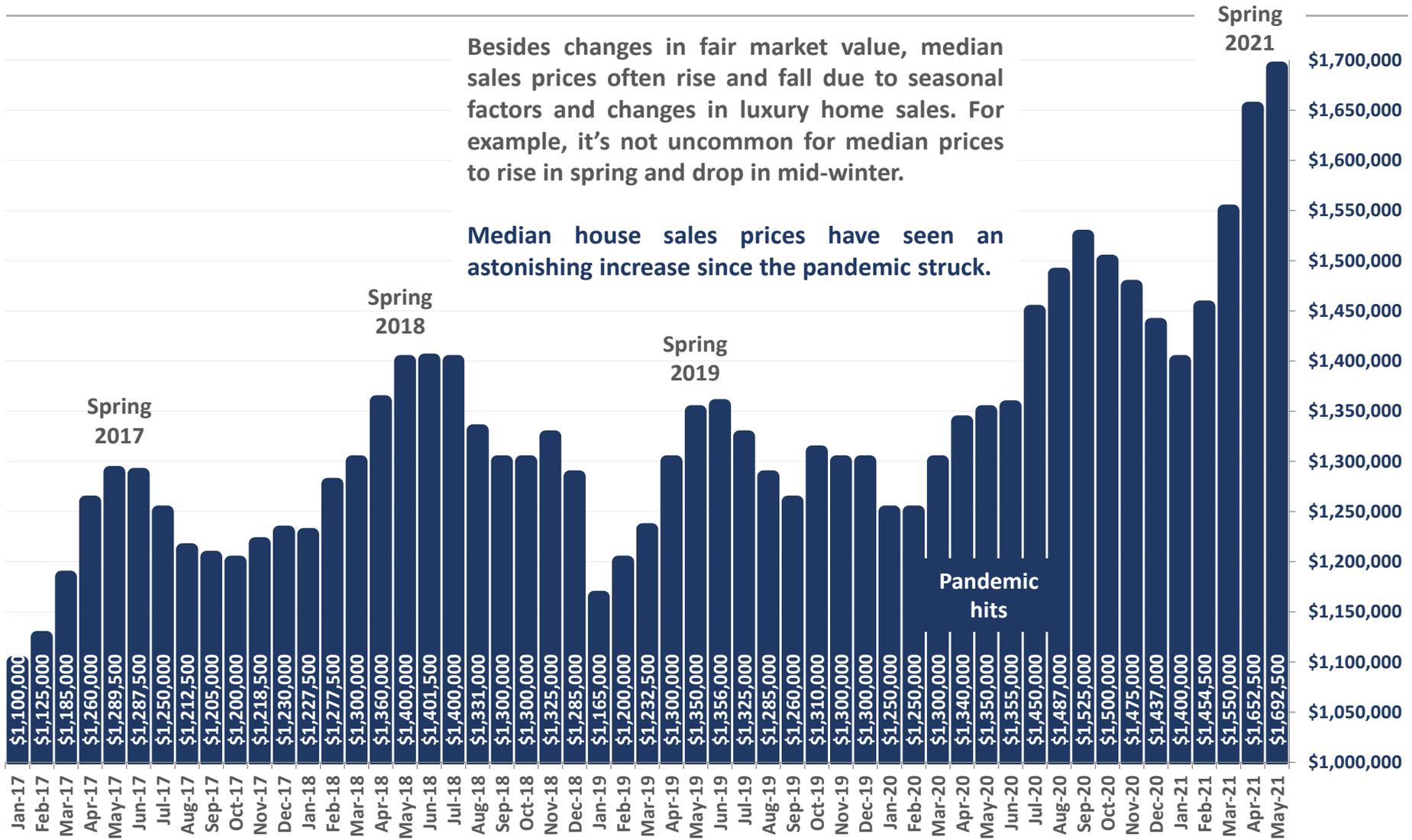
- ❖ Median home sales prices
- ❖ New listings, active listings on market – recent trends
- ❖ Luxury home sales
- ❖ Overbidding, days on market, listing and sales volumes – long-term trends
- ❖ Factors behind the decline in listings for sale
- ❖ Bay Area household migration
- ❖ Housing inventory statistics
- ❖ Bay Area housing affordability
- ❖ Selected economic factors

Marin County Median House Sales Prices

3-Month Rolling House Sales, since 2017

Besides changes in fair market value, median sales prices often rise and fall due to seasonal factors and changes in luxury home sales. For example, it's not uncommon for median prices to rise in spring and drop in mid-winter.

Median house sales prices have seen an astonishing increase since the pandemic struck.



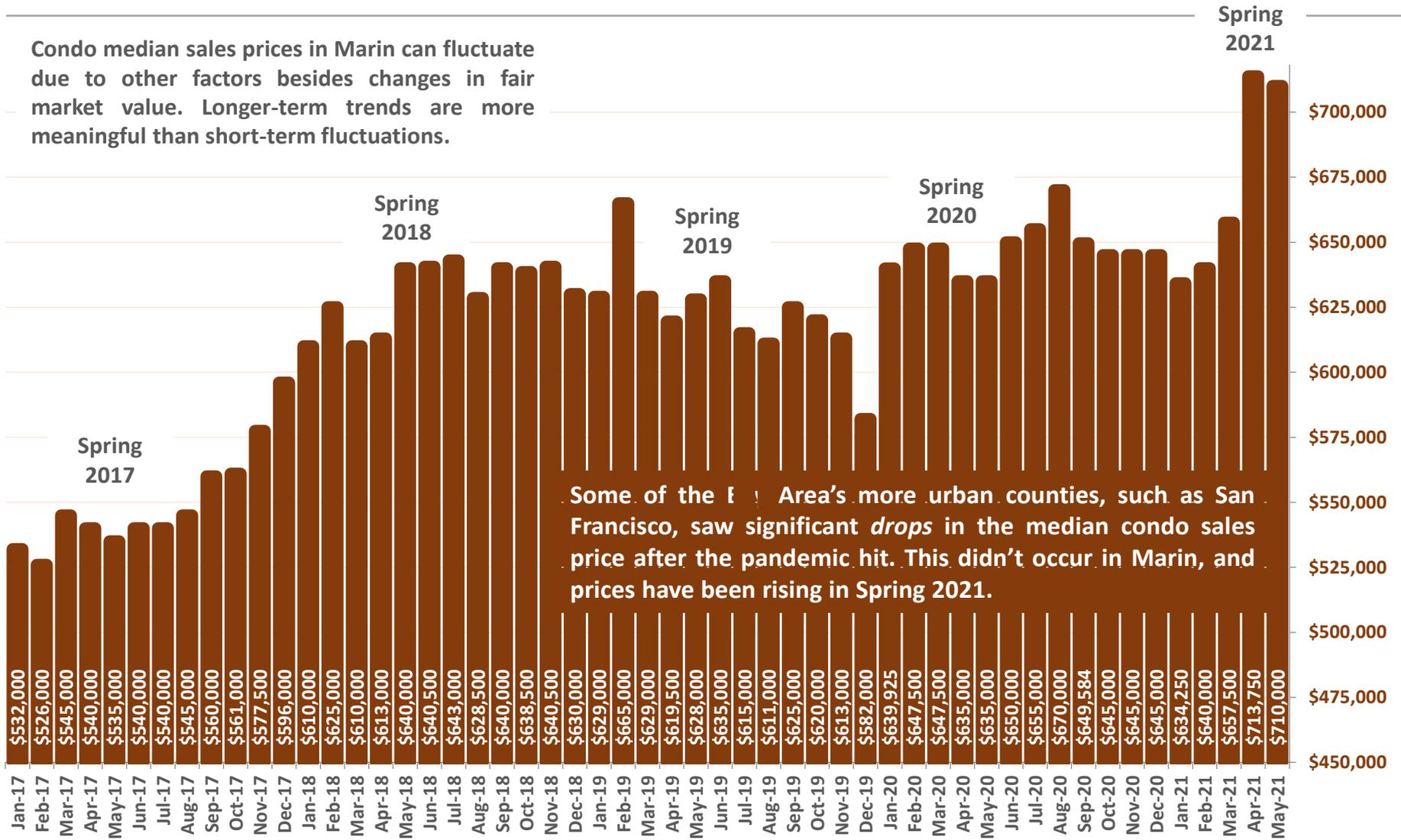
Sales reported to NorCal Regional MLS, per Infosparks. Each data point reflects 3 months of sales. Analysis may contain errors and subject to revision. All numbers approximate. Latest month data may change due to late-reported sales.



