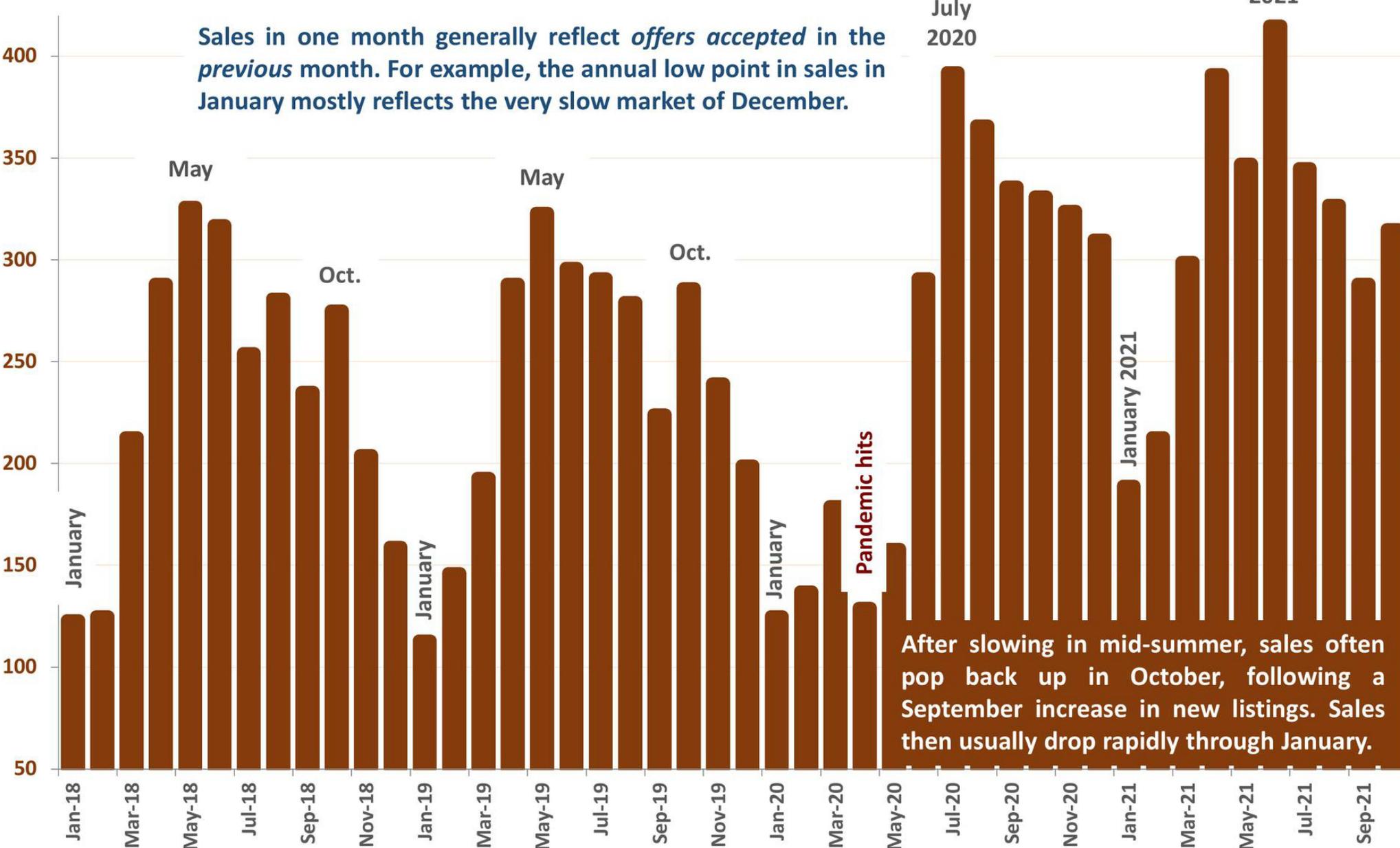


Marin Home Sales Volume

Marin Real Estate Market Dynamics & Seasonality

Sales in one month generally reflect *offers accepted* in the *previous* month. For example, the annual low point in sales in January mostly reflects the very slow market of December.



After slowing in mid-summer, sales often pop back up in October, following a September increase in new listings. Sales then usually drop rapidly through January.

