

2022 Begins with Mixed Economic Indicators

2021 was one of the most frenzied real estate markets ever, with buyer demand far exceeding the supply of listings available to buy – and all the usual indicators, including home price appreciation trends, reflected this severe imbalance. As is the normal seasonal trend, listing and offer activity dropped substantially mid-November through early January, resulting in very low sales volume in the year's first month.

As of 2/3/22, mortgage interest rates have risen 14% in 2022, putting them 34% above the low 1 year ago. Inflation is at a 40-year high, and the Fed plans to make major changes to its interest-rate policies and its interventions in the economy generally. Consumer confidence has been dropping, and financial markets have seen considerable turbulence in the new year. Geopolitical risks of major-power conflict appear to be rising.

On the other hand, employment, GDP, and household-wealth indicators are quite positive; by historical standards, interest rates remain very low and stock markets very high; COVID infections are falling. The Bay Area is home to many of the world's most innovative and successful companies; there is an enormous concentration of local wealth; and a *staggering* amount of money sloshing around the economy looking for somewhere to invest. Many believe real estate to be an excellent hedge against inflation, and an excellent long-term investment generally (heightened by tax advantages).

In the Bay Area, real estate market indicators remain very strong: demand for homes still very high, inventory *extremely* low. So far, buyers do not seem to be significantly rattled by stock market gyrations, and increasing interest rates may be motivating some to buy sooner than later. As the new year wakes up, a common dynamic in heated markets is for buyers to jump back in much *faster* than sellers: Demand outpaces supply right from the start, with all the usual results (multiple offers, overbidding, fast sales), even as the number of new listings starts climbing. This describes 2022 to date, but more will be known once the spring selling season – typically the biggest of the year – really gets underway. (In the Bay Area, the “spring” market can begin in February.)

As an aside: Compared to the general market, luxury home buyers tend to be *less* sensitive to interest rate movements, but *more* sensitive to turbulence and uncertainty in financial markets.

Data from a variety of sources deemed reliable, but may contain errors and subject to revision. Economic indicators and political conditions can change with great rapidity. Many different opinions exist regarding current conditions, and past and future trends among economists, commentators and other analysts.

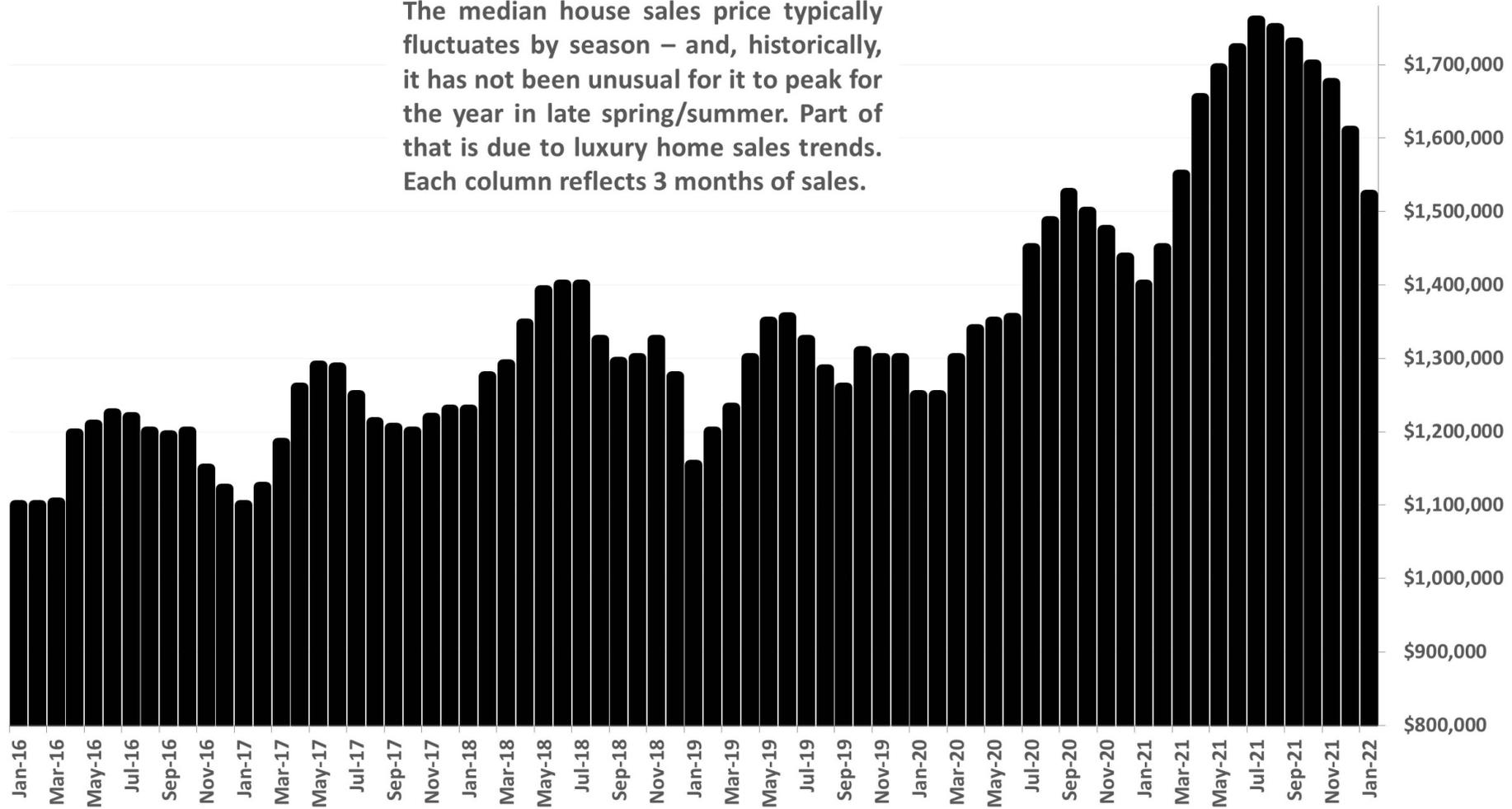
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Marin County Median House Sales Price