Marin County Median 2-Bedroom Condo Sales Prices

6-Month Rolling Condo Sales, since 2017

Condo median sales prices in Marin can fluctuate due to other factors besides changes in fair market value. Longer-term trends are more meaningful than short-term fluctuations.

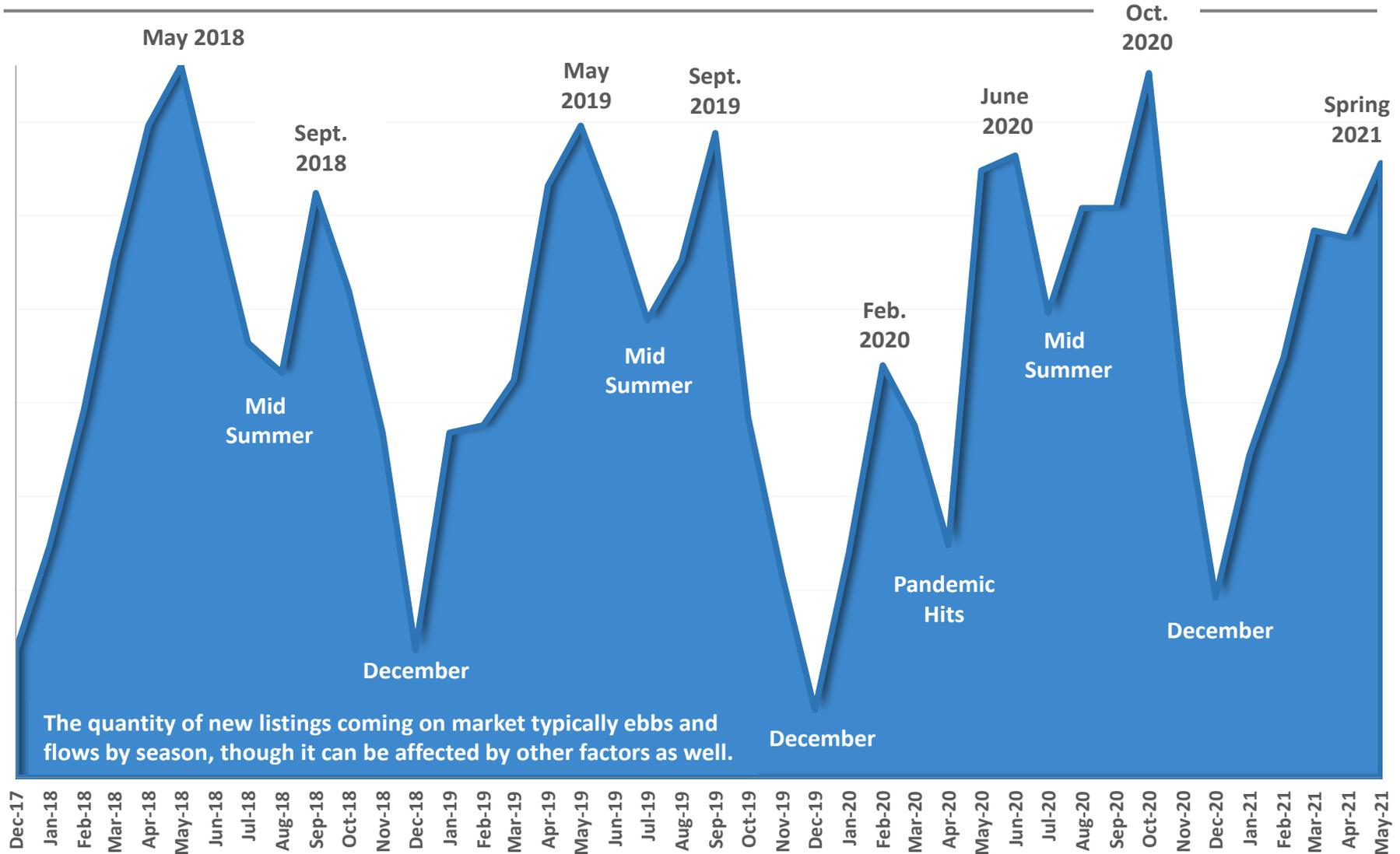


Sales reported to NorCal Regional MLS, per Infosparks. Each data point reflects 6 months of sales. Analysis may contain errors and subject to revision. All numbers approximate. Latest month data may change due to late-reported sales.



New Listings Coming on Market by Month

Marin County Market Dynamics & Seasonality



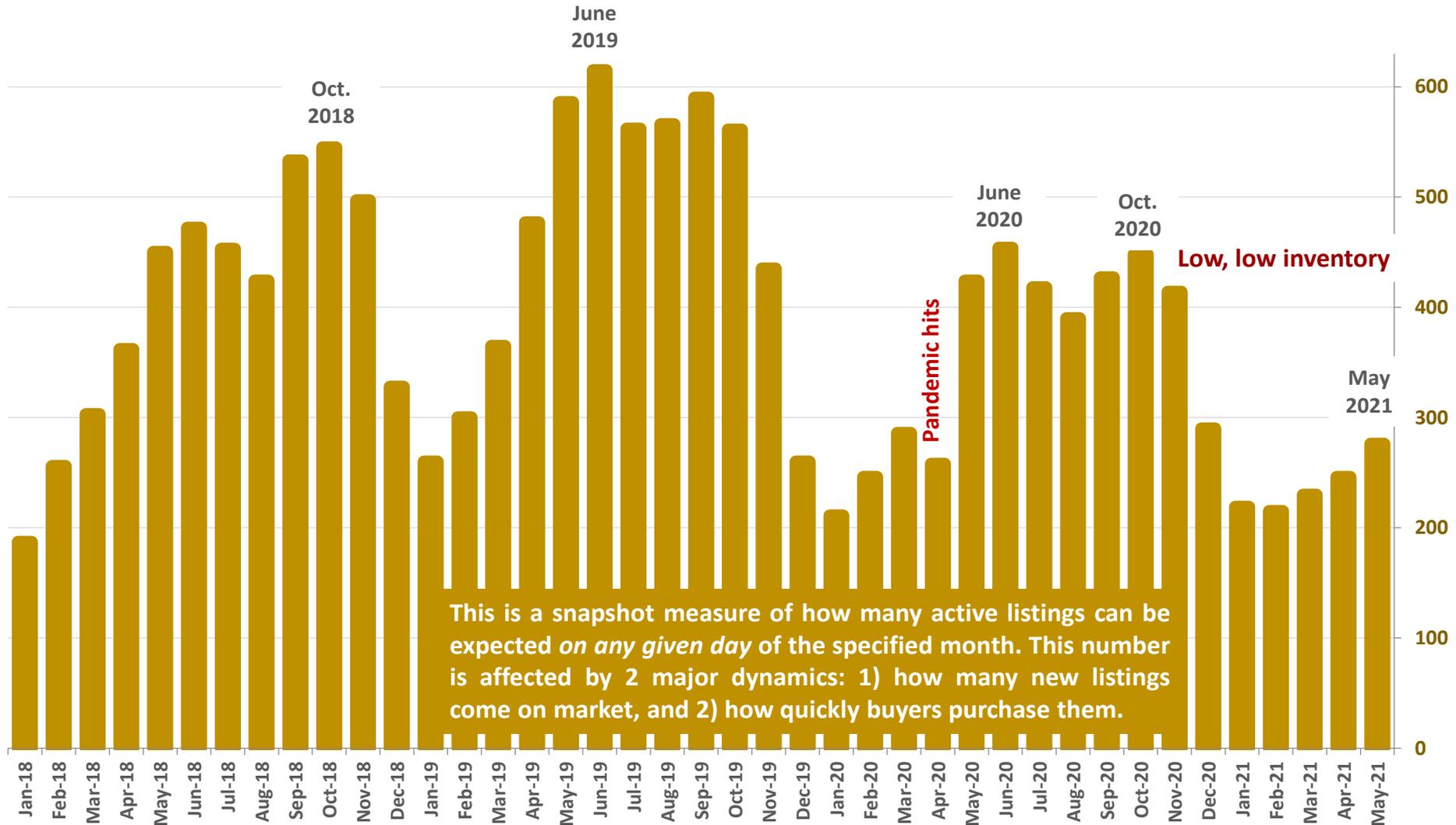
Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.