Sales reported to NorCal Regional MLS, per Infosparks. Last month data estimated and may change with late reported sales. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



Marin County Luxury House Sales

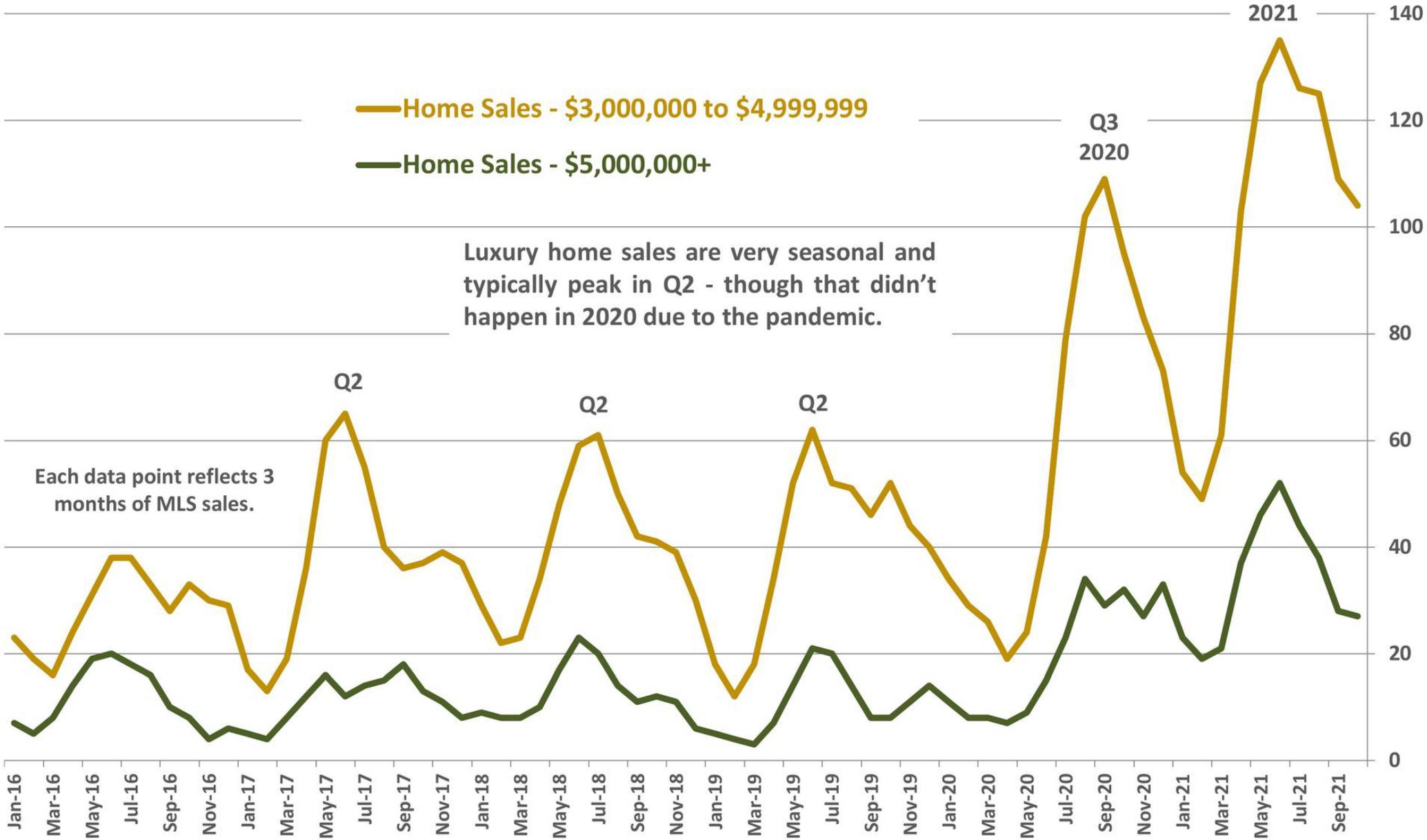
3-Month Rolling Sales Volume since 2016

As reported to MLS, per
Infosparks through 10/31/21

- Home Sales - \$3,000,000 to \$4,999,999
- Home Sales - \$5,000,000+

Luxury home sales are very seasonal and typically peak in Q2 - though that didn't happen in 2020 due to the pandemic.

Each data point reflects 3 months of MLS sales.



Reflecting sales reported to NorCal Regional MLS, per Infosparks. Data from sources deemed reliable, but may contain errors and subject to revision. Late reported sales may change final period numbers.