3-Month-Rolling Median House Price since 2016

House sales reported to NorCal Regional MLS, per Infosparks

The median house sales price typically fluctuates by season – and, historically, it has not been unusual for it to peak for the year in late spring/summer. Part of that is due to luxury home sales trends. Each column reflects 3 months of sales.



Median Prices can be affected by other factors besides changes in fair market value, such as seasonal trends and changes in the luxury segment. Sales prices in one month generally reflect deals negotiated in the prior month or two. This analysis was performed in good faith with data derived from sources deemed reliable, but may contain errors and is subject to revision. Late reported sales may alter the last entry. All numbers approximate.



Marin County: Supply of Inventory*

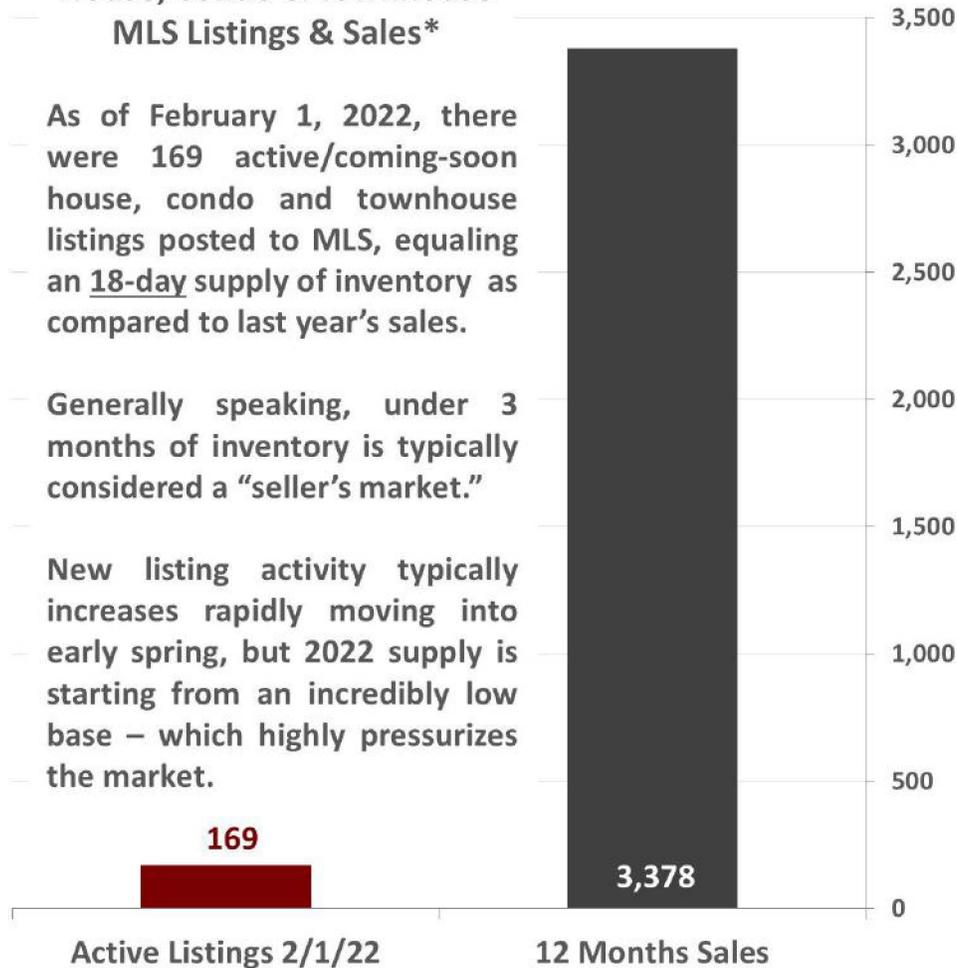
Active Listings on 2/1/22

House, Condo & Townhouse MLS Listings & Sales*