Active Listings on Market

Marin County Real Estate Market Dynamics & Seasonality

For houses and condos



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.

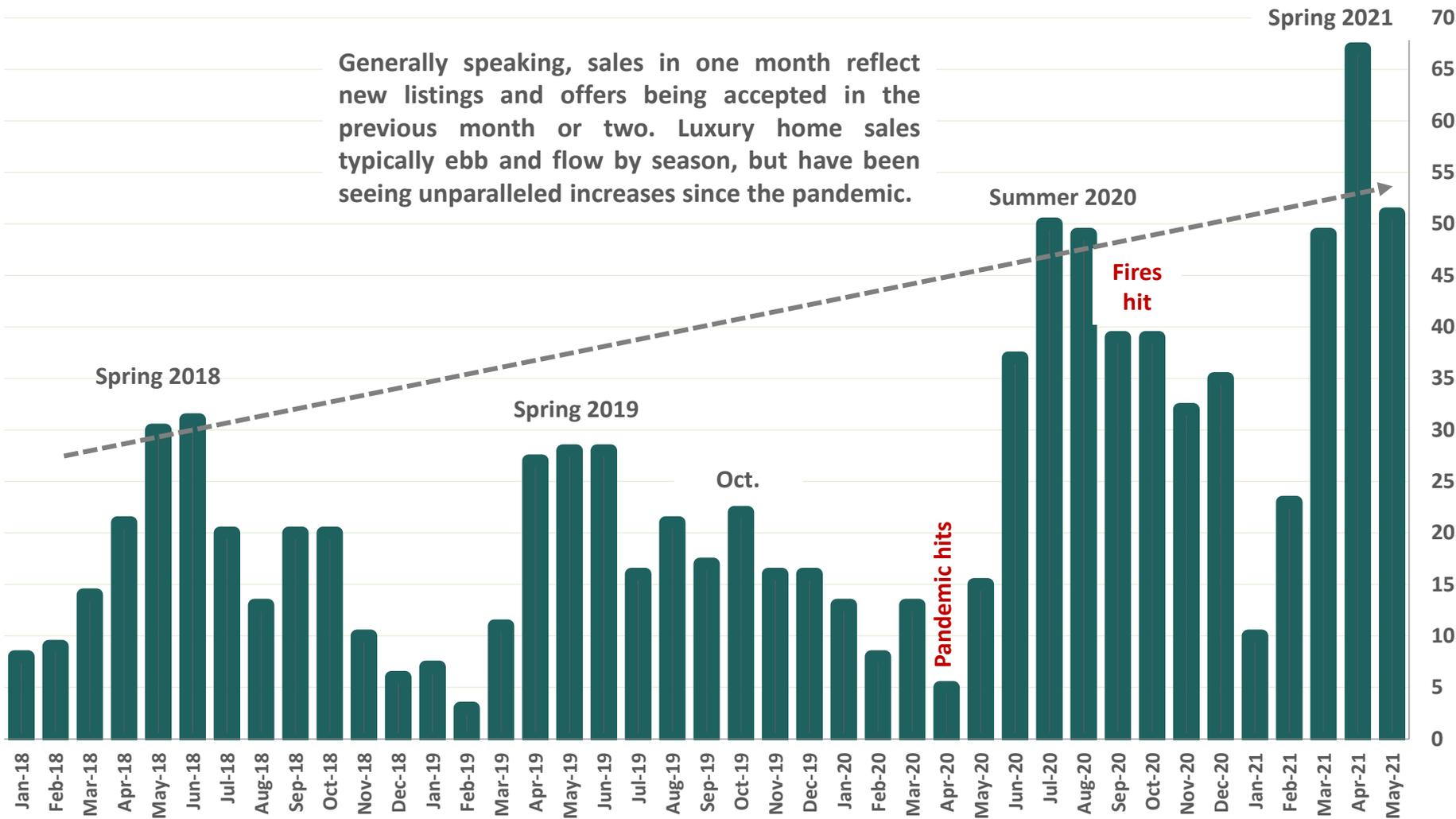


Marin County Luxury Home Market

Home Sales, \$3 Million+, by Month

As reported to MLS,
per Infosparks

Generally speaking, sales in one month reflect new listings and offers being accepted in the previous month or two. Luxury home sales typically ebb and flow by season, but have been seeing unparalleled increases since the pandemic.



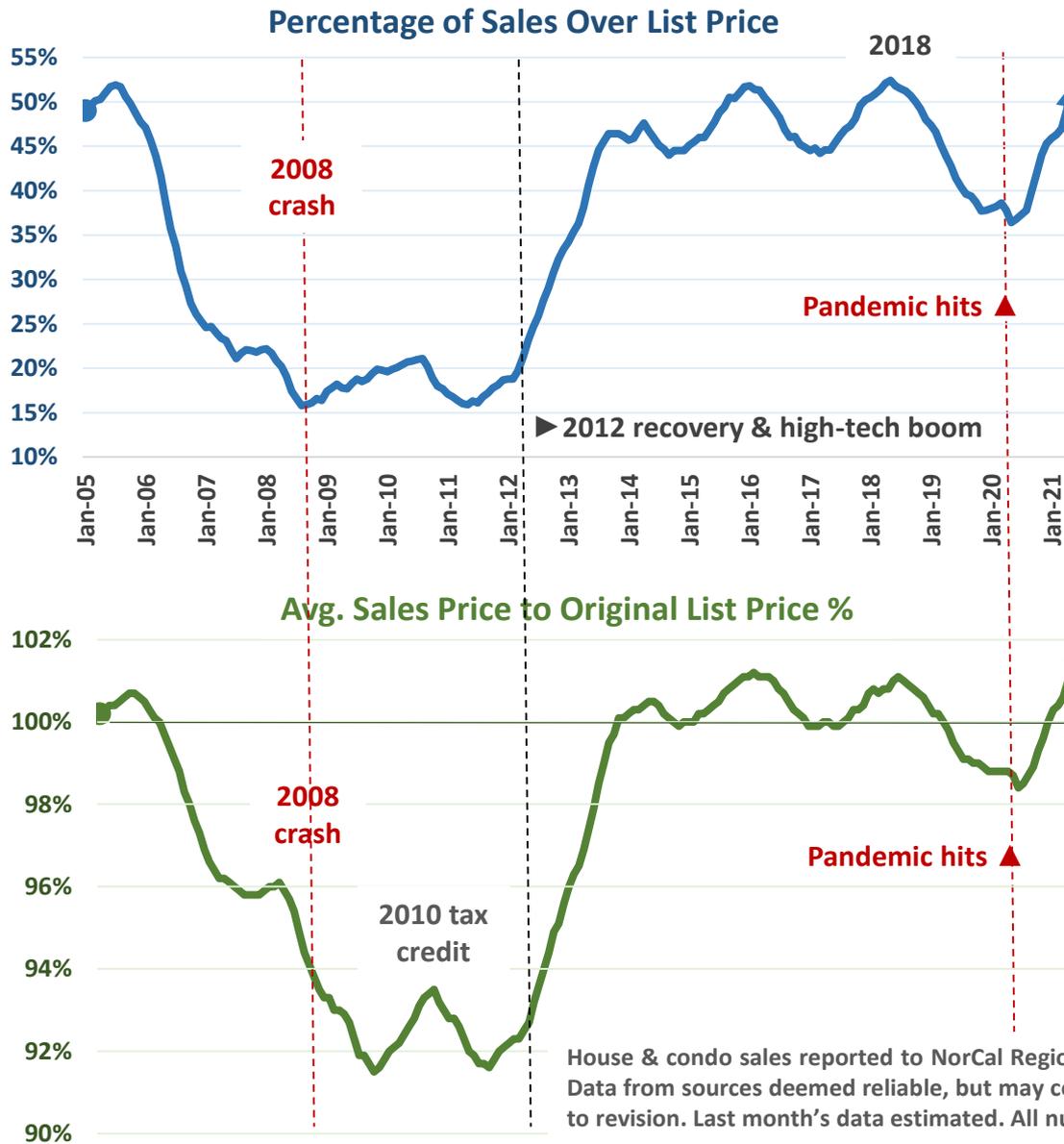
House, condo and townhouse activity reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate.