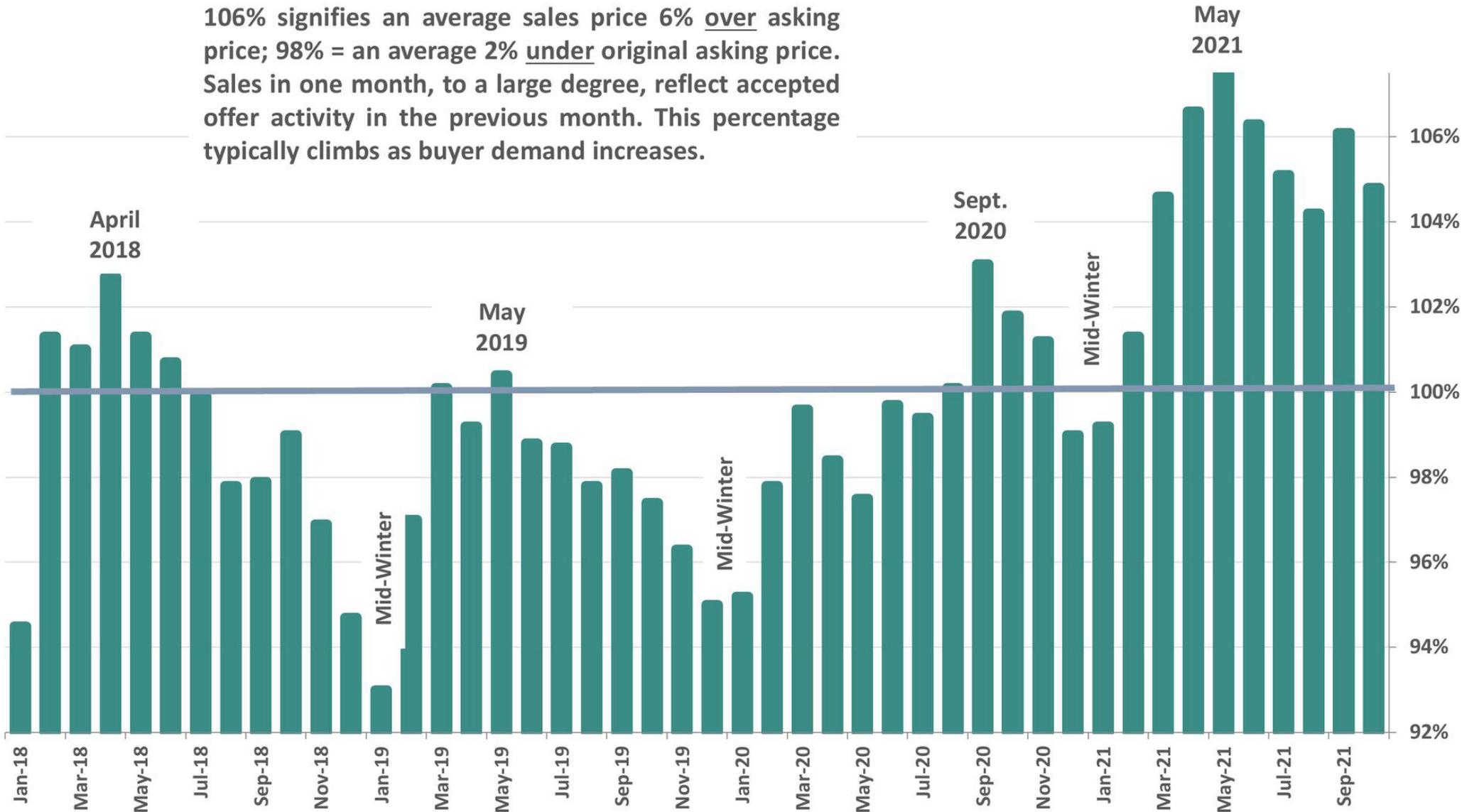


Average Sales Price to Original List Price Percentage

Marin County Market Dynamics & Seasonality

MLS sales of houses and condos up to \$3m, per Broker Metrics

106% signifies an average sales price 6% over asking price; 98% = an average 2% under original asking price. Sales in one month, to a large degree, reflect accepted offer activity in the previous month. This percentage typically climbs as buyer demand increases.



These analyses were performed in good faith with data derived from sources deemed reliable, but they may contain errors and are subject to revision. All numbers should be considered approximate.