As of February 1, 2022, there were 169 active/coming-soon house, condo and townhouse listings posted to MLS, equaling an 18-day supply of inventory as compared to last year's sales.

Generally speaking, under 3 months of inventory is typically considered a "seller's market."

New listing activity typically increases rapidly moving into early spring, but 2022 supply is starting from an incredibly low base – which highly pressurizes the market.



Active/Coming Soon HOUSE Listings in Selected Communities as of 2/1/22, with Median House List Prices*

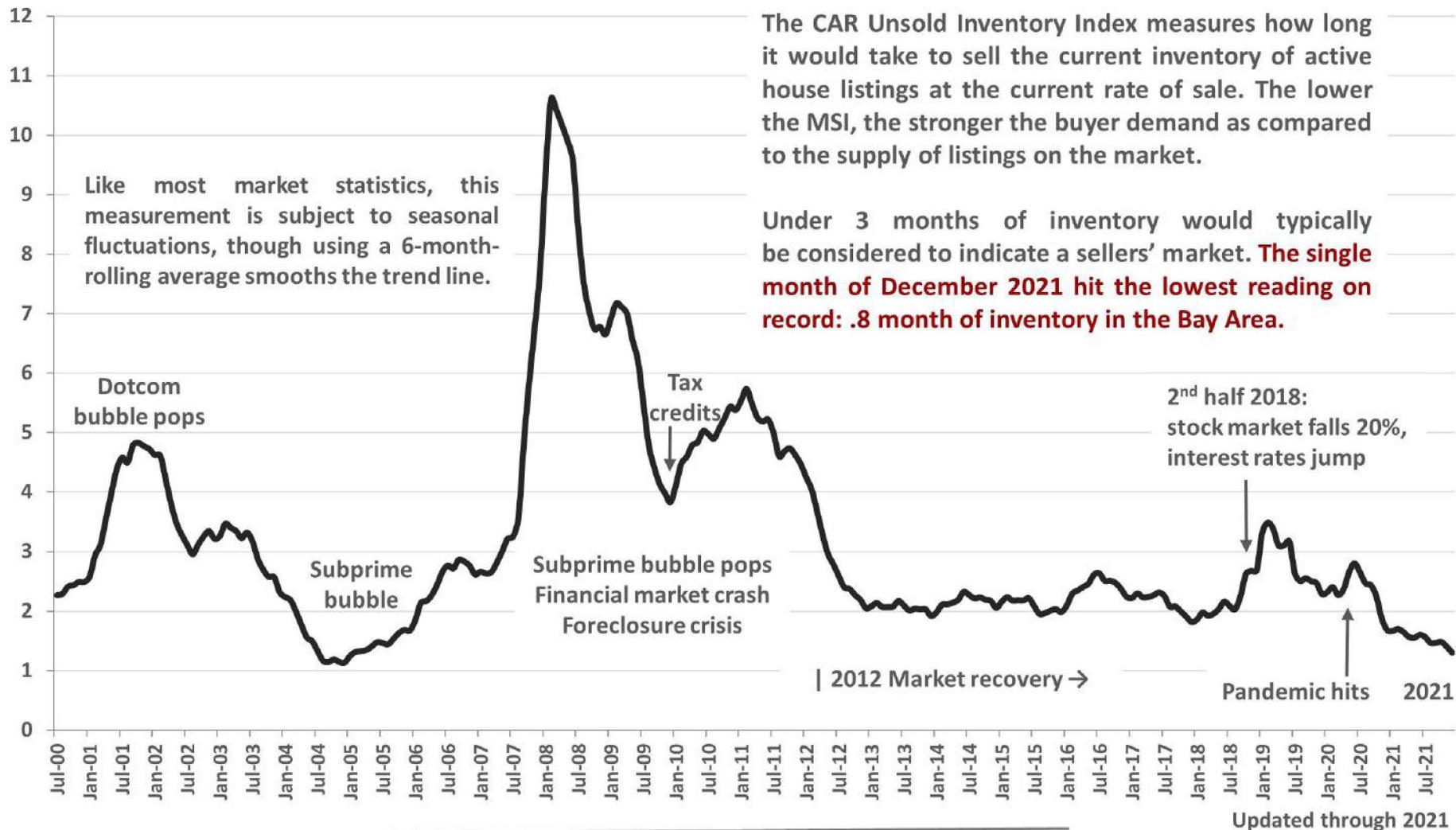
- Belvedere – 7 listings - \$15,000,000
- Bolinas – 2 listings - \$2,312,500
- Corte Madera – 0 listings
- Fairfax – 3 listings - \$1,325,000
- Greenbrae – 2 listings - \$1,737,500
- Kentfield – 1 listing @ \$2,495,000
- Larkspur – 2 listings - \$4,322,500
- Mill Valley – 14 listings - \$2,045,000
- Novato – 17 listings - \$1,375,000
- Ross – 1 listing @ \$29,000,000
- San Anselmo – 4 listings - \$2,391,500
- San Rafael – 14 listings - \$1,372,500
- Sausalito – 5 listings - \$2,295,000
- Tiburon – 13 listings - \$3,995,000