Overbidding List Price

Marin County, **Long-Term Trends**, 2005 – Spring 2021

12-month rolling MLS sales data, per Infosparks



Big Surge in Overbidding

◀ The higher the percentage of sales closing over list price, the stronger the buyer demand. The percentage is high and rapidly climbing: On a shorter-term, 3-month-rolling basis, the % is now 15 points higher than shown here, i.e. now 67%.

Each data point reflects 12 months of consolidated sales data. This eliminates seasonal fluctuations, while illustrating broad, long-term trends, but will lag shorter term changes in the market.

◀ 102% = an average sales price 2% above asking price. The percentage is high and rapidly climbing: On a shorter-term, 3-month-rolling basis, the avg. sales price to list price % is now 6% over asking price.

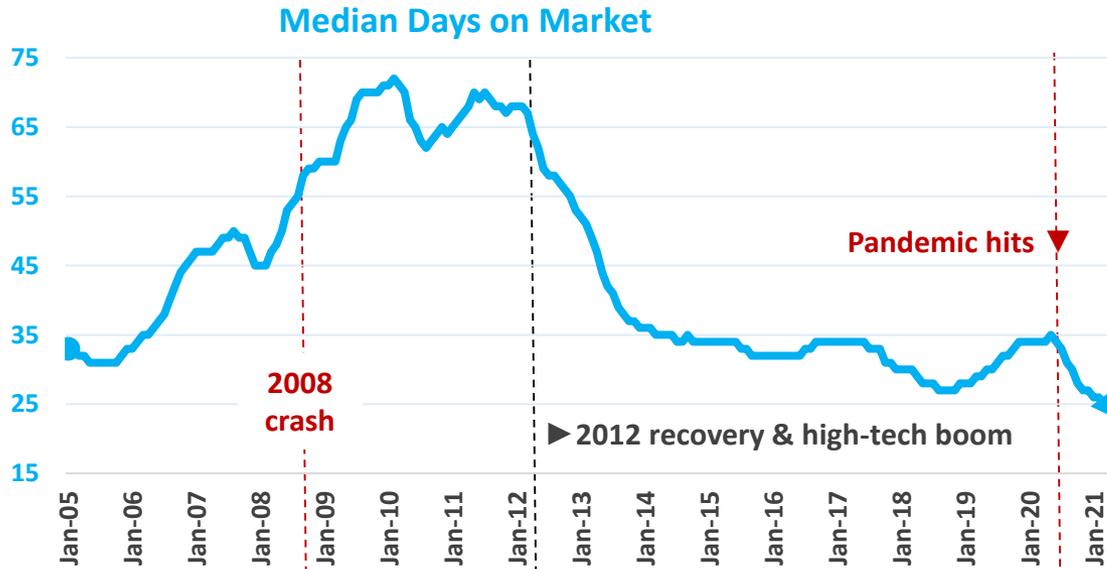
House & condo sales reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. Last month's data estimated. All numbers approximate.

COMPASS

Days on Market, Months Supply of Inventory

Marin County, **Long-Term Trends**, 2005 – Spring 2021

12-month rolling MLS sales data, per Infosparks



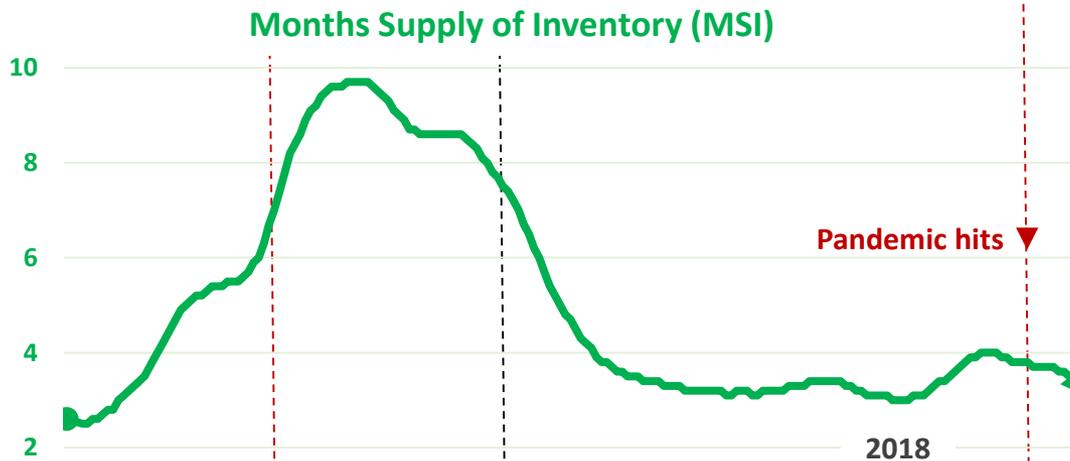
More important than specific numbers are the market trends illustrated.

The lower the median days on market, the faster buyers are putting new listings into contract. The current reading is lower than at any time in the past 16 years.



Each data point reflects 12 months of consolidated sales data. This eliminates seasonal fluctuations, while illustrating broad, long-term trends, but will lag shorter term changes in the market.

MSI measures supply vs. demand, i.e. how long it would take to sell the active listings on the market at the average monthly rate of sale over the past year. On a shorter-term, 3-month-rolling basis, MSI is now lower than at any time in the past 16 years.