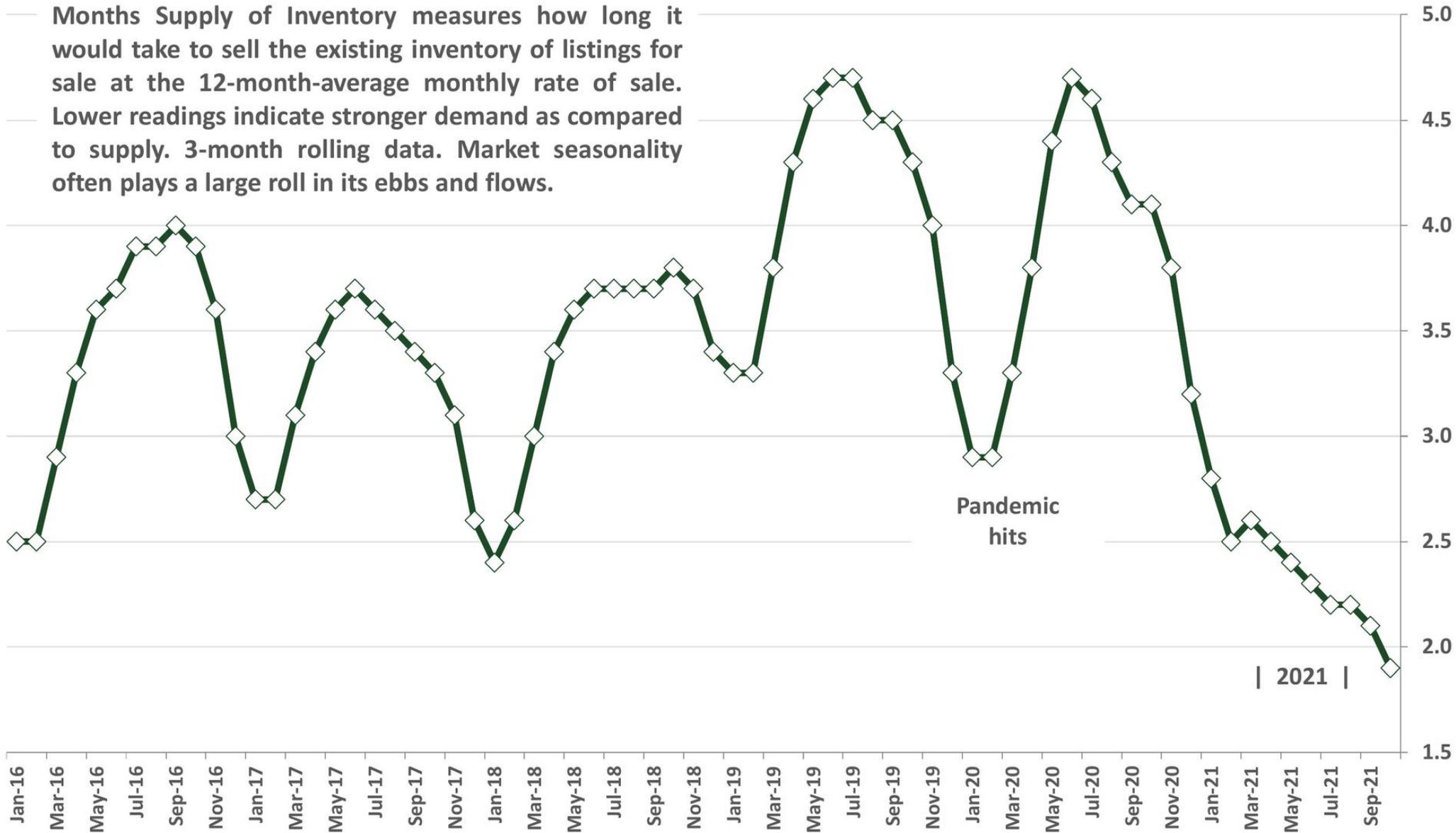


Marin County Supply vs. Demand

Months Supply of Inventory, 2016 – Present

MLS activity of houses, condos and townhouses.

Months Supply of Inventory measures how long it would take to sell the existing inventory of listings for sale at the 12-month-average monthly rate of sale. Lower readings indicate stronger demand as compared to supply. 3-month rolling data. Market seasonality often plays a large roll in its ebbs and flows.



3-month rolling NorCal Regional MLS data per Infosparks. Last reading may change with late reported activity. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



Listings Expired or Withdrawn (No Sale)

Marin County Market Dynamics

Houses and condos as listed in MLS, per Broker Metrics

Listings typically expire or withdrawn without selling due to being perceived as overpriced, and/or to avoid slower markets of mid-late summer and mid-winter. Many re-list with the new spring or autumn selling seasons, often at lower prices.