Median list prices may not be representative of typical median house sales values. Median list prices for active inventory often skew *higher* than median sales prices, especially in the most expensive markets.

* Active/Coming Soon listings posted to NorCal MLS Alliance, and 12 months sales of MLS home listings through 1/20/22. Data from sources deemed reliable, but may contain errors and subject to revision. Not all listings are posted to MLS. All numbers approximate. Number of active listings changes on a daily basis.

Unsold Inventory Index in Months of Supply of Active Listings

Bay Area House Market, 2000 – 2021, 6-Month Rolling Average*



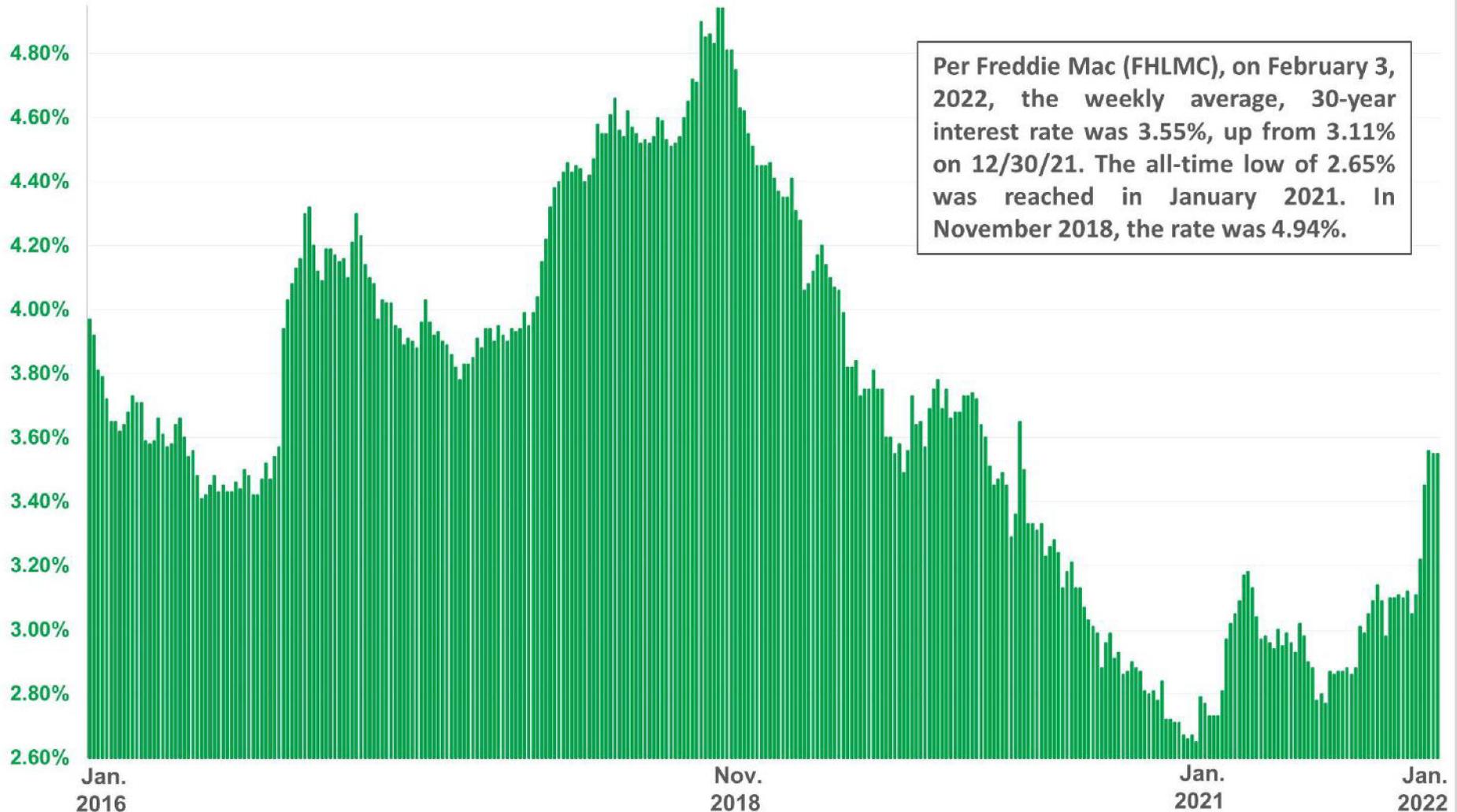
* 6-month rolling average of California Association of Realtors monthly data for existing single family dwellings, for 9 Bay Area Counties. Not seasonally adjusted; does not include condo Inventory (which would raise the reading). Data from sources deemed reliable, but may contain errors and subject 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 February 3, 2022, the weekly average, 30-year interest rate was 3.55%, up from 3.11% on 12/30/21. The all-time low of 2.65% was reached in January 2021. In November 2018, the rate was 4.94%.