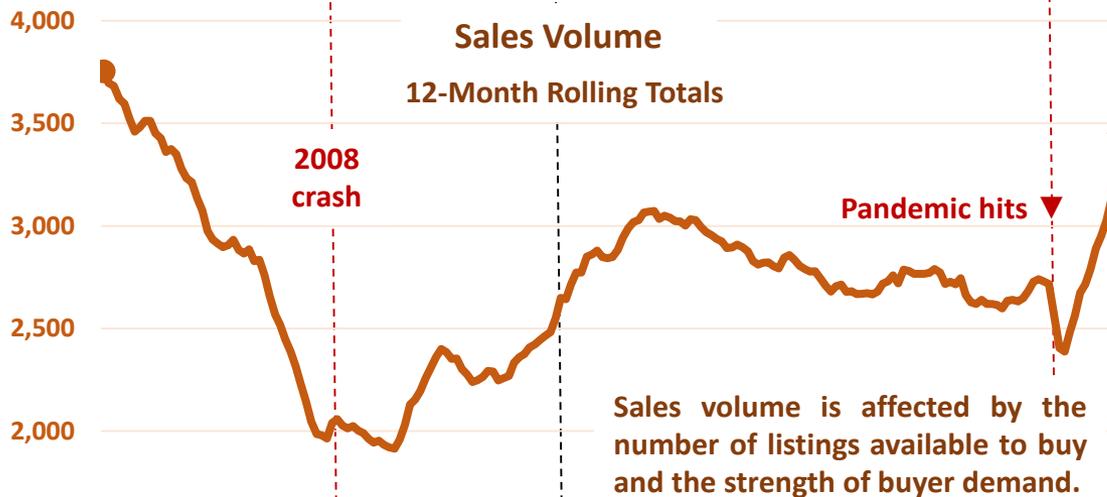
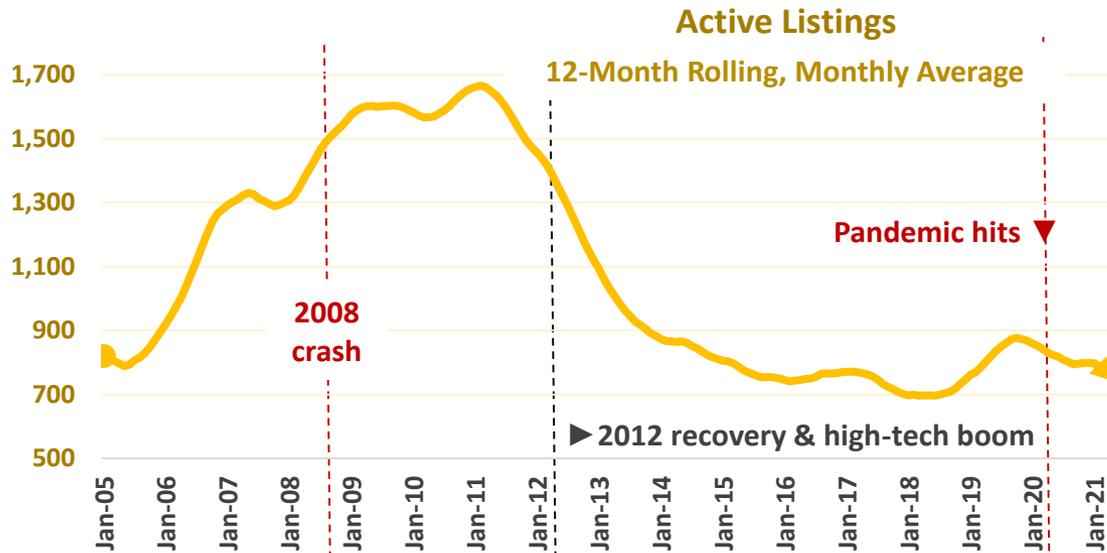


House & condo sales reported to the NorCal regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Active Listing & Sales Volumes

Marin County, **Long-Term Trends**, 2005 – Spring 2021

12-month rolling MLS data, per Infosparks



Supply Down, Sales Way Up

Listing inventory is low and declining while demand has soared, putting enormous upward pressure on prices.

12-month rolling data: This eliminates seasonal fluctuations, while illustrating broad, long-term trends, but will lag shorter term changes in the market.

Sales plunged in the initial months of the pandemic, but then rebounded very dramatically.

House & condo listings and sales reported to the NorCal regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

COMPASS

Why the Decline in Listings for Sale?

A review of general issues, some of which apply to Bay Area markets more than others.

- ❖ **Higher demand means a greater percentage of listings sell and sell more quickly.** This significantly reduces the number of active listings on the market *on any given day*.
- ❖ **As homes have become more expensive, homeowners have skewed older – and older people move much less frequently:** They're more affluent, more settled in careers, their families more established. The percentage of the population 55 years+ who own homes is over 76%; the percentage under 35 is 39% (per Statista). The median age of homebuyers was 47 in 2019 vs. 39 in 2010 (per Natl Assoc. of Realtors). Marin has the highest median resident age in the Bay Area. **As of 2020, homeowners stay in their homes an average of about 8 years vs. about 5 in 2010** (per Attom Solutions). Reduced turnover has an enormous impact on inventory.
- ❖ **Investors, institutional and individual, have been purchasing a higher percentage of U.S. homes to use as rental properties – currently 20% of housing sales** (per John Burns Consulting). This began during the foreclosure crisis (by hedge funds) and accelerated with the current, desperate search for yield. Investors sell much less frequently, with considerable impact on the resale market. Besides income – boosted by extremely low, mortgage rates – and potential appreciation, investors also enjoy very significant tax advantages, enhanced in the tax-law changes of 2017. (Because of the high cost of Marin homes, institutional investment here is very low.)
- ❖ **Some homeowners are turning their homes into long-term rentals or vacation rentals (such as Airbnb) instead of selling them when moving to new homes.**
- ❖ **In many markets, new home construction has declined (or remained extremely low for years as in Marin).**
- ❖ **It appears more homes are being marketed off-MLS.** Strictly speaking, this is not a reduction in inventory, but does reduce the # of listings available using typical sources of public listing data (and affecting the statistics based on them).

Migration of Bay Area Households in 2020

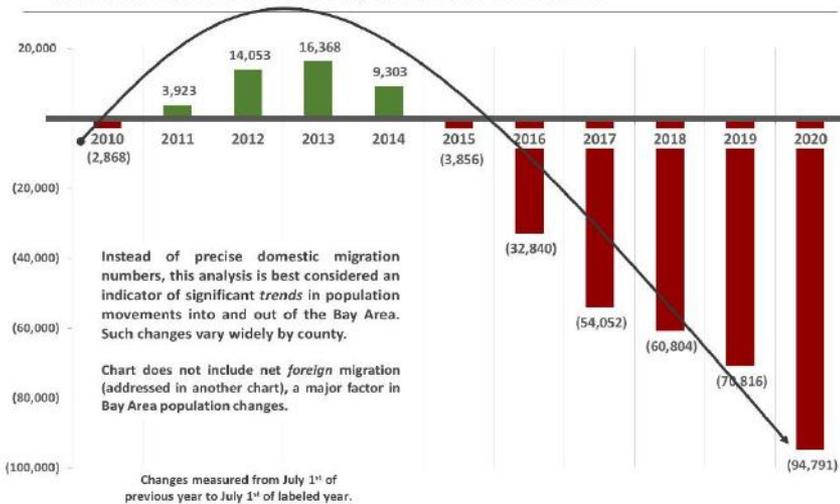
Below household numbers are *estimates* extrapolated from *The Wall Street Journal* article, “Americans Up & Moved During the Pandemic,” based on permanent, change-of-address filings in 2020. The term “household” can signify one or many persons. Calculations do not appear to include *foreign immigration*. The general dynamic in the Bay Area was net out-migration from more urban areas, and net in-migration into counties like Marin. Of counties seeing negative changes, relocating tenants (paying very high rents) – the newly unemployed, office employees changed to work-from-home, or students at closed universities – were almost certainly the dominant component in out-migration. But as seen in Marin’s rapidly rising home prices and heated market conditions, homeowner/homebuyer moves also occurred in quantity. Trends may change with the vaccine-rollout reopening. Even in non-pandemic years, population movements are normal.