Nov.-Dec. 2018

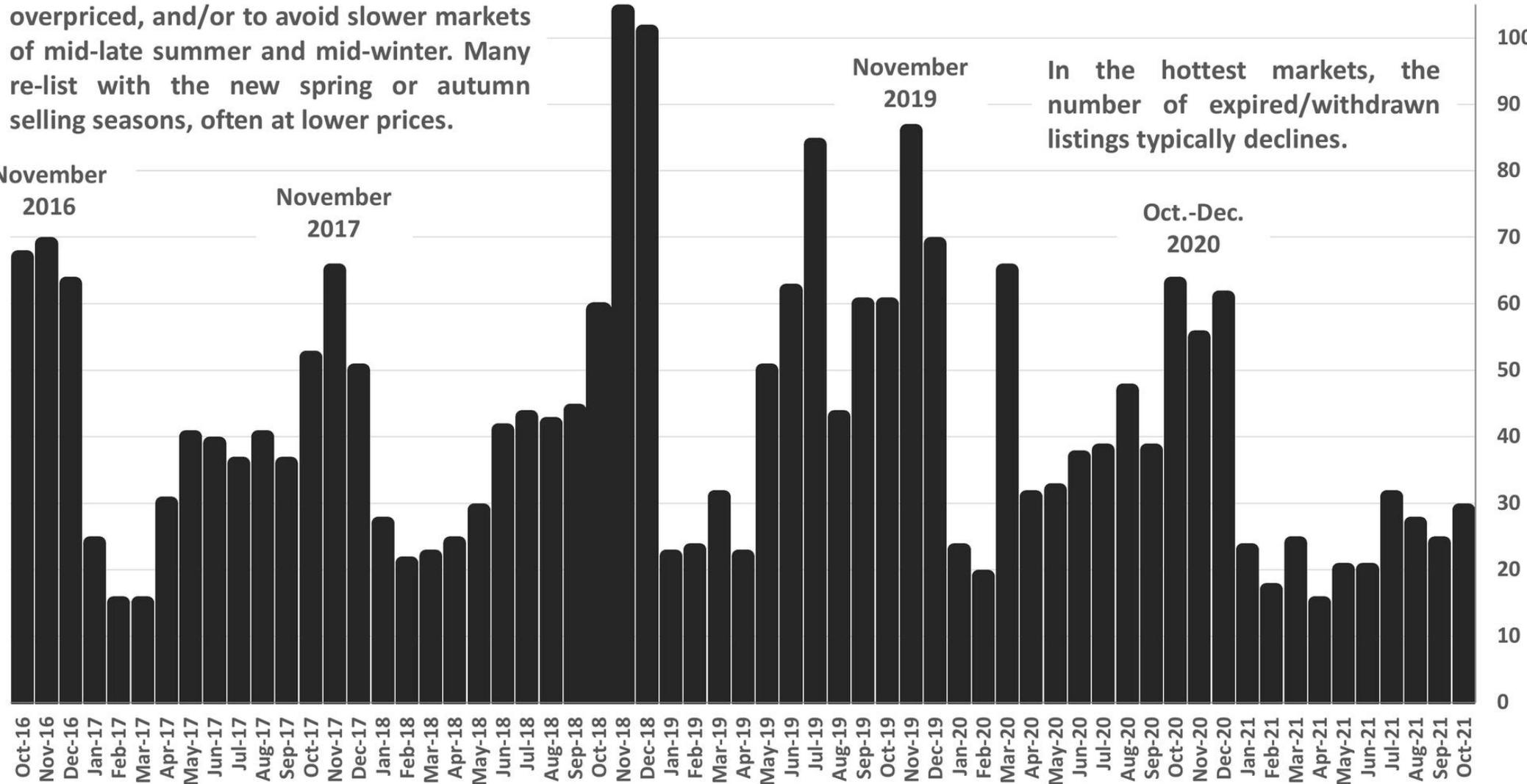
November 2019

In the hottest markets, the number of expired/withdrawn listings typically declines.

November 2016

November 2017

Oct.-Dec. 2020



Data from sources deemed reliable but may contain errors and subject to revision.
All numbers should be considered approximate.