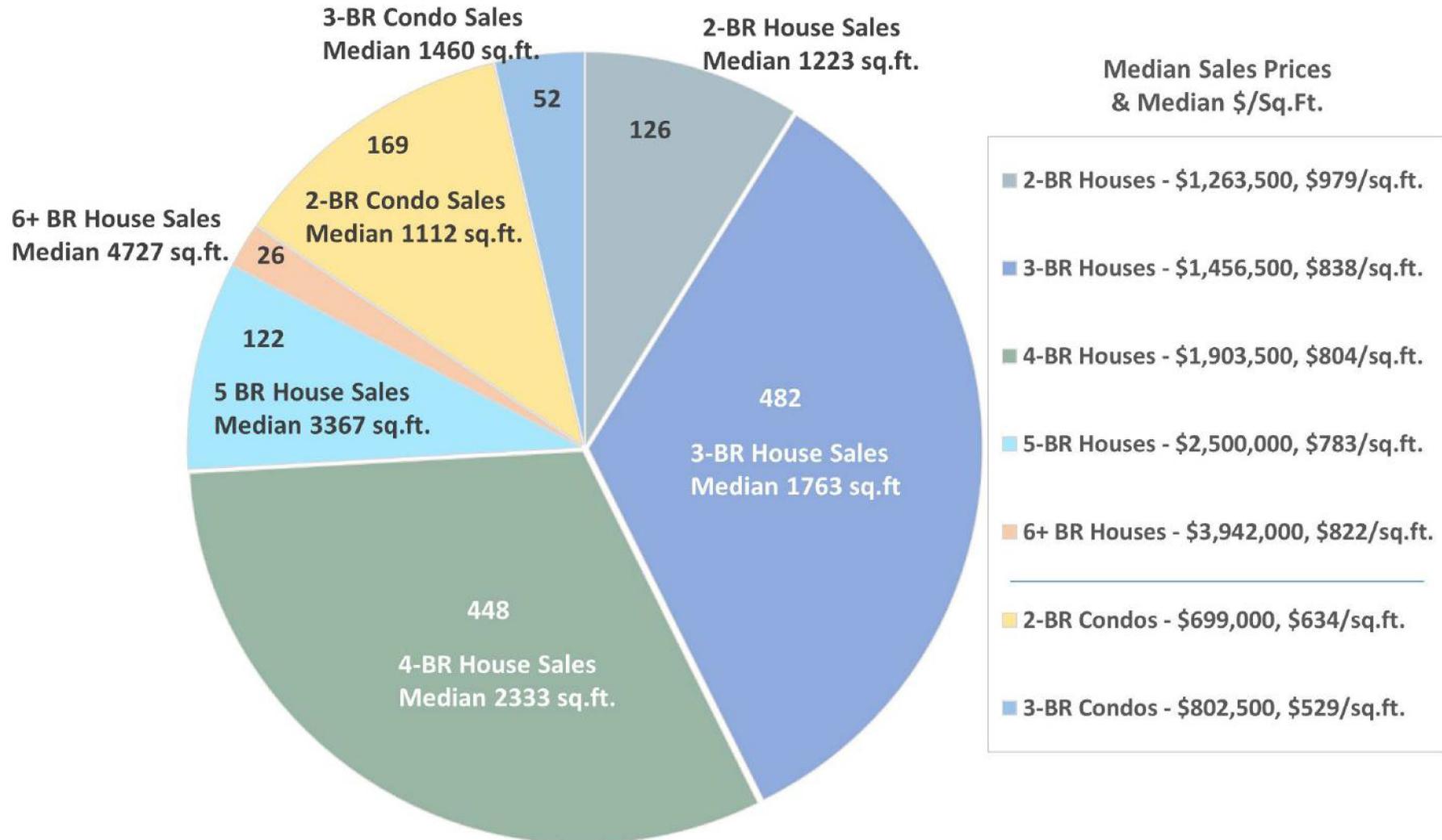
Interest rates may fluctuate suddenly and dramatically, and it is very difficult to predict rate changes. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.