Bay Area County	# Households Moving In (2020)	# Households Moving Out (2020)	Change in # Households	Total # of Households	% Change in Households
Alameda	50,000	67,000	- 17,000	577,177	- 2.9%
Contra Costa	35,000	32,000	+ 3,000	394,769	+ .8%
Marin	9,050	7,000	+ 2,050	105,432	+ 1.9% 
Monterey	5,400	5,050	+ 350	127,155	+ .3%
Napa	3,300	2,550	+ 750	48,705	+ 1.5%
San Francisco	27,500	68,000	- 40,500	362,354	- 11%
San Mateo	24,000	34,000	- 10,000	263,543	- 3.8%
Santa Clara	42,000	67,000	- 25,000	640,215	- 3.9%
Santa Cruz	6,050	6,000	+ 50	95,818	-
Solano	12,000	10,650	+ 1,350	149,865	+ .9%
Sonoma	10,900	8,800	+ 2,100	189,374	+ 1.1%

All numbers are approximate. WSJ article published 5/11/21: Methodology/data not validated by Compass. Other sources have published different conclusions on migration. Total household data per U.S. Census 2019 ACS survey estimates. Compiled in good faith, but may contain errors, and subject to revision.

Bay Area Net DOMESTIC Migration, 2010 – 2020

Resident Movement between the Bay Area & Other U.S. Locations

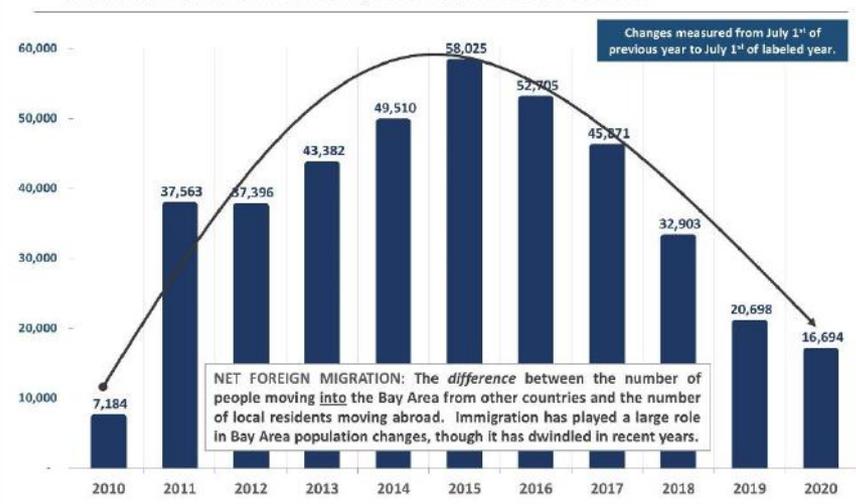


U.S. Census estimates for 11 Bay Area Counties, as published on May 4, 2021. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

COMPASS

Bay Area Net FOREIGN Migration, 2010 – 2020

Resident Movement between 11 Bay Area Counties & Other Countries



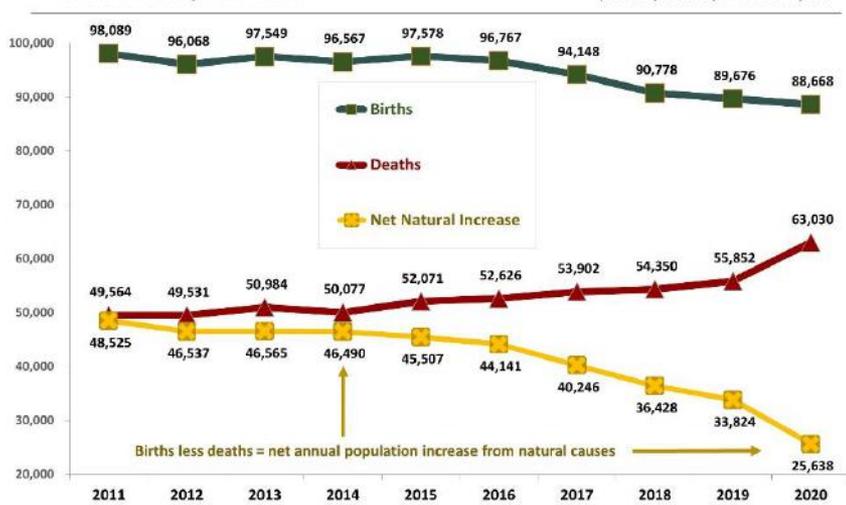
U.S. Census estimates for 11 Bay Area Counties, as published on May 4, 2021. As of July 1st of each year. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

COMPASS

“Natural Cause” Effects on Bay Area Population

Births & Deaths, 2011 – 2020

Changes measured from July 1st of previous year to July 1st of labeled year.



U.S. Census estimates for 11 Bay Area Counties, as published on May 4, 2021. As of July 1st of each year. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

COMPASS

These charts reflect general trends through 7/1/20: The increasing out-migration of Bay Area residents and declining foreign immigration; a decline in births and increase in deaths (esp. in 2020). However, specifics vary by county, and some changes may reverse themselves.

Per the CA Dept. of Finance, CA’s population dropped by 182,000 in calendar-year 2020, its first decline since 1850, suggesting a pandemic-caused increase in out-migration in the 2nd half of the year.

Factors behind migration include lost employment, work from home, housing costs, taxes, family care, ecological disasters; local, state and national politics; and issues pertaining to quality of life.

COMPASS

Marin County Housing

Total Housing Units: 113,345

Housing Units by Bedroom Count	
No bedroom	6%
1 bedroom	14%
2 bedrooms	25%
3 bedrooms	30%
4 bedrooms	21%
5+ bedrooms	5%

By Room Count	
1 room	5%
2 rooms	5.5%
3 rooms	11%
4 rooms	14.5%
5 rooms	15.5%
6 rooms	17.5%
7 rooms	12%
8 rooms	9%
9+ rooms	10%

By Building Type	
Single family dwellings	68%
2-4 unit buildings	8.5%
5-9 unit buildings	8%
10-19 unit buildings	5.5%
20+ unit buildings	8%
Mobile, RV, Boat	1.5%

Since 1980, Marin has seen the slowest population and housing growth in Bay Area

Era of Construction	
1939 or earlier	12%
1940-1959	27%
1960-1979	40%
1980-1999	15%
2000-2019	6%

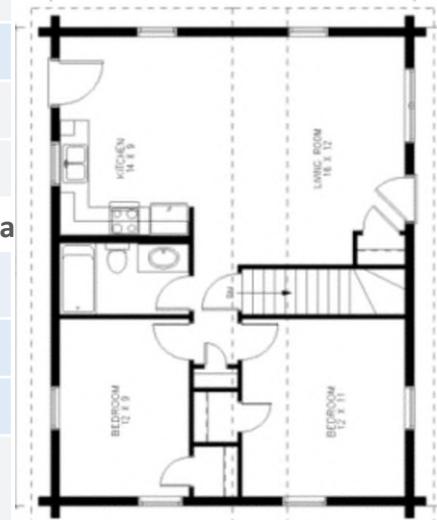
Median resident age: 47 years, oldest in Bay Area

Household Size	
1-person	31%
2-person	35%
3-person	14%
4+ person	20%

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

62% of housing units are owner-occupied; 38% tenant occupied.