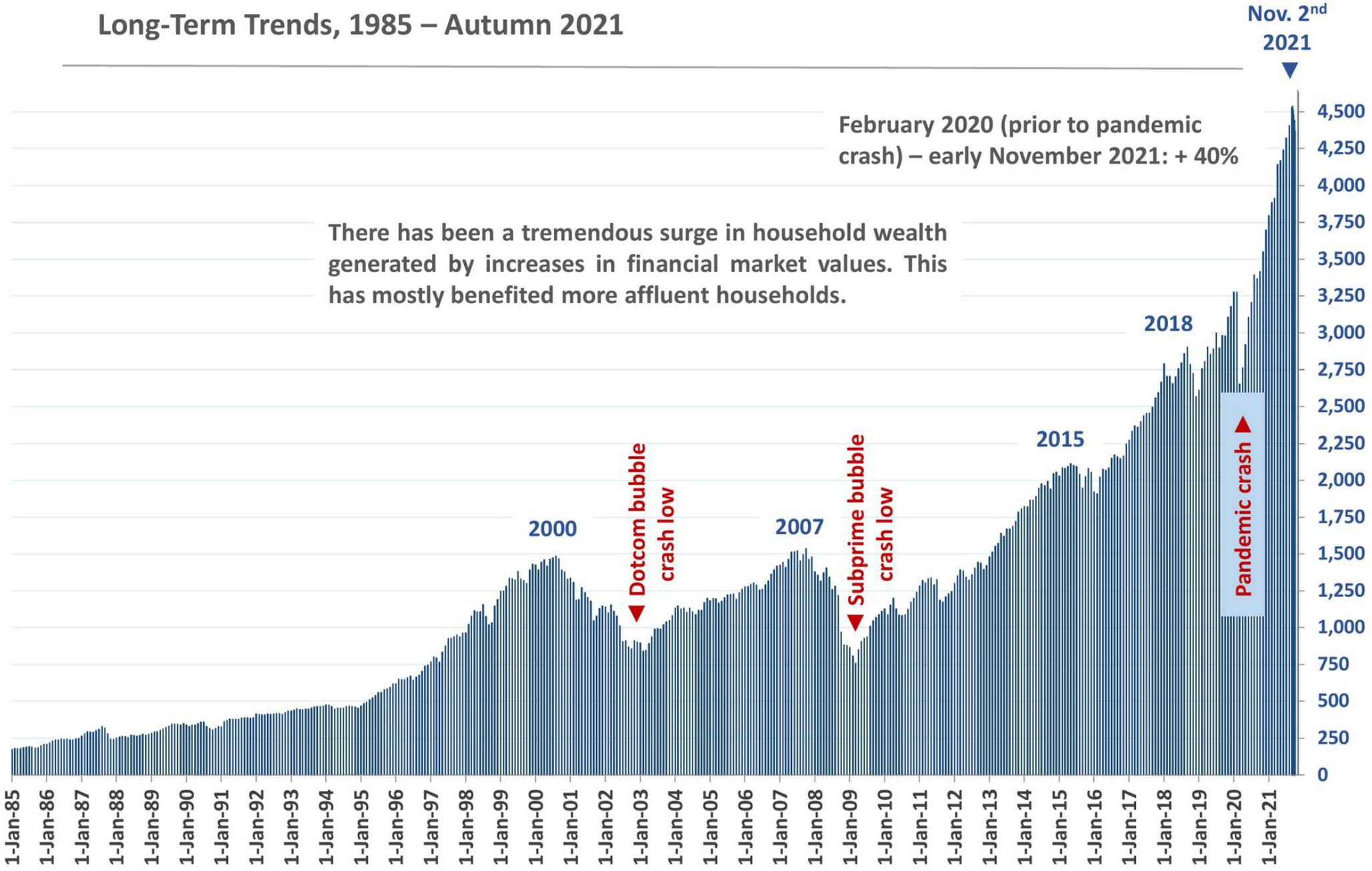
The ancient Romans believed the future could be divined from observing the flight of birds.

Selected Macroeconomic Factors

The following slides look at trends in a number of important economic indicators – all of which can have significant impacts on financial and real estate markets. None of these charts imply predictions on future trends.

S&P 500 Stock Index

Long-Term Trends, 1985 – Autumn 2021



February 2020 (prior to pandemic crash) – early November 2021: + 40%

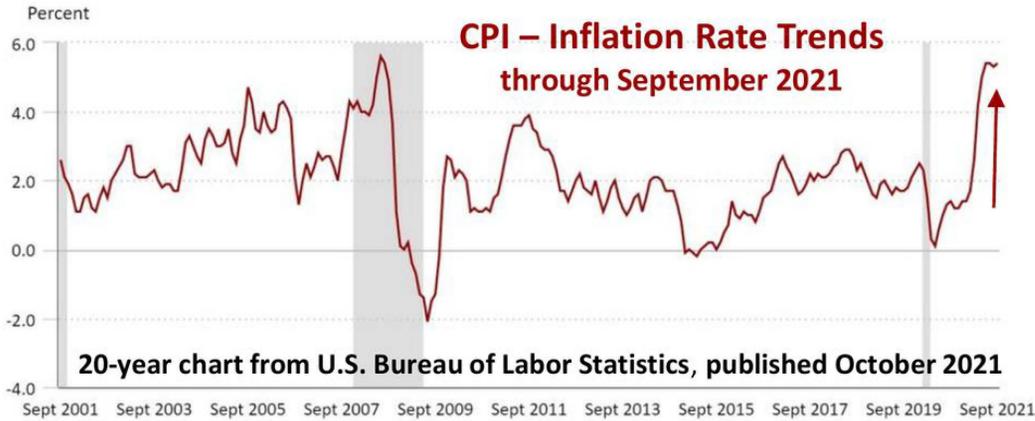
There has been a tremendous surge in household wealth generated by increases in financial market values. This has mostly benefited more affluent households.

Data from multpl.com and Yahoo! Finance. An approximate illustration only. Data from sources deemed reliable but may contain errors and subject to revision. Financial markets can be prone to significant volatility even on a short-term basis. For general illustration purposes only. All figures are approximate.



12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted

- All items
- Food at home
- Energy
- Electricity
- All items less food and energy
- Apparel
- Medical care commodities
- Shelter
- Education and communication
- Food
- Food away from home
- Gasoline (all types)
- Natural gas (pipelined)
- Commodities less food and energy com...
- New vehicles
- Services less energy services
- Medical care services



Inflation & Mortgage Interest Rates

Due to a variety of economic factors, the Consumer Price Index, a measurement of inflation, has jumped in 2021.