Marin County Home Sales Breakdown

6 Months Sales by Number of Bedrooms

January 2022 update: 6 months sales reported to NorCal MLS Alliance through 1/21/22

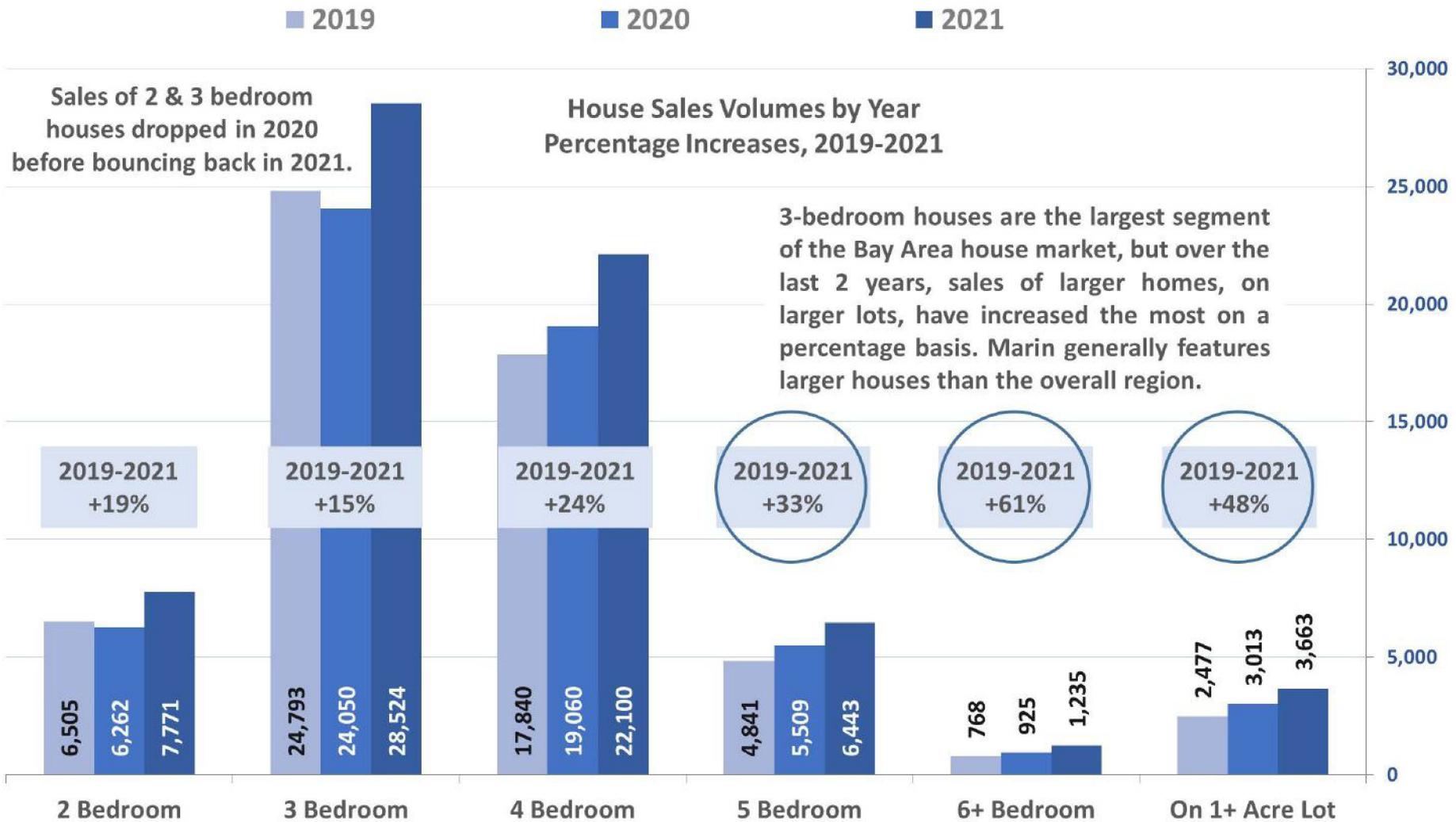


Sales reported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. Selected property configurations. All approximate.