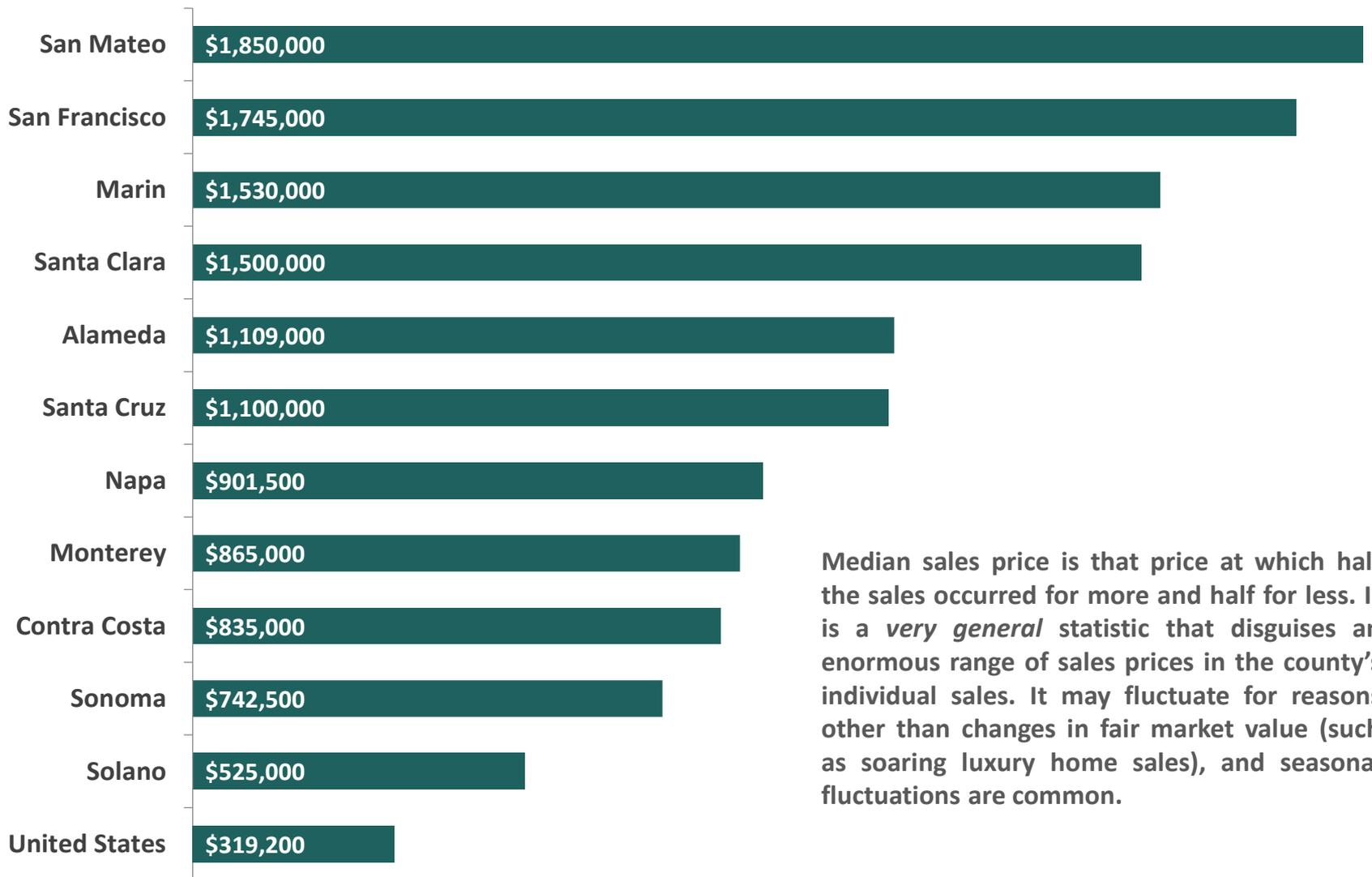
Housing units authorized for construction in 2020: 99 (the least of Bay Area counties)



Per U.S. census 2019, ACS 1-year estimates and CA Homebuilding Association. Percentages usually rounded to nearest full or half percentage point (and so may add up to more or less than 100%). Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.

Median House Sales Prices

by Bay Area County, Q1 2021



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 disguises an enormous range of sales prices in the county's individual sales. It may fluctuate for reasons other than changes in fair market value (such as soaring luxury home sales), and seasonal fluctuations are common.

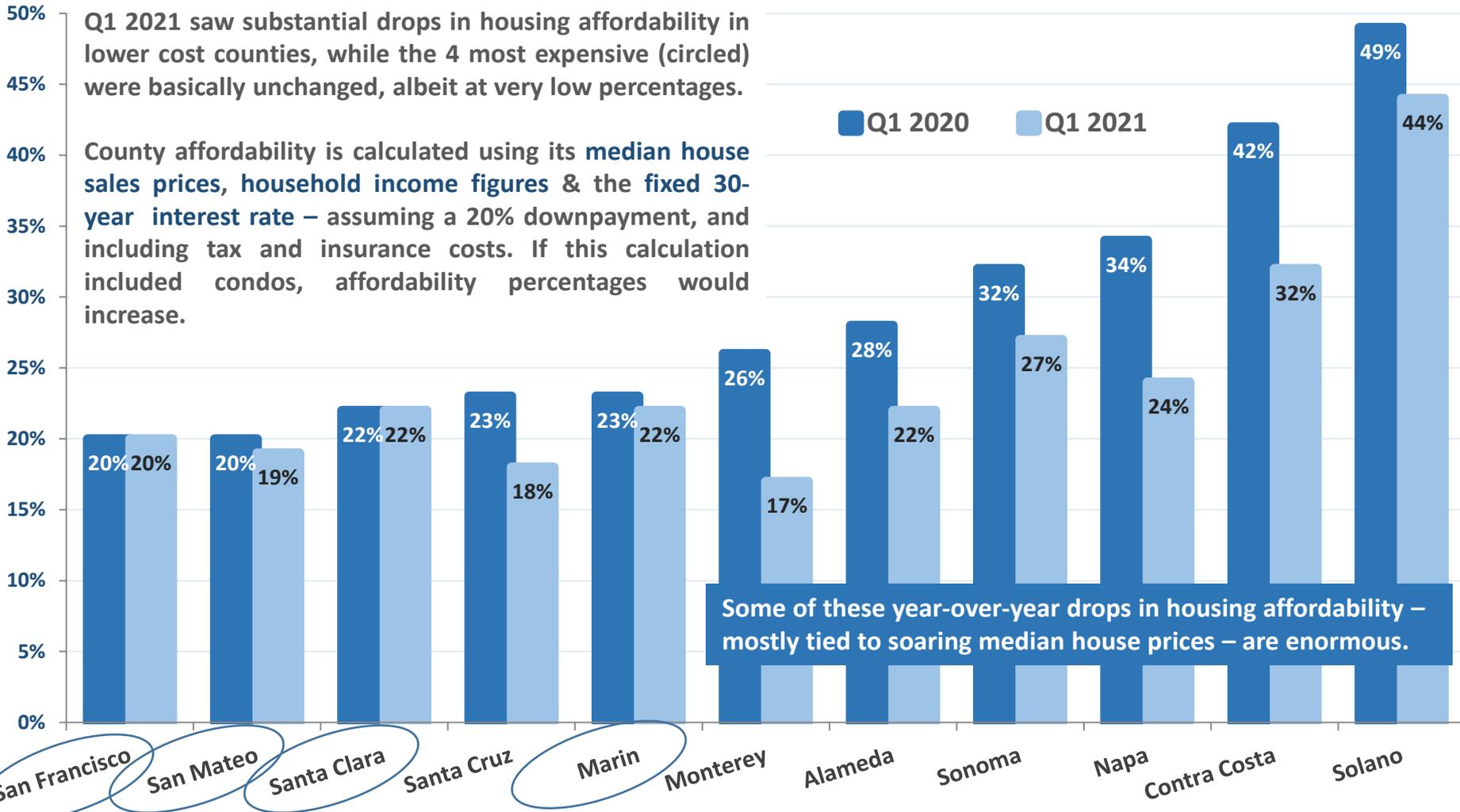
Per California Association of Realtors Traditional Housing Affordability Index (HAI): <https://www.car.org/en/marketdata/data/haitraditional>. Analysis made in good faith, but may contain errors and subject to revision. All numbers to be considered approximate.