Historically, the standard remedy for surging inflation is to raise interest rates, but there are varying opinions as to whether higher inflation rates will persist, and what the exact response from the Federal Reserve Bank will be. Even if the Fed raises rates, the exact effect on *mortgage* rates is unclear. Predicting interest rate changes is extremely difficult.

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 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.

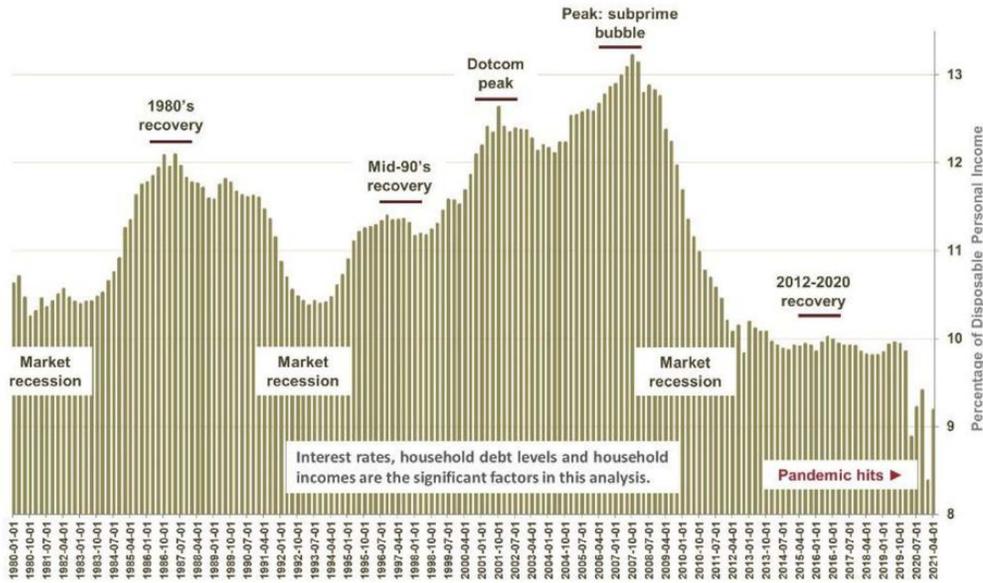
COMPASS

Per Freddie Mac (FHLMC), on November 4, 2021, the weekly average, 30-year mortgage interest rate was 3.09%. (The 15-year rate was 2.35%.) The all-time 30-year-rate low of 2.65% was reached in January 2021. In November 2018, the rate was 4.94%; in 2007, 6.3%; in year 2000, 8%; and in 1990, 10% (the last 3 not illustrated on this chart).

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

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Household Debt Service Payments as a Percentage of Disposable Personal Income, 1980 – Q2 2021



Data as published by the Federal Reserve Bank of St. Louis. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

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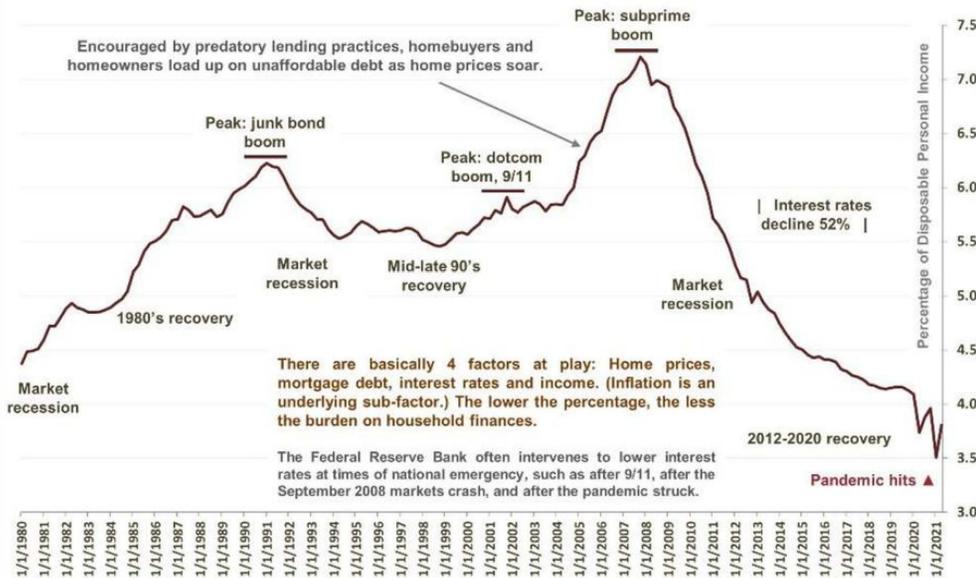
Household & Mortgage Debt Service as a Percentage of Disposable Income

All-time lows in interest rates, increasing household incomes, and large pandemic-related government disbursements to households brought debt service payments as percentages of disposable personal income down to historic lows through Q1 2021.