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Bay Area House Sales, 2019-2021*

By Bedroom Count & Lot Size



* Sales reported to NorCal MLS Alliance for 11 Bay Area Counties, from Napa to Monterey. Data from sources deemed reliable, but may contain errors and subject to revision. Not all sales are reported to MLS. All numbers approximate.

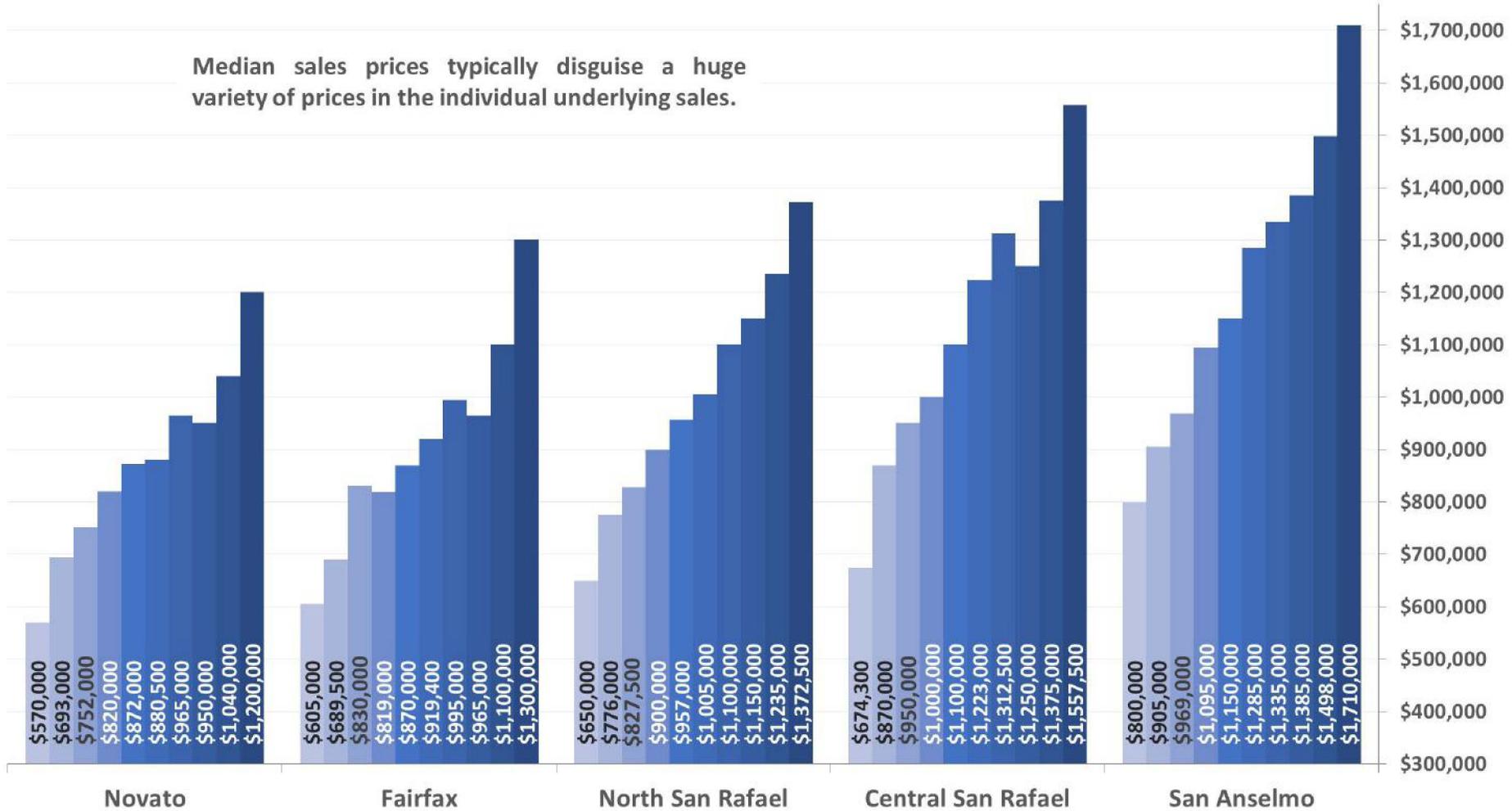
Marin County Home Price Trends – Selected Cities

Median House Sales Price Trends since 2012

Sales reported to
NorCal MLS Alliance

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021

Median sales prices typically disguise a huge variety of prices in the individual underlying sales.



Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic often affected by factors other than changes in fair market value. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late reported sales.

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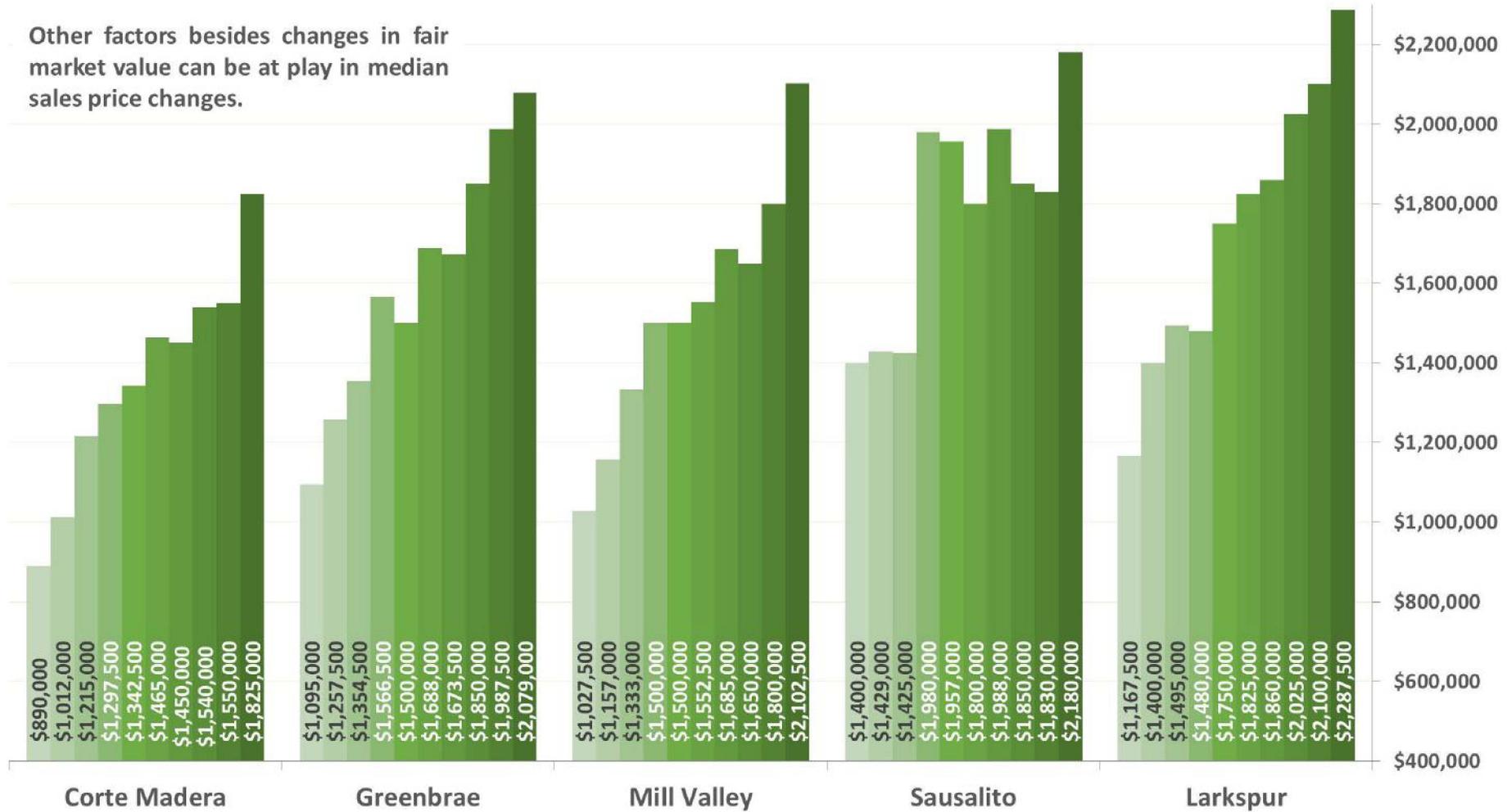
Marin County Home Price Trends – Selected Cities

Median House Sales Price Trends since 2012

Sales reported to
NorCal MLS Alliance

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Other factors besides changes in fair market value can be at play in median sales price changes.



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