Percentage of Households Able to Afford Median Priced House

by Bay Area County, Q1 2020 vs. Q1 2021

Per CAR Housing Affordability Index*

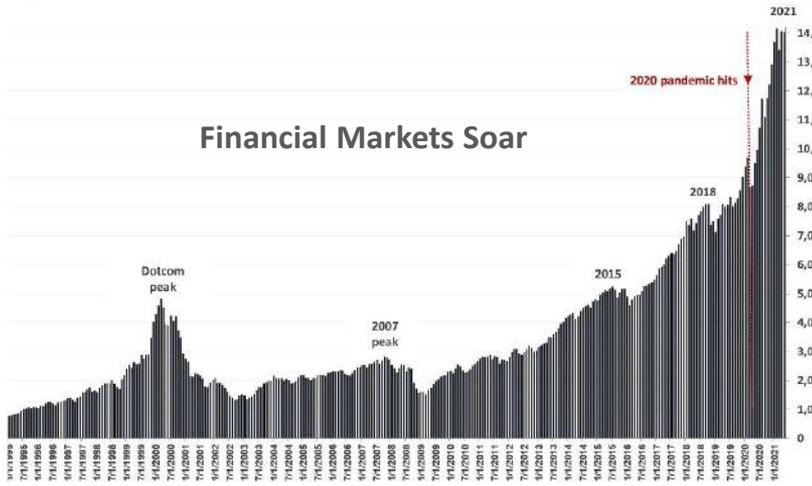


* Per California Association of Realtors Traditional Housing Affordability Index (HAI): <https://www.car.org/en/marketdata/data/haitraditional>. Analysis made in good faith, but may contain errors and subject to revision. All numbers to be considered approximate.

Selected Factors in Marin Real Estate

Nasdaq Composite Index
January 1995 – May 2021

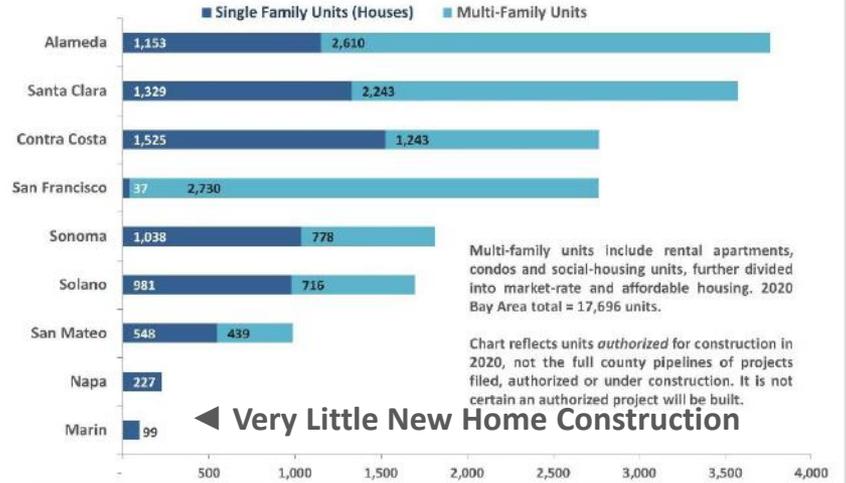
Financial Markets Soar



Per Yahoo Finance historical data download. Weekly opening prices, but 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. Compass is not qualified to provide financial market advice.



Bay Area New Home Construction, by County
Housing Units Authorized for Construction in 2020



Multi-family units include rental apartments, condos and social-housing units, further divided into market-rate and affordable housing. 2020 Bay Area total = 17,696 units.

Chart reflects units *authorized* for construction in 2020, not the full county pipelines of projects filed, authorized or under construction. It is not certain an authorized project will be built.

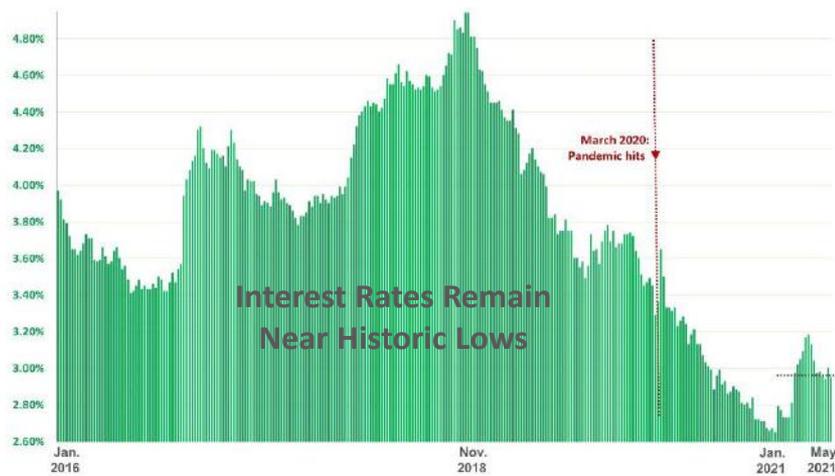
Very Little New Home Construction

From 2020 SF Planning Department Housing Inventory Report, using California Homebuilding Foundation data. 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,



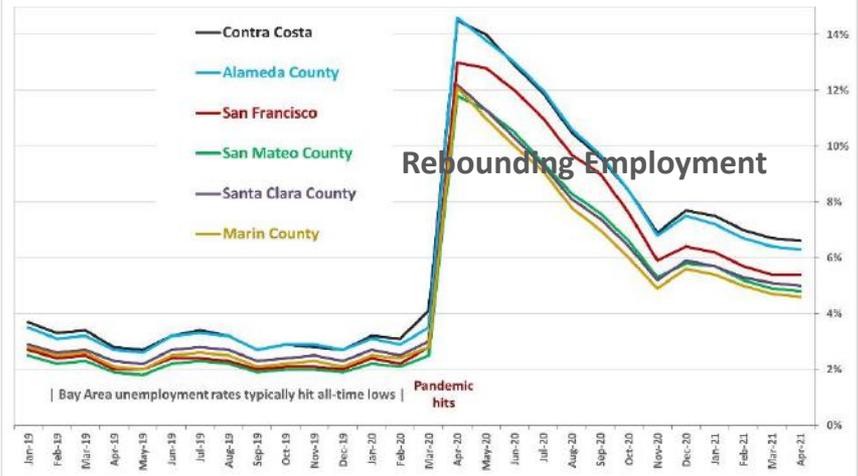
Interest Rates Remain Near Historic Lows

Interest rates may fluctuate suddenly and dramatically, and it is very difficult to predict rate changes. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.



San Francisco Bay Area Unemployment Rates
Selected Bay Area Counties, 2019 - 2021

Per CA Employment Development Dept. (EDD)



Rebounding Employment

Bay Area unemployment rates typically hit all-time lows

Data from sources deemed reliable, but may contain errors and subject to revision. All percentages to be considered approximate estimates.



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.

Compass is a real estate broker licensed by the State of California, DRE 01527235. Equal Housing Opportunity. This report has been prepared solely for information purposes. The information herein is based on or derived from information generally available to the public and/or from sources believed to be reliable. No representation or warranty can be given with respect to the accuracy or completeness of the information. Compass disclaims any and all liability relating to this report, including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the report. Nothing contained herein is intended to be or should be read as any regulatory, legal, tax, accounting or other advice and Compass does not provide such advice. All opinions are subject to change without notice. Compass makes no representation regarding the accuracy of any statements regarding any references to the laws, statutes or regulations of any state are those of the author(s). Past performance is no guarantee of future results.