The percentages started to climb back up in Q2 2021 (the latest data available), but still remained *extremely* low by any standards – a positive economic indicator.

When the debt service percentages hit high points, it is often a prelude to market corrections. Currently, the biggest wildcard is the possibility of significant changes to interest rates. (This analysis does not imply any market or interest-rate predictions on our part.)

Mortgage Debt Service Payments as a Percentage of Disposable Personal Income, 1980 – Q2 2021



Data as published by the Federal Reserve Bank of St. Louis: <https://fred.stlouisfed.org/series/MDSP>. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

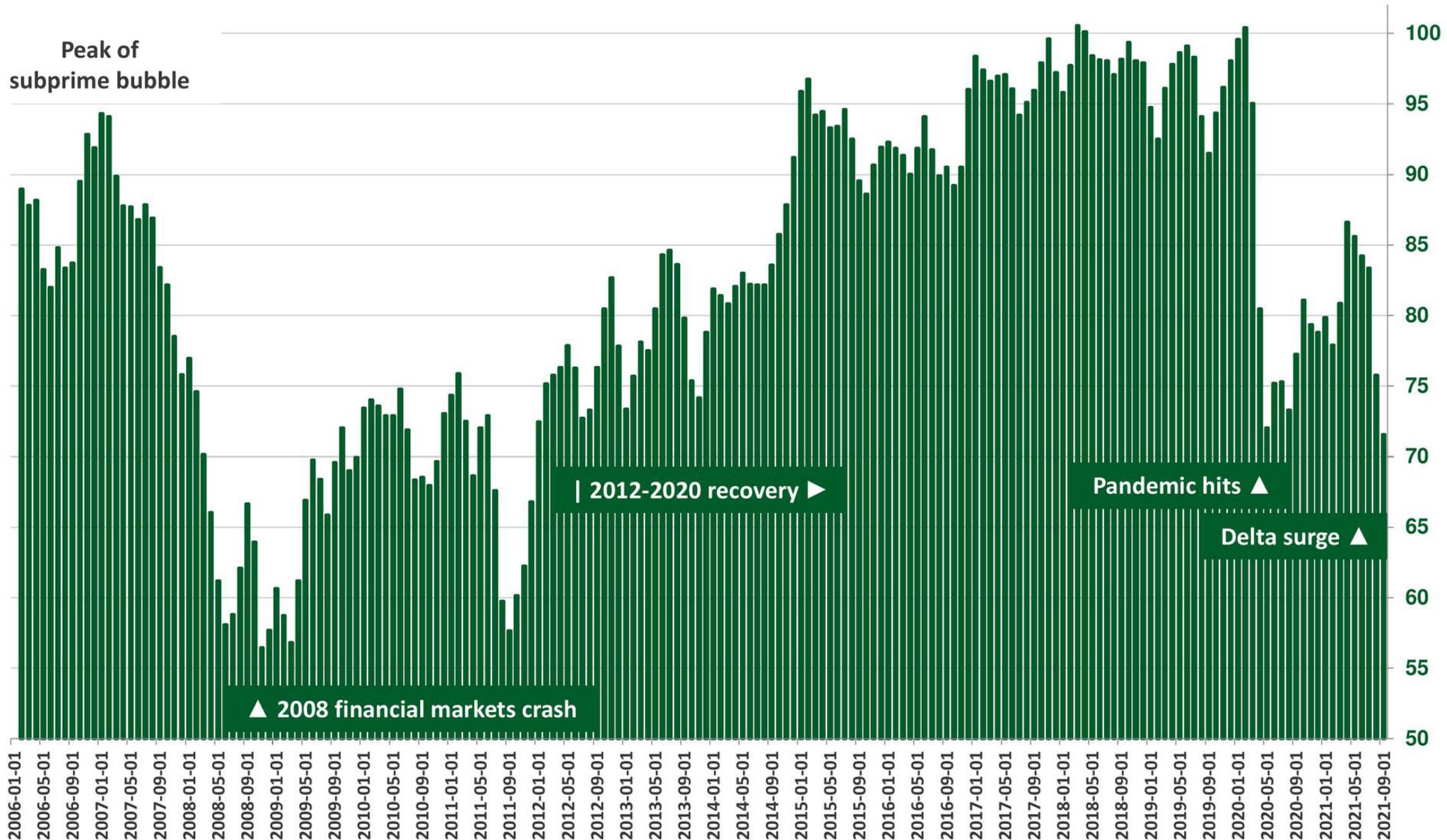
COMPASS

COMPASS

Consumer Sentiment (Confidence) Index

University of Michigan, January 2006 – September 2021

As published by the Federal Reserve Bank of St. Louis; adjusted to 2-month-rolling average



2-month-rolling average of University of Michigan: Consumer Sentiment [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMCSENT>. Not seasonally adjusted. 1966, Q1 = 100.